

Hong Kong Customs detects case involving precious metals and stones dealer carrying out specified cash transaction without Category B registration

Hong Kong Customs yesterday (March 27) detected a case that involved a local watch company having conducted cash transactions of precious products with a total value exceeding HK\$120,000, while not being a Category B registrant under the Dealers in Precious Metals and Stones Regulatory Regime.

In an investigation conducted yesterday, Customs officers discovered a local watch company, who has already registered as a Category A registrant under the Regime, had carried out several cash transactions with a total value exceeding HK\$120,000 in the course of business. The investigation is ongoing and a 33-year-old director of the company is assisting in the investigation.

According to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615), the Regime has come into effect since April 1, 2023. Any person who is seeking to carry on a business of dealing in precious metals and stones in Hong Kong and engage in any transaction(s) (whether making or receiving a payment) with a total value at or above HK\$120,000 in Hong Kong is required to register with the Commissioner of Customs and Excise.

In particular, no person other than a Category B registrant may carry out a cash transaction with a total value at or above HK\$120,000 in the course of business of dealing in precious metals and stones. Any dealer who is not a Category B registrant, who claims to be a Category B registrant, claims to be authorised to carry out, or carries out any cash transaction(s) with a total value at or above HK\$120,000, commits an offence and is liable on conviction to a maximum fine of HK\$100,000 and imprisonment for six months.

Hong Kong Customs reminds all dealers in precious metals and stones that the transitional period for registration under the Regime has ended. Any dealer who submits their applications for registration from January 1, 2024, onwards must successfully obtain relevant registration before they can carry out any cash or non-cash transaction(s) with a total value at or above HK\$120,000.

For the forms, procedures and guidelines to submit applications for registration, please visit the website for Dealers in Precious Metals and Stones Registration System (www.drs.customs.gov.hk) or Hong Kong Customs' webpage

www.customs.gov.hk/en/service-enforcement-information/anti-money-laundering/supervision-of-dealers-in-precious-metals-and-ston/index.html).

Members of the public may report any suspected transactions involving precious metals and stones with a total value at or above HK\$120,000 conducted without the required registration to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk) or online form (eform.cefs.gov.hk/form/ced002).