



# **Money Service Operators Licensing Guide**

*Customs and Excise Department*

# Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance, Chapter 615

## Licensing Guide for Money Service Operators (MSOs)

### Summary

1. The purpose of this notice

This licensing guide will help you to find out:-

- whether you need to apply for an MSO licence with us
- when and how to apply for an MSO licence
- what fees you need to pay
- what the fit and proper person test is for Money Service Operators
- what the suitable premises are for operating a money service

2. What is included in this licensing guide?

Section I Gives a brief overview of the role of the Customs and Excise Department (C&ED) as the relevant authority under the AMLO.

Section II Explains who needs to apply for a licence as an MSO.

Section III Explains who does not need to apply for a licence.

Section IV Explains who is eligible for an MSO licence.

Section V Explains how to apply for a licence as an MSO.

Section VI Explains how to renew for an MSO licence.

Section VII Explains what Commissioner of Customs and Excise (CCE)'s ability to suspend or revoke an MSO licence

Section VIII Explains what changes that need the prior approval of the CCE.

Section IX Explains what to do if you have other business details changed after you have been licensed.

Section X Explains what to do if you cease your whole business or business in specified premises.

Section XI Explains what to do to maintain an MSO licence.

Section XII Explains what the Licensee Register contains and where to inspect.

Section XIII Explains what disciplinary action is.

Section XIV Explains the fee schedule of application for an MSO licence and its related issues

Section XV Explains whom you can contact if you need further advice.

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## **I. Introduction**

- 1.1 The Customs and Excise Department (C&ED) is the authority for regulating the money service operators (MSO) with effect from 1 April 2012. Relevant powers are provided under the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance, Chapter 615 (AMLO).
- 1.2 Any person operating a money service is required to be licensed with the Commissioner of Customs and Excise (CCE). It is an offence to operate a money service in Hong Kong without a licence.
- 1.3 This licensing guide is for individuals and corporations who operate or wish to operate money service in Hong Kong. It sets out notes on the licensing requirements under the AMLO and explains the application procedures in details. It also provides information relating to the licensee's on-going obligations and possible disciplinary actions for improper acts.

## **II. Licence application**

- 2.1 Who is required to apply for a licence?

If a person who operates or wishes to operate a money service, he or she is required to apply for a licence.

- 2.2 What is a money service?

A money service means a money changing service or a remittance service.

- 2.3 What is a money changing service?

A money changing service means a service for exchanging of currencies that is operated in Hong Kong as a business, but does not include such a service that is incidental to the main business e.g. retail business accepting foreign currencies in transactions or that is operated by a person who manages a hotel if the service

- (a) is operated within the premises of the hotel primarily for the convenience of guests of the hotel; and
- (b) consists solely of transactions for the purchase by that person of non-Hong Kong currencies in exchange for Hong Kong currency

- 2.4 What is a remittance service?

A remittance service means a service of one or more of the following that is operated in Hong Kong as a business—

- (a) sending, or arranging for the sending of, money to a place outside Hong Kong;
- (b) receiving, or arranging for the receipt of, money from a place outside Hong Kong;
- (c) arranging for the receipt of money in a place outside Hong Kong.

2.5 Is there a licence application fee?

Yes, there is a fee for application for the grant or renewal of a licence (see Fee schedule at section XIV).

2.6 Is it required to make a separate application for additional premises in which a money service is operated other than the principal premises?

No, a separate application is not required. The applicant must include each additional premises in which money service is operated in an application for licence or renewal and pay a fee for each additional business premises to be registered (see Fee Schedule at section XIV).

2.7 When is it required to apply for a licence?

- (a) A person must apply for a licence from the CCE before he or she operates a money service; or
- (b) the remittance agents and/or money changers (RAMCs) whose registrations with the Joint Financial Intelligence Unit (JFIU) of the Hong Kong Police Force are still valid as at 31 March 2012 will be given a transitional period of 60 days, i.e. from 1 April 2012 to 30 May 2012, to continue running their business at all the premises entered in the register maintained by the JFIU as at 31 March 2012. A registered RAMC can apply for a licence from the CCE at any time before the expiry of the transitional period if it wishes to carry on the money service business after the transitional period. After submission of an application for a licence, the RAMC can continue operating the money service business until a licence is granted or until the application is refused or withdrawn.

