

Suspicious Transaction Indicators

(NOT exhaustive and will be updated from time to time)

*** where a suspicious transaction indicator exists, licensees should ask appropriate questions and review the relevant information to determine whether to file a suspicious transaction report (“STR”)***

<p>The CLIENT (Buyer / Seller / Beneficial Owner)</p>	<ul style="list-style-type: none"><input type="checkbox"/> Reluctant to provide details of identity<input type="checkbox"/> Provide fake identity document(s)<input type="checkbox"/> No face-to-face meeting between estate agent(s) and Buyer / Seller<input type="checkbox"/> Purchasing power NOT commensurate with level of income or age or background<input type="checkbox"/> Buyer / Seller negotiate with estate agent(s) through a third party<input type="checkbox"/> Buyer and Seller know each other but engage estate agent(s) to complete the sale and purchase without good reason<input type="checkbox"/> Use of complex layering structure (e.g. trusts, offshore arrangements, multiple companies) to hide ownership<input type="checkbox"/> Transactions handled by a third party (e.g. under power of attorney) without providing details of the client<input type="checkbox"/> Unknown third party appears at a later stage<input type="checkbox"/> Holds public positions / from locations that carry high exposure to possibility of corruption e.g. Politically Exposed Persons<input type="checkbox"/> Subject to financial sanctions<input type="checkbox"/> Suspected terrorist<input type="checkbox"/> Non-Hong Kong residents (e.g. customer neither holds a Hong Kong identity card nor speaks local language) and payments of deposits are remitted from bank accounts in a jurisdiction other than Hong Kong
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THE TRANSACTION	<ul style="list-style-type: none"><input type="checkbox"/> Big discrepancy between market price and transaction price<input type="checkbox"/> Exceptionally short completion time for the transaction<input type="checkbox"/> Large amount of cash involved in the transaction<input type="checkbox"/> Unknown source of funds<input type="checkbox"/> Direct funds flow between buyer and seller without routing through lawyers<input type="checkbox"/> Buying without property viewing (though possible)<input type="checkbox"/> Payments of monies by a third party apparently unconnected with the Buyer / Seller<input type="checkbox"/> Proceeds from the property sales sent to unknown third party or high risk jurisdiction<input type="checkbox"/> Payments of multiple small amounts from various sources to avoid thresholds imposed by overseas authorities<input type="checkbox"/> Unreasonably generous commission to agent(s)<input type="checkbox"/> Frequent sale and purchase of same property among related parties, with inexplicable changes in value, or within a short period of time<input type="checkbox"/> Purchase / resell / exchange of multiple properties<input type="checkbox"/> Estate agent asked to temporarily hold a big sum of money and then to refund it back to the client or to a different account
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