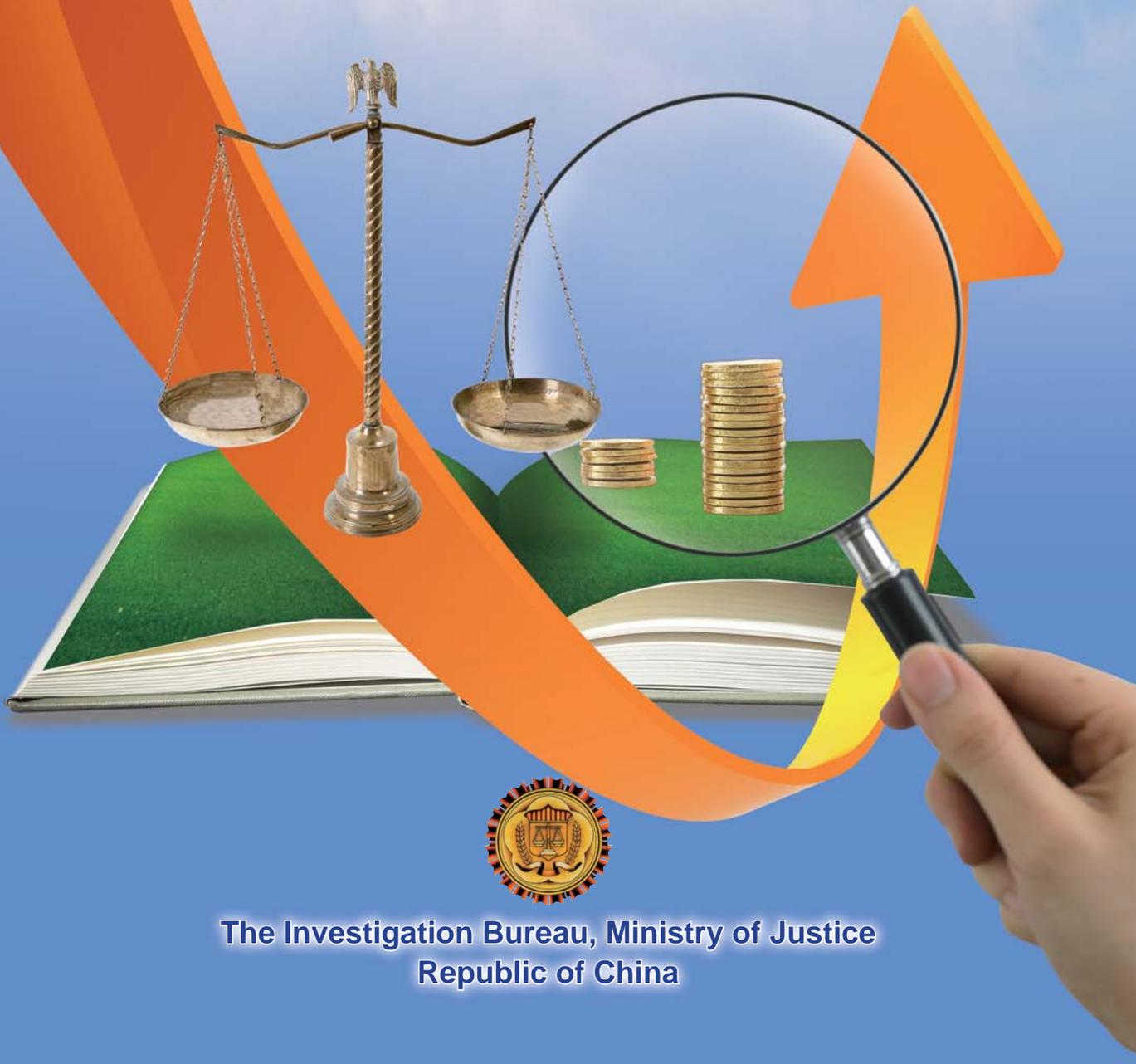
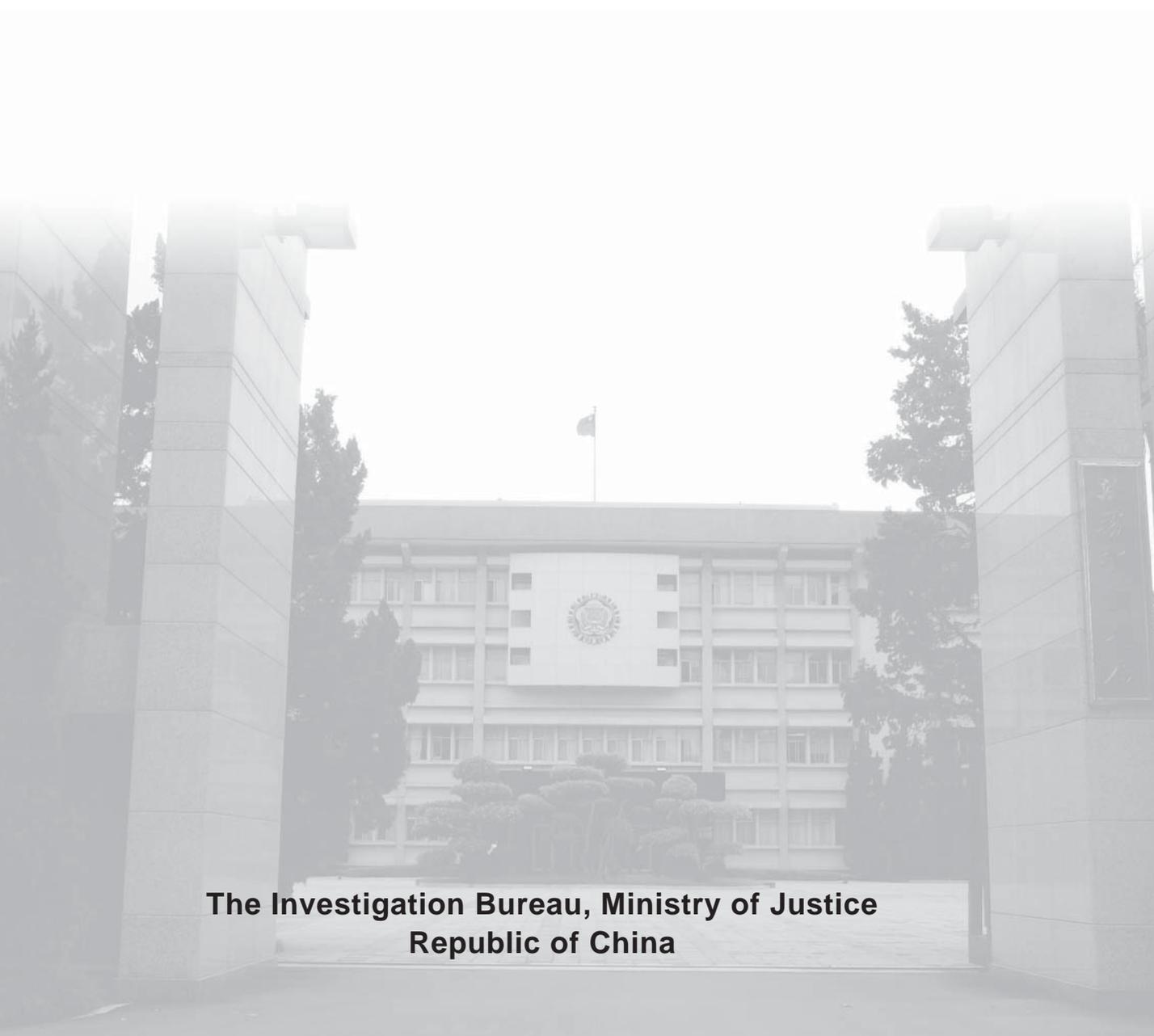


