

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

The Customs and Excise Department (C&ED) today (February 18) took disciplinary actions, including issuing public reprimands, imposing pecuniary penalties and ordering remedial actions, against three licensed money service operators (MSOs) for breaching the licensing requirements as stipulated in the Anti-Money Laundering and Counter-Terrorist Financing Ordinance.

Officers of the C&ED earlier discovered the three MSOs had failed to record the time of receipt of the instruction and the recipient's address before carrying out a remittance transaction or failed to notify the C&ED of a change in the particulars of ultimate owners or bank accounts for provision of money service within a specified period of time in accordance with the requirements of the Ordinance.

With regard to the above-mentioned contraventions, the C&ED has earlier prosecuted the three MSOs. The department today took further disciplinary actions against them in order to send a deterrent message to the industry. The relevant Statement of Disciplinary Action is 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.