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**Circular to Money Service Operators  
Enforcement News**

**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.

**Money service operator convicted of operating without licence**

A company and its director were fined \$28,000 in total today (January 25) as well as disqualified from holding a Money Service Operator licence for 6 months and 12 months respectively at Eastern Magistrates' Courts for operating a money service without a valid licence.

Officers of Customs and Excise Department (C&ED) on patrol found two outlets of the company having operated the money service between October 11 and December 4, 2015 without a licence from the Commissioner of Customs and Excise.

Under the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance which came into effect on April 1, 2012, a person who wishes to operate a remittance and/or money changing service is required to apply for a licence from C&ED. Any person who operates money service without a valid licence commits an offence. The maximum penalty upon conviction is a fine of \$100,000 and imprisonment for six months.

Members of the public may report any suspected unlicensed money service operation to the Customs 24-hour hotline 2545 6182.