

Money service operator convicted of failing to comply with customer due diligence and record-keeping requirements

A licensed money service operator was fined \$126,000 today (January 18) at Eastern Magistrates' Courts for failing to comply with the customer due diligence and record-keeping requirements as stipulated in the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance.

A compliance inspection conducted by officers of the Customs and Excise Department (C&ED) revealed that the company had failed to record the identification of customers in connection with two remittance transactions conducted between May and June 2015 as well as to record the addresses of customers in connection with ten remittance transactions conducted between May and October 2015.

The C&ED reminds all licensed money service operators to comply with the customer due diligence and record-keeping requirements as stipulated in the Ordinance which came into effect on April 1, 2012. The maximum penalty upon conviction is a fine of \$1,000,000 and imprisonment for seven years.