

Monetary Authority takes disciplinary action against TNG (Asia) Limited for contravention of 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 18) that it had completed an investigation and disciplinary proceedings for TNG (Asia) Limited (TNG) under the Payment Systems and Stored Value Facilities Ordinance (Chapter 584 of the Laws of Hong Kong) (PSSVFO). The Monetary Authority (MA) has reprimanded and ordered TNG to pay a pecuniary penalty of HK\$1,575,000 for contravening section 8Q of the PSSVFO as it failed to fulfil the minimum criteria under sections 6(2)(b) (anti-money laundering and counter-terrorist financing measures) and 5(1)(d) (prudential and risk management) of Part 2 of Schedule 3 to the PSSVFO.

The disciplinary action (Note 1) follows an on-site examination and further investigation by the HKMA which found that:

1. during the period from February 2019 to mid-July 2020, TNG failed to have in place adequate and appropriate systems of control to ensure compliance with the relevant paragraphs of the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) for Stored Value Facility (SVF) Licensees (AML Guideline) (Note 2) regarding transaction monitoring;
2. during the period from August 2016 to August 2020, TNG failed to comply with the relevant paragraphs of the Guideline on Supervision of Stored Value Facility Licensees (SVF Licensees Guideline) (Note 3) as it did not have in place sound governance arrangement and effective risk management framework; and
3. during the period from August 2016 to August 2020, TNG failed to comply with the relevant paragraph of the SVF Licensees Guideline (Note 4) as it did not have a robust internal control system to promote effective and efficient operation and to enable prevention or early detection of irregularities.

In deciding the disciplinary action, the MA took into account all relevant circumstances and factors, including but not limited to:

1. the seriousness of the investigation findings;
2. the need to send a clear deterrent message to TNG and the industry about the importance of having in place (i) adequate and appropriate AML/CFT systems of control and (ii) appropriate risk management policies and

procedures for managing the risks arising from the operation of an SVF licensee;

3. TNG has taken remedial measures, some were at the request of the HKMA, to address the deficiencies identified by the HKMA and enhance its relevant systems of control; and
4. TNG has no previous disciplinary record and is co-operative in resolving concerns identified by the HKMA.

The Executive Director (Enforcement and AML) of the HKMA, Ms Carmen Chu, said, "Sound governance arrangement and internal control system, together with strong compliance awareness of management and staff members, are vital pillars of an effective risk management framework of SVF licensees. SVF licensees should make reference to, and provide adequate staff training on, the HKMA's relevant guidelines and circulars in adopting appropriate governance systems and internal controls to manage the risks arising from their operations."

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

Note 2: Paragraphs 5.10 and 5.14 of the AML Guideline (October 2018 version).

Note 3: Paragraphs 3.2.1 and 4.2.1 (regarding governance arrangement and risk management framework) of the SVF Licensees Guideline (September 2016 version).

Note 4: Paragraph 4.3.1 (regarding internal control system) of the SVF Licensees Guideline (September 2016 version).

[CS and SHYA host training on district governance for incoming members of the seventh term District Councils \(with photos/video\)](#)

The seventh term of District Councils (DCs) will commence on January 1, 2024. In order to let the incoming DC members better understand their duties and start their work as soon as possible, the Home and Youth Affairs Bureau held two training sessions on district governance at the North Point Community Hall today (December 18) for all incoming DC members in batches. The morning session was dedicated to nine DCs in the urban areas (i.e. Central and Western District, Eastern District, Southern District, Wan Chai, Kowloon City, Kwun Tong, Sham Shui Po, Wong Tai Sin and Yau Tsim Mong) while the afternoon session was dedicated to nine DCs in the New Territories (i.e. Islands District, Kwai Tsing, North District, Sai Kung, Sha Tin, Tai Po, Tsuen Wan, Tuen Mun and Yuen Long).

The Chief Secretary for Administration, Mr Chan Kwok-ki, delivered remarks at the two training sessions. He congratulated all incoming DC members and stressed that, after the reform, the new-term DCs are an important part of improving district governance. DCs have returned to their positioning as district advisory and service bodies, which are not organs of political power, under the Basic Law. DCs must firmly accord top priority to national security, fully implement the principle of "patriots administering Hong Kong", and fully live up to executive-led governance, with a view to enhancing the efficacy of district governance.

