

(c) *Precious Metals and Precious Stones Dealers*

6. Mr. Kan approaches a jewellery retailer in order to purchase some loose diamonds. He requests 10 loose diamonds, each of around one carat, for a total purchase price of around HK\$800,000. Mr. Kan appears nervous, does not examine the diamonds in detail nor negotiates over the price. Upon payment, Mr. Kan insists on settlement in US banknotes. If you were the shopkeeper, which of the following would be the best description of the immediate action(s) you should take regarding the above situation:
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- a. Complete the deal as usual
 - b. Advise the customer to use other form of payment such as a credit card or a cashier order and obtain some information of Mr. Kan tactfully regarding his background and the purpose of his transaction
 - c. Decline the deal
7. Following upon Q.6, you try to ascertain more information, but Mr. Kan refuses to answer any of your questions and insists on using cash to settle payment. What will be your best course of action?
- a. Proceed with the deal immediately and make a suspicious transaction report afterward
 - b. Proceed with the deal immediately but do not make a suspicious transaction report as the predicate crime is not known
 - c. Decline the deal and make a suspicious transaction report

8. Your jewellery shop has a customer, Mrs. Tsao, who appears affluent and is interested in buying a number of luxury watches and jewellery accessories. You recently read an article in the newspaper suggesting Mrs. Tsao's husband is a prominent triad figure who has allegedly made a lot of money out of the sale of pirated discs and other counterfeit products. Mrs. Tsao has spent over HK\$6 million last year in your shop. All purchases are settled by personal cheques drawn on her husband's account. What will be your best action?
- a. Continue to do business with Mrs. Tsao as she is a VIP customer
 - b. Make a suspicious transaction report to the JFIU regarding these transactions and provide information you have regarding Mrs. Tsao
 - c. File a "Crime Information" to the Police alleging that Mr. Tsao is a triad member



9. A Mr. Chu who is unknown to you and claims to be engaged in precious stones trade, has offered a batch of high quality precious stones to you at a substantial discount. However, he requests the payment to be made in cash and refuses any other safer methods of payment. Which is the best course of action for you?
- Accept the deal as it will be a profitable business for you
 - Conduct more enquiries with Mr. Chu regarding the source of these precious stones and his background
 - Make a suspicious transaction report to JFIU immediately
10. During an exhibition and trade fair of jewellery and diamonds, a raw diamonds wholesaler, Mr. Shing approaches you and asks if you can act as a third party buyer and seller at the same time. He will sell a batch of raw diamonds to your company and you should then sell it to another designated British Virgin Islands company at his direction. He offers you a very attractive commission. What should be your immediate action in response to his request?
- Accept his request, as it is a quick and profitable transaction
 - Ask for more details regarding this wholesaler and the purpose of this transaction
 - Refuse the transaction immediately