

- (b) it appears to the Commission that it is desirable in the public interest to present a petition for a bankruptcy order against the licensed representative in accordance with that Ordinance.
- (2) The Bankruptcy Ordinance (Cap. 6) applies to the petition as it applies in relation to a petition presented by a creditor.

## **53ZTH. Injunctions and other orders**

- (1) The Court of First Instance may, on an application of the Commission, make one or more of the orders specified in subsection (2) if—
  - (a) a person has committed any contravention-related conduct; or
  - (b) it appears to the Commission that any contravention-related conduct has been, is being or may be committed.
- (2) The orders specified for the purposes of subsection (1) are—
  - (a) an order restraining or prohibiting the commission or the continued commission of any contravention-related conduct;
  - (b) if a person, or it appears that a person, has been, is or may become, involved in the commission of any contravention-related conduct, whether knowingly or otherwise—an order requiring the person to take any step that the Court of First Instance directs, including steps to restore the parties to any transaction to the position in which they were before the transaction was entered into;
  - (c) an order restraining or prohibiting a person from acquiring, disposing of, or otherwise dealing in, any property specified in the order;

- (d) an order appointing a person to administer the property of another person;
  - (e) an order declaring a contract relating to any virtual assets to be void or voidable to the extent specified in the order;
  - (f) for the purpose of securing compliance with any other order made under this section, an order directing a person to do or refrain from doing any act specified in the order; and
  - (g) any ancillary order that the Court of First Instance considers necessary in consequence of the making of any of the orders referred to in paragraphs (a), (b), (c), (d), (e) and (f).
- (3) The Court of First Instance must, before making an order specified in subsection (2), satisfy itself so far as it can reasonably do so—
- (a) that it is desirable that the order be made; and
  - (b) that the order will not unfairly prejudice any person.
- (4) The Court of First Instance may, before making an order specified in subsection (2), direct either or both of the following—
- (a) a notice of the application made in respect of the order be given to the persons that the Court considers appropriate;
  - (b) such a notice be published in the manner that the Court considers appropriate.
- (5) If the Court of First Instance considers it desirable to do so, it may grant an interim order that it considers appropriate pending the determination of an application made pursuant to subsection (1).

- (6) An order specified in subsection (2) may be made whether or not it appears to the Court of First Instance that—
  - (a) the person against whom the order is to be made intends to engage again, or to continue to engage, in the commission of any contravention-related conduct;
  - (b) the person against whom the order is to be made has previously engaged in the commission of any contravention-related conduct; or
  - (c) there is an imminent danger of damage to any person in the event of the order not being made.
- (7) If the Court of First Instance has power to make an order specified in subsection (2) against a person, it may, in addition to or in substitution for such order, make an order requiring the person to pay damages to any other person.
- (8) If an order is made or granted under subsection (1) or (5), the Court of First Instance may—
  - (a) reverse, vary or discharge the order; or
  - (b) suspend the operation of the order.
- (9) For the purposes of this section, a person commits contravention-related conduct if the person—
  - (a) contravenes an applicable requirement;
  - (b) aids, abets, or otherwise assists, counsels or procures a person to contravene an applicable requirement;
  - (c) induces, whether by threats, promises or otherwise, a person to contravene an applicable requirement;
  - (d) is directly or indirectly in any way knowingly involved in, or a party to, any contravention of an applicable requirement; or
  - (e) attempts, or conspires with others, to contravene an applicable requirement.

(10) In this section—

***applicable requirement*** (適用規定) means anything falling within paragraph (a), (c), (d) or (e) of the definition of ***specified requirement*** in section 53ZR.

## Division 10—Miscellaneous

### 53ZTI. Applicant to provide information

- (1) This section applies to a person (***applicant***) who applies—
  - (a) for a licence under section 53ZRK or 53ZRL;
  - (b) for approval of accreditation or approval of transfer of accreditation to a principal under section 53ZRM;
  - (c) for variation of VA service under section 53ZRN;
  - (d) for approval to be a responsible officer under section 53ZRP;
  - (e) for approval of premises under section 53ZRR;
  - (f) for approval to become an ultimate owner under section 53ZRQ; or
  - (g) for any other matter requiring the approval of the Commission under this Part.
- (2) The applicant must provide the Commission with any information that the Commission reasonably requires to enable it to consider the application.
- (3) In considering an application referred to in subsection (1), the Commission may have regard to any information in its possession, whether provided by the applicant or not.
- (4) This section does not affect the Commission's power to require or have regard to information apart from this section.

### 53ZTJ. Particulars of disciplinary actions to be entered on register

- (1) For an exercise of a power under section 53ZSP or 53ZSQ (**decision**) against a licensed person, the Commission—
  - (a) must enter on the register maintained under section 53ZRH (**register**) the particulars of the decision that the Commission considers appropriate; and
  - (b) must enter the following particulars in relation to a decision on the register—
    - (i) if the decision is the subject of a review—the Tribunal’s determination of the review (when available);
    - (ii) if the Tribunal’s determination is the subject of an appeal—the Court of Appeal’s determination on appeal (when available).
- (2) The particulars of a decision entered on the register are to be kept in the register for a period of 5 years after—
  - (a) unless subsection (1)(b)(i) or (ii) applies—the day on which the decision takes effect;
  - (b) if subsection (1)(b)(i) applies but subsection (1)(b)(ii) does not apply—the day on which the Tribunal makes its determination; or
  - (c) if subsection (1)(b)(ii) applies—the day on which the Court of Appeal makes its determination.
- (3) Subsections (1) and (2) do not apply to a private reprimand under section 53ZSP(3)(a).
- (4) Despite subsections (1) and (2), the Commission is not required to enter on the register, or keep in the register, the particulars of, or in relation to, a decision if the decision is revoked by the Commission or is set aside on review or on appeal.

- (1) The Commission may publish codes and guidelines that it considers appropriate for providing guidance in relation to any provision under this Part.
- (2) The codes and guidelines must be published in the Gazette and in any other way the Commission considers appropriate.
- (3) To avoid doubt, the power of the Commission to publish codes or guidelines under this section is in addition to, and not in derogation of, any other power of the Commission to publish codes or guidelines under any provision of this or any other Ordinance.
- (4) The Commission may, from time to time, amend the whole or any part of any code or guideline published under this section in a way consistent with the power to publish the code or guideline under this section, and—
  - (a) the other provisions of this section apply, with necessary modifications, to the amendments to the code or guideline as they apply to the code or guideline; and
  - (b) any reference in this or any other Ordinance to the code or guideline (however expressed) published under this section is, unless the context otherwise requires, to be construed as a reference to the code or guideline as amended.
- (5) A failure on the part of a person to comply with a provision of any code or guideline published under this section does not by itself make the person liable to any legal proceedings, whether in the nature of judicial proceedings or otherwise.
- (6) Despite subsection (5)—
  - (a) the codes or guidelines may be taken into account in considering, for the purposes of any provision of this Ordinance, whether a licensed provider or a licensed representative is a fit and proper person to be or to remain licensed; and

- (b) in any proceedings under this Ordinance before any court—
  - (i) the code or guideline is admissible in evidence; and
  - (ii) if any provision set out in the code or guideline appears to the court to be relevant to any question arising in the proceedings, it is to be taken into account in determining that question.
- (7) Any code or guideline published under this section is not subsidiary legislation.

