



CUSTOMS AND EXCISE DEPARTMENT

*Anti-Money Laundering and Counter-Terrorist Financing
Ordinance, Chapter 615, Laws of Hong Kong*

Guidance Notes
of
Application for a Dealer in Precious Metals and Stones
Category B Registration
Form 1B(BR)

Table of Content

| | |
|--|----|
| Part A - General Information | 3 |
| 1. Introduction | 3 |
| 2. Eligibility Criteria | 3 |
| 3. Validity of a Category B Registration | 3 |
| 4. Application | 3 |
| 5. Processing of Application | 4 |
| Part B - Notes on How to Complete the Application Form | 6 |
| Part I Particulars of the applicant | 6 |
| Part II Principal place of business | 6 |
| Part III Details of all other business premises used for dealing in precious metals and stones (if any) | 7 |
| Part IV Particulars of applicant who is a Sole Proprietor or Particulars of Individual Partner / Director / Ultimate Owner(s) of applicant which is a partnership / corporation | 8 |
| Part V Particulars of the corporate Partner / Director of applicant (if applicable) | 9 |
| Part VI Declaration by the person who submits this application form | 9 |
| Part C - Personal Information Collection Statement | 10 |
| Part D - General Enquiry | 12 |
| Appendix I – Sample Letter of Consent | 13 |
| Appendix II – Sample Letter of Authorization (Corporation) | 14 |

Part A - General Information

1. Introduction

- 1.1 Under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, Chapter 615, Laws of Hong Kong (AMLO), any person carries out a specified transaction or a specified cash transaction in Hong Kong must obtain respective registration from the Commissioner of Customs and Excise (CCE).
- 1.2 Under section 53ZUE of the AMLO, any person, other than a registrant, who carries out specified transactions or specified cash transactions in Hong Kong commits an offence and is liable on conviction to a fine of \$100,000 and to imprisonment for 6 months.

2. Eligibility Criteria

- 2.1 Under section 53ZUO of the AMLO, an application for grant of a Category B registration must be made to the CCE in the specified form and manner and accompanied by an application fee specified in Schedule 3K of the AMLO. The CCE may grant a registration to an applicant only if the applicant fulfills the following requirements:
- i. The applicant holds a valid business registration certificate (or a valid hawker licence as per section 53ZVP of the AMLO);
 - ii. The applicant provides the address of each premises to be used as business premises and the applicant's correspondence address; and
 - iii. Each specified person of the applicant is a fit and proper person to carry on/ be associated with a precious metals and stones business.
- 2.2 Should the business premises provided in application form be residential or mixed commercial and residential premises, the applicant should obtain a written consent from every occupant (a person who usually resides at the premises) for any authorized person as defined by section 8 of the AMLO to enter the premises for the purpose of exercising the powers under section 9 of the AMLO.

3. Validity of a Category B Registration

- 3.1 A Category B Registration is normally valid for 3 years beginning on the date on which the registration is granted. However, subject to the discretion of the CCE, the validity of a registration may vary, depending on the circumstances of each and every case.

4. Application

4.1 Application Forms

- 4.1.1 Application form 1B(BR) can be obtained from the Dealers in Precious Metals and Stones Supervision Bureau (DPSB) of the Customs and Excise Department (C&ED)

or downloaded at <https://www.drs.customs.gov.hk>.

4.1.2 Type of Application Forms and Appendices:

- i. Form 1B(BR) - Application Form for a Dealer in Precious Metals and Stones Category B Registration;
- ii. Form 3A - Fit and Proper Person Declaration Form for sole proprietor/partner/director/ultimate owner/licensed hawker;
- iii. Form 3B - Fit and Proper Person Declaration Form for corporate partner/director;
- iv. Appendix I - Authorization (for retrieving personal information from the Hong Kong Police Force); and
- v. Appendix II - Authorization (for retrieving personal information from the Official Receiver).

4.1.3 An applicant is required to submit Form 1B(BR) and Form 3A together with Appendices I & II for the sole proprietor, partner, director and ultimate owner, if any, who is an individual. Where there is any partner or director which is a corporation, an applicant is also required to submit Form 3B for such partner/director. For details of how to complete Forms 3A and 3B, please refer to the relevant Guidance Notes.

