

# Monetary Authority takes disciplinary action against ePaylinks Technology Co., Limited for contravention of the Payment Systems and Stored Value Facilities Ordinance

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) announced today (December 20) that it had completed an investigation and disciplinary proceedings for ePaylinks Technology Co., Limited (ePaylinks) under the Payment Systems and Stored Value Facilities Ordinance (Cap. 584) (PSSVF0). The Monetary Authority (MA) has reprimanded and ordered ePaylinks to pay a pecuniary penalty of HK\$1,000,000 for contravening section 8Q of the PSSVF0 as it failed to fulfil the minimum criterion relating to anti-money laundering and counter-terrorist financing measures under section 6(2)(b) of Part 2 of Schedule 3 to the PSSVF0.

The disciplinary action (Note 1) follows an on-site examination and further investigation by the HKMA which found that, during the period from November 2016 to May 2019, ePaylinks failed to have in place adequate and appropriate systems of control to comply with the relevant paragraphs of the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) for Stored Value Facility (SVF) Licensees (Guideline) (Note 2).

Specifically, the contravention relates to deficiencies in ePaylinks' systems of control in three areas, namely:

1. Continuously monitoring business relationships in respect of transaction monitoring;
2. Implementing an effective name screening mechanism; and
3. Taking additional measures or conducting enhanced due diligence to mitigate money laundering (ML) or terrorist financing (TF) risk in high risk situations.

In deciding the disciplinary action, the MA took into account all relevant circumstances and factors, including the following:

1. The seriousness of the investigation findings;
2. The need to send a clear deterrent message to ePaylinks and the industry about the importance of effective controls and procedures to address ML and TF risks;
3. ePaylinks has taken remedial measures to address the deficiencies identified by the HKMA and enhance its AML/CFT systems of control. In

- this regard, ePaylinks will submit to the HKMA a report prepared by an external auditor to validate the completeness and effectiveness of the remedial measures and the enhancement; and
4. ePaylinks has no previous disciplinary record and is co-operative in resolving concerns identified by the HKMA.

Ms Carmen Chu, the Executive Director (Enforcement and AML) of the HKMA, said, "As business continues to develop following introduction of the regulatory regime in 2016, SVF licensees should stay alert to the evolving ML/TF risks and system vulnerabilities, and put in place effective control measures and procedures which are commensurate with the nature, size and complexity of individual business. All SVF licensees should make reference to the Guideline and HKMA circulars to review and optimise the performance of their AML/CFT systems on an ongoing basis and implement appropriate measures to ensure that high risk situations in particular are effectively identified and managed."

Note 1: The disciplinary action is taken under section 33Q of the PSSVF0.

Note 2: Paragraphs 5.1 and 6.16 of the Guideline (October 2018 version), and paragraphs 4.11.1 and 4.14.1 of the Guideline (September 2016 version).