## **53ZTL.Rules on matters under Part 5B**

- (1) The Commission may make rules for the better carrying out of the provisions and purposes of this Part.
- (2) Without limiting subsection (1), the Commission may make rules—
  - (a) to specify any conditions subject to which the provisions of this Part—
    - (i) do not have effect, or only have effect to a specified extent, in relation to any specified person or to members of a specified class of persons;
    - (ii) do not have effect in relation to any specified transaction or class of transactions entered into by any specified person or class of persons; or
    - (iii) are, where they require any application, statement, notice or other document (however described) to be lodged or filed with or submitted to the Commission, to be regarded as having been complied with if the application, statement, notice or other document (as the case requires) is lodged

or filed with or submitted to any other specified person; and

- (b) to prescribe any matter that under this Part is to be prescribed by rules.
- (3) Except as otherwise provided in this Part, rules made by the Commission under this section—
  - (a) may be of general or special application and may be made so as to apply only in specified circumstances;
  - (b) may make different provisions for different circumstances and provide for different cases or classes of cases;
  - (c) may authorize any matter or thing to be determined, applied or regulated by any specified person;
  - (d) may provide for the exercise of discretion in specified cases; and
  - (e) may, for the better and more effectual carrying into effect of any provision of this Ordinance or the rules, include any savings, transitional, incidental, supplemental, evidential and consequential provisions (whether involving the provisions of any principal legislation or the provisions of any subsidiary legislation).
- (4) Despite any other provisions of this Part but subject to subsection (6), if the Commission proposes to make rules under subsection (1), it must publish a draft of the proposed rules, in a manner that it considers appropriate, for the purpose of inviting representations on the proposed rules by the public.
- (5) If the Commission makes any rules under subsection (1) after a draft is published under subsection (4) in relation to the rules, it must—

- (a) publish, in a manner that it considers appropriate, an account setting out in general terms—
    - (i) the representations made on the draft; and
    - (ii) the response of the Commission to the representations; and
  - (b) if the rules are made with modifications that in the opinion of the Commission result in the rules being significantly different from the draft, publish, in a manner that it considers appropriate, details of the difference.
- (6) Subsections (4) and (5) do not apply if the Commission considers, in the circumstances of the case, that—
- (a) it is inappropriate or unnecessary that those subsections should apply; or
  - (b) any delay involved in complying with those subsections—
    - (i) would not be in the interest of the investing public; or
    - (ii) would not be in the public interest.
- (7) To avoid doubt, subsections (4), (5) and (6) do not affect any other requirements that, apart from those subsections, apply to the making of any rules under any provision of this Part.
- (8) If rules are made by the Commission under subsection (1), the Chief Executive in Council may make regulations to provide that a person who contravenes any specified provision of the rules that applies to the person commits an offence and is liable to a specified penalty not exceeding—
- (a) on conviction on indictment a fine of \$500,000 and imprisonment for 2 years; or

- (b) on summary conviction a fine at level 6 and imprisonment for 6 months.

### **53ZTM. Amendment of Schedules 3B to 3F**

- (1) The Secretary for Financial Services and the Treasury may, by notice published in the Gazette, amend Schedule 3B.
- (2) The Commission may, by notice published in the Gazette, amend Schedule 3C.
- (3) The Commission may, after consultation with the Financial Secretary, by notice published in the Gazette, amend Schedules 3D, 3E and 3F.

### **53ZTN. Commission may waive or refund fees**

The Commission may, in relation to any person or class of persons—

- (a) waive, in whole or in part, the payment of any fee under this Part; or
- (b) refund, in whole or in part, any fee paid under this Part, if the Commission is of the opinion that otherwise the payment of the fee would be unduly burdensome or inappropriate.

### **53ZTO. Offence for making false or misleading representation in connection with application**

- (1) A person commits an offence if the person—
  - (a) in connection with an application made to the Commission under this Part, whether for the person or for another person, makes a representation, whether in writing, orally or otherwise, that is false or misleading in a material particular; and

- (b) knows that, or is reckless as to whether, the representation is false or misleading in a material particular.
- (2) A person commits an offence if the person, in connection with an application made to the Commission under this Part, whether for the person or for another person—
  - (a) omits a material particular from a representation with the result that the representation is rendered false or misleading; and
  - (b) knows that, or is reckless as to whether, the material particular is omitted from the representation.
- (3) A person who commits an offence under subsection (1) or (2) is liable—
  - (a) on conviction on indictment to a fine of \$1,000,000 and to imprisonment for 2 years; or
  - (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.
- (4) In this section—

***representation*** (表述) means a representation or statement—

- (a) of a matter of fact, either present or past;
- (b) about a future event; or
- (c) about an existing intention, opinion, belief, knowledge or other state of mind.

## **53ZTP. Offence for providing false or misleading information, if information required under this Ordinance**

- (1) A person commits an offence if the person—
  - (a) in purported compliance with a requirement to provide information imposed by or under any provision of this Ordinance—

- (i) provides to the Commission any information that is false or misleading in a material particular; or
  - (ii) omits a material particular from a statement with the result that the statement is rendered false or misleading; and
- (b) knows that, or is reckless as to whether, the information is false or misleading in a material particular.
- (2) Subsection (1) does not apply to the provision of information that is false or misleading in a material particular if the provision of the information in purported compliance with a requirement imposed by or under any provision of this Ordinance would, apart from subsection (1), also constitute an offence under any provision of this Ordinance.
  - (3) A person who commits an offence under subsection (1) is liable—
    - (a) on conviction on indictment to a fine of \$1,000,000 and to imprisonment for 2 years; or
    - (b) on summary conviction to a fine at level 6 and to imprisonment for 1 year.