4.1.4 An applicant is also required to submit a completed “Descriptions of Precious Metals and Stones Business & Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF) Measures” proforma at the Annex of the “Registration Guide – Part III” (“proforma”), or the applicant’s own descriptions of precious metals and stones business & AML/CTF measures containing information prescribed in the proforma.

4.2 Application means

An applicant may submit an electronic application with all required supporting documents through a registration system at <https://www.drs.customs.gov.hk>. An applicant can also submit the application in person or by post.

4.3 Important notes

- i. Applicants are reminded to ensure that any application is submitted together with all required supporting documents. If the applicant fails to produce the documents within a specified period, the application may be considered invalid and may not be processed by the C&ED.
- ii. If there is any change on the information contained in the application after its submission, the applicant should submit a written request to the CCE promptly. Likewise, if an applicant wishes to withdraw the application, the applicant shall submit a written request to the CCE. Applicants are reminded that any amendments shall form an integral part of their applications. The supplementary information must be submitted together with copies of relevant supporting documents to the CCE.

5. Processing of Application

- 5.1 Upon receipt of an application and the relevant documents, the CCE may also request the applicant to provide additional information to process the application by issuing a reminder letter where necessary. If the applicant fails to produce the documents within a specified period, the application is considered invalid and will not be processed by the C&ED.
- 5.2 The application fee is non-refundable irrespective of whether the registration application is successful or not.
- 5.3 The applicant will receive a notice for an interview with the date, time and venue as specified by the CCE. He/she is required to bring along with him/her the notice and the relevant original documents for verification during an interview. Besides, the applicant will be required to clarify and elaborate any information of the submitted documents in relation to the registration application.
- 5.4 The accuracy of the information provided will be verified through various means including, but not limited to, by counter-checking with the information held by the C&ED, other Government departments and law enforcement agencies.
- 5.5 The processing time may vary depending on various factors including the time taken in collecting the requisite documents from the applicant and the time required in obtaining records from other authorities to perform a fit and proper person test.
- 5.6 After the grant of a Category B registration, the name, Category of registration, address(es) of principal place of business and each branch(s) of the registrant will be published in the Register maintained by the CCE as specified in section 53ZUC of the AMLO. The register will be kept and made available for inspection by members of the public at the DPSB's office and respective website at <https://www.drs.customs.gov.hk>.

Part B - Notes on How to Complete the Application Form

Please fill in the form in capital letters and black ink according to the instructions stated in the application form and this Guidance Notes. An illegible handwritten form will not be processed.

Part I Particulars of the applicant

1.1 Please provide the particulars of the Applicant and the related information including:

- (i) the number of the ultimate owner (if any), for sole proprietorship;
- (ii) the number of partner and ultimate owner (if any), for partnership;
- (iii) the number of director and ultimate owner (if any), for corporation;
- (iv) types of precious metals and stones business;
- (v) precious metals and stones activity involved;
- (vi) means of precious metals and stones business being carried out; and
- (vii) whether the applicant carries on precious metals and stones business at other business premises (Please refer to Part III below). If yes, please indicate the number of other business premises and provide the address of all other business premises in Part III.

1.2 Precious-asset-backed instruments

- (a) means any certificate or instrument backed by one or more precious metals, precious stones or precious products that entitles the holder to such assets (in entirety or in part); but
- (b) does not include—
 - (i) any securities as defined by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571) (Cap. 571 interpretation section);
 - (ii) a futures contract as defined by the Cap. 571 interpretation section;
 - (iii) any interest in a collective investment scheme as defined by the Cap. 571 interpretation section;
 - (iv) a structured product as defined by the Cap. 571 interpretation section;
 - (v) an OTC derivative product as defined by the Cap. 571 interpretation section; or
 - (vi) a virtual asset;

Part II Principal place of business

2.1 Applicant MUST provide the CCE with an address of the applicant's principal place

of business.

- 2.2 The address of the principal place of business will be shown on the register in the way specified in section 53ZUC of the AMLO for inspection by members of the public.
- 2.3 The principal place of business should be accessible by C&ED officers for the enforcement of the AMLO.
- 2.4 Should the principal place of business be residential premises or mixed commercial and residential premises, the applicant must list out the names of all the occupants. A separate sheet may be used if space in the application form is insufficient. The applicant should secure the written consent of every occupant of the premises for any authorized person to enter the premises for conducting a routine inspection. The applicant should also ensure that each of the occupants has read the Personal Information Collection Statement in Part C of this Guidance Notes. Applicants may make reference to the sample format of the Letter of Consent at *Appendix*.

Part III Details of all other business premises used for dealing in precious metals and stones (if any)

- 3.1 Applicants are NOT required to complete this part unless the applicant is dealing in precious metals and stones in other business premises as stated in this Part. Business premises are any premises at which the registrant carries on a precious metals and stones business, including any of premises used for the following purposes:
 - (a) the carrying out of face-to-face transactions with customers;
 - (b) the administration of the affairs or business of the registrant;
 - (c) the processing of transactions; or
 - (d) the storage of documents, data or records.
- 3.2 Business premises should be accessible by C&ED officers for the enforcement of the AMLO.
- 3.3 Should the business premises be residential premises or mixed commercial and residential premises, the applicant must list out the names of all the occupants. A separate sheet may be used if space in the application form is insufficient. The applicant should secure the written consent of every occupant of the premises for any authorized person to enter the premises for conducting a routine inspection.

The applicant should also ensure that each of the occupants has read the Personal Information Collection Statement in Part C of the Guidance Notes. Applicants may make reference to the sample format of the Letters of Consent at *Appendix*.

- 3.4 The address of business premises for carrying out face-to-face transactions with customers will be shown on the register in the way specified in section 53ZUC of the AMLO for inspection by members of the public.
- 3.5 If the applicant has more than one business premises, please make a photocopy of the respective page of the application form for filling in the particulars of the other business premises.

Part IV Particulars of applicant who is a Sole Proprietor or Particulars of Individual Partner / Director / Ultimate Owner(s) of applicant which is a partnership / corporation

- 4.1 If the applicant has more than one partner, director or ultimate owner, please make a photocopy of the page and fill in the information as an additional sheet for the partner, director or ultimate owner.
- 4.2 For the applicant who is a sole proprietor and individual partner/director/ultimate owner of the applicant which is a partnership/corporation, please complete Form 3A as well as Appendices I & II.
- 4.3 Ultimate owner:
- (a) In relation to an individual (first-mentioned individual) carrying on a precious metals and stones business—
 - (i) means another individual who ultimately owns or controls the precious metals and stones business; or
 - (ii) if the first-mentioned individual is acting on behalf of another person, means the other person;
 - (b) in relation to a partnership, means an individual who—
 - (i) is entitled, directly or indirectly, to more than a 25% share of the capital or profits of the partnership;
 - (ii) controls, directly or indirectly, more than a 25% share of the capital or profits of the partnership;
 - (iii) is, directly or indirectly, entitled to exercise or control the exercise of more than 25% of the voting rights in the partnership; or
 - (iv) exercises ultimate control over the management of the partnership; and

- (c) in relation to a corporation, means an individual who—
 - (i) owns or controls, directly or indirectly, including through a trust or bearer share holding, more than 25% of the issued share capital of the corporation;
 - (ii) is, directly or indirectly, entitled to exercise or control the exercise of more than 25% of the voting rights at general meetings of the corporation; or
 - (iii) exercises ultimate control over the management of the corporation.

4.4 The applicant must list out the sole proprietor and all the partners, directors and ultimate owners of the applicant, and have to pay a fee for fit and proper person test for each of them. If the applicant has more than one partner, director or ultimate owner, please make a photocopy of the page and fill in the information as an additional sheet for the partner or director.

Part V Particulars of the corporate Partner / Director of applicant (if applicable)

5.1 For corporate partner(s) / director(s) of the applicant, please complete Form 3B.

5.2 The applicant must list out all the corporate partners and directors of the applicant and have to pay a fee for fit and proper person test for each of them.

Part VI Declaration by the person who submits this application form

6.1 The person who submits the application form should read the declaration in this form and fill in his/her particulars without signing on it. The application form is to be signed and stamped with the applicant's company chop at the application interview.