2.8 Will an application fee collected for processing of the application for grant or renewal of an MSO licence be refunded if the CCE refuses to grant or renewal a licence?

No refund will be made for application fee collected irrespective of whether the application is subsequently approved or refused.

2.9 What will be the form of licence to MSO?

A licence to MSO is to be in a form specified by the CCE and must—

(a) specify—

- (i) in relation to a licence to operate a money service at specified premises, the address of every premises at which the licensee may operate a money service; or

- (ii) in any other case, the correspondence address of the licensee;
- (b) be endorsed with the conditions imposed or amended under section 30, 31 or 32 of the AMLO; and
- (c) specify the period for which the licence is valid.

#### 2.10 What is the validity period of a licence granted?

Normally, the validity period of a licence granted will be 2 years. The licensee is required to apply for renewal of the licence before expiry if the applicant wishes to continue operating a money service.

In any other cases, a licence ceases to be valid—

- (a) if the licensee is an individual, on the death of the individual;
- (b) if the licensee is a partnership, on the dissolution of the partnership; or
- (c) if the licensee is a corporation, on the commencement of winding up of the corporation.

#### 2.11 What is the consequence of not applying for a licence to operate a money service?

Section 29(1) of the AMLO provides that a person commits an offence if the person operates a money service without a licence. Section 29(2) of the AMLO provides that a person who commits an offence under section 29 (1) is liable on conviction to a fine of HK\$100,000 and imprisonment up to 6 months.

### III. Exemption

#### 3.1 Are there any licensing exemptions?

Yes, according to the AMLO, the MSO licensing requirement does not apply the Government nor to:

- (a) an authorized institution;
- (b) a licensed corporation that operates a money service that is ancillary to the corporation's principal business;
- (c) an authorized insurer that operates a money service that is ancillary to the insurer's principal business;
- (d) an authorized insurance broker that operates a money service that is ancillary to the broker's principal business; or
- (e) an appointed insurance agent that operates a money service that is ancillary to the agent's principal business.

#### 3.2 What is an authorized institution?

An authorized institution has the meaning given by section 2(1) of the Banking Ordinance, Cap. 155.

3.3 What is a licensed corporation?

A licensed corporation has the meaning given by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance, Cap. 571.

3.4 What is an authorized insurer?

An authorized insurer means an insurer authorized under the Insurance Companies Ordinance, Cap. 41.

3.5 What is an authorized insurance broker?

An authorized insurance broker has the meaning given by section 2(1) of the Insurance Companies Ordinance, Cap. 41.

3.6 What is an appointed insurance agent?

An appointed insurance agent has the meaning given by section 2(1) of the Insurance Companies Ordinance, Cap. 41.

#### **IV. Eligibility for a licence**

4.1 Who needs to apply for a licence?

A person who operates or wishes to operate a money service needs to apply for a licence.

4.2 Who is eligible to obtain a licence?

Under section 30(3) of the AMLO, the CCE may grant or renew a licence to an applicant to operate a money service only if the CCE is satisfied that

- (a) where the applicant is an individual, the individual and each ultimate owner is a fit and proper person to operate a money service;
- (b) where the applicant is a partnership, each partner and each ultimate owner in the partnership is a fit and proper person to operate a money service;
- (c) where the applicant is a corporation, each director and each ultimate owner of the corporation is a fit and proper person to be associated with the business of operating a money service;

4.3 Who is an ultimate owner?

4.3.1 An ultimate owner in relation to an applicant for a licence or a licensee that is an individual —

- (a) means another individual who ultimately owns or controls the money service business of the first-mentioned individual; or

- (b) if the first-mentioned individual is acting on behalf of another person, means the other person.

