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Update on HKD and USD transfer issues – Gatecoin Blog

Gatecoin

5-6 minutes

HONG KONG—17 October 2017—Following our [last update](#) about the suspension of HKD and USD transfers due to the abrupt freezes of our bank accounts in Hong Kong, the Gatecoin team has been working to establish alternative transfer options.

Here is a summary of events so far:

- 15 September: **Hang Seng Bank froze our bank account** in Hong Kong without any notice immediately putting all HKD and USD transfers on hold.
- 15 September: **Gatecoin activated our bank accounts held with Alpen Baruch and migrated all HKD and USD transfers processing through these accounts.**
- 15–19 September: **high costs and processing times for transfers through Alpen Baruch resulted in many complaints and delays.**
- 19 September: Gatecoin activated our Fubon Bank account in Hong Kong and proceeded to transfer funds originally held at our Hang Seng Bank account.
- 21 September: **The transfer of funds from Hang Seng Bank to Fubon exceeded the maximum amount we could process in a single day and Fubon Bank froze our account.**

- **21 September: Despite the high fees and transfer delays we switched our HKD and USD processing back to Alpen Baruch.**
- **26 September: Alpen Baruch froze our account without notice.**
- **28 September: Gatecoin halted all HKD and USD transfers until further notice.**

Where are Gatecoin's HKD and USD funds currently being stored?

All the funds deposited to our Hang Seng Bank account were transferred to our account at Fubon Bank (this includes both HKD and USD), which is currently frozen. Our accounts at Alpen Baruch only holds deposits sent by clients between 18–26 September.

What is the status of transfers that were processed through Hang Seng, Alpen Baruch and Fubon Banks?

All deposits in HKD or USD sent successfully to those bank accounts have been credited to clients' Gatecoin accounts. Rejected transfers were returned to senders. Some transfers were not processed due to lack of information provided to us by the sender.

Withdrawals from our Hang Seng Bank account have been settled. **No withdrawals were processed through Alpen Baruch or Fubon.**

What has the Gatecoin team done so far to resolve these issues?

The Gatecoin team has been working to activate and open bank accounts at several financial institutions in Hong Kong and other jurisdictions in Asia. We are still waiting for the banks to approve and or activate these accounts. Once we have one or more working accounts ready and tested we will resume HKD and

USD transfers.

What is the timeline for the resumption of HKD and USD transfers?

We cannot provide a timeframe for the resumption of HKD and USD transfers as it all depends on the decisions made by the individual banks that we are currently engaging with.

What were the reasons given for the bank account freezes?

As of this time, no reason has been given by Hang Seng or Alpen Baruch Banks for freezing our accounts. Fubon Bank did not inform us of the daily account transfer limit and did not explain why exceeding the limit would force them to freeze our accounts.

How does this affect EUR transfers?

EUR transfers are unaffected and Gatecoin maintains several EUR SEPA transfer accounts at financial institutions across Europe.

Will Gatecoin accept cash deposits or cheques in the meantime?

As we comply with global anti-money laundering best practices we maintain our commitment not to accept cash deposits or withdrawals at our offices. Without a working bank account in Hong Kong we cannot process or write cheques by mail or in person.

When will Gatecoin provide another update on the HKD and USD transfers?

We hope that we can provide an update with positive developments soon, but this really depends on how quickly our new bank accounts can be approved and activated.

This wouldn't happen to a decentralized exchange!

Yes, but how can a decentralized exchange process a USD or HKD bank transfer? So far it cannot, at least while all major fiat currencies are not cryptocurrencies. So, in the meantime the main entry or exit point for crypto is through a purchase in fiat currency using a centralized exchange which relies on maintaining a working bank account.

We understand this update is frustrating for clients wishing to process deposits and withdrawals in HKD and or USD but, unfortunately, the ball is in the banks' court for now.

Thank you for your patience and cooperation,

The Gatecoin Team

If you are a Gatecoin client, please email questions regarding this statement to support@gatecoin.com

If you are a journalist or media organization kindly send questions to media@gatecoin.com