Part C - Personal Information Collection Statement

1. Purpose of Collection

- 1.1 Personal data provided to CCE pursuant to the requirements of the AMLO will be used by CCE for one or more of the following purposes:
- i. to process new / renewal applications for registration as a Dealer in Precious Metals and Stones (DPMS) registration or their renewals under the AMLO;
 - ii. to process applications for approvals to become an ultimate owner a partner a director of a DPMS registrant or notifications of changes in particulars under the AMLO;
 - iii. to administer the AMLO;
 - iv. to enforce relevant provisions of the AMLO (including relevant conditions of DPMS registrant);
 - v. to maintain a register of registrants (the Register) containing the name of every registrant, their category of registration and the address(es) of the principal place of business and branch(es) for public inspection;
 - vi. to provide a certified copy of an entry in an extract from the Register or a certificate issued by CCE under the AMLO to any person subject to payment of a fee; and
 - vii. to disclose to the public the material facts of cases in which CCE exercised disciplinary powers under the AMLO.
- 1.2 Provision of the required personal data to CCE is obligatory for compliance with the AMLO. The DPSB will not be able to process the relevant applications/notifications if the required personal data are not provided.

2. Classes of Transferees

The personal data you provide in the application form as well as any updates of them may be disclosed to other Government departments / bureaux or organizations for the purposes mentioned above; or any third parties under section 76D of the AMLO; or where such disclosure is authorized or required by law.

3. Access to Personal Data

You have the right of access to and correction of your personal data as provided for in the Personal Data (Privacy) Ordinance (PDPO). Your right of access includes the right to obtain a copy of your personal data provided in this form. In accordance with the provisions of the PDPO, we have the right to charge a reasonable fee for the processing of any data access request.

4. Enquiries to Personal Data

Enquiries concerning the personal data collected by the application form and annex, including the request for access to and correction of personal data, should be addressed to Departmental Secretary, Office of Departmental Administration Customs and Excise Department, 31/F, Customs Headquarters Building, 222 Java Road, North Point, Hong Kong.

Part D - General Enquiry

1. Applicants may visit the website at <https://www.drs.customs.gov.hk> for details of application information. For enquiries on individual application, the applicant may write to dpms_enquiry@customs.gov.hk or call the following enquiry hotlines during normal office hours:

Enquiry Hotlines: 3580 1483 (Chinese) / 3580 1484 (English)

2. This set of Guidance Notes is not a legal document. It only serves as a guide in completing the Form 1B(BR) Application Form for a Dealer in Precious Metals and Stones Category B Registration. In case of doubt about legal issues, you should refer to the AMLO, or if necessary seek assistance from your legal advisor.

Appendix I – Sample Letter of Consent

To : Commissioner of Customs and Excise

Letter of Consent
Regarding the Dealing in Precious Metals and Stones Business

by

(Company Name)

.....

at

(address)

.....

*I / My child, _____ *(Name of the occupant)* _____, being an occupant of the premises at the above address, hereby give my consent to any authorized person as defined by section 8 of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615) to enter the above premises for the purpose of exercising the powers under section 9 of the said Ordinance in connection with the dealing in Precious Metals and Stones business by the above company at the above address.

I have read the Personal Information Collection Statement stated in Part C of the Guidance Notes on the Application for a Dealer in Precious Metals and Stones Registration and understand the contents stated therein.

Signed by *the occupant/
the parent/guardian of the occupant : _____
(Name of the signer)

**HKID Card No./ Travel Document Type and No. of :-*

(i) the occupant : _____

(ii) the parent/guardian of the occupant : _____

Date : _____

* Please delete as appropriate

Appendix II – Sample Letter of Authorization (Corporation)

(Company Name / Logo / Letterhead)

To : Commissioner of Customs and Excise

Letter of Authorization

The Board of Directors of [the name of corporation] authorizes [name of the person], holder of Hong Kong Identity Card No. [ID no. of the person], in the capacity as one of our directors, to act for and on behalf of the Company, in its application for a Dealer in Precious Metals and Stones Category B Registration and represent the Company at any interview with the Customs & Excise Department in relation to the application.

Name : _____
(*Name of the authorized signatory*)

Position : _____

Signature : _____

Company Chop : _____

Date : _____