

Country Report on Terrorism 2023 - Chapter 1 - People's Republic of China (Hong Kong and Macau)

China

Overview: The PRC's counterterrorism efforts continued to target ethnic Uyghurs and other Muslims in Xinjiang as so-called extremists for engaging in standard practices of Islam. Beijing considers the East Turkistan Islamic Movement (ETIM) the primary source of terrorism in Xinjiang. However, there is no credible evidence that ETIM is an extant organization, and the United States instead assesses that it is a broad label the PRC uses to inaccurately paint a variety of Uyghur actors, including non-violent activists and advocates for human rights, as terrorist threats.

The PRC government's CT measures have included sprawling detention facilities, known officially as "vocational education and training centers," in which more than one million people are believed to have been detained since 2017. Since 2014 the PRC has also prosecuted and imprisoned a large number of Xinjiang residents under its "strike hard" campaign against alleged terrorists and "extremists." According to PRC law enforcement reporting, prosecutions continued through 2023. International media reporting indicated that PRC authorities used opaque prosecutions for terrorism offenses as a quasi-legal mechanism to transfer inmates from "reeducation" camps to prisons, allowing the PRC to shut down some of these camps. The UN High Commissioner for Human Rights' August 2022 assessment of Xinjiang stated that the PRC's imprecise definition of "extremism" and overly broad application of its antiterrorism laws led to a "pattern of large-scale arbitrary detention." The PRC denies its Xinjiang policies involve human rights abuses, claiming its system of "reeducation" camps exist to "combat separatism and Islamist militancy in the region."

Since 1999 the PRC has been designated a Country of Particular Concern (CPC) under the International Religious Freedom Act of 1998. It was redesignated a CPC in 2023.

2023 Terrorist Incidents: Terrorist incidents in 2023 in China or that targeted Chinese nationals included the following:

- On October 13, in Beijing, a non-PRC citizen stabbed the spouse of an Israeli diplomat working at the Israeli Embassy in Beijing. The diplomat's spouse, the only victim in the attack, was seriously injured. The perpetrator claimed to have targeted the Israeli diplomat because of their nationality. No group has claimed responsibility for this incident.
- On August 13, Chinese engineers were attacked at Gwadar Port in Balochistan, Pakistan. According to international media reports, the separatist Balochistan Liberation Army claimed credit for the attack. The Chinese Embassy in Pakistan issued a statement condemning the terrorist act.

Legislation, Law Enforcement, and Border Security: The PRC continued to advance and defend its counterterrorism policies. The PRC routinely lobbied foreign partners to extradite alleged extremist Uyghurs and sought public endorsement of its CT efforts in multilateral fora.

Countering the Financing of Terrorism: The PRC is a member of the Financial Action Task Force, the Asia/Pacific Group on Money Laundering, the Eurasian Group on Combating Money Laundering and Financing of Terrorism. China's Financial Intelligence Unit is composed of the

PBOC headquarters' AML Bureau, the China Anti-Money Laundering Monitoring and Analysis Center (or CAMLMAC), PBOC branches' AML divisions, and the Ministry of Public Security's local economic crimes bureaus.

In 2021 the People's Bank of China (PBOC) issued a revised draft anti-money laundering (AML) law for public comment, to prevent and curb money laundering and terrorist financing and to safeguard national security. According to the State Council's 2023 legislative workplan, the amended anti-money laundering law was included in a list of 17 draft laws to be reviewed by the National People's Congress Standing Committee. Updates to the amended AML law reportedly addressed the risks posed by cryptocurrencies and other virtual assets. As of December 31, the legislation had not been passed. There were no significant changes in 2023.

Countering Violent Extremism: The PRC continued to implement broad repressive campaigns in Xinjiang under the guise of countering what it calls "extremism," including, since 2017, mass "reeducation" and "vocational training" of predominantly Muslim Uyghurs and members of other ethnic and religious minority groups, as well as draconian prison sentences following opaque trials. Under the pretext of counterterrorism efforts, the PRC used existing domestic laws to actively screen, monitor, and censor its citizens on the internet.

International and Regional Cooperation: The 2023 China Military Power Report catalogued PRC diplomatic and military outreach in support of its global CT aims, stating that the PRC "is implementing its global counterterrorism strategy through international outreach that spans across diplomatic and military domains to garner the assistance of partner governments to prevent terrorist attacks in China and against Chinese citizens and economic projects abroad." The PRC further leveraged involvement in regional security fora, joint border patrols, and international exercises to press its neighbors into adopting its approach to CT operations.

The PRC also continued efforts to promote its Global Security Initiative (GSI) as an alternative approach to pursuing CT cooperation. In a September 21 speech given at the 13th Ministerial Plenary Meeting of the Global Counterterrorism Forum (GCTF), Director of the Chinese Communist Party Central Foreign Affairs Commission and Foreign Minister Wang Yi encouraged the international community to "uphold the GSI's vision and principles," adding that "smearing the justified counterterrorism efforts of other countries in the name of human rights, democracy and religion will find no support."