**53ZTQ. Offence for providing false or misleading document, if document required in connection with Commission's function**

- (1) Subject to subsection (2), a person commits an offence if the person—
  - (a) otherwise than in purported compliance with a requirement to provide information imposed by or under any provision of this Ordinance but, in connection with the performance by the Commission of a function under this Ordinance, provides to the Commission any record or document that is false or misleading in a material particular; and

- (b) the person—
- (i) knows that, or is reckless as to whether, the record or document is false or misleading in a material particular; and
  - (ii) has, in relation to the provision of the record or document, received prior written warning from the Commission to the effect that the provision of any record or document that is false or misleading in a material particular or omission of a material particular from a statement in the circumstances of the case would constitute an offence under this subsection.
- (2) A person may be convicted of an offence under subsection (1) only if the prosecution proves that—
- (a) the Commission has reasonably relied on the record or document in question; or
  - (b) the person intended that the Commission would rely on the record or document in question.
- (3) However, subsection (2)(a) does not require it to be proved that the Commission who has reasonably relied on any record or document—
- (a) was misled;
  - (b) suffered any detriment; or
  - (c) incurred any loss,
- as a result of the reliance.
- (4) A person who commits an offence under subsection (1) is liable—
- (a) on conviction on indictment to a fine of \$500,000 and to imprisonment for 6 months; or

- (b) on summary conviction to a fine at level 5 and to imprisonment for 6 months.

### **53ZTR. Certain representations prohibited**

- (1) Subject to subsection (2), a licensed provider or a licensed representative—
  - (a) must not represent that the abilities or qualifications of the licensed provider or the licensed representative (as the case requires) have been endorsed or warranted by the Government or the Commission; and
  - (b) must not permit any other person to make representations to the effect referred to in paragraph (a).
- (2) A statement to the effect that a person is licensed under this Ordinance does not by itself constitute a contravention of subsection (1).
- (3) If a licensed provider or a licensed representative, without reasonable excuse, contravenes subsection (1), the licensed provider or the licensed representative commits an offence and is liable on conviction to a fine at level 5.
- (4) In this section—

*represent* (表述) includes represent in any way, whether expressly or by implication.

### **53ZTS. Offence for obstructing person in performance of functions**

- (1) A person who, without reasonable excuse, obstructs any specified person in the performance of a function under or in carrying into effect any provision of this Ordinance commits an offence and is liable—
  - (a) on conviction on indictment to a fine of \$1,000,000 and to imprisonment for 2 years; or

- (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.
- (2) In this section—
- specified person*** (指明人士) means—
- (a) the Commission;
  - (b) any member, employee, or consultant, agent or adviser, of the Commission; or
  - (c) any person appointed to investigate any matter under this Ordinance.

## **53ZTT. Time limitation for prosecution**

Despite section 26 of the Magistrates Ordinance (Cap. 227), proceedings may be instituted for an offence, other than an indictable offence, under this Part within 3 years after the commission of the offence.

## **53ZTU. Power of Commission to intervene in proceedings**

- (1) If—
- (a) there are any judicial or other proceedings (other than criminal proceedings) that concern a matter provided for in any of the provisions in this Ordinance, or in which the Commission has an interest by virtue of its functions under this Ordinance; and
  - (b) the Commission is satisfied that it is in the public interest for the Commission to intervene and be heard in the proceedings,

the Commission, after consultation with the Financial Secretary, may, by an application made in accordance with subsection (2) to the court hearing or otherwise having competent authority to hear the proceedings, apply to intervene and be heard in the proceedings.

- (2) An application made for the purposes of subsection (1) must be—
  - (a) made in writing; and
  - (b) supported by an affidavit showing that the conditions set out in subsection (1)(a) and (b) are satisfied.
- (3) A copy of the application made for the purposes of subsection (1) must be served on each of the parties to the proceedings to which the application relates as soon as reasonably practicable after the application is made.
- (4) Subject to subsection (5), the court to which an application is made for the purposes of subsection (1) may by order—
  - (a) allow the application, subject to any terms that it considers just; or
  - (b) refuse the application.
- (5) The court to which an application is made for the purposes of subsection (1) must not make an order pursuant to subsection (4)(a) or (b) without first giving the following persons a reasonable opportunity of being heard—
  - (a) the Commission;
  - (b) each of the parties to the proceedings to which the application relates.
- (6) If an application made for the purposes of subsection (1) is allowed under subsection (4)(a), the Commission, subject to the terms referred to in subsection (4)(a)—
  - (a) may intervene and be heard in the proceedings to which the application relates; and
  - (b) is to be regarded for all purposes as a party to the proceedings and has the rights, duties and liabilities of such a party.

- (7) Nothing in this section affects Order 15, rule 6 of the Rules of the High Court (Cap. 4 sub. leg. A).
- (8) In this section—  
*court* (法庭) includes a magistrate and a tribunal, other than the Review Tribunal.

## **53ZTV. Civil proceedings by Commission**

The Commission may begin or carry on any civil proceedings by a solicitor or otherwise.

## **53ZTW. Conflict of interest**

- (1) Any member of the Commission or any person performing any function under this Ordinance (the member or person called in this section a *specified person*) must not directly or indirectly effect or cause to be effected, on the specified person's own account or for the benefit of any other person, a transaction regarding any virtual assets—
  - (a) which transaction the specified person knows is, or is connected with a transaction or a person that is, the subject of any investigation or proceedings by the Commission under this Ordinance; or
  - (b) which transaction the specified person knows is otherwise being considered by the Commission.
- (2) Subsection (1) does not apply to any transaction that a holder of virtual assets effects or causes to be effected by reference to any of their rights as such holder—
  - (a) to participate in a scheme of arrangement sanctioned by the Court of First Instance under the Companies Ordinance (Cap. 622);
  - (b) to charge or pledge the virtual assets to secure the repayment of money;

- (c) to realize the virtual assets for the purpose of repaying money secured under paragraph (b); or
  - (d) to realize the virtual assets in the course of performing a duty imposed by law.
- (3) A specified person must inform the Commission if, in the course of performing any function under this Part, the specified person is required to consider any matter relating to—
- (a) any virtual assets—
    - (i) in which the specified person has an interest;
    - (ii) in which a corporation, in the shares of which the specified person has an interest, has an interest; or
    - (iii) that are of or issued by the same issuer as those in which the specified person has an interest; or
  - (b) a person—
    - (i) by whom the specified person is or was employed;
    - (ii) of whom the specified person is or was a client;
    - (iii) who is or was the specified person's associate; or
    - (iv) whom the specified person knows is or was a client of a person—
      - (A) with whom the specified person is or was employed; or
      - (B) who is or was the specified person's associate.
- (4) A person who, without reasonable excuse, contravenes subsection (1) or (3) commits an offence and is liable—
- (a) on conviction on indictment to a fine of \$1,000,000 and to imprisonment for 2 years; or
  - (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