ANTI-MONEY LAUNDERING ANNUAL REPORT, 2013



**The Investigation Bureau, Ministry of Justice
Republic of China**

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PREFACE

Anti-Money Laundering / Countering Terrorism Financing (AML/CFT) has become an international consensus. However, following the highly internationalized financial activities, the money launders are seizing this trend to avoid criminal investigation. Therefore, in order to achieve the purpose of successfully combating transnational money laundering and terrorist financing, it is certain to rely on the close cooperation around the world through formal mutual legal assistance or other forms of international cooperation on information exchange. For enhancing the efficiency and effectiveness on AML/CFT, Taiwan has actively participated in the Asia / Pacific Group on Money Laundering (APG) and the Egmont Group (EG) activities, signed the agreements or memorandums concerning cooperation in the exchange of intelligence related to money laundering and terrorist financing with other countries, and exchanged intelligence through the platform of EG secured web with foreign counterparts. In addition, under the endeavour of the Ministry of Justice and other agencies, Taiwan has successfully joined the Asset Recovery Interagency Network-Asia Pacific (ARIN-AP) in January 2013 as a foundation member. Investigation Bureau, Ministry of Justice was then assigned to be the second contact point besides the Department of International and Cross-Strait Legal Affairs, Ministry of Justice as the first contact point. It's expected that this information exchange and mutual legal assistance network can facilitate the exchange of illegal funds flow information with foreign counterparts and enhance the implementation of freezing or confiscating the proceeds of crime cross-border for recovering the illicit assets.