The PRC is a member of the following organizations:

- The Association of Southeast Asian Nations Regional Forum
- The Asia-Pacific Economic Cooperation Forum
- The East Asia Summit
- The GCTF
- The Shanghai Cooperation Organization Regional Antiterrorist Structure

Hong Kong

Overview: Hong Kong is an important financial center and transportation hub. Historically, the Chinese administrative region has not been a hub or a target for international terrorism groups or violent extremists and has long maintained highly efficient security forces. Hong Kong continued security cooperation with the United States through the Hong Kong Customs and Excise Department's joint implementation of the Container Security Initiative. Although the Hong Kong government does not engage bilaterally with the U.S. government on counterterrorism issues, it cooperates internationally on CT efforts through INTERPOL and other security-focused organizations. Despite these multilateral efforts, Hong Kong and its law enforcement apparatus could be a stronger partner on counterterrorism and other security challenges, including by sharing more information related to terrorist financing.

2023 Terrorist Incidents: No terrorist incidents were reported in Hong Kong in 2023.

Legislation, Law Enforcement, and Border Security: Counterterrorism remained an operational priority for the Hong Kong Police Force. The Police Counterterrorism Response Unit provides a strong deterrent presence, assisting police districts with CT strategy implementation and complementing the tactical and professional support of existing police specialist units, such as the Explosive Ordnance Disposal Bureau, the Special Duties Unit, the Airport Security Unit, and the VIP Protection Unit.

Countering the Financing of Terrorism: Hong Kong is a member of the Financial Action Task Force, the Asia/Pacific Group on Money Laundering, and its Financial Intelligence Unit (FIU) – the Joint FIU – is a member of the Egmont Group.

Hong Kong amended its Anti-Money Laundering and Counter-Terrorist Financing Ordinance to introduce a licensing requirement for virtual asset services providers effective from June, and a registration system for dealers in precious metals and stones effective from April. In May the Hong Kong Monetary Authority released updated guidelines. Also in 2023, Hong Kong took disciplinary actions against three foreign financial institutions for failing to comply with anti-money laundering and countering the financing of terrorism (AML/CFT) measures. To improve the efficiency and effectiveness of AML/CFT measures, the Hong Kong Monetary Authority in 2023 continued to host the AML Regtech (regulatory technology) Lab, or AMLab, to allow experimentation with technologies and data analytics for preventing and detecting financial crimes.

Countering Violent Extremism: There were no changes to Hong Kong’s programming to counter violent extremist in 2023.

International and Regional Cooperation: The Hong Kong Police Force led a delegation to attend the 24th INTERPOL Asian Regional Conference in Abu Dhabi in February and the 91st INTERPOL General Assembly in Vienna in November-December.

Macau

Overview: Historically, the Macau government has not been a proactive partner on counterterrorism matters, including intelligence sharing. Macau is not a known hub or a target for international terrorism groups or violent extremists and maintains highly efficient security services.

The Police Intervention Tactical Unit (UTIP) branch of the Macau Public Security Police Force is responsible for counterterrorism issues. UTIP’s responsibilities include protecting important installations and dignitaries and deactivating IEDs. Macau cooperated internationally on CT efforts through INTERPOL and other security-focused organizations. Despite these efforts, Macau and its law enforcement apparatus could be a stronger partner on counterterrorism and other security challenges, including by sharing more information related to terrorist financing.

2023 Terrorist Incidents: No terrorist incidents were reported in Macau in 2023.

Legislation, Law Enforcement, and Border Security: In December, Macau amended the legislation governing the structure of police and other internal security forces. As part of this legislation, the Financial Intelligence Office was integrated into Macau’s Unitary Police Service to foster interagency collaboration and strengthen the role of the police in combating money laundering, the financing of terrorism, and the financing of the proliferation of weapons of mass destruction.

Countering the Financing of Terrorism: Macau is a member of the Asia/Pacific Group on Money Laundering and its Financial Intelligence Unit, the Financial Intelligence Office (GIF), is a member of the Egmont Group.

In February and March, GIF organized educational campaigns in multiple local high schools and tertiary institutions to increase awareness about money laundering and terrorist financing activities. In September and November, GIF provided several training sessions for practitioners in accounting,

finance, gaming, and insurance industries on topics such as common money laundering crimes and compliance obligations.

Countering Violent Extremism: There were no changes to Macau's programming to counter violent extremism in 2023.

International and Regional Cooperation: Macau's Judiciary Police conducted its annual Guangdong-Hong Kong-Macau tripartite "Thunderbolt" policing operation with the Guangdong Provincial Public Security Department and the Hong Kong Police Force from June to September; anti-money laundering and countering the financing of terrorism was one of the primary emphases of the operation.

In 2023 the Macau Financial Intelligence Office signed MOUs with financial intelligence or anti-money laundering organizations in Mongolia, the Kingdom of Tonga, the Netherlands, and Malta, expanding its partnership network to 33 jurisdictions.