



Points to Note for Applicants / Holders of TCSP Licences

26 November 2021

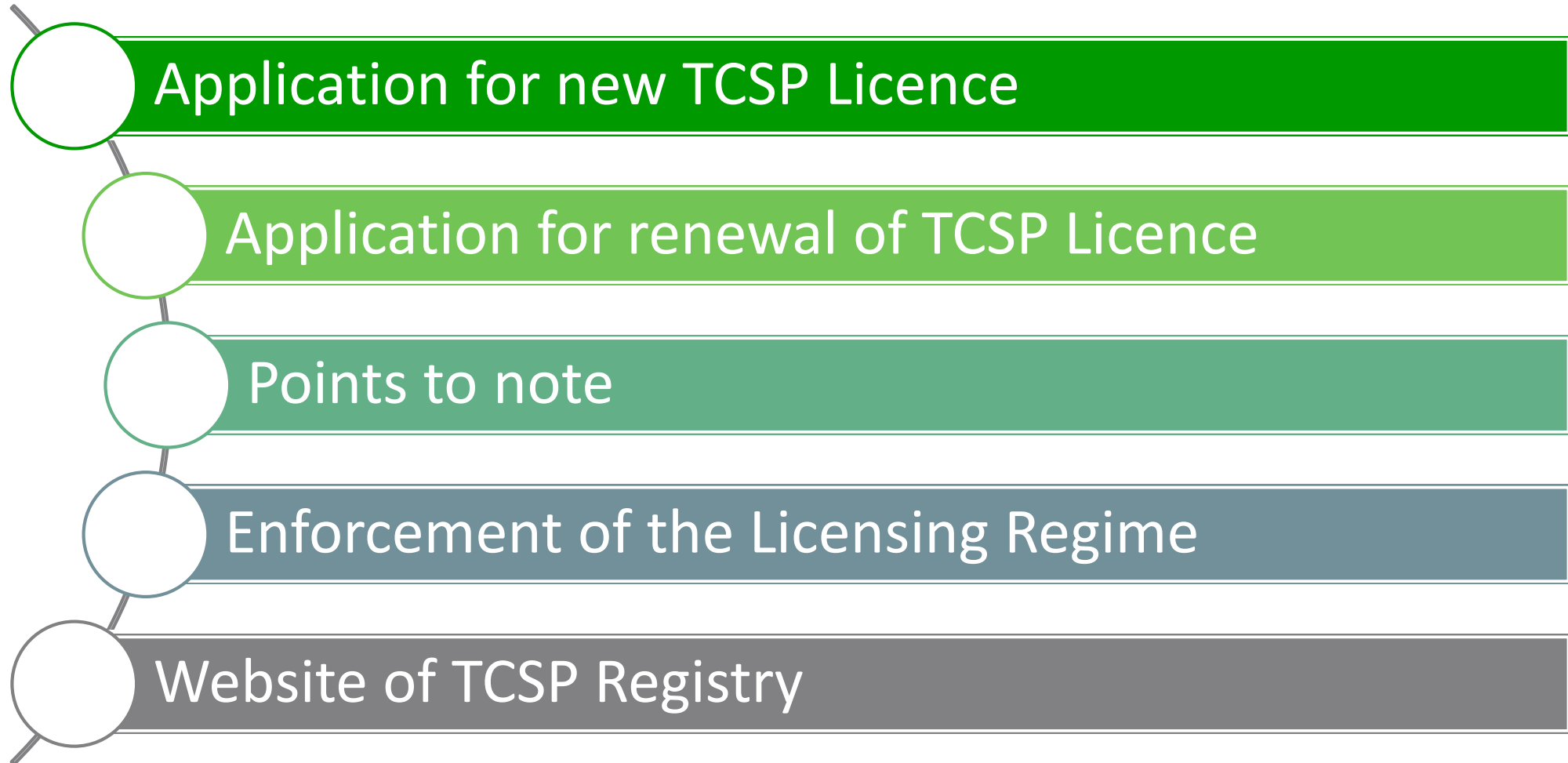
PART I

Licensing Regime for

TCSPs

Miss Ida LEE
Deputy Registry Manager

Topics



Ordinance governing TCSP Licensing Regime



Anti-Money Laundering and
Counter-Terrorist Financing Ordinance,
Cap. 615 (“AMLO”), Part 5A

Guidelines issued by the Registrar



公 司 註 冊 處
COMPANIES REGISTRY

Guideline on Licensing of
Trust or Company Service Providers

March 2018

(“Licensing Guideline”)



公 司 註 冊 處
COMPANIES REGISTRY

Guideline on Compliance of
Anti-Money Laundering and
Counter-Terrorist Financing Requirements
for Trust or Company Service Providers

March 2018

(“AML/CTF Guideline”)



Apply for a TCSP licence **BEFORE** carrying on trust or company service business in Hong Kong

Carry on business **WITHOUT** a licence
- An offence under s.53F of AMLO



Fine up to
HK\$100,000

&



Imprisonment up to
6 months

Application for new TCSP Licence (1) – Application documents

Form TCSP1

Form TCSP1-SIS

Form TCSP1-SIS2A

Form TCSP4 – for individual

Form TCSP5 – for corporation



AND/OR



Application for new TCSP Licence (2) – Licence

I have just applied for a TCSP licence.
Can I carry on trust or company service business now?



NO.
You can only carry on trust or company service business **AFTER** you are granted a TCSP licence.

牌照編號
Licence No. TC00XXXX



公司註冊處
COMPANIES REGISTRY

《打擊洗錢及恐怖分子資金籌集條例》
(第 615 章)
ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING ORDINANCE
(CHAPTER 615)

信託或公司服務提供者牌照
TRUST OR COMPANY SERVICE PROVIDER LICENCE

示範有限公司
SAMPLE COMPANY LIMITED

於 XXXX 年 XX 月 XX 日獲批牌照在香港經營信託或公司服務業務。
is granted a licence on XX XX XXXX to carry on a trust or company service business in Hong Kong.

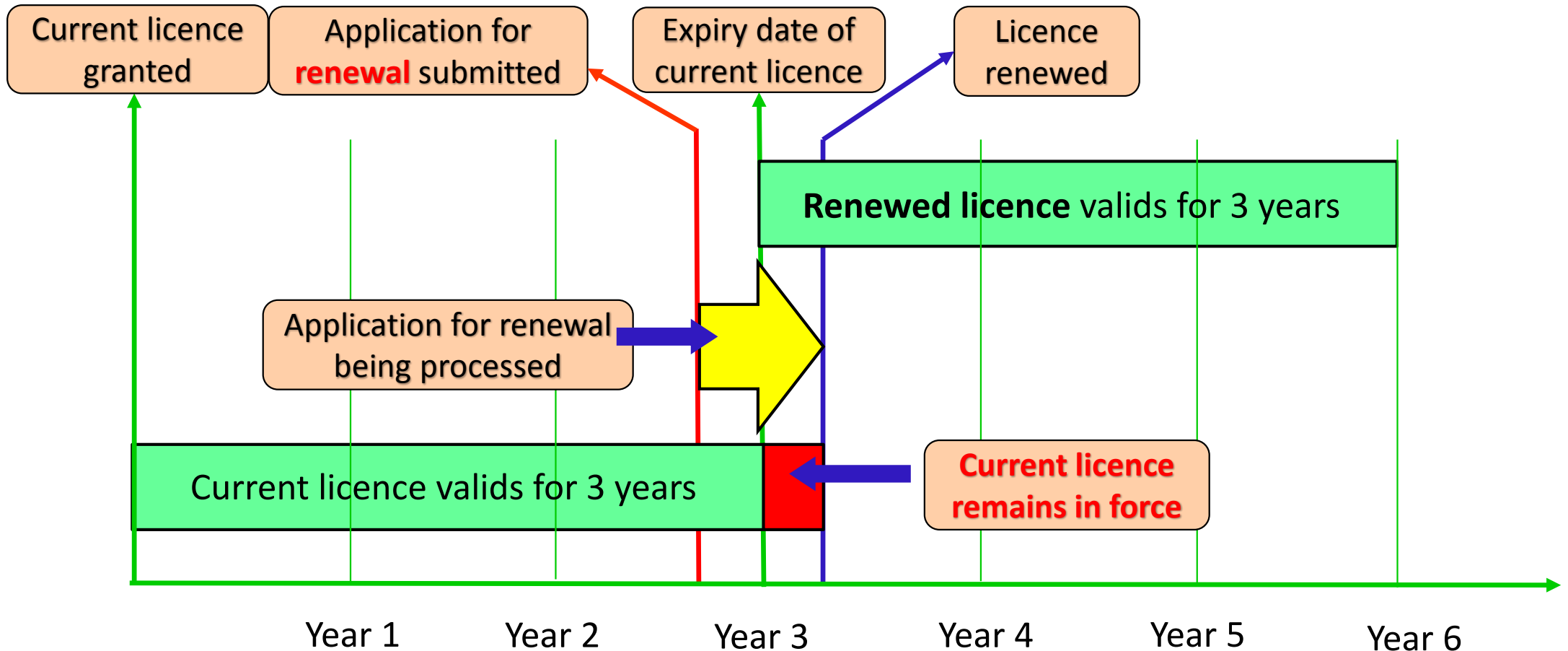
此牌照的有效期限由 XXXX 年 XX 月 XX 日至 XXXX 年 XX 月 XX 日，
在此日期前被暫時吊銷或撤銷者除外。
This licence shall be valid from XX XX XXXX to XX XX XXXX, unless suspended or revoked earlier.

持牌人的營業地址：
Business address of the Licensee:
FLAT/ROOM 1208, 12/F, SAMPLE COMMERCIAL CENTRE, 22 SAMPLE STREET, HONG KONG

香港特別行政區公司註冊處處長徐麗貞
Ms Kitty TSUI
Registrar of Companies
Hong Kong Special Administrative Region

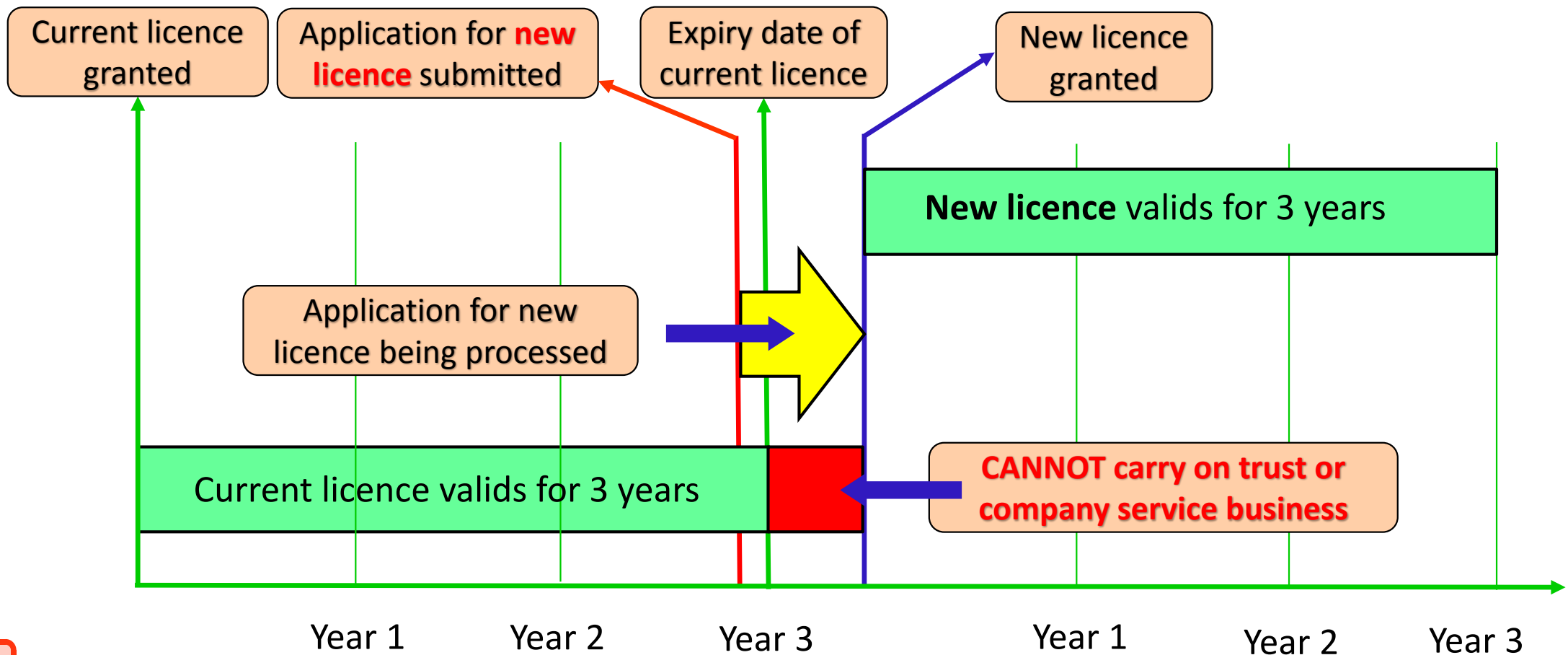
Application for renewal of TCSP Licence (1)

Application must be submitted at least 60 days before the licence expires



Application for renewal of TCSP Licence (2)

Licensee **fails** to submit application at least 60 days before the licence expires



Application for renewal of TCSP Licence (3) – Application documents

Form TCSP2



Form TCSP4 – for individual

Form TCSP4 – for individual

AND/OR

Form TCSP5 – for corporation

Form TCSP5 – for corporation



Supporting Documents



Information filled in Form TCSP2 should be consistent with the records previously provided to the Registrar

Points to note (1) – Application for new / renewal of TCSP Licence

- Provide information on the relevant persons:
 - Ultimate Owner (not shareholder) *(Paragraph 4.3 of Licensing Guideline)*
 - Director / Partner
 - Compliance Officer (CO)
 - Money Laundering Reporting Officer (MLRO)
- CO and MLRO: normally based in Hong Kong *(Paragraph 3.5(b) of AML/CTF Guideline)*
- Exempted person with supporting documents submitted
(Professional Accountants Ordinance, Cap. 50 / Legal Practitioners Ordinance, Cap. 159)
- Submit duly completed and signed Annex (i.e. Authorization) to Form TCSP4

Points to note (2) – Application for new / renewal of TCSP Licence

- Submit valid Business (*not Branch*) Registration Certificate

請沿虛線剪下並將有效的商業/分行登記證展示在營業地點。

Please cut along the dotted line and display the valid business/branch registration certificate at business address

≡< 表格 2 FORM 2 [第 5 條]
《商業登記條例》(第 310 章) [regulation 5]
BUSINESS REGISTRATION ORDINANCE (Chapter 310)
《商業登記規例》
BUSINESS REGISTRATION REGULATIONS
複本 DUPLICATE 商業 / 分行登記證 Business / Branch Registration Certificate

業務 / 法團所用名稱
Name of Business/
Corporation X X 貨櫃運輸有限公司
KXX DXX TRANSPORTATION COMPANY LIMITED

業務 / 分行名稱
Business/
Branch Name *****

地址
Address X/F
XXX GLOUCESTER ROAD
WANCHAI
HK

業務性質
Nature of Business TRANSPORTATION

法律地位
Status BODY CORPORATE

生效日期
Date of Commencement 01/04/2017

屆滿日期
Date of Expiry 31/03/2018

登記證號碼
Certificate No. 5XXXXXXX-000-04-17-8

登記費及徵費
Fee and Levy \$2,250
(登記費 FEE = \$2,000)

Points to note (3) – Filing obligations of a TCSP Licensee

Report changes in particulars of Licensee or its relevant person

Within ONE MONTH
of the change

Form TCSP6

Obtain approval for adding ultimate owner / partner / director

BEFORE
adding ultimate owner / partner / director

Form TCSP3

Form TCSP4 / 5

Notify cessation of trust or company service business

BEFORE
the intended date of cessation

Form TCSP7

Points to note (4) – Filing obligations of a TCSP Licensee



Prior approval by the Registrar is required

IF

**the proposed ultimate owner / partner / director
is NOT an exempted person**



Form TCSP6

- ✓ Complete and attach correct schedule(s)
- ✓ Submit supporting documents according to the checklist as attached to Form TCSP6



第二部
Part 2

改變的類別
Types of Changes

請在適用的空格內加上✓號 Please tick the relevant box(es)

改變的類別 Type(s) of Changes	隨本表格交付的附表 Schedule(s) Attached with this Form
<input type="checkbox"/> 持牌人的詳情的改變 Change in particulars of Licensee	附表 A Schedule A
<input type="checkbox"/> 不再是持牌人的相關人士 Cessation of being a Relevant Person of Licensee	附表 B Schedule B
<input type="checkbox"/> 加入相關人士／相關人士的詳情的改變 – 屬個人 Addition of a Relevant Person / Change in particulars of a Relevant Person – Individual	附表 C Schedule C
<input type="checkbox"/> 加入相關人士／相關人士的詳情的改變 – 屬法團 Addition of a Relevant Person / Change in particulars of a Relevant Person – Corporation	附表 D Schedule D
<input type="checkbox"/> 持牌人／相關人士「適當人選」狀況的改變 Change in fit and proper status of Licensee / a Relevant Person	附表 E Schedule E

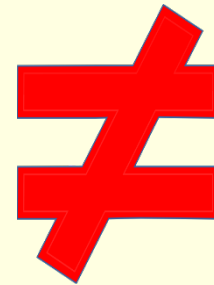
Points to note (5) – Filing obligations of a TCSP Licensee



A TCSP Licensee may be liable to prosecution and subject to disciplinary actions by the Registrar for any non-compliance with the filing requirements

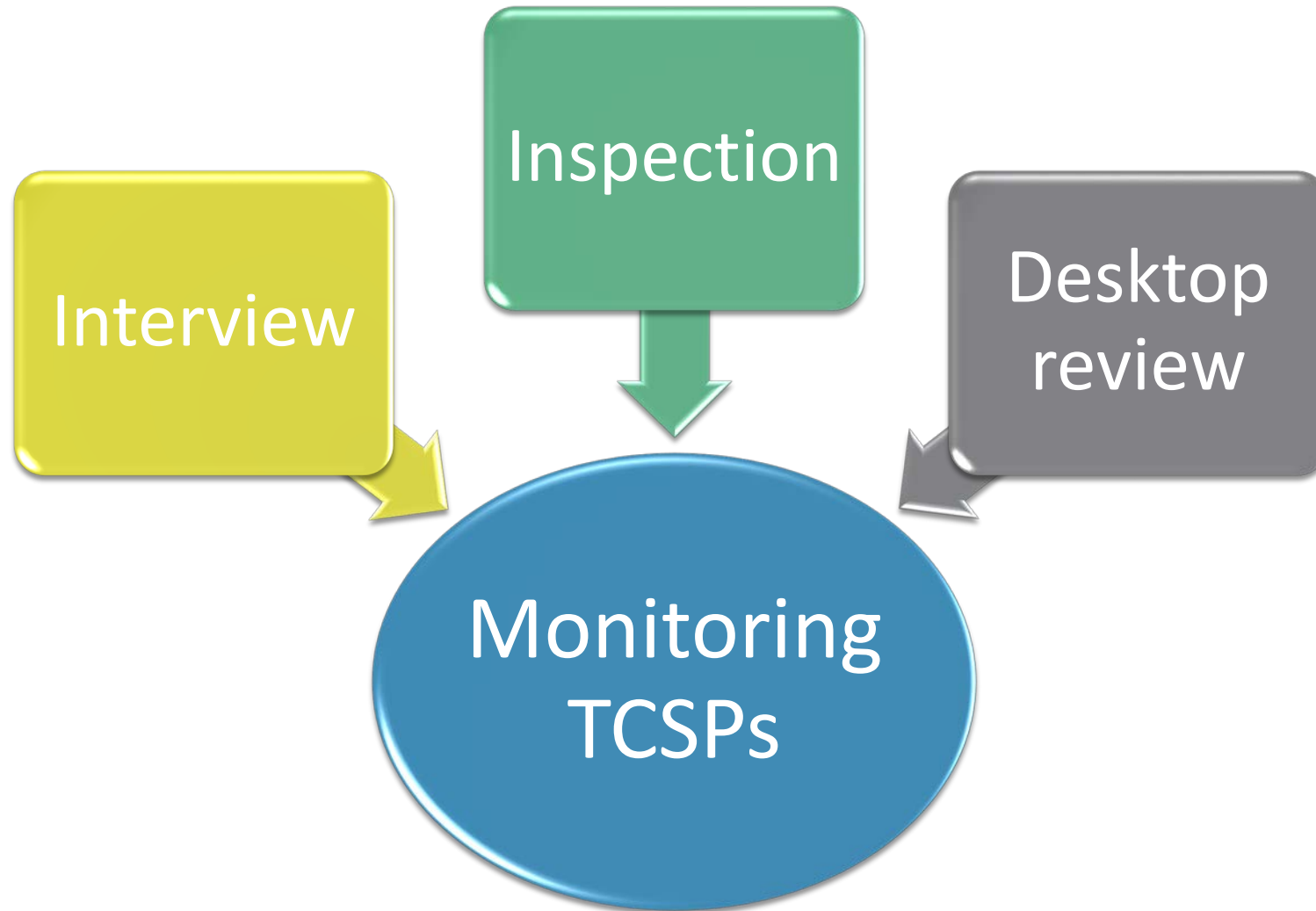


**Filing form(s)
under the Companies
Ordinance (Cap. 622)**
*(e.g. Form NR1, ND2A,
ND2B)*

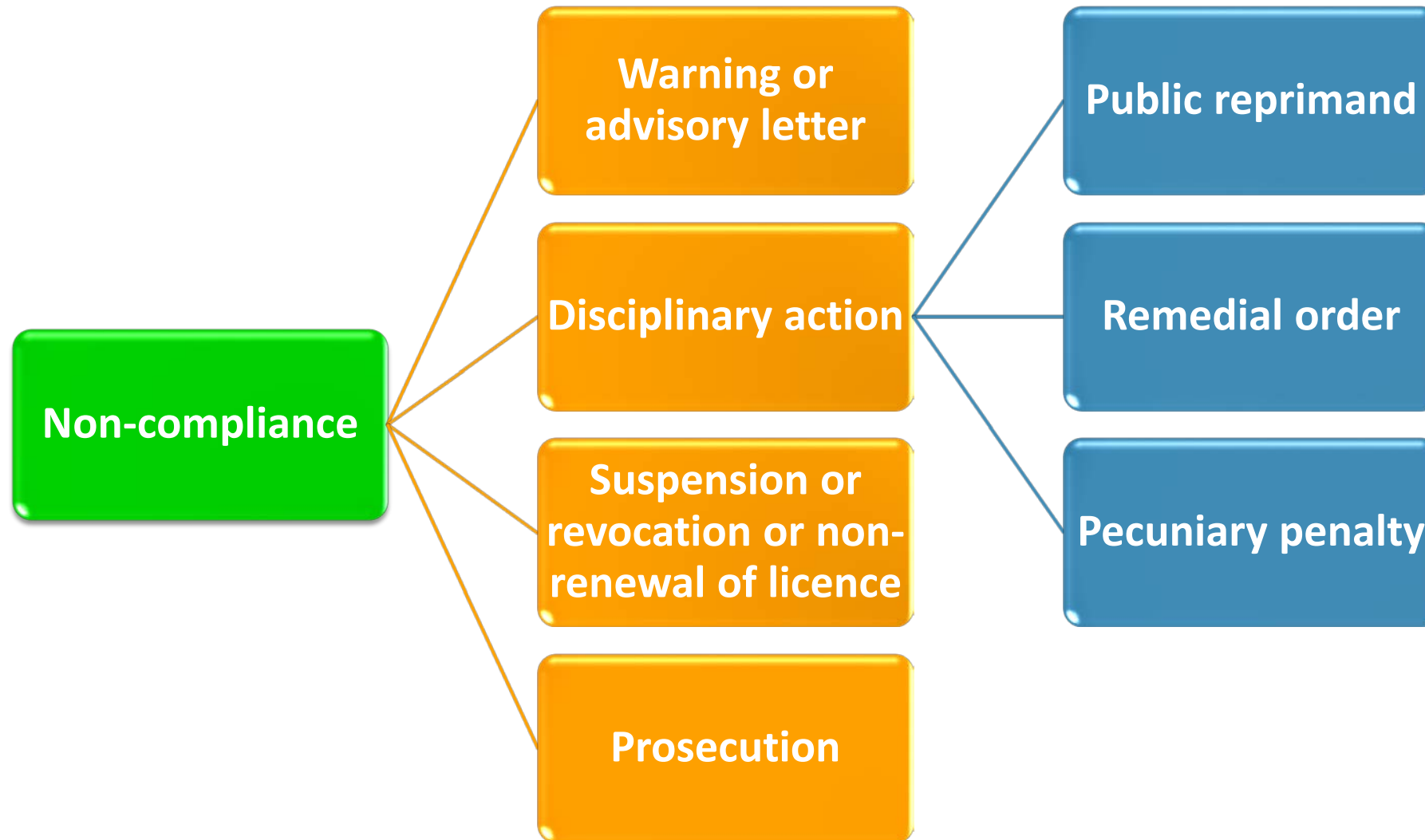


**Filing form(s)
under the
AMLO (Cap. 615)**
*(e.g. Form TCSP3,
TCSP6)*

Enforcement of the Licensing Regime (1)



Enforcement of the Licensing Regime (2)



Enforcement of the Licensing Regime (3)

The image displays two overlapping screenshots of the Companies Registry website, specifically the 'Highlights of Prosecution Cases' and 'Highlights of Disciplinary Cases' sections.


Left Screenshot: Highlights of Prosecution Cases

Defendant(s)	Nature of Offence	Judgment
(as a director of Limited)	Carrying on a trust or company service business without a licence, contrary to section 53F(1) of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, Cap. 615 and section 101E of the Criminal Procedure Ordinance, Cap. 221.	The defendant was convicted on 1 August 2019. The defendant from his provider licence.
Limited	Carrying on a trust or company service business without a licence, contrary to section 53F(1) of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, Cap. 615.	The defendant on 25 July 2019. The defendant from his provider licence.
(as a director of Limited)	Carrying on a trust or company service business without a licence, contrary to section 53F(1) of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, Cap. 615 and section 101E of the Criminal Procedure Ordinance, Cap. 221.	
Limited	Carrying on a trust or company service business without a licence, contrary to section 53F(1) of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, Cap. 615.	
(as a director of Limited)	Carrying on a trust or company service business without a licence, contrary to section 53F(1) of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, Cap. 615.	

Right Screenshot: Highlights of Disciplinary Cases

Name of Licensee and Licence No.	Contravention	Disciplinary Action Taken
Limited (TC00-)	The Licensee has contravened: 1. Condition 2 of the licence imposed by the Registrar of Companies pursuant to section 53J of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, Cap. 615 ("the AMLO"), namely, the Licensee has failed to put in place adequate and proper anti-money laundering and counter-terrorist financing policies, procedures and controls, as evidenced by policy statement(s) or other written documents. 2. section 19(3) of Schedule 2 to the AMLO, namely, the Licensee has failed to establish and maintain effective procedures not inconsistent with the AMLO for the purpose of carrying out the duties under sections 3, 4, 5, 9, 10 and 15 of Schedule 2. 3. section 23 of Schedule 2 to the AMLO, namely, the Licensee has failed to take all reasonable measures to ensure that proper safeguards exist to prevent a contravention of any requirement under Part 2 or 3 of Schedule 2, and to mitigate money laundering and terrorist financing risks.	Imposition of a pecuniary penalty of HK\$10,000 (Decision date: 19 October 2020) Statement of Disciplinary Action
Limited (TC00-)	The Licensee has contravened: 1. section 53U(1) of Part 5A of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, Cap. 615 ("the AMLO"), namely, a person has become a director of the Licensee without prior written approval of the Registrar of Companies.	Imposition of a pecuniary penalty of HK\$20,000 (Decision date: 21 September 2020) Statement of Disciplinary Action

Website of TCSP Registry


**公司註冊處**
Companies Registry


Registry for Trust and Company Service Providers
Unit 1208, 12/F, One Kowloon, 1 Wang Yuen Street, Kowloon Bay,
Kowloon, Hong Kong


What's New Contact Us 繁 簡

Register Login

Home Guidelines Forms Information Pamphlets Enforcement Anti-Money Laundering and Counter-Terrorist Financing FAQs Publications & Presentations

**Register of Trust or Company Service Provider Licensees**

 Name of Licensee or Licence No.


**Online Services**

- Apply for a Trust or Company Service Provider Licence
- Apply for Renewal of a Trust or Company Service Provider Licence
- Apply for approval to become an ultimate owner/a partner/a director of a TCSP licensee
- Report changes in particulars
- Report Cessation of Trust or Company Service Business


More Online Service ▾

Register Login

Popular Downloads

**Guidelines**

- Guideline on Licensing of Trust or Company Service Providers

**Forms**

- Application for a Trust or Company Service Provider Licence (Form TCSP1) (Must be
- Services of the Registry for Trust and Company Service Providers (Updated on 21 December



Online Services

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- Apply for approval to become an ultimate owner/a partner/a director of a TCSP licensee
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More Online Service ▾

 Register

 Login



End of Part I

Thank you




Part II

AML/CTF Requirements

for TCSPs

Ms. Christy Yiu
Senior Solicitor

What are CDD Measures?

- 
- identifying the customer and verifying the customer's identity [s. 2(1)(a), Sch. 2]
 - identifying the beneficial owner and taking reasonable measures to verify the beneficial owner's identity [s.2(1)(b), Sch. 2]
 - obtaining information on the purpose and intended nature of the business relationship, if a business relationship is to be established [s.2(1)(c), Sch. 2]
 - identifying the person purporting to act on behalf of the customer and taking reasonable measures to verify the person's identity and verifying the person's authority to act on behalf of the customer [s.2(1)(d), Sch. 2]

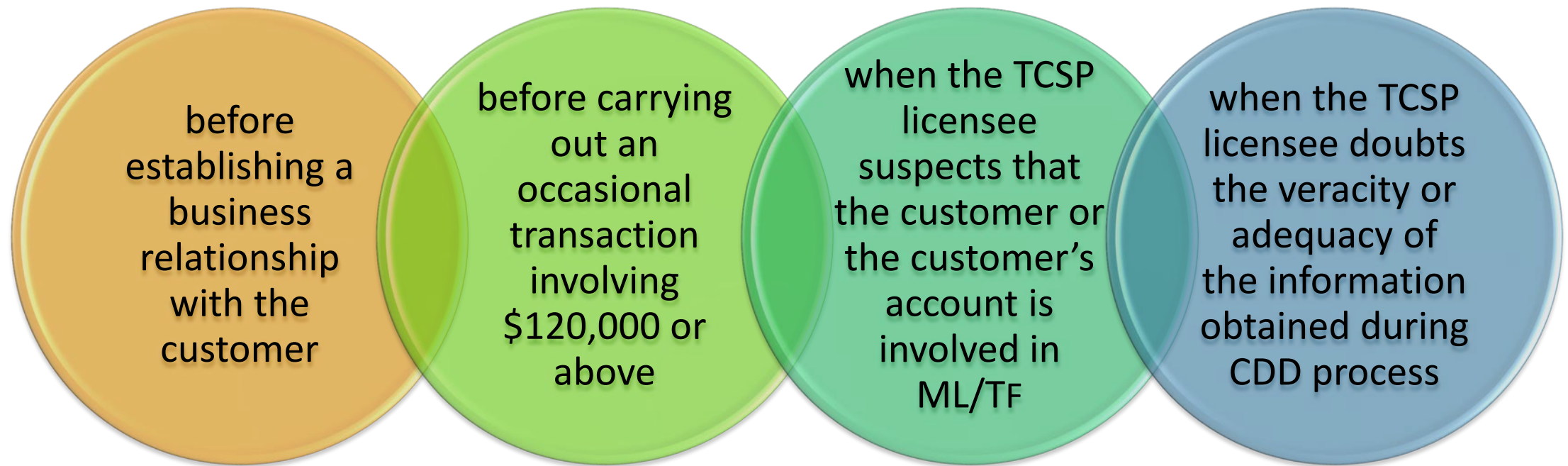
Appendices A-D of the Guideline on Compliance of Anti-Money Laundering And Counter-Terrorist Financing Requirements for Trust or Company Service Providers (“AML/CTF Guideline”)

For identification and verification of customer which is a/an:

- individual – Appendix A
- corporation – Appendix B
- partnership or unincorporated body – Appendix C
- trust – Appendix D

When to Carry Out CDD?

CDD measures must be carried out: *[s.3, Sch. 2]*



If the requirements are not complied with, the licensee **MUST NOT** establish a business relationship or carry out an occasional transaction with that customer. If a business relationship has been established, it must be terminated as soon as reasonably practicable. *[s.3(4), Sch. 2]*

Case Example

Transaction : acting as the company secretary of Company X

- ▶ Who is the customer?
- ▶ Is the customer a new customer?
- ▶ Company X – Appendix B of the AML/CTF Guideline
- ▶ Section 4 of Schedule 2 to the AMLO (SDD) applies?
- ▶ The beneficial owner of Company X – Appendix A of the Guideline
- ▶ A person purports to act on behalf of Company X :
 - Appendix A of the Guideline + verify the authority

Pre-existing Customers *[s.6, Sch. 2]*

- (1) In relation to a pre-existing customer, a TCSP licensee must carry out the customer due diligence measures when:
 - ▶ a transaction takes place with regard to the customer that—
 - (i) is, by virtue of the amount or nature of the transaction, unusual or suspicious; or
 - (ii) is not consistent with the TCSP licensee's knowledge of the customer or the customer's business or risk profile, or with the TCSP licensee's knowledge of the source of the customer's funds; or
 - ▶ a material change occurs in the way in which the customer's account is operated;
 - ▶ when the TCSP licensee suspects that the customer or the customer's account is involved in money laundering or terrorist financing;
 - ▶ when the TCSP licensee doubts the veracity or adequacy of any information previously obtained for the purpose of identifying the customer or for the purpose of verifying the customer's identity.
- (2) If a TCSP licensee is unable to comply with subsection (1), the licensee must terminate the business relationship with the customer as soon as reasonably practicable.

Ongoing Due Diligence Requirements

Continuously monitor the business relationship with customer *[s.5, Sch. 2]*

Reviewing from time to time documents, data and information relating to the customer obtained for the purpose of complying with Part 2 of Schedule 2 to ensure they are up-to-date and relevant;

Scrutinizing the transactions of the customer to ensure that they are consistent with the licensee's knowledge of the customer and its business, risk profile and source of funds; and

Identifying transactions that are complex, unusually large or of an unusual pattern and have no apparent economic or lawful purpose, and examining the background and purposes of those transactions and setting out its findings in writing.

