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8 April 2016

**Circular to Money Service Operators
Anti-Money Laundering / Counter-Terrorist Financing**

**Disciplinary Action Guidelines as to the Imposition of a Pecuniary Penalty
issued by the Commissioner of Customs & Excise
in exercise of power under section 43(2)(c) to impose pecuniary penalty**

1. The Customs and Excise Department (“C&ED”) published in the Gazette on 8 April 2016 (G.N. 1912 of 2016) the Disciplinary Action Guidelines as to the Imposition of a Pecuniary Penalty (“Disciplinary Action Guidelines”) issued by the Commissioner of Customs & Excise (“CCE”) under section 45(1) of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap. 615) (“AMLO”). These Disciplinary Action Guidelines take effect from 8 April 2016.
2. Under section 43 of the AMLO, the CCE may impose a pecuniary penalty either on its own or together with other disciplinary sanctions on a person licensed to operate a money service (‘licensee’) if the licensee contravenes (a) any regulation made under section 51; (b) any of the conditions of the licensee’s licence; or (c) section 35(1), 36(1), 37(1), 38(1), 39(1), 40(1) or 41(1) of the AMLO. Section 45(1) of the AMLO requires the CCE to publish guidelines to indicate the manner in which he proposes to exercise the power to impose a pecuniary penalty under section 43(2)(c), and section 45(2) requires the CCE to have regard to such guidelines in exercising such power.
3. These Disciplinary Action Guidelines are to indicate the manner in which the CCE will exercise the power to impose a pecuniary penalty under section 43(2)(c). The CCE will have regard to these Guidelines when exercising the power to impose a pecuniary penalty under section 43(2)(c) of the AMLO.

These Disciplinary Action Guidelines are available on the C&ED’s website as well as the Government’s website.

https://eservices.customs.gov.hk/MSOS/download/guideline/disciplinary_action_guidelines_under_s.45_of_amlo_en.pdf

<http://www.gld.gov.hk/cgi-bin/gld/egazette/index.cgi?lang=e>.

Should you have any queries regarding the contents of this circular, please contact us on 3759 3735.

Money Service Supervision Bureau
Customs and Excise Department

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