(5) In this section—

***associate*** (有聯繫者), in relation to a person, means—

- (a) the spouse, or any minor child (natural or adopted) or minor step-child, of the person;
- (b) any corporation of which the person is a director;
- (c) any employee or partner of the person;
- (d) the trustee of a trust of which the person, his or her spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or a discretionary object;
- (e) another person in accordance with whose directions or instructions the person is accustomed or obliged to act;
- (f) another person accustomed or obliged to act in accordance with the directions or instructions of the person;
- (g) a corporation in accordance with the directions or instructions of which, or the directions or instructions of the directors of which, the person is accustomed or obliged to act;
- (h) a corporation that is, or the directors of which are, accustomed or obliged to act in accordance with the directions or instructions of the person;
- (i) a corporation at general meetings of which the person, either alone or together with another, is directly or indirectly entitled to exercise or control the exercise of 33% or more of the voting power;
- (j) a corporation of which the person controls the composition of the board of directors;
- (k) if the person is a corporation—

- (i) any of its directors or any of its related corporations or any director or employee of any of its related corporations; and
  - (ii) a pension fund, provident fund or employee share scheme of the corporation or of a related corporation of the corporation; or
- (l) without limiting the circumstances in which paragraphs (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) apply, in circumstances concerning the securities of or other interest in a corporation, or rights arising out of the holding of such securities or such interest, any other person with whom the person has an agreement or arrangement—
- (i) with respect to the acquisition, holding or disposal of such securities or such interest; or
  - (ii) under which they undertake to act together in exercising their voting power at general meetings of the corporation.

### **53ZTX. Evidence regarding Commission's records or documents**

- (1) Subsection (2) applies to a record or document purporting—
  - (a) to be signed, executed or issued by or on behalf of the Commission; and
  - (b) to be signed or initialled by any member of the Commission or any person performing any function under any provision of this Ordinance.
- (2) The record or document is admissible in any proceedings as evidence of the facts stated in it, without proof of the signature or initials of the person purporting to sign or initial the record or document.

### **53ZTY. Transitional provisions**

The transitional provisions specified in Schedule 3G have effect.

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## Part 5C

# Regulation of Dealings in Precious Metals and Stones

(*Part 5C added 15 of 2022 s. 4*)

## Division 1—Preliminary

### Subdivision 1—Interpretation and Disapplication

#### 53ZTZ. Interpretation of Part 5C

In this Part—

**branch** (分行), subject to section 53ZVP, means any premises that—

- (a) are used by a registrant for the purpose of the carrying out of face-to-face transactions with customers; but
- (b) are not the principal place of business of the registrant;

**branch certificate** (分行證明書) means a certificate issued under section 53ZUG(1)(c) or 53ZUP(1)(c) in respect of a Category A registrant or a Category B registrant and includes any certificate issued under section 53ZVA for replacing such a certificate;

**business premises** (業務處所), in relation to a person who is registered as a registrant or who applies to be registered as a registrant, means, subject to section 53ZVP, any premises at which the registrant carries on a precious metals and stones business, including any premises used by the registrant for the purpose of—

- (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;

***cash*** (現金) includes cash in any currency;

***Category A registrant*** (A類註冊人) means a person whose name is entered in the register as such under section 53ZUG and whose registration has not been suspended under section 53ZUL;

***Category B registrant*** (B類註冊人) means a person whose name is entered in the register as such under section 53ZUP and whose registration has not been suspended under section 53ZUU and, except in sections 53ZUO, 53ZUP, 53ZUQ, 53ZUR, 53ZUS and 53ZUT, includes a person deemed under section 53ZW to be a Category B registrant;

***certificate of registration*** (註冊證明書) means a certificate issued under section 53ZUG(1)(b) or 53ZUP(1)(b) in respect of a Category A registrant or a Category B registrant and includes any certificate issued under section 53ZVA for replacing such a certificate;

***dealing in precious metals and stones*** (從事貴金屬及寶石交易)— see section 53ZU;

***non-Hong Kong precious metals and stones dealer*** (非香港貴金屬及寶石交易商) means any person who deals in precious metals and stones in Hong Kong if—

- (a) the person—
  - (i) either—
    - (A) is an individual who does not ordinarily reside in Hong Kong; or

- (B) is a legal person, other than an individual, that is incorporated or established outside Hong Kong and is neither a registered non-Hong Kong company nor a re-domiciled company; and (*Amended 14 of 2025 s. 271*)
- (ii) does not have a place of business in Hong Kong; and
- (b) the total number of days on which the person's precious metals and stones business is carried on in Hong Kong does not exceed 60 days in a calendar year;

***precious-asset-backed instruments*** (貴重資產支持工具)—

- (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;

**precious metal** (貴金屬) means gold, silver, platinum, iridium, osmium, palladium, rhodium or ruthenium, in a manufactured or unmanufactured state;

**precious metals and stones business** (貴金屬及寶石業務) means the business of dealing in precious metals and stones;

**precious product** (貴重產品) means any jewellery or watch made up of, containing or having attached to it, any precious metal or precious stone, or both;

**precious stone** (寶石) means diamond, sapphire, ruby, emerald, jade or pearl, whether natural or otherwise;

**register** (註冊紀錄冊), when used as a noun, means the register maintained under section 53ZUC;

**register** (註冊), when used as a verb, means enter in the register and a reference to registration is to be construed accordingly;

**registrant** (註冊人) means a Category A registrant or a Category B registrant;

**specified cash transaction** (指明現金交易) means a transaction carried out by a person, while carrying on a precious metals and stones business, in respect of which transaction a payment or payments in cash, of at least the amount specified in Schedule 3H in total, is or are made or received in Hong Kong, whether the transaction is executed—

- (a) in a single operation; or
- (b) in several operations that are linked or appear to be linked;

**specified transaction** (指明交易) means a transaction that—

- (a) is a transaction carried out by a person, while carrying on a precious metals and stones business, in respect of which transaction a payment or payments, of at least the amount specified in Schedule 3I in total, is or are made or received in any way or combination of ways (other

than in cash) in Hong Kong, whether the transaction is executed—

- (i) in a single operation; or
- (ii) in several operations that are linked or appear to be linked; and
- (b) is not a specified cash transaction;

**trading in** (買賣), in relation to precious metals, precious stones, precious products or precious-asset-backed instruments, means selling, offering for sale, purchasing, offering to purchase or possessing for the purpose of sale;

**ultimate owner** (最終擁有人)—

- (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 that 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; or
- (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.

