



Frequently Asked Question

Institutional Money Laundering and/or Terrorist Financing (“ML/TF”) Risk Assessment

Q1 What is regarded as a “trigger event” for the purpose of determining when a TCSP licensee should undertake a review of its institutional ML/TF risk assessment as required in paragraph 2.9 of the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Trust or Company Service Provider Licensees)?

Answer: A TCSP licensee should conduct its institutional ML/TF risk assessment every two years and when material trigger events occur. Non-exhaustive examples of such trigger events may include when:

- (a) there is a significant breach of the TCSP licensee’s anti-money laundering and counter-financing of terrorism policies, procedures and controls detected; or
- (b) one of the following has occurred and the TCSP licensee has assessed that it will materially impact upon its assessment of the institutional ML/TF risks to which it is exposed:
 - (i) the TCSP licensee acquires a new customer segment or delivery channel;
 - (ii) the TCSP licensee launches new products or services; or
 - (iii) there is a significant change of operational processes (e.g. use of new technology).

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