4.3.2 An ultimate owner in relation to an applicant for a licence or a licensee that is a partnership, means an individual who —

- (a) is entitled to or controls, directly or indirectly, not less than a 10% share of the capital or profits of the partnership;
- (b) is, directly or indirectly, entitled to exercise or control the exercise of not less than 10% of the voting rights in the partnership; or
- (c) exercises ultimate control over the management of the partnership; and

4.3.3 An ultimate owner in relation to an applicant for a licence or a licensee that is a corporation, means an individual who —

- (a) owns or controls, directly or indirectly, including through a trust or bearer share holding, not less than 10% of the issued share capital of the corporation;
- (b) is, directly or indirectly, entitled to exercise or control the exercise of not less than 10% of the voting rights at general meetings of the corporation; or
- (c) exercises ultimate control over the management of the corporation

4.4 What does a fit and proper person mean?

In determining whether a person is a fit and proper person, the CCE must have regard to the following:

- (a) whether the person has been convicted of
  - (i) an offence under section 5(5), (6), (7) or (8), 10(1), (3), (5), (6), (7) or (8), 13(1), (3), (5), (6), (7) or (8), 17(9), 20(1), 61(2) or 66(3) of the AMLO;
  - (ii) an offence under section 14(1) of the United Nations (Anti-Terrorism Measures) Ordinance (Cap. 575) for a contravention of section 7 or 8 of that Ordinance;
  - (iii) an offence under section 25(1), 25A(5) or (7) of, or any offence specified in Schedule 1 to, the Drug Trafficking (Recovery of Proceeds) Ordinance (Cap. 405); or
  - (iv) an offence under section 25(1), 25A(5) or (7) of, or any offence specified in Schedule 1 or 2 to, the Organized and Serious Crimes Ordinance (Cap. 455);



- (b) whether the person has been convicted in a place outside Hong Kong-
  - (i) for an offence in respect an act that would have constituted an offence specified in the above paragraph (a)(i), (ii), (iii) or (iv) had it been done in Hong Kong;
  - (ii) for an offence relating to money laundering or terrorist financing; or
  - (iii) for an offence for which it was necessary to find that the person had acted fraudulently, corruptly or dishonestly;
- (c) whether the person has persistently failed to comply with any requirement imposed under this Ordinance or any regulation made by the CCE under section 51;
- (d) whether the person, being an individual, is an undischarged bankrupt or is the subject of any bankruptcy proceedings under the Bankruptcy Ordinance (Cap. 6);
- (e) whether the person, being a corporation, is in liquidation or is the subject of a winding up order, or there is a receiver appointed in relation to it.

4.5 What do particular premises used for operation of a money service mean and need to be registered?

The particular premises need to be registered are those in which you operate a money changing service and/or a remittance service. Here are some examples of particular premises to operate a money service business:

- (i) the premises are holding out for operating a money service there;
- (ii) are advertised (including a name plate on display) for meeting customers there; and
- (iii) are regularly controlled by the licensee, e.g. being a landlord or a tenant;

However, premises are not treated as particular premises for operating a money service if you are only a visitor or a customer at premises such as dining establishments or banks, or at accountant or solicitor firms merely for processing accounting or legal documents for your company.

4.6 What if there are no particular business premises?

The following examples are not considered as operating a money service at particular premises:

- (i) operating a money service without any fixed premises, e.g. door-to-door service;

- (ii) meeting customers at a customer office or
- (iii) conducting transactions with the use of mobile electronic devices.

If there are no particular premises for operating your money service, you must provide a correspondence address in the application form.

4.7 What particular premises are considered suitable to be registered for the operation of a money service?

Particular premises should be accessible by C&ED officers for enforcement of the provisions under the AMLO.

4.8 What premises need not be registered?

Premises falling within the following categories need not be registered:-

- (i) which are located outside Hong Kong;
- (ii) which are not mainly used to operate a money service, for example, premises solely used for—
  - storage of business records
  - staff training

4.9 What if there is other business being run on the same business premises?

Where independent money service businesses are being run on the same premises, the area for business operation as well as the storage of business and transaction records for different MSOs sharing the same premises should be clearly distinguished. It should be apparent to visitor upon entering the premises which MSO they are dealing with. Applicants should be able to demonstrate to the CCE how their business would not be mixed with those run by other MSOs sharing the same premises.

4.10 What happen if there are premises which are required to be registered but being omitted in the application?

Section 52(2) of the AMLO provides that a person commits an offence if the person in connection with an application for the grant or renewal of a licence omits a material particular and knows that or is reckless. Section 52(3) of the AMLO provides that a person commits an offence under section 52(2) is liable on conviction to a fine up to HK\$50,000 and imprisonment up to 6 months.

