

## Hong Kong Customs detects money laundering case involving about \$3.5 billion and precious metal trading

26 October 2022

Hong Kong Customs mounted an operation codenamed "Alchemist" on October 21 and detected a suspected money laundering case relating to selling precious metals involving an amount of about \$3.5 billion, which was the highest on record among the money laundering cases detected by Customs. During the operation, Customs has arrested two men suspected to be connected with the case.

Acting upon intelligence early this year, Customs officers targeted two local men suspected of participating in money laundering activities. An investigation revealed that their background and financial status were highly incommensurate with the large amount of suspicious transactions recorded in their company bank accounts. It was suspected that the duo used their company bank accounts to deal with large amounts of money with unknown sources in 2020 and 2021. The total amount has reached \$2.9 billion.

Apart from using company bank accounts, the duo also frequently withdrew large quantities of precious metals from a local security logistics company during the aforesaid period. They were suspected of engaging in money laundering activities through selling precious metals with unknown sources.

After an in-depth investigation, Customs officers raided three residential premises, a licensed money changer, a precious metal trading company and two other companies on October 21. A 30-year-old man and a 48-year-old man were arrested for "dealing with property known or reasonably believed to represent proceeds of an indictable offence" (commonly known as money laundering) under the Organized and Serious Crimes Ordinance (OSCO). A number of mobile phones, laptop computers, cheque books, bank statements and receipts of precious metal trading were also seized.

After a follow-up investigation, Customs officers found that the two arrested men used their company bank accounts to make suspicious transactions, and that the 48-year-old man also instructed a precious metal company to deposit about \$600 million from selling precious metals directly into third party accounts.

An investigation is ongoing. The two arrested men have been released on bail pending further investigation and the likelihood of further arrests is not ruled out.

Customs reminds members of the public that they may risk committing the crime of money laundering if they use bank accounts or sell precious metals to deal with money from unknown sources, regardless of whether monetary reward is involved.

Under the OSCO, a person commits an offence if he or she deals with any property knowing or having reasonable grounds to believe that such property in whole or in part directly or indirectly represents any person's proceeds of an indictable offence. The maximum penalty upon conviction is a fine of \$5 million and imprisonment for 14 years while the crime proceeds are also subject to confiscation.

Members of the public may report any suspected money laundering activities to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account ([crimereport@customs.gov.hk](mailto:crimereport@customs.gov.hk)).

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