### **53ZU. Meaning of *dealing in precious metals and stones***

- (1) For the purposes of this Ordinance, a person deals in precious metals and stones if the person carries on any of the following activities by way of business—
  - (a) trading in, importing or exporting precious metals, precious stones or precious products;
  - (b) manufacturing, refining or carrying out any value-adding work on precious metals, precious stones or precious products;
  - (c) issuing, redeeming or trading in precious-asset-backed instruments;
  - (d) acting as an intermediary in respect of any of the activities in paragraph (a), (b) or (c).
- (2) However, a person who carries on a logistics service business does not deal in precious metals and stones only because the person imports or exports precious metals, precious stones or precious products in the ordinary course of that business.
- (3) In subsection (2)—

***logistics service business*** (物流服務業務) means a business of transporting, or arranging for the transportation of, goods for other persons.

## **53ZUA. Disapplication of Part 5C**

- (1) This Part does not apply to—
  - (a) the Government;
  - (b) an authorized institution;
  - (c) a pawnbroker licensed under the Pawnbrokers Ordinance (Cap. 166);
  - (d) a licensed corporation that carries on a precious metals and stones business that is ancillary to any regulated activity (as defined by section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571)) carried out by the corporation for which the corporation is licensed under that Ordinance;
  - (e) an authorized insurer that carries on a precious metals and stones business that is ancillary to the insurer's principal business;
  - (f) a licensed insurance broker company that carries on a precious metals and stones business that is ancillary to the company's principal business;
  - (g) a licensed individual insurance agent or a licensed insurance agency that carries on a precious metals and stones business that is ancillary to the agent's or agency's principal business;
  - (h) an SVF licensee that carries on a precious metals and stones business that is ancillary to the SVF licensee's principal business; or
  - (i) a system operator or settlement institution of a designated retail payment system that carries on a precious metals and stones business that is ancillary to its business as a system operator or settlement institution.

- (2) Except for Divisions 1, 7, 8 and 9, this Part does not apply to a non-Hong Kong precious metals and stones dealer.
- (3) The Secretary for Financial Services and the Treasury may by regulation prescribe a class or description of persons to whom this Part does not apply.

## **Subdivision 2—Delegation of Functions and Register of Precious Metals and Stones Dealers**

### **53ZUB. Delegation of functions**

- (1) Subject to subsection (2), the Commissioner of Customs and Excise may in writing delegate any of his or her functions under this Ordinance to a public officer employed in the Customs and Excise Department.
- (2) The Commissioner of Customs and Excise may not delegate—
  - (a) the power to delegate under subsection (1);
  - (b) the power to amend Schedule 3J or 3K under section 53ZVQ; or
  - (c) the power to make regulations under section 53ZVS.

### **53ZUC. Commissioner to maintain register**

- (1) The Commissioner must maintain a register of persons registered under this Part in a form the Commissioner considers appropriate.
- (2) In relation to every Category A registrant or Category B registrant, the register must specify—
  - (a) the name of the registrant;
  - (b) whether the registrant is a Category A registrant or a Category B registrant;

- (c) the address of the registrant's principal place of business; and
  - (d) the address of each branch of the registrant (if any).
- (3) The register must be made available for inspection by a member of the public to enable him or her to ascertain whether he or she is dealing with a Category A registrant or a Category B registrant.
- (4) A member of the public is entitled, without charge, to inspect the register during normal office hours.
- (5) Despite subsection (4), the Commissioner may, if satisfied that it is reasonable to do so in the circumstances, withhold the address of the principal place of business or a branch of a registrant (or part of the address) in the register from a person who inspects the register.

### **53ZUD. Certified copy of register**

- (1) A person may, on the payment of the fee specified in Schedule 3K, obtain—
  - (a) a certified copy or an uncertified copy of an entry in, or extract from, the register; or
  - (b) a certificate by the Commissioner stating—
    - (i) that the name of a person has been entered in the register and that the person is specified to be a Category A registrant or a Category B registrant;
    - (ii) that the name of a person has not been entered in the register; or
    - (iii) that the name of a person has been removed from the register.
- (2) In any criminal or civil proceedings, a copy of an entry in, or extract from, the register, purporting to be certified by the Commissioner—

- (a) is admissible in evidence on production without further proof; and
  - (b) is evidence of the facts stated in it.
- (3) The fact that the name of a person does not appear on a copy of an entry in, or extract from, the register, purporting to be certified by the Commissioner is evidence that, at the date on which the copy is purporting to be certified, the person was not a registrant.
- (4) In any criminal or civil proceedings, a certificate purporting to be signed by the Commissioner and stating any of the following is admissible in evidence on production without further proof and is to be conclusive evidence of the facts stated in the certificate—
- (a) that the name of a person has been entered in the register and that the person is specified to be a Category A registrant or a Category B registrant;
  - (b) that the name of a person has not been entered in the register;
  - (c) that the name of a person has been removed from the register.
- (5) Despite subsection (1), the Commissioner may, if satisfied that it is reasonable to do so in the circumstances, withhold the address of the principal place of business or a branch of a registrant (or part of the address) in the register or part of the address from a person who requests for a copy of an entry in, or extract from, the register.

## Division 2—Restriction on Dealing in Precious Metals and Stones

**53ZUE. Offence of carrying out certain transaction without registration**

- (1) No person other than a registrant may carry out a specified transaction in Hong Kong.
- (2) No person other than a Category B registrant may carry out a specified cash transaction in Hong Kong.
- (3) A person who is not a registrant must not claim or hold out—
  - (a) that the person is a registrant; or
  - (b) that the person is authorized to carry out a specified transaction in Hong Kong.
- (4) A person who is not a Category B registrant must not claim or hold out—
  - (a) that the person is a Category B registrant; or
  - (b) that the person is authorized to carry out a specified cash transaction in Hong Kong.
- (5) A person who contravenes subsection (1), (2), (3) or (4) commits an offence and is liable on conviction to a fine at level 6 and to imprisonment for 6 months.
- (6) If a person is convicted of an offence under this section, the magistrate may order that the person be disqualified from being registered as a registrant for a period—
  - (a) beginning on the date of the order; and
  - (b) specified in the order.

### **Division 3—Category A Registrant: Application for, Grant, Cancellation and Suspension of, Registration**

#### **53ZUF. Application for and grant of registration**

- (1) The Commissioner may, on application, register a person as a Category A registrant for carrying on a precious metals and stones business that includes the carrying out of specified

transactions but excludes the carrying out of specified cash transactions.