4.11 What is other requirement for application for a licence to operate a money service?

When the premises in respect of which an application is made are domestic premises, the applicant should secure the written consent of every occupant of the premises for any authorized person to enter the premises for routine inspection.

4.12 Who is an authorized person mentioned in paragraph 4.11?

An authorized person means any person authorized by the CCE under section 9(12) of the AMLO.

4.13 Is there a fee for fit and proper person test?

Yes, there is a one off fee for each applicant. (see Fee Schedule at section XIV).

4.14 Will fit and proper person test fee be refunded?

No, the fee paid for the fit and proper person test is non-refundable.

## **V. Application procedures**

### **Application for a licence to operate money service**

5.1 How do you apply for a licence?

An applicant needs to complete an application form (Form 1). The applicant may complete the form in either English or Chinese, or both if the case requires, and has to fill in all the parts in the application form which is applicable to the applicant. The completed form must be submitted to the Customs and Excise Department (C&ED) together with the photocopies of the requisite documents (see the checklist of supporting documents in the Application Form) by post or in person to the Money Service Supervision Bureau, Customs and Excise Department, Units 1218-1222, 12/F., Nan Fung Commercial Centre, 19 Lam Lok Street, Kowloon Bay, Kowloon. The application form can be obtained from the above address or downloaded from C&ED's website at <http://www.customs.gov.hk>.

5.2 Is there any electronic submission of application?

Yes, an applicant can access the C&ED's website at <http://www.customs.gov.hk> and follow the instructions to complete the application.

5.3 How will the application be processed?

On receipt of a licence application, an applicant will have an acknowledgment receipt of the application. The submitted documents will be examined and clarification will be made with the applicant if necessary. After that, the applicant will receive a notice for an interview together with a demand note for the payment of fees regarding the application for the grant of a licence and fit and proper person test. The applicant will be required to bring along with the notice, payment record, and the relevant original documents to attend an interview at the allotted time with the officers of the department. During the interview, the original documents and the payment record will be verified, and the applicant will be required to sign on the formal application for the grant of an MSO licence in the presence of the C&ED officers.

5.4 How long will the application be processed?

The processing time may vary and depend on various factors including the time taken in collecting requisite documents from the applicant, on-site inspection at the business premises, and the time required in obtaining records from other authorities to perform a fit and proper person test.

**Application for the fit and proper person test**

5.5 Who is required to apply for fit and proper person test?

Where the applicant is an individual, the individual and each ultimate owner, or is a partnership, each partner in a partnership and each ultimate owner, or is a corporation, each director and each ultimate owner of the corporation to be associated with the business of operating a money service is required to apply for the fit and proper person test.

5.6 How do you apply for the fit and proper person test?

The applicant needs to complete a Fit and Proper Person Declaration Form (Form 3A with Appendices I & II for individual and Form 3B for corporation) and submit the Form together with supporting document to C&ED. Regarding the Appendix I which is attached to Form 3A, the declarant has to sign in the presence of a witness who is an authorized officer of the C&ED, a practicing professional (e.g. solicitor, accountant, auditor), a notary public or a Justice of the Peace. The witness shall check the personal particulars as stated in the Appendix I against the original identity document(s) of the declarant and certify that the personal particulars stated therein are true and correct. The witness shall also certify that this Appendix I is signed by the declarant in his or her presence.

5.7 How will the fit and proper person test application be processed?

On receipt of a fit and proper person declaration form, the CCE will undertake a number of checks to confirm the accuracy of the information provided. This will include vetting details against information held by this department, other government and law enforcement agencies.

5.8 Under what circumstances will the CCE refuse to grant a licence to an applicant to operate a money service?

The CCE may refuse to grant a licence on the following situations and inform the applicant by notice in writing of his decision:

- (a) an applicant or one or more applicants within the applicant's business fail to satisfy the fit and proper person test;
- (b) the premises to be used are not suitable for the operation of a money service; or

- (c) an applicant cannot obtain the written consent from every occupant of the domestic premises to be used for the operation of a money service for any authorized person to enter for routine inspection.