Taiwan is scheduled to accept the APG 3rd round mutual evaluation in the second half of 2017. For comprehensively complying with the 40 Recommendations issued by the Financial Action Task Force (FATF) in 2012, the competent authorities have been striving to promote the improvement to the AML/CFT regime, such as undertaking the amendments of Money Laundering Control Act and developing electronic payment institution regulations to cope with the development of the emerging payment products and services. The biggest progress was to promulgate the Directions Governing Anti-Money Laundering and Countering Terrorism Financing of Banking Sector, Directions Governing Anti-Money Laundering and Countering Terrorism Financing of Securities and Futures Sector and Directions Governing Anti-Money Laundering and Countering Terrorism Financing of Insurance Sector.

Any comment or correction on this Annual Report is welcome, and please have no hesitation to contact us.

Investigation Bureau, Ministry of Justice

Director General

A handwritten signature in black ink, appearing to read 'Joey Wang', is written over a light gray rectangular background.

September 2014

Editorial Note

I. Purposes

The 33rd Recommendation of the FATF 40 Recommendations amended in February 2012 states “Countries should maintain comprehensive statistics on matters relevant to the effectiveness and efficiency of their AML/CFT (anti-money laundering and combating terrorist financing) systems. This should include statistics on the STRs received and disseminated; on money laundering and terrorist financing cases investigated, prosecuted and convicted; on property frozen, seized and confiscated; and on mutual legal assistance or other international requests for cooperation.” Therefore, this Annual Report, 2013 integrates the statistics and analysis of the annual data regarding AML/CFT performed by the Taiwan domestic financial institutions (FIs), law enforcement agencies, judicial authorities, and other competent authorities.

II. Contents

- A. This Annual Report, 2013 consists of the following four parts:
1. Introduction to the Organization of Anti-Money Laundering Division (ALMD);
 2. Work Overview (including statistical information and charts);
 3. Significant Case Studies;
 4. The Major Events of the AMLD in 2013.
- B. The statistics and related information of the Annual Report, 2013 are based on the data collected by the AMLD and cases prosecuted by the Taiwan district prosecutors offices for violating the Money Laundering Control Act (including deferred prosecutions and petitions for summary judgment).

III. Notes

- A. The years quoted in this Annual Report, 2013 (English version) refer to years of Christ. The numbers of STRs, Currency Transaction Reports (CTRs), and International Currency and securities Transportation Reports (ICTRs) are based on the numbers of reports. The prosecutions in Taiwan district prosecutors offices and judgments at all levels of courts are based on the number of cases. The value of money is calculated in New Taiwan Dollar (NTD). Special cases are noted in corresponding figures (charts).
- B. The percentages referred to herein are rounded off. The round-off may create slight differences between integers and decimals.

IV. This Annual Report, 2013 was compiled and printed in haste. We welcome your precious comments. Should you spot any errors or would like to make suggestions, please have no hesitation to contact us.



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Part One:

Introduction to the Organization of AMLD



- I. Legal Framework**
- II. Corporate Effectiveness**

The lucrative proceeds and wealth originated from serious crimes make it possible for organized crime syndicates to infiltrate all levels of government agencies, legitimate businesses, Financial Institutes (FIs) and different parts of the society. The United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances concluded in Vienna in 1988 (Vienna Convention) requires state parties to constitute laws to penalize Money Laundering (ML) associated with drug trafficking. In 1989's Summit of G7 in Paris, the leaders of the states recognized the threats exposed to banking system and to FIs, and contributed to the establishment of the Financial Action Task Force (FATF) to set out measures to combat ML. Sequentially, the FATF 40 Recommendations on AML were released in 1990 and amended in 1996 to require the predicate offences of ML should extend to other serious offences besides drug trafficking. Then in 2001, the FATF issued the 8 Special Recommendations on combating terrorist financing (CTF). In 2004, the FATF further strengthened the agreed international standards on AML/CTF – the 40+9 Recommendations. In February 2012, the FATF completed a thorough review of its standards and published the revised FATF Recommendations as “International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation”.

