Aspen Global Incorporations Limited

Hong Kong Anti-Money Laundering: Understanding Person Purporting to Act on Behalf of the Client (PPTA) Requirements

HONG KONG PANAMA

The Hong Kong Anti-Money Laundering and Counter-Terrorist Financing Ordinance (AMLO) and the Companies Registry AML/CFT Guideline make it clear that all Trust Company Service Provider (TCSP) licensees (Aspen being a Licensee) must identify and verify any Person Purporting to Act on Behalf of the Client (PPTA) and must also verify the person's authority to act for the corporate customer. **At a minimum**, anyone **authorized to act** on behalf of a client to establish a business relationship with a TCSP licensee should always be **treated as a PPTA for compliance purposes.**

What is PPTA Under Hong Kong AML Rules?

PPTA refers to any individual authorised to establish a business relationship or give instructions to a TCSP licensee or other regulated institution on a company's behalf. In practice, this covers people such as authorised signatories, representatives managing company secretarial matters, or individuals handling corporate filings and instructions with service providers in Hong Kong.

This means that individuals who previously acted informally as "contact persons" may now be classified as PPTAs and will need full Know Your Client (KYC) performed to the same standard as a natural person customer. Failing to comply can expose both the TCSP licensee and its officers to regulatory scrutiny, potential delays in services, and in serious cases, criminal consequences under AMLO for breaches of specified obligations.

Key PPTA Compliance Obligations: Identification and Verification of PPTA

Under the Companies Registry guideline on AML/CFT for TCSP licensees, a PPTA must be identified and verified in the same way as an individual customer, including verifying both identity and authority to act. For Hong Kong companies, this typically means collecting:

- **Valid identity document:** Passport or Hong Kong Identity Card (HKID) showing full name, date of birth, nationality, photo and unique identification number.
- **Residential address proof:** Recent utility bill, bank statement or government correspondence issued within the last 3 months.
- **Direct contact information:** A reachable contact number and email address for verification and ongoing communication.

In addition, a TCSP licensee must obtain documentary evidence of the PPTA's authority, such as authorisation letter, board resolution or relevant clauses in service agreements, before treating the person as authorised to act. Companies are also expected to maintain consistent records on who is recognised as PPTA, how they were authorised and when changes are made.

Who should be treated as PPTA for a Hong Kong Company?

A company may have more than one PPTA, and many corporate customers have at least one PPTA recognised at all times.

Any person authorised to establish or maintain a business relationship with a TCSP licensee, or to give binding instructions on the company's behalf, should generally be treated as a PPTA. This can include directors, senior managers or other trusted representatives, depending on its internal structure and risk profile.

PPTA details should be reviewed at key lifecycle events such as annual renewals, changes of authorised representatives, change of address, or when there is a change in control of the company. More frequent reviews may be appropriate where the company's risk profile is higher, or where there are signs of elevated money laundering or terrorist financing risk.

The foregoing does not constitute legal advice and it is merely Aspen Global Incorporations' opinion based on use and experience. If you are not a professional service provider, please consult a tax attorney, solicitor, and/or accountant before you pursue any venture in a tax-free environment. Aspen Global Group will be glad to meet with you and assess your requirements. Legal evaluations in each jurisdiction are available at a time cost fee.

If you would like additional information on this jurisdiction or our current shelf list, please contact us at enquiries@aspenoffshore.com; or contact any of our offices.

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