

Hong Kong Customs takes disciplinary actions against 10 licensed money service operators for breaching licensing requirements

The Customs and Excise Department (C&ED) today (January 9) took disciplinary actions, including issuing public reprimands and ordering remedial actions, against 10 licensed money service operators (MSOs) for breaching the licensing requirements as stipulated in the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (the Ordinance).

Officers of the C&ED earlier discovered five MSOs had failed to notify the C&ED of a change in particulars of bank accounts for provision of money service within a specified period of time.

Also, four MSOs had changed their directors or added new premises to operate money service without prior approval from the C&ED. The remaining MSO had failed to display the original licence at the specified premises.

With regard to the abovementioned contraventions, the C&ED has earlier issued written warnings to the 10 MSOs. The department today further took disciplinary actions against them in order to send a deterrent message to the industry. Copies of each Statement of Disciplinary Action are available on the website of the C&ED (eservices.customs.gov.hk/MSOS/common/enforcenew?request_locale=en).

The C&ED reminds all MSOs to comply with the statutory requirements as stipulated in the Ordinance. The maximum penalty upon conviction is a fine of \$1 million and imprisonment for seven years.

In addition, the C&ED may take disciplinary action such as issuing a public reprimand, imposing a pecuniary penalty and ordering a remedial action. The pecuniary penalty would not exceed the amount that is the greater of \$10 million or three times the amount of the profit gained or costs avoided.