Mr Chan urged all incoming DC members to make every effort to support the improved district governance system in ensuring effective communication between the Government and the public by closely connecting with people. They should collect their opinions on district livelihoods and reflect them to the Government. In addition to providing important support for various government departments in formulating policy initiatives, DC members should assist the Steering Committee on District Governance and the Task Force on District Governance, chaired by him and the Deputy Chief Secretary for Administration respectively, in carrying out top-level supervision and co-ordination. While the relevant departments and the District Services and Community Care Teams will implement the district services and measures formulated accordingly, DCs should also assist in explaining and promoting government policy at district level.

Mr Chan sincerely hoped that all the incoming DC members would fully support the Government in implementing good governance, fully deliver the consultative and service functions of DCs, and fulfil their responsibilities to solve the pressing difficulties and problems that are of great concern to the public as well as serve the community with practical deeds in the interests of people. He also hoped that all the incoming DC members would continuously enhance people's sense of security, achievement and satisfaction.

The Secretary for Home and Youth Affairs, Miss Alice Mak, hosted the two training sessions on district governance. She briefed the incoming DC members on the structure of district governance, the functions and positioning of the DCs, as well as the responsibility of DC members. Miss Mak particularly pointed out that DCs are not organs of political power under Article 97 of the Basic Law, but serve as the Government's enabler in district governance, helping the Government gauge and understand public opinion in a timely manner, implement policy measures and respond to the community's aspirations. In order to address public expectations, DC members should perform their functions diligently, comply with the Performance Monitoring Guidelines for Members of District Councils and the District Council Standing Orders.

During the training, Miss Mak requested the incoming DC members to pay district visits to gather public views, to better carry out district consultation and services work. Miss Mak also shared her experiences and insights on district work and exchanged views with the incoming DC members.

The incoming DC members enthusiastically engaged in the training and actively raised questions regarding the work of the new term of DCs. In response to their questions, Miss Mak provided relevant advice and guidance to assist them in performing their duties.



[Public views sought on proposed amendments to Noise Control Ordinance on control over domestic renovation noise](#)

The Environment Protection Department (EPD) today (December 18) released a consultation paper on the proposed amendments to the Noise Control Ordinance (NCO) on control over noise from domestic renovations. The public consultation will last for two months until February 17, 2024. Members of the public are welcome to offer their views.

A spokesman for the EPD said that the public has been very concerned about issues arising from domestic renovation noise. Most residents live in multi-storey buildings that are densely built, and so noise nuisance from domestic renovations of various scales is almost inevitable. As stated in the

2022 Policy Address, the Government proposed to place control over domestic renovation noise. After consulting with the trade, two proposals of tightened legislative control over the use and operation time of percussive tools (see attachment) have been put forward to mitigate the noise impact of renovation works on nearby residents.

The consultation paper is available on the EPD website (www.epd.gov.hk/epd/english/environmentinhk/noise/pub_consult/home_renovation.html). Public views on the proposed amendments can be submitted to the EPD as detailed in the consultation document within the consultation period.

Company director sentenced to 240 hours' community service order for contravening Employment Ordinance

A director of CIL Holdings Limited was prosecuted by the Labour Department (LD) for violation of the Employment Ordinance (EO). The director pleaded guilty earlier and was sentenced at the Kowloon City Magistrates' Courts today (December 18) to a community service order of 240 hours.

The company failed to pay an employee, in accordance with the requirement of the EO, wages totalling about \$1.05 million within seven days after the expiry of the wage periods and termination of employment contract. The company also failed to pay another employee the awarded sum of about \$750,000 within 14 days after the date set by the Labour Tribunal (LT). The director concerned was prosecuted and convicted for his consent, connivance or neglect in the above offences committed by the company.

"The judgment will disseminate a strong message to all employers, directors and responsible officers of companies that they have to pay wages to employees within a statutory time limit stipulated in the EO, as well as the sums awarded by the LT or the Minor Employment Claims Adjudication Board," a spokesman for the LD said.

"The LD will not tolerate these offences and will spare no effort in enforcing the law and safeguarding employees' statutory rights," the spokesman added.

SDEV to lead delegation to visit Shanghai

The Secretary for Development, Ms Bernadette Linn, will lead a delegation of the Development Bureau (DEVB) tomorrow (December 19) to visit Shanghai with a delegation of the Legislative Council Panel on Development.

Ms Linn will visit the Shanghai Municipal People's Government and relevant departments with policy areas related to the DEVB, namely the Shanghai Municipal Commission of Housing, Urban-Rural Development and Management, the Shanghai Water Authority and the Lingang Special Area Administration. Ms Linn will also visit development projects at Xuhui West Bund and Zhangyuan.

Ms Linn will return to Hong Kong on December 21 evening. During her absence, the Under Secretary for Development, Mr David Lam, will be the Acting Secretary for Development.