5.9 Can an applicant appeal against the decision of the CCE for the refusal of granting a licence to operate money service?

Yes, the applicant may appeal against CCE's decision to Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Review Tribunal within the period ending 21 days after the notice informing the applicant of the refusal of grant of an MSO licence.

## **VI. Renewal of licence**

6.1 When is it required to renew the MSO licence?

A licensee is required to renew the MSO licence not later than 45 days before the licence is due to expire.

6.2 Will a reminder be sent to a licensee before the expiry of the licence?

Yes, the department will send a reminder letter to each licensee 45 days before the expiry of the licence. However, it is the licensee's legal responsibility to apply for renewal before expiry. Unlicensed operation of a money service is an offence.

6.3 What is the arrangement for first renewal?

To stagger the first renewal of MSO licences, the CCE may extend the first validity period of MSO licences from 24 up to 30 months. The staggering arrangement was devised based on the month of expiry of the Business Registration Certificate of the MSOs.

6.4 What is the arrangement for subsequent renewal?

For any subsequent renewal of a licence, the date of renewal will be on or before the day after the second anniversary of the expiry date of the licence.

6.5 How does a licensee renew his or her licence?

A licensee must submit his or her application for renewal (Form 2) together with the fit and proper person declaration forms (number of such forms is subject to the number of persons required for fit and proper person test) and photo copies of the requisite documents by post or in person or via C&ED website at <http://www.customs.gov.hk>. On receipt of the application for renewal and fit and proper person test, CCE will acknowledge receipt of the renewal applications and issue a demand note to the licensee for payment of respective fees which are non-refundable.

## **VII. Revocation and suspension of MSO licence**

7.1 Under what circumstances the CCE may revoke or suspend an MSO licence?

The CCE may revoke or suspend a licence when:

- (a) the individual, any partner, any director and any ultimate owner in relation to the licensee is no longer a fit and proper person after the grant of a licence;
- (b) any occupant of the premises revokes his or her written consent previously given for any authorized officer to enter for routine inspection; or
- (c) any new occupant of the premises refuses to give such a written consent

7.2 Will a licensee have an opportunity to be heard for the revocation or suspension of licence?

Yes, the CCE will inform the licensee of the revocation or suspension of licence by notice in writing and give the licensee an opportunity to be heard before revoking or suspending the licence.

7.3 Can a licensee appeal against the decision of the CCE for the revocation or suspension of the licence?

Yes, the licensee may appeal against CCE's decision to Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Review Tribunal within the period ending 21 days after the notice informing the licensee of the decision has been sent.

## **VIII. Changes that require CCE's prior approval**

8.1 Does a licensee need to seek prior approval from the CCE when there is a person proposing to become licensee's director?

Yes, a licensee needs to make an application in Form 4.

8.2 Does a licensee need to seek prior approval from the CCE when there is a person proposing to become the licensee's ultimate owner?

Yes, a licensee needs to make an application in Form 4.

8.3 Does a licensee need to seek prior approval from the CCE when there is a person proposing to become the licensee's partners?

Yes, a licensee needs to make an application in Form 4.

8.4 Does a licensee need to seek prior approval from the CCE if he or she wishes to add premises to operate a money service or operate a money service at any particular premises?

Yes, a licensee needs to make an application in Form 5.

- 8.5 What is the consequence if a licensee fails to seek prior approval for the addition of director(s)?

Section 35(1) of the AMLO provides that in relation to a licensee that is a corporation, a person must not become a director of the corporation unless the CCE has, on application of the licensee, given his or her approval in writing. Section 35(7) of the AMLO provides that a person who, without reasonable excuse, contravenes section 35(1) commits an offence and is liable on conviction to a fine of HK\$50,000 and to imprisonment for 6 months. The CCE may also take disciplinary actions under section 43(1)(c) of the AMLO for contravention of section 35(1) of the AMLO.

- 8.6 What is the consequence if a licensee fails to seek prior approval for the addition of ultimate owner(s)?

