

Hong Kong Customs takes enforcement action against non-compliant money changer

The money service operator licence of a money changer was suspended today (March 21) by Hong Kong Customs for suspected contravention of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (AMLO).

Customs several months ago received information alleging that three shops of a money changer in Sham Shui Po and Cheung Sha Wan were suspected to have violated the AMLO.

After in-depth investigation and evidence gathering, Customs officers found that the money changer was suspected to have violated the requirements under the AMLO and have failed to take all reasonable measures to mitigate money laundering and terrorist financing risks, and consequently its licensee may no longer be a fit and proper person to operate a money service.

Customs officers today issued a notice in writing to the money changer to suspend its money service operator licence with immediate effect. Customs has also reminded the money changer to process the outstanding transactions and payments in an appropriate manner.

Customs also found that the director of the money service operator was suspected of having applied a false trade description, in contravention of the Trade Descriptions Ordinance (TDO), to the remittance service supplied by making a false claim to a customer that the money would be remitted to the bank accounts designated by the customer, but failed to provide the service accordingly. A 47-year-old man was arrested by Customs today.

Investigation is ongoing.

Customs reminds all licensed money service operators to comply with the requirements of the AMLO. The maximum penalty upon conviction is a fine of \$1 million and imprisonment for seven years. Consumers are reminded to procure service from licensed money service operators. The register of licensees is accessible from the website of Customs' Money Service Operators Licensing System at eservices.customs.gov.hk/MSOS/wsrh/001s1?request_locale=en.

Under the TDO, any trader who applies a false trade description to a service supplied to a consumer commits an offence. The maximum penalty upon conviction is a fine of \$500,000 and imprisonment for five years.

Members of the public may report any suspected violations of the AMLO or the TDO to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk).