

## **Guidelines for Submission of Business Plan**

### **by Applicant for Money Service Operator Licence/Licensee**

These guidelines set out key elements that should be included in the business plan so as to allow the Money Service Supervision Bureau (“MSSB”) to have a comprehensive understanding of the applicant’s proposed money service business and its mode of operation. At a minimum, the applicant should include in the business plan the following items set out in the table below.

The business plan should ensure that the applicant pays attention to both the broad operational and compliance objectives of the new business. The MSSB is obliged to look into the applicant’s entire business operation from the anti-money laundering and counter-terrorist financing (“AML/CFT”) perspective. As such, it is important that the applicant will provide all necessary information to MSSB for examination and has the necessary resources to execute the business plan and comply with both the statutory and regulatory requirements. Failure to provide this information may delay or hinder the processing of your application. In addition, the applicant is required to confirm in writing in the business plan that he/she is well aware of and will comply with the statutory requirement that if there is any change in the particulars that are provided to the Commissioner of Customs and Excise (“Commissioner”) for the grant or renewal of money service operator (“MSO”) licence, the licensee must notify the Commissioner in writing of change within one month beginning on the date on which the change takes place.

<b>Item No.</b>	<b>Required information</b>	<b>Detail of the required information</b>
<b>1</b>	<b>Company name</b>	Provide information on the company name, business name, website address, business logo and trademark that will be used to promote the money service business.
<b>2</b>	<b>Company history</b>	Provide information on the applicant’s history, the source of capital and whether the applicant is associated with or controlled by any entities or group company.
<b>3</b>	<b>Key executives of senior management</b>	Provide information on the key executives of the senior management including their nationality, employment history, qualification and education level.

4	<b>Location of key management</b>	<p>Location of senior management (where key business decision is made).</p> <p>If there is any back-end office in or outside Hong Kong, elaborate the function/purpose of this office and its whereabouts.</p>
5	<b>Customers and location of customers</b>	<p>Provide information on the potential and expected customers including their geographical location and nationality, mode of contacting with the customers etc.</p>
6	<b>Business operation in Hong Kong and its key objective</b>	<p>Elaborate in detail on what business operation will take place in Hong Kong and the reason of obtaining a licence locally. The business operation should detail the entire transaction process such as placing the transaction order, handling and processing of order, movement of funds, compliance function, and accounting and record keeping function, etc.</p>
7	<b>Delivery channels of product and service offered</b>	<p>Provide information on the type of product and service to be offered and the timeline of launching these product and service.</p> <p>Elaborate in detail on how each type of product and service are carried out and the entire delivery channel including processing of orders and fund flows going through each foreign agent or foreign MSO in different jurisdictions.</p> <p>If foreign agents or foreign MSOs are used to transfer or receive funds, please provide information on all agents and overseas MSOs together with the service agreement.</p> <p>Elaborate the measures taken to protect customer funds against risk of loss in the event of nonfulfillment of other agent or MSO both inside and outside Hong Kong.</p>
8	<b>Bank account</b>	<p>Provide information of any bank accounts used for the business, such as account number and owner of the bank account (No third party bank account is allowed), etc.</p> <p>Note: If the applicant considers there is no need to open bank account for the business, the applicant is required to provide details on how will the company provide money service without bank account.</p>
9	<b>Profitability and financial information of the business</b>	<p>Provide information on the expected profit margin and turnover on each type of product and service for the next two years and the running capital for the daily operation of the business</p>

10	<b>Organizational structure</b>	<p><i>Organization of the group of companies in Hong Kong</i></p> <p>Elaborate the group of companies (include the parent company, local branches and subsidiaries), their locations and respective functions. Attach an organizational chart of the group of companies and provide a brief description and business carried out by <b>each</b> entity within the group.</p>
		<p><i>Organization of the international group of companies outside Hong Kong</i></p> <p>Elaborate the international group of companies to which the applicant belongs. Attach an organizational chart of the international group of companies and provide a brief description and business carried out by <b>each</b> entity within the group.</p>
11	<b>Local business premises</b>	<p>If the applicant’s business premises are shared by “other businesses” (including businesses not belong to the applicant), elaborate the <u>nature</u> of the “other businesses”.</p> <p>Elaborate whether the “other businesses” in the applicant’s business premises are <u>also owned</u> by the applicant/director or partner or staff of the applicant.</p> <p>Elaborate whether the “other businesses” in the applicant’s business premise <u>have any business relationships</u> with the applicant. If yes, elaborate the nature of the business relationships.</p>
12	<b>Local human resources</b>	<p><i>Management team of the applicant</i></p> <p>Elaborate the composition of the management team. Total number of the members, their position, roles and responsibilities (e.g. compliance functions, reporting of suspicious transactions), full time/part time, the reporting lines.</p>
		<p><i>Employee of the applicant</i></p> <p>Elaborate the composition of the employees. Total number of employees, their position, roles and responsibilities (e.g. compliance functions, reporting of suspicious transactions), full time/part time, the reporting lines.</p>
13	<b>Use of outsourced services</b>	<p>Provide the name and nature of any outsourced services used by the applicant for AML/CFT purpose.</p> <p>For example, external audit function, any specified intermediary.</p>
14	<b>Computerized / screening systems</b>	<p>Elaborate the computerized systems and other automation systems used in the business.</p>

		For example, name of the commercial service or database provider for automated AML solution and sanction screening, etc.
<b>15</b>	<b>Acting as agent or principal</b>	<p>If the applicant also acts as an <u>agent</u> for “other local MSO” and/or “overseas company/business entity”, provide the name of the “other local MSO” and/or the “overseas company / business entity”. Elaborate the functions of acting as agent by the applicant.</p> <p>If the applicant also acts as a <u>principal</u> for “other local MSO” and/or “overseas company/business entity”, provide the name of the “other local MSO” and/or “overseas company / business entity”. Elaborate the functions of acting as principal by the applicant.</p>
<b>16</b>	<b>Other types of business relationships</b>	<p>If the applicant’s business involves the use of other third party’s payment platform or network, e.g. digital wallet, etc., explain the role of the payment platform / network in the applicant’s business.</p> <p>If the applicant’s business involves the activities of local/cross-boundary <u>physical cash movement</u>, provide the name of the company/person in relation to such activities.</p>
<b>17</b>	<b>Subject to other supervision</b>	Whether the applicant’s local business or international group of companies to which the applicant belongs is also subject to other type of supervision (e.g. holding licence granted by other regulator/competent authority). If yes, provide the name of the other regulator/competent authority.