- (2) An application for the grant of registration as a Category A registrant must be—
  - (a) made in the form and way specified by the Commissioner; and
  - (b) accompanied by the fee specified in Schedule 3K.
- (3) Without limiting subsection (2)(a), the application—
  - (a) must be accompanied by a copy of a valid business registration certificate of the applicant;
  - (b) must be accompanied by a declaration by the applicant that—
    - (i) the precious metals and stones business which the applicant proposes to carry on will be carried on for a lawful purpose; or
    - (ii) if the applicant has been carrying on a precious metals and stones business immediately before 1 April 2023 and makes the application during the transitional period—the applicant's precious metals and stones business is carried on, and will continue to be carried on, for a lawful purpose; and
  - (c) must contain the address of each premises that the applicant intends to be used as business premises and the applicant's correspondence address.
- (4) The Commissioner may register a person as a Category A registrant only if the Commissioner is satisfied of the matters specified in subsections (5) and (6).
- (5) The matter specified for the purposes of subsection (4) is that—

- (a) the precious metals and stones business that the person proposes to carry on will be carried on for a lawful purpose; or
  - (b) if the person has been carrying on a precious metals and stones business immediately before 1 April 2023 and makes the application during the transitional period—the person's precious metals and stones business is carried on, and will continue to be carried on, for a lawful purpose.
- (6) The matter specified for the purposes of subsection (4) is that, in relation to an applicant who intends to use any domestic premises as business premises, the applicant has secured the written consent of every occupant of the premises for any authorized person, as defined by section 8, to enter the premises for the purpose of exercising the powers under section 9.
- (7) On registering a person as a Category A registrant, the Commissioner may impose any conditions that the Commissioner considers appropriate.
- (8) Section 53ZUJ applies to the determination of an application under subsection (1).
- (9) In this section—  
*transitional period* (過渡期) has the meaning given by section 53ZW(8).

## **53ZUG. Certificate of registration and branch certificates**

- (1) On granting a person's application for registration as a Category A registrant, the Commissioner must—
  - (a) enter the person's name in the register and specify that the person is a Category A registrant;
  - (b) issue a certificate of registration; and

- (c) issue a branch certificate for each branch of the registrant (if any).
- (2) A certificate of registration issued in respect of a person registered as a Category A registrant—
- (a) must state that the person is so registered;
  - (b) must be in a form specified by the Commissioner; and
  - (c) must specify the address of the principal place of business of the registrant.
- (3) A branch certificate issued for a branch of a Category A registrant must be in a form specified by the Commissioner and must specify the address of the branch.

### **53ZUH. Annual fee**

A Category A registrant must pay to the Commissioner an annual fee specified in Schedule 3K annually on or before each anniversary of the date on which the registrant's registration takes effect.

### **53ZUI. Amendment of conditions of registration**

- (1) In relation to the registration of a person as a Category A registrant, the Commissioner may, at any time, if satisfied that it is reasonable to do so in the circumstances—
- (a) impose any new conditions;
  - (b) amend any previously imposed conditions; or
  - (c) remove any previously imposed conditions.
- (2) Section 53ZUJ applies to a decision made under subsection (1).

### **53ZUJ. Provisions supplementary to sections 53ZUF and 53ZUI**

- (1) Subsections (2) and (3) apply if—

- (a) the Commissioner decides to impose a condition on granting the registration of a person as a Category A registrant under section 53ZUF; or
  - (b) in relation to the registration of a person as a Category A registrant, the Commissioner decides to impose a new condition or amend or remove a condition under section 53ZUI.
- (2) The Commissioner must inform the Category A registrant of the decision referred to in subsection (1) by written notice and the notice must include—
- (a) a statement of the reasons for the decision; and
  - (b) a statement that the registrant may apply to the Review Tribunal for a review of the decision.
- (3) The imposition, amendment or removal of a condition referred to in subsection (1) takes effect—
- (a) if subsection (1)(a) applies—at the time the registration takes effect; or
  - (b) if subsection (1)(b) applies—at the time the notice is given under subsection (2) or at the time specified in the notice, whichever is later.
- (4) If the Commissioner decides not to grant the registration of a person as a Category A registrant, the Commissioner must inform the person of the decision by written notice and the notice must include—
- (a) a statement of the reasons for the decision; and
  - (b) a statement that the person may apply to the Review Tribunal for a review of the decision.

## **53ZUK. Cessation of registration**

The registration of a person as a Category A registrant ceases to have effect—

- (a) if the registrant notifies the Commissioner that the registrant has the intention referred to in section 53ZVB(1)(a) or (b)—on the intended date of cessation (as defined by section 53ZVB(3)) as notified;
- (b) if the Commissioner has approved an application by the registrant to be registered as a Category B registrant under section 53ZUO;
- (c) if the registrant is an individual—on the death of the individual;
- (d) if the registrant is a partnership—on the dissolution of the partnership; or
- (e) if the registrant is a corporation—on the commencement of winding up of the corporation.

## **53ZUL. Cancellation or suspension of registration**

- (1) In relation to a person registered as a Category A registrant, the Commissioner may in any of the situations specified in subsection (2)—
  - (a) cancel the person’s registration; or
  - (b) suspend the person’s registration for a period, or until the occurrence of an event, specified by the Commissioner.
- (2) The situations are that—
  - (a) the person is convicted of an offence for contravening section 53ZUE(2) or (4);
  - (b) the person contravenes a regulation made under section 53ZVS;
  - (c) the person contravenes any of the conditions of the person’s registration;

- (d) the person fails to pay the annual fee specified in Schedule 3K when it is due;
  - (e) the person fails to comply with an order made under section 53ZVE(3)(b) to take remedial action;
  - (f) the person ceases to hold a valid business registration certificate;
  - (g) there are circumstances suggesting that the person's business has been, is being or will be carried on for an unlawful purpose; and
  - (h) the person uses any domestic premises as business premises for its precious metals and stones business, and—
    - (i) any occupant of the premises revokes his or her written consent previously given for any authorized person, as defined by section 8, to enter the premises for the purpose of exercising the powers under section 9; or
    - (ii) any new occupant of the premises refuses to give such a written consent.
- (3) The Commissioner may exercise a power under subsection (1) in relation to a person only after giving the person a reasonable opportunity to be heard.

## **53ZUM. Supplementary provisions on cancellation or suspension of registration**

- (1) On deciding to cancel or suspend the registration of a person as a Category A registrant (*affected person*) under section 53ZUL, the Commissioner must inform the affected person of the decision by written notice and the notice must—
  - (a) include a statement of the reasons for the decision;

- (b) for a decision to suspend registration, specify the duration and terms of the suspension; and
  - (c) include a statement that the affected person may apply to the Review Tribunal for a review of the decision.
- (2) Any fee paid for the grant of registration as a Category A registrant, or as an annual fee for the registration, is not refundable on the cancellation or suspension of the registration.
  - (3) If the registration of the affected person is cancelled under section 53ZUL, the certificate of registration and each branch certificate (if any) in respect of the affected person cease to have effect from the day on which the cancellation takes effect as a specified decision under section 75.

