

15 January 2014

Dear Sirs

Hong Kong Money Service Operators Association

The Hong Kong Money Service Operators Association Limited (“Our Association” or “MSOA”) is a non-profit organization registered under Section 14A of the Hong Kong Companies Ordinance. The establishment of MSOA aims to unite money changers and to protect the interest of money service operators. Our management and our team of professional advisors are formed by independent professionals from the legal, accounting, compliance, finance and banking sectors etc.

Members of our Association are mainly licenced operators in remittance and/or money changing services. As a member of MSOA, you will be entitled to the following services:

- Education: Our Association will organize compliance trainings and seminars on topics including customer due diligence, on-going monitoring, record-keeping and basic introductory courses for practitioners. Design of these development items enable members to cope with the need of compliant operation and future changes in the industry.
- Communication: Provide your feedback through our Association on the implementation and execution of relevant legislations. When working towards aligning the system in Hong Kong with the standard set out by the Financial Action Task Force on Money Laundering (FATF), governmental departments can also obtain recommendations through our Association in order to implement policies that best suit the actual condition of the industry in Hong Kong.
- Information: Through our website (www.msoa.hk), you can obtain the latest news and information of the market as well as those issued by relevant law enforcement and regulatory bodies.
- Business: We strive to create a better business environment and operating support for our members by communicating with financial institutions.
- Compliance: Our Association provides various free consultation services on compliance legislations and anti-money laundering tools etc. At the same time, we provide services such as basic compliance assessment and assistance in drafting compliance handbook etc.

As mentioned above, our Association is a platform where we share industry information with our members and we aim to enhance the compliance level of our industry. While we protect the mutual benefit of our industry counterpart, we also provide feedback to the government on behalf of our counterpart in order to facilitate governmental departments to legislate, monitor and enforce policies that best suit the actual industry condition and to build a healthy business environment for money service operators.

Our Association welcomes all licenced money service operators to become our members and you can now **register as a member free of charge** as long as you are a licenced money service operator. Please complete the membership registration form in order to facilitate us in providing you with quality membership services. Personal information collected will be limited to the use by MSOA.

Should you have any queries, please feel free to contact our Mr. Yuen (Member Service Supervisor).

Yours faithfully

Hong Kong Money Service Operators Association

Review

While the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap. 615) ("AMLO") has been implemented for over one and a half year, our Association finds that some of our counterparts still have certain misunderstandings or are not clear on the content of the law. We would like to remind licensed money service operators that they are required to understand a number of legislation, of which include Cap. 34 Money Changers Ordinance, Cap. 615 AMLO and the Trade Descriptions Ordinance newly amended last July, etc. Licenced money service operators and staff should take part in more money-changing and compliance related trainings in order to enhance their knowledge in the industry and relevant laws. Customer due diligence, record keeping, identification of source of funds and the use of risk-based approach methodology can all lower the chance of being used for money laundering!

We would like to take this opportunity to report main areas which we have served you in since the establishment of our Association over half a year ago:

- Discussed with **a number of banks** problems encountered by industry counterparts during their interactions with banks, assisted some of the industry counterparts with high compliance level to receive compliance audit conducted by global big four accounting firms and to follow up with recommended issues;
- Met with **Legislative Council members Hon Ng Leung-sing and Hon Starry Lee Wai-king** and mainly discussed about problems encountered by our counterparts during interactions with banks;
- Met with **HKC&ED** and **the Security Bureau** to discuss about the proposed measures on carrying state currency into and out of the country, requirement on licence renewal and to share and exchange views with them on the current situation of the industry in relation to the newly amended Trade Descriptions Ordinance and other relevant issues;
- Met with **international organization** Thomson Reuters, NICE Actimize and Accuity respectively to obtain in-depth understanding on the appropriateness of various types of anti-money laundering tools on compliant operation and customer management of industry counterparts; and
- Two AML seminars organized by our Association were successfully held. Our Association will continue to hold different types of seminars in relation to AML and MSO in order to promote compliant operations in the industry and to provide training to money service practitioners.



Over the past half a year, the following topics have concerned the money service industry:

- **Counterfeit banknotes** – Recently, counterfeit HK\$1,000 banknotes were found in Hong Kong and Macau every now and then. We would like to remind our members that you should report to the police or the bank immediately if you suspect that you have received fake banknotes. The Hong Kong Monetary Authority provides online tutorial to citizens in distinguishing counterfeit HK\$1,000 banknote. (Please refer to our website “Industry News”)
- **Trade Descriptions Ordinance** – Recent news reported money changers being alleged in engaging in unfair trades. Our Association remains neutral to the report but money service operators are reminded to comply with the Trade Descriptions Ordinance at all times. At the same time, frontline staff should explain to customers transaction details and provide written receipts in order to prevent disputes due to misunderstanding. (Please refer to our website “Industry News”)
- **Account termination by banks** – It is an international trend for regulatory bodies to request banks to strengthen their AML policies. However, accounts of businesses that require large amount of cash transactions (such as remittance companies) were being terminated because of the stringent requirements set out by the banks. (Please refer to our website “Industry News”)



HONG KONG
MONEY SERVICE OPERATORS
ASSOCIATION
香港金錢服務業協會

MEMBER REGISTRATION FORM

This company _____

(MSO Licence No.: _____), now registers as a member of the

Hong Kong Money Service Operators Association Limited, with our company particulars as follows:

Address: _____

Contact Person: _____ ☐ Mr. ☐ Mrs. ☐ Ms. Email: _____

Telephone: _____ Fax: _____

Mobile: _____ WhatsApp: _____

Skype: _____ WeChat: _____

Preferred Language: ☐ Chinese ☐ English

Date: _____ Authorised Signature and Company Chop: _____

Please choose: ☐ This company is not willing to disclose our membership in the Association website.

☐ This company does not / I do not willing to receive any messages from this Association via WhatsApp (if applicable).

FOR OFFICIAL USE ONLY

Received Date: _____	Receipt No. & Date: _____	Handled by: _____
Approval Date: _____	Membership No.: _____	Note: _____

Personal Data (Privacy) Ordinance

1. You are not obliged to provide to the Hong Kong Money Service Operators Association Limited ("the Association") with your personal data. However, such provision is necessary to enable the Association to provide services to its members.
2. The purpose for which your personal data may be used include:
 - for performing the Association's functions;
 - for internal research and statistical purposes; and
 - for any other lawful purposes.
3. Personal data collected will not be used by the Association for any other purposes unless authorised by you or such use is permitted or required by law.
4. The Association will put in place security measures to protect the loss, misuse and alteration of the personal data of members. Personal data will be retained for such period as may be necessary for the proper discharge of the Association's functions.

Hong Kong Money Service Operators Association Limited 香港金錢服務業協會有限公司

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