

Overview of Client Due Diligence

What is Client Due Diligence (CDD)

Client Due Diligence (CDD) forms an integral part of a global effort to combat money laundering, terrorist financing and fraudulent activities. Under this approach, the Bank will collect information at account opening and, on periodic basis and from time to time as required to identify our clients and develop an understanding of their normal and expected banking activities¹.

Essential Elements of Client Due Diligence

The practice of Client Due Diligence (CDD) is applicable during on-boarding and on-going review. Essential elements of CDD are:

- Obtaining documents to gather information for identification
- Verifying the authenticity of gathered information
- Ongoing monitoring of client activity for any irregularities (e.g. conducting business transactions over personal accounts is prohibited)
- Client contact from time to time to ensure information with Bank's record are up to date and relevant

We would collect information such as:

- Your demographic data
- Occupation or type of business
- Purpose of the account opening
- Source of funds and wealth
- Expected account transactional amount and volume
- Nature of account activities, and
- Explanations for changes in account activity...etc

Typically for personal accounts, appropriate documents include:

- Hong Kong identity card, passport or other travel permit, and
- As and when required, proof of address, such as a recent utility bill, tax or rates demand note, or a statement or advice issued by a regulated financial institution

Business and/or company accounts may require additional documentation and information such as:

- Personal identification documents of individuals with ownership or control over the account, such as beneficial owners, signatories, directors and guarantors, and
- Detail description of the business operations, anticipated volume & total sales turnover, and a list of major customers and suppliers

In addition to the above, we may collect more information as and when required.

Your Assistance is much appreciated

To protect your accounts from money laundering, terrorist financing, or other fraudulent activities, and to allow us to serve you better, it is in your interest to provide us with accurate and up-to-date information whenever there is a change of your demographic data, a change in the level or type of source of wealth or a change in the ownership structure of a business...etc. The Bank will contact you from time to time through phone calls, postal mails, your Relationship Manager or other appropriate means to conduct the Client Due Diligence process. For further enquiries, please contact us at 2886 8868 [2*5] to reach our Client Care Officers.

¹ HKAB, HKMA and the DTC Association have jointly issued a leaflet that briefly explains how clients can help banks to combat against money laundering and terrorist financing. A copy of the leaflet can be downloaded at https://www.hkab.org.hk/other/pub/5/en/HKAB_AML_leaflet_e.pdf