

27 January 2014

Dear Members,

Circular to Members

With the Chinese New Year approaching, the Hong Kong Money Service Operators Association would like wish all members good health and a prosperous year ahead in the Year of Horse!

Work report:

- Met with the Money Service Supervision Bureau of the HKC&ED for the third time to discuss about **the sustainability of the operational relationship** between banks and licensed money changers:
 - > Currently, licensed money changers are required to strictly abide to relevant licensing requirements, Cap 34 Money Changers Ordinance and Cap 615 Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance. The HKC&ED also monitors licensed money changers in a on-going basis as required by the law. As a result, **banks should not cast doubt** on the system of the money service industry.
 - > Hopes the Hong Kong Monetary Authority ("HKMA") can provide **the number of terminated accounts** by banks and the standard banks use to determine whether to terminate an account, etc.
 - > Suggested the HKMA to **lay down relevant banking guidelines** which clearly sets out protocols for the operations between banks and money changers for both parties to follow.
 - > The HKC&ED reminded to licensed money changers to pay attention to **the expiry date of their licenses**. The earliest batch of money changers can apply for license renewal in February. For details, please refer to the website of the [HKC&ED](#) or our [Association](#).
- Our Association [wrote](#) to all licensed money operators explaining the objectives of our Association and briefly reporting our main work performed in the past six months as well as hot topics related to the money service industry. We also invited all licensed money changers to **register as our member for free**.
- The new Companies Ordinance (i.e. Law of Hong Kong Chapter 622) will come into effect on 3rd March 2014. Our Association would like to remind licensed money changers to get familiarized with the new ordinance. Please contact the Hong Kong Companies Registry (Contact no.: 8201 8273) or your accountant/company secretary if you have any queries on the new ordinance.

Industry news:

- **Bitcoin** - Central banks all over the world are taking a cautious approach against Bitcoin. The HKMA issued a statement to banks yesterday warning them to take vigilant risk management in the development of virtual commodities. Banks are also required to notify and discuss with the HKMA before providing customers any products that involve virtual commodities.....[Read more](#)
- **Renminbi Fully Convertible** - Qu Hongbin, Chief Economist for Greater China of the HSBC, expects the process of renminbi being fully convertible will speed up. He boldly predicted that renminbi will be fully convertible in two to three years' time.....[Read more](#)

All members should pay attention to information available on our website frequently and visit our forum more regularly (www.msoa.hk/forum2). If you have any questions, please feel free to contact our Mr Yuen.

Our Association is a non-profit organization and our establishment relied on the collective effort of enthusiastic parties. The future operations of the Association will need the concerted supports of industry counterparts in fundraising and sponsorship. We hope that our members can provide us with continuous support.

Yours faithfully,

Hong Kong Money Service Operators Association

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