## **Division 4—Category B Registrant**

### **Subdivision 1—Application for, Grant, Renewal, Cancellation and Suspension of, Registration**

#### **53ZUN. Fit and proper test**

- (1) In a reference in this Ordinance to a fit and proper person to carry on a precious metals and stones business or a fit and proper person to be associated with such a business, the business concerned is a precious metals and stones business that includes the carrying out of specified transactions and specified cash transactions.
- (2) In determining whether a person is a fit and proper person for the purposes of section 53ZUO, 53ZUQ, 53ZUU, 53ZUW, 53ZUX or 53ZUY, the Commissioner must, in addition to any other matter that the Commissioner considers relevant, have regard to the following matters—
  - (a) whether the person has been convicted of—

- (i) an offence under section 5(5), (6), (7) or (8), 10(1), (3), (5), (6), (7) or (8), 13(1), (3), (5), (6), (7) or (8), 17(9), 20(1), 61(2) or 66(3);
  - (ii) an offence under section 14 of the United Nations (Anti-Terrorism Measures) Ordinance (Cap. 575);
  - (iii) an offence under section 25(1) or 25A(5) or (7) of, or an offence specified in Schedule 1 to, the Drug Trafficking (Recovery of Proceeds) Ordinance (Cap. 405); or
  - (iv) an offence under section 25(1) or 25A(5) or (7) of, or an offence specified in Schedule 1 or 2 to, the Organized and Serious Crimes Ordinance (Cap. 455);
- (b) whether the person has a conviction in a place outside Hong Kong—
- (i) for an offence in respect of an act that would have constituted an offence specified in paragraph (a) had it been done in Hong Kong;
  - (ii) for an offence relating to money laundering or terrorist financing; or
  - (iii) for an offence for which it was necessary to find that the person had acted fraudulently, corruptly or dishonestly;
- (c) whether the person has failed to comply with a requirement imposed under this Ordinance or a regulation made under section 53ZVS;
- (d) if the person is an individual, whether he or she is an undischarged bankrupt or is the subject of any bankruptcy proceedings under the Bankruptcy Ordinance (Cap. 6);

- (e) if the person is a corporation, whether it is in liquidation or is the subject of a winding up order, or there is a receiver appointed in relation to it.

## **53ZUO. Application for and grant of registration**

- (1) The Commissioner may, on application, register a person as a Category B registrant for carrying on a precious metals and stones business that includes the carrying out of specified transactions and specified cash transactions.
- (2) The Commissioner may register a person as a Category B registrant only if the Commissioner is satisfied of the matters specified in subsections (3) and (4).
- (3) The matters specified for the purposes of subsection (2) are that—
  - (a) if the applicant is an individual—
    - (i) the individual is a fit and proper person to carry on a precious metals and stones business; and
    - (ii) if there is an ultimate owner in relation to the individual—the ultimate owner is a fit and proper person to be associated with a precious metals and stones business;
  - (b) if the applicant is a partnership—
    - (i) each partner in the partnership is a fit and proper person to carry on a precious metals and stones business; and
    - (ii) if there is an ultimate owner in relation to the partnership—the ultimate owner is a fit and proper person to be associated with a precious metals and stones business; or
  - (c) if the applicant is a corporation—

- (i) each director of the corporation is a fit and proper person to be associated with a precious metals and stones business; and
  - (ii) if there is an ultimate owner in relation to the corporation—the ultimate owner is a fit and proper person to be associated with a precious metals and stones business.
- (4) The matter specified for the purposes of subsection (2) is that, in relation to an applicant who intends to use any domestic premises as business premises, the applicant has secured the written consent of every occupant of the premises for any authorized person, as defined by section 8, to enter the premises for the purpose of exercising the powers under section 9.
- (5) Section 53ZUN applies to a determination of an application under subsection (1).
- (6) On registering a person as a Category B registrant, the Commissioner may impose any conditions that the Commissioner considers appropriate.
- (7) Section 53ZUS applies to an application under subsection (1) and to the determination of the application.
- (8) Subject to section 53ZUU, registration of a person under this section have effect—
  - (a) for 3 years; or
  - (b) if the Commissioner considers it appropriate in any particular case—for any other period determined by the Commissioner, beginning on the date on which the registration takes effect.

### **53ZUP. Certificate of registration and branch certificates**

- (1) On granting a person's application for registration as a

Category B registrant, the Commissioner must—

- (a) enter the person's name in the register and specify that the person is a Category B registrant;
  - (b) issue a certificate of registration; and
  - (c) issue a branch certificate for each branch of the registrant (if any).
- (2) A certificate of registration issued in respect of a person registered as a Category B registrant—
- (a) must state that the person is so registered;
  - (b) must be in a form specified by the Commissioner;
  - (c) must specify the address of the principal place of business of the registrant; and
  - (d) must specify the period for which the registration has effect.
- (3) A branch certificate issued for a branch of a Category B registrant must be in a form specified by the Commissioner and must specify the address of the branch.

### **53ZUQ. Renewal of registration as Category B registrant**

- (1) The Commissioner may, on application by a Category B registrant, renew the registration of the registrant.
- (2) The application must be made at least 60 days before the registration is due to expire.
- (3) Sections 53ZUN, 53ZUO(2), (3), (4) and (7) and 53ZUP apply to an application for a renewal of the registration as they apply to an application for registration.
- (4) If the registration expires before the determination of the application, unless the application is withdrawn or the registration is cancelled or suspended, the registration remains in force—

- (a) until it is renewed; or
  - (b) if it is not renewed, until the decision not to renew takes effect as a specified decision under section 75.
- (5) On renewing a Category B registration, the Commissioner may, if the Commissioner considers appropriate—
- (a) impose any new conditions;
  - (b) amend any previously imposed conditions; or
  - (c) remove any previously imposed conditions.
- (6) A renewal takes effect—
- (a) on the day following the expiry of the registration; or
  - (b) if subsection (4) applies, on the day following the day on which the registration would have expired but for that subsection.
- (7) Subject to section 53ZUU, the registration of a person as a Category B registrant, if renewed, has effect—
- (a) for 3 years beginning on the date on which the registration is renewed; or
  - (b) if the Commissioner considers it appropriate in any particular case—for any other period—
    - (i) determined by the Commissioner; and
    - (ii) beginning on the date on which the registration is renewed.

## **53ZUR. Amendment of conditions of registration**

- (1) In relation to the registration of a person as a Category B registrant, the Commissioner may, at any time, if satisfied that it is reasonable to do so in the circumstances—
- (a) impose any new conditions;
  - (b) amend any previously imposed conditions; or

- (c) remove any previously imposed conditions.
- (2) Section 53ZUS applies to a decision made under subsection (1).

