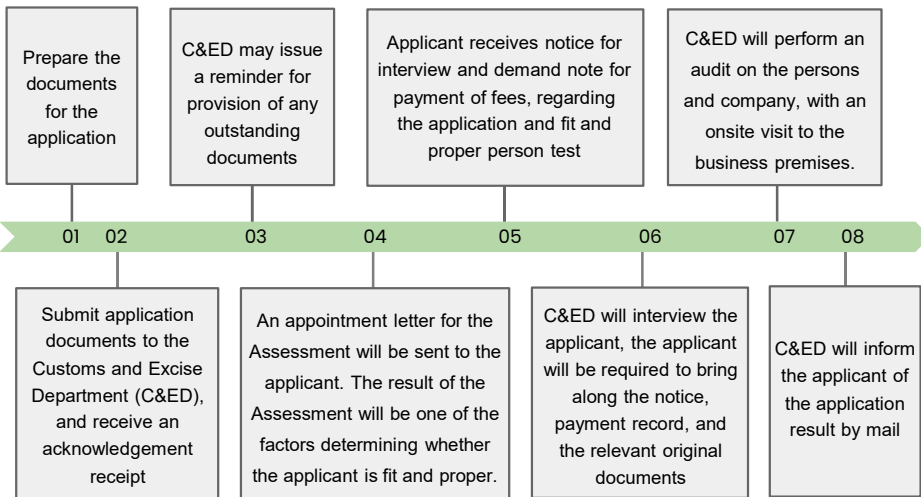




Money Service Operator (MSO) License Application

Application Timeline



Premises Requirements

Must be suitable, typically in commercial or mixed-use buildings (residential areas are not allowed).

Apply separately for each additional premises.

Application Fees

Application for license: \$3310 HKD
Additional premises: \$2220 HKD
Additional personnel that require fit and proper test: \$860 HKD

Capital Requirements

No capital requirement for operating a MSO nor requirement for how much the MSO should keep on hand.

Compliance Requirements



Compliance with the Anti Money-Laundering Ordinance (AMLO)

Submit and follow a Business Plan. Business Plan should be a comprehensive overview of the business, which includes, but is not limited to, components such as detailed operation mode, organizational structure, payment system, target customer, staffing, and finance of the company.

Submit an AML Policy

The AML Policy should set out, among others, the applicant's own policies, procedures and controls in the relevant operational areas with a view to mitigating the ML/TF risks to which the applicant is exposed and fulfilling the relevant statutory and regulatory requirements.

Personnel Requirements



Compliance Officer (CO)

The company must appoint a CO who acts as the focal point for overseeing all activities related to preventing and detecting money laundering and terrorist financing. The CO provides support and guidance to senior management to ensure that these risks are adequately identified, understood, and managed.

Money Laundering Reporting Officer (MLRO)

The company needs to appoint an MLRO who serves as the central reference point for suspicious transaction reporting and the main point of contact with the Joint Financial Intelligence Unit (JFIU) and other law enforcement agencies. The MLRO plays an active role in identifying and reporting suspicious transactions.

References:

https://eservices.customs.gov.hk/MSOS/download/licensing/Application_Fees_en.pdf
https://eservices.customs.gov.hk/MSOS/download/guideline/licensing_Guide_en.pdf

www.complianceplus.hk

(July 2024)



Money Service Operator (MSO) Ongoing Compliance Requirements

License Renewal

Renewal

Validity period of a licence granted is **2 years**

Required Forms

1. Form 2
2. Periodic Return for Statement of Transaction
3. Supplementary information sheet
4. Fit & proper person declaration forms
5. Business plan and AML Policy
6. Photocopies of required document

Timing

The application for renewal must be made **within 90 days** but **not later than 45 days** before the license is due to expire.

Application Fees

Basic renewal fee: HK\$790
Additional business premises: HK\$355
Additional person subject to fit and proper test:
HK\$860

Periodic Return for Statement of Transactions

A licensee shall lodge a periodic return to the Commissioner of Customs and Excise (CCE) **within 2 weeks beginning from each quarter** unless specified to CCE by notice in writing

Change of Bank Accounts

LCs should notify the SFC of any change in their bank accounts within **7 business days**

Licensee's Ongoing Obligations

Duties of a Licensee

Local place of storage: A licensee must maintain a local place of storage

Local Money Operator (LMO): the licensee must maintain a LMO and ensure the LMO can serve as a point of contact for interfacing with C&ED

Assessment: At least one member of senior management, i.e. sole-proprietor, partner or director, having attended the Assessment;

Periodic return: Submit periodic return to the CCE in the form specified by the CCE in a timely manner

Bank account: Where bank account(s) is used for operation of the money service business, the bank account must be in the name of the licensee's company, the sole proprietor, partner, director or ultimate owner of the licensee.

Notification of Changes

Changes of business details should be notified **within 1 month**, and specific changes require prior approval from CCE, such as adding new business premises, changing the nature of the money service business etc

Supplementary Information Forms

A licensee is required to notify the C&ED of the appointment of a CO and a MLRO to act as the focal point for the oversight of compliance measures and reference point for **reporting suspicious transactions**