Section 36(1) of the AMLO provides that a person must not become an ultimate owner of the licensee unless the Commissioner has, on application of the licensee, given his or her approval in writing. Section 36(7) of the AMLO provides that a person, who, without reasonable excuse, contravenes section 36(1) commits an offence and is liable on conviction to a fine of HK\$50,000 and to imprisonment for 6 months. The CCE may also take disciplinary actions under section 43(1)(c) of the AMLO for contravention of section 36(1) of the AMLO.

- 8.7 What is the consequence if a licensee fails to seek prior approval for the addition of partner(s)?

Section 37(1) of the AMLO provides that in relation to a licensee that is a partnership, a person must not become a partner in the partnership unless the Commissioner has, on application of the licensee, given his or her approval in writing. Section 37(7) of the AMLO provides that a person who, without reasonable excuse, contravenes section 37(1) commits an offence and is liable on conviction to a fine of HK\$50,000 and to imprisonment for 6 months. The CCE may also take disciplinary actions under section 43(1)(c) of the AMLO for contravention of section 37(1) of the AMLO.

- 8.8 What is the consequence if a licensee fails to seek prior approval for the adding of new business premises?

Section 38(1) of the AMLO provides that a licensee who is licensed to operate a money service at premises specified in the licence must not operate a money service at any premises other than those specified premises unless the Commissioner has, on an application of the licensee, added the new premises to the licence. Section 38(8) of the AMLO provides that a person who, without reasonable excuse, contravenes section 38(1) commits an offence and is liable on conviction to a fine of HK\$50,000 and to imprisonment for 6 months. The CCE may also take disciplinary actions under section 43(1)(c) of the AMLO for contravention of section 38(1) of the

AMLO.

- 8.9 What is the consequence if a licensee fails to seek prior approval for operating a money service at any particular premises?

Section 39(1) of the AMLO provides that a licensee who is not required to operate a money service at particular premises must not operate a money service at any particular premises unless the Commissioner has, on an application of the licensee, added the new premises to the licence. Section 39(8) of the AMLO provides that a person who, without reasonable excuse, contravenes section 39(1) commits an offence and is liable on conviction to a fine of HK\$50,000 and to imprisonment for 6 months. The CCE may also take disciplinary actions under section 43(1)(c) of the AMLO for contravention of section 39(1) of the AMLO.

## **IX. Notification of changes in particulars**

- 9.1 Which kind of changes in particulars that a licensee needs to notify the CCE?

A licensee needs to notify the CCE the following changes by completing the Notification of Change in Particulars / Cessation of Business (Form 6):

- (a) Change in Business / Corporation Name
- (b) Change in the Nature of Money Service Business
- (c) Change in Principal (Correspondence) Address
- (d) Change in Contact Information
- (e) Change in Business Premises Information
- (f) Change in Telephone and Fax No. of Business Premises
- (g) Change in Information of other Business Being run in the Business Premises
- (h) Change in Occupants of Domestic Business Premises
- (i) Change in particulars of Sole Proprietor / Partners / Directors / Ultimate Owners
- (j) Change in Partners / Directors / Ultimate Owners
- (k) Change in "Fit and Proper" status of Proprietor / Partner / Director / Ultimate Owner
- (l) Change in bank account used for operating money service business

- 9.2 When will a licensee notify the CCE of the change?

The licensee must notify the CCE in writing of the change within one month beginning on the date on which the changes takes place.

- 9.3 What is the consequence if a licensee fails to notify the CCE in writing of the change?

Section 40(1) of the AMLO provides that if there is any change in the particulars that are provided to the CCE in connection with a licensee's application under section 30



or 31, the licensee must notify the CCE in writing of the change within one month beginning on the date on which the change takes place. Section 40(4) provides that a licensee who, without reasonable excuse, contravenes section 40(1) commits an offence and is liable on conviction to a fine of HK\$50,000. The CCE may also take disciplinary actions under section 43(1)(c) of the AMLO for contravention of section 40(1) of the AMLO.

## **X. Cessation of business**

10.1 Does a licensee need to notify the CCE if he or she intends to cease to operate a money service or to cease to operate a money service at any of the premises specified in the licence?

Yes, the licensee needs to notify the CCE of the cessation of business or the cessation of operating a money service at any specified premises.

10.2 When will a licensee notify the CCE of his or her intention of cessation of business?

The licensee must notify the CCE before the date of cessation by completing the Notification of Cessation of Business (Form 7) of that intention and the date of cessation.

10.3 Does a licensee need to return the licence to the CCE for cancellation or amendment on cessation of business?

Yes, the licensee needs to return the licence to the CCE for cancellation or amendment within 7 days beginning on the date of cessation.

10.4 If a licensee cancel his or her licence within its validity period, will the licensee get a refund of the whole or some of the fees paid?

No.

10.5 What is the consequence if a licensee fails to notify the CCE in writing of the change?

Section 41(1) of the AMLO provides that if a licensee intends to cease to operate a money service or (if applicable) to cease to operate a money service at any of the premises specified in the licence with effect from a particular date, the licensee must notify the CCE and return the licence to the CCE within 7 days beginning on the date of cessation. Section 41(4) provides that a licensee who, without reasonable excuse, contravenes section 41(1) commits an offence and is liable on conviction to a fine of HK\$50,000. The CCE may also take disciplinary actions under section 43(1)(c) of the AMLO for contravention of section 41(1) of the AMLO.

## **XI. Licensee's Obligations**

### 11.1 What are the obligations of a licensee?

The individual, any partner, any director and ultimate owner in relation to a licensee must remain fit and proper at all times. A licensee must secure the written consent of the occupants in business premises that are domestic premises for an authorized person to conduct routine inspection. A licensee has to comply with all the applicable provisions of the AMLO and its subsidiary legislation as well as the guidelines issued by the CCE.

### 11.2 What return shall a licensee lodge to the CCE?

A licensee shall lodge a periodic return to the CCE within 2 weeks beginning from each quarter unless specified by the CCE by notice in writing.

## **XII. Register of Licensees**

### 12.1 What information will be provided in the Register of Licensees?

The following information will be provided in the Register of Licensees:

- (a) the name of every licensee; and
- (b) in respect of each licensee—
  - (i) if the licensee is licensed to operate a money service at specified premises, the address of every premises at which the licensee may operate a money service; or
  - (ii) in any other case, the correspondence address of the licensee.

### 12.2 Where can you inspect the register?

The register is available for inspection by members of the public at the office of the Customs and Excise Department at Units 1218-1222, 12/F., Nan Fung Commercial Centre, 19 Lam Lok Street, Kowloon Bay, Kowloon and is accessible through the C&ED's website at <http://www.customs.gov.hk>.

## **XIII. Disciplinary actions**

### 13.1 What disciplinary actions will be taken by the CCE?

Section 43(2) of the AMLO provides that the CCE may-

- (a) publicly reprimand the licensee;
- (b) order the licensee to take, by a date specified by the CCE, any action specified by the CCE for the purpose of remedying the contravention, and
- (c) order the licensee to pay a pecuniary penalty not exceeding HK\$1,000,000, if the licensee has a contravention as specified.

## XIV. Fee schedule

Item	Fee HK\$
Application for the grant of a licence plus for each additional business premises plus for each person who is subject to the fit and proper person test	3,310 2,220 860
Application for the renewal of a licence plus for each additional business premises plus for each person who is subject to the fit and proper person test	790 355 860
Application for an approval to become a licensee's director	860 For each person in relation to whom the application is made
Application for an approval to become a licensee's ultimate owner	860 For each person in relation to whom the application is made
Application for an approval to become a licensee's partner	860 For each person in relation to whom the application is made
Application to add new business premises	2,220 For each new business premises
Application to operate a money service at particular premises	2,220 For each business premises

## XV. Enquiries

### 15.1 Where can you ask for further information?

You may find more information about licensing related matters at the Customs and Excise Department website at <http://www.customs.gov.hk>. You can also make enquiry on licensing related matters to the department by the following ways:

- (a) By phone at 2707 7837 (during office hours from Monday to Friday except Public Holidays);

- (b) By post to the Money Service Supervision Bureau, Customs and Excise Department at Units 1218-1222, 12/F., Nan Fung Commercial Centre, 19 Lam Lok Street, Kowloon Bay, Kowloon;
- (c) By fax to 2707 7838 ; or
- (d) By email to [msoenquiry@customs.gov.hk](mailto:msoenquiry@customs.gov.hk)