### **53ZUS. Provisions supplementary to sections 53ZUO, 53ZUQ and 53ZUR**

- (1) An application for the grant or renewal of registration as a Category B registrant must be—
  - (a) made in the form and way specified by the Commissioner; and
  - (b) accompanied by the fee specified in Schedule 3K.
- (2) Without limiting subsection (1)(a), an application for the grant or renewal of registration as a Category B registrant—
  - (a) must be accompanied by a copy of a valid business registration certificate of the applicant; and
  - (b) must contain the address of each premises that the applicant intends to be used as business premises and the applicant's correspondence address.
- (3) Subsections (4) and (5) apply if the Commissioner decides to—
  - (a) impose a condition on granting the registration of a person as a Category B registrant under section 53ZUO(6);
  - (b) impose a new condition or amend or remove a condition on renewing the registration of a person as a Category B registrant under section 53ZUQ(5); or
  - (c) in relation to the registration of a person as a Category B registrant, impose a new condition or amend or remove a condition in any other case under section 53ZUR(1).

- (4) The Commissioner must inform the person of the decision referred to in subsection (3) by written notice and the notice must include—
  - (a) a statement of the reasons for the decision; and
  - (b) a statement that the registrant may apply to the Review Tribunal for a review of the decision.
- (5) The imposition, amendment or removal of a condition referred to in subsection (3) takes effect—
  - (a) if subsection (3)(a) applies—at the time the registration takes effect; or
  - (b) if subsection (3)(b) or (c) applies—at the time the notice is given under subsection (4) or at the time specified in the notice, whichever is later.
- (6) If the Commissioner decides not to grant or renew the registration of a person as a Category B registrant, the Commissioner must inform the person of the decision by written notice and the notice must include—
  - (a) a statement of the reasons for the decision; and
  - (b) a statement that the person may apply to the Review Tribunal for a review of the decision.

## **53ZUT.Cessation of registration**

The registration of a person as a Category B registrant ceases to have effect—

- (a) if the registrant notifies the Commissioner that the registrant has the intention referred to in section 53ZVB(2)(a) or (b)—on the intended date of cessation (as defined by section 53ZVB(3)) as notified;
- (b) if the Commissioner has approved an application by the registrant to be registered as a Category A registrant under section 53ZUE;

- (c) if the registrant is an individual—on the death of the individual;
- (d) if the registrant is a partnership—on the dissolution of the partnership; or
- (e) if the registrant is a corporation—on the commencement of winding up of the corporation.

## **53ZUU. Cancellation or suspension of registration**

- (1) In relation to a person registered as a Category B registrant, the Commissioner may in any of the situations specified in subsection (2)—
  - (a) cancel the person’s registration; or
  - (b) suspend the person’s registration for a period, or until the occurrence of an event, specified by the Commissioner.
- (2) The situations are that—
  - (a) the person contravenes any of the conditions of the person’s registration;
  - (b) if the person is an individual, the Commissioner is no longer satisfied that—
    - (i) the individual is a fit and proper person to carry on a precious metals and stones business; or
    - (ii) if there is an ultimate owner in relation to the individual—the ultimate owner is a fit and proper person to be associated with a precious metals and stones business;
  - (c) if the person is a partnership, the Commissioner is no longer satisfied that—

- (i) each partner in the partnership is a fit and proper person to carry on a precious metals and stones business; or
  - (ii) if there is an ultimate owner in relation to the partnership—the ultimate owner is a fit and proper person to be associated with a precious metals and stones business;
- (d) if the person is a corporation, the Commissioner is no longer satisfied that—
- (i) each director of the corporation is a fit and proper person to be associated with a precious metals and stones business; or
  - (ii) if there is an ultimate owner in relation to the corporation, the ultimate owner is a fit and proper person to be associated with a precious metals and stones business;
- (e) the person fails to comply with an order made under section 53ZVF(3)(b) to take remedial action within the meaning of that section;
- (f) the person ceases to hold a valid business registration certificate; and
- (g) the person uses any domestic premises as business premises for its precious metals and stones business, and—
- (i) any occupant of the premises revokes his or her written consent previously given for any authorized person, as defined by section 8, to enter the premises for the purpose of exercising the powers under section 9; or
  - (ii) any new occupant of the premises refuses to give such a written consent.

- (3) Section 53ZUN applies to a determination under subsection (2)(b), (c) or (d).
- (4) The Commissioner may exercise a power under subsection (1) in relation to a person only after giving the person a reasonable opportunity to be heard.

## **53ZUV. Supplementary provisions on cancellation or suspension of registration**

- (1) On deciding to cancel or suspend the registration of a person as a Category B registrant (*affected person*) under section 53ZUU, the Commissioner must inform the affected person of the decision by written notice and the notice must—
  - (a) include a statement of the reasons for the decision;
  - (b) for a decision to suspend registration, specify the duration and terms of the suspension; and
  - (c) include a statement that the affected person may apply to the Review Tribunal for a review of the decision.
- (2) Any fee paid for the grant or renewal of registration as a Category B registrant is not refundable on the cancellation or suspension of the registration.
- (3) If the registration of the affected person is cancelled under section 53ZUU, the certificate of registration and each branch certificate (if any) in respect of the affected person cease to have effect from the day on which the cancellation takes effect as a specified decision under section 75.

## **Subdivision 2—Approvals by Commissioner**

### **53ZUW. Approval required for becoming ultimate owner of Category B registrant**

- (1) A person must not become an ultimate owner of a Category B registrant unless the Commissioner has given approval in

writing.

- (2) The Commissioner may give approval only if—
  - (a) the Category B registrant makes an application for the approval; and
  - (b) the Commissioner is satisfied that the person is a fit and proper person to be associated with a precious metals and stones business.
- (3) Section 53ZUN applies to a determination under subsection (2)(b).
- (4) Section 53ZUZ applies to an application under subsection (2)(a) and to the determination of the application.
- (5) A person who, without reasonable excuses, contravenes subsection (1) commits an offence and is liable on conviction to a fine at level 5 and to imprisonment for 6 months.

### **53ZUX. Approval required for becoming partner of Category B registrant**

- (1) A person must not become a partner of a Category B registrant that is a partnership unless the Commissioner has given approval in writing.
- (2) The Commissioner may give approval only if—
  - (a) the Category B registrant makes an application for the approval; and
  - (b) the Commissioner is satisfied that the person is a fit and proper person to carry on a precious metals and stones business.
- (3) Section 53ZUN applies to a determination under subsection (2)(b).
- (4) Section 53ZUZ applies to an application under subsection (2)(a) and to the determination of the application.