Enhanced Due Diligence (“EDD”)

High-risk situations for which EDD measures apply include

the customer is not physically present for identification purposes;

the customer or the beneficial owner of the customer is a politically exposed person (“PEP”);

any situation specified by the Registrar of Companies in a notice given to the TCSP licensee and in any situation that by its nature may present a high risk of money laundering or terrorist financing.

- ▶ corporate customer having issued bearer shares
- ▶ customer from or transaction connected with higher-risk jurisdictions
- ▶ Refer to the EDD measures required in sections 9, 10 and 15 of Schedule 2 to the AMLO

Politically Exposed Persons

When TCSP licensees know that a customer or its beneficial owner is a PEP, they should, before establishing a business relationship or continuing an existing business relationship where the customer or the beneficial owner is subsequently found to be a PEP, carry out EDD measures under section *10 of Schedule 2. [s. 10, Sch. 2]*

A TCSP licensee must establish and maintain effective procedures for determining whether a customer or a beneficial owner of a customer is a politically exposed person. *[s. 19(1), Sch. 2]*

Record-Keeping Requirements

Records to be kept *[s. 20, Sch. 2]*

In relation to a **transaction**

- the original or a copy of the documents, and a record of the data and information should be kept **for at least 5 years after the completion of the transaction.**

In relation to a **customer**

- the original or a copy of the CDD documents, record of the data and information and files relating to the customer's account and business correspondence with the customer and any beneficial owner of the customer should be kept **throughout the continuance of the business relationship with the customer and for a period of at least 5 years after the end of the business relationship.**


Other Requirements under the AMLO

- A TCSP licensee must, in respect of each kind of customer, business relationship, product and transaction, establish and maintain effective procedures not inconsistent with the AMLO for the purpose of carrying out the duties under sections 3, 4, 5, 9, 10 and 15 of Schedule 2 of the AMLO. *[s. 19(3), Sch. 2]*
- A TCSP licensee must take all reasonable measures (a) to ensure that proper safeguards exist to prevent a contravention of any requirement under Part 2 or 3 of Schedule 2 of the AMLO, and (b) to mitigate money laundering and terrorist financing risk. *[s. 23, Sch. 2]*

Case Example – Disciplinary Action

Failure to produce an AML/CTF policy statement

- ▶ Contravention of a requirement set out in Schedule 2 to the AMLO
- ▶ Contravention of a condition of the licence

 Public reprimand/ pecuniary penalty/ order to take remedial action

Financial Sanction and Counter-Terrorist Financing

- It is an offence under the relevant Regulations of the **United Nations Sanctions Ordinance, Cap. 537** for any person to make available or deal with economic assets of individuals or entities designated by the United Nations Security Council; or those acting on behalf of, or at the direction of, or owned or controlled by such individuals or entities.
- **The United Nations (Anti-Terrorism Measures) Ordinance, Cap. 575 (“UNATMO”)** criminalizes the provision or collection of property and making any property or financial (or related) services available to terrorists or terrorist associates.
- TCSP licensees are reminded not to have any business relationship with any sanctioned individuals or entities, or any terrorist or terrorist associate as defined under the UNATMO.
- Chapter 8 of the AML/CTF Guideline.



Persons and Entities subject to Sanctions and Terrorists or Terrorist Associates

- TCSP licensees should ensure that they should have an appropriate system to conduct name checks against the relevant list(s) for screening purposes and that the list(s) is/are up-to-date.
- Comprehensive ongoing screening of a TCSP licensee's complete customer base is a fundamental internal control to prevent terrorist financing and sanction violations.
- Lists of sanctioned persons and entities and list of names of persons designated as terrorists or terrorist associates specified under the UNATMO are available at the website of the Companies Registry's Trust and Company Service Providers Licensing Regime (www.tcsp.cr.gov.hk).

Counter-Financing of Proliferation of Weapons of Mass Destruction (“PF”)

United Nations Sanctions (Democratic People’s Republic of Korea) Regulation, Cap. 537AE

United Nations Sanctions (Joint Comprehensive Plan of Action—Iran) Regulation, Cap. 537BV

Under section 4 of [the Weapons of Mass Destruction \(Control of Provision of Services\) Ordinance, Cap. 526](#), it is an offence for a person to provide any services where he/she believes or suspects, on reasonable grounds, that those services may be connected to weapon of mass destruction proliferation.

Reporting Suspicious Transactions

**Drug Trafficking
(Recovery of
Proceeds) Ordinance,
Cap. 405**

**Organized and
Serious Crimes
Ordinance, Cap.
455**

**United Nations
(Anti-Terrorism
Measures)
Ordinance, Cap. 575**

- ▶ In cases of suspicions of money laundering, TF, PF or sanctions violations, report should be made to **the Joint Financial Intelligence Unit ("JFIU")**
- ▶ Chapter 7 of the AML/CTF Guideline
 - TCSP licensees must establish and maintain a record of all ML/TF reports made to the MLRO and all suspicious transaction reports made to the JFIU.

The End

