

Money service operator convicted for contravention of customer due diligence requirements

A proprietor of a licensed money service operator was fined \$428,000 in total today (June 24) at the Kowloon City Magistrates' Courts after pleading guilty to 22 charges of failing to comply with the customer due diligence 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 female sole proprietor had failed to identify, verify and record the identification of customers in connection with 22 remittance and money changing transactions conducted between July 2013 and May 2014.

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 on conviction is imprisonment for seven years and a fine of \$1 million.