



MSSB/CA\_01/2021

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<b>Competence Assessment for Money Service Operators Sample Questions</b>	
Example (1)	<p><b>Which of the following factors should be considered by an Money Service Operator (MSO) licensee in conducting the institutional money laundering and terrorist financing risk assessment?</b></p> <ol style="list-style-type: none"><li>1. The MSO's target market and customer segments</li><li>2. The profitability of the MSO's business</li><li>3. The nature, scale, diversity and complexity of the MSO's business</li><li>4. The delivery channels of the MSO</li></ol> <p><input type="checkbox"/> a) 1, 2 and 3 <input type="checkbox"/> b) 1, 2 and 4 <input type="checkbox"/> c) 2, 3 and 4 <input type="checkbox"/> d) 1, 3 and 4 <input type="checkbox"/> e) All of the above</p> <p>Answer: <b>d</b> [Chapter 2 of the <a href="#">Guideline on Anti-Money Laundering and Counter-Financing of Terrorism for MSOs</a> (AML/CFT Guideline)]</p>
Example (2)	<p><b>Which of the following situations are correct about the operation of money service of an MSO licensee?</b></p> <ol style="list-style-type: none"><li>1. The licensee must display the original or the copy of the licence in a conspicuous place at the specified premises</li><li>2. where the premises are domestic premises, the applicant must secured the written consent of every occupant of the premises for any authorized person to enter the premises for the purpose of exercising the powers as conferred by the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, Cap. 615 (AMLO)</li><li>3. If there is any change in the particulars that are provided to the Commissioner in connection with a licensee's application for licence or renewal of licence, the licensee must notify the Commissioner in writing of the change within one</li></ol>



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	<p>month beginning on the date on which the change takes place</p> <p>4. If a licensee intends to cease to operate a money service, it is required to notify the Commissioner of Customs &amp; Excise in writing of the intention before the date of cessation</p> <p><input type="checkbox"/> a) 1, 2 and 3</p> <p><input type="checkbox"/> b) 1, 2 and 4</p> <p><input type="checkbox"/> c) 2, 3 and 4</p> <p><input type="checkbox"/> d) 1, 3 and 4</p> <p><input type="checkbox"/> e) All of the above</p> <p>Answer: <b>c</b> [Part 5 of the <a href="#">AMLO</a>]</p>
Example (3)	<p><b>Regarding the statutory Customer Due Diligence (CDD) requirements of an MSO licensee, which of the following measures are correct?</b></p> <p>1. Identifying the customer and verifying the customer's identity on the basis of documents, data or information provided by a governmental body</p> <p>2. MSO must not open, or maintain, any anonymous account</p> <p>3. MSO must continuously monitor the business relationship with a customer by conducting appropriate scrutiny of transactions carried out for the customer to ensure that they are consistent with its knowledge of the customer and the customer's business and risk profile</p> <p>4. Before carrying out a remittance transaction involving an amount equal to or above \$8,000, MSO must verify the identity of the originator by reference to the originator's identification document</p> <p><input type="checkbox"/> a) 1, 2 and 3</p> <p><input type="checkbox"/> b) 1, 2 and 4</p> <p><input type="checkbox"/> c) 2, 3 and 4</p> <p><input type="checkbox"/> d) 1, 3 and 4</p> <p><input type="checkbox"/> e) All of the above</p> <p>Answer: <b>e</b> [Schedule 2 to the <a href="#">AMLO</a>]</p>



Example (4)	<p><b>Regarding the requirements of local management office (LMO) of an MSO Licensee, which of the following statements are correct?</b></p> <ol style="list-style-type: none"><li>1. The licensees operating with or without particular premises must maintain a LMO</li><li>2. LMO must be staffed by the compliance officer, sole proprietor, partner, director or ultimate owner of the licensee</li><li>3. LMO can be reached in person and through telephone by the C&amp;ED officers</li><li>4. If an MSO licensee fails to maintain the LMO, it may result in the suspension and revocation of the MSO licence.</li></ol> <p><input type="checkbox"/> a) 1, 2 and 3 <input type="checkbox"/> b) 1, 2 and 4 <input type="checkbox"/> c) 2, 3 and 4 <input type="checkbox"/> d) 1, 3 and 4 <input type="checkbox"/> e) All of the above</p> <p>Answer: <b>c</b> [Section IV to the <a href="#">Licensing Guide</a>]</p>
Example (5)	<p><b>To fulfil the statutory suspicious transaction reporting obligations, the appropriate AML/CFT Systems for an MSO licensee should include:</b></p> <ol style="list-style-type: none"><li>1. appointment of an Money Laundering Reporting Officer (MLRO)</li><li>2. shortlisting internal reports by the frontline staff before reporting to the MLRO</li><li>3. implementing clear policies and procedures over internal reporting, reporting to the Joint Financial Investigation Unit, post-reporting risk mitigation and prevention of tipping off</li><li>4. keeping proper records of internal reports and Suspicious Transaction Reports</li></ol> <p><input type="checkbox"/> a) 1, 2 and 3 <input type="checkbox"/> b) 1, 2 and 4 <input type="checkbox"/> c) 2, 3 and 4 <input type="checkbox"/> d) 1, 3 and 4 <input type="checkbox"/> e) All of the above</p> <p>Answer: <b>d</b> [Chapter 7 of the <a href="#">AML/CFT Guideline</a>]</p>



Example (6)	<p><b>For the record-keeping requirement on CDD and transactions, which of the following data or information should be kept?</b></p> <ol style="list-style-type: none"><li>1. The identity document of the beneficial owner of the customer</li><li>2. The results of any analysis undertaken</li><li>3. The residential address information of the customer</li><li>4. The account opening record of the customer</li></ol> <p><input type="checkbox"/> a) 1, 2 and 3 <input type="checkbox"/> b) 1, 2 and 4 <input type="checkbox"/> c) 2, 3 and 4 <input type="checkbox"/> d) 1, 3 and 4 <input type="checkbox"/> e) All of the above</p> <p>Answer: <b>e</b> [Chapter 8 of the <a href="#">AML/CFT Guideline</a>]</p>
Example (7)	<p><b>In carrying out CDD, for a customer that is a legal person, which of the following identification information should normally be obtained?</b></p> <ol style="list-style-type: none"><li>1. Date of incorporation, establishment or registration</li><li>2. Place of incorporation, establishment or registration</li><li>3. Company Secretary</li><li>4. Principal place of business</li></ol> <p><input type="checkbox"/> a) 1, 2 and 3 <input type="checkbox"/> b) 1, 2 and 4 <input type="checkbox"/> c) 2, 3 and 4 <input type="checkbox"/> d) 1, 3 and 4 <input type="checkbox"/> e) All of the above</p> <p>Answer: <b>b</b> [Chapter 4 of the <a href="#">AML/CFT Guideline</a>]</p>