I. Legal Framework

In response to the global trends to curb the detriment caused by ML, the Taiwan's government drafted the Money Laundering Control Act (MLCA), which was passed by the Legislative Yuan on October 23, 1996 and took effect on April 23, 1997 upon presidential decree. During the past years of implementation and practice, the MLCA underwent amendments in 2003, 2006, 2007, 2008, and 2009 respectively to tackle the practical problems encountered for reacting to the requirements of the FATF Recommendations and the practical need in implementation.

In order to prevent criminals from abusing FIs as a vehicle for ML and to detect major crimes and ML at the point of transactions, AML legislations

around the world all require FIs to file suspicious transaction reports (STRs). Taiwan has the similar reporting mechanism provided in Article 8 of the MLCA. Based on the definition in the related international organizations, an authority responsible for receiving and analyzing STRs is called “Financial Intelligence Unit” (FIU). In 1997, in accordance with the MLCA, the Investigation Bureau, Ministry of Justice (MJIB) was assigned by the Executive Yuan to receive STRs filed by FIs, and the Money Laundering Prevention Center (MLPC) was established in the same year to act as the Taiwan’s FIU. In addition, pursuant to Subparagraph 7, Article 2 of the Organic Act of the MJIB passed by the Legislative Yuan on November 30, 2007 and put into practice on December 19 in the same year upon presidential decree, the MJIB is in charge of “ML prevention related matters”. Pursuant to Article 3 of the same Act, the MLPC changed the name to the “Anti-Money Laundering Division” (AMLDD) and kept on the same functions of Taiwan’s FIU. The AMLDD currently has 22 staff members. Please refer to Figures A and B regarding the AMLDD’s organizational structure, mandates and SOP of work. Its budget allocated for 2013 was NTD 1,920,000 plus.

II. Corporate Effectiveness

Pursuant to Article 9 of the Regulations for Department Affairs of Investigation Bureau, Ministry of Justice, which was amended on October 17, 2008, the functions of the AMLDD are as follows:

1. Researching AML strategies and providing consultation in the formulation of relevant regulations;
2. Receiving, analyzing, and processing STRs filed by FIs;
3. Receiving and maintaining currency transaction reports (CTRs) filed by FIs and receiving and processing cross-border transportation of cash and bearer negotiable instruments reports (ICTRs) forwarded by the customs;
4. Assisting other domestic law enforcement partner agencies in matching the AMLDD database for investigating ML cases and coordinating/contacting with respect to ML prevention operation;

5. Liaison, planning, coordination and implementation of information exchange, personnel training and cooperation in investigating ML cases with foreign counterparts;
6. Compilation and publication of Annual Report on AML work and the management of relevant data and information; and
7. Other AML related matters.



© **FATF (Financial Action Task Force)**

FATF is a policy-maker for AML/CFT. The members of FATF and FATF-style regional bodies (FSRBs) members, ie. Asia-Pacific Group on Money Laundering (APG), conduct self-assessment and mutual evaluations to ensure the technical compliance and the effectiveness of implementation of the AML/CFT international standards. Currently, the FATF has 36 member countries (34 jurisdictions and 2 organizations, the Gulf Cooperation Council and the European Commission) and 8 associate members (FSRBs).

© **FIU (Financial Intelligence Unit,)**

According to the amended FATF's Recommendation 20, if a FI suspects or has reasonable grounds to suspect that funds are the proceeds of a criminal activity, or are related to TF, it should be required, by law, to report promptly its suspicions to the FIU. Recommendation 29 states that countries should establish an FIU that serves as a national centre for the receipt and analysis of: (a) STRs; and (b) other information relevant to ML, associated predicate offences and TF, and for the dissemination of the results of that analysis. Egmont Group, an international organization organized by FIUs of

different countries, defines FIU as “a central, national agency responsible for receiving, (and as permitted, requesting), analyzing and disseminating to the competent authorities, disclosures of financial information:

- (i) concerning suspected proceeds of crime and potential TF, or
- (ii) required by national legislation or regulation, in order to combat ML/TF”.

Paragraph 1, Article 8 of the MLCA provides: “For any financial transaction suspected of committing a crime prescribed in Article 11 herein, the FIs referred to in this Act shall ascertain the identity of the customer and keep the transaction record, and report the suspicious financial transaction to the MJIB.” Also, Articles 7 and 10 of the same Act provide that if any currency transaction exceeding a certain amount of money, or passengers or service crew on board who cross the border with bulk foreign currency or bearer negotiable securities, the FIs or customs shall report or forward subsequently to the MJIB.

Figure A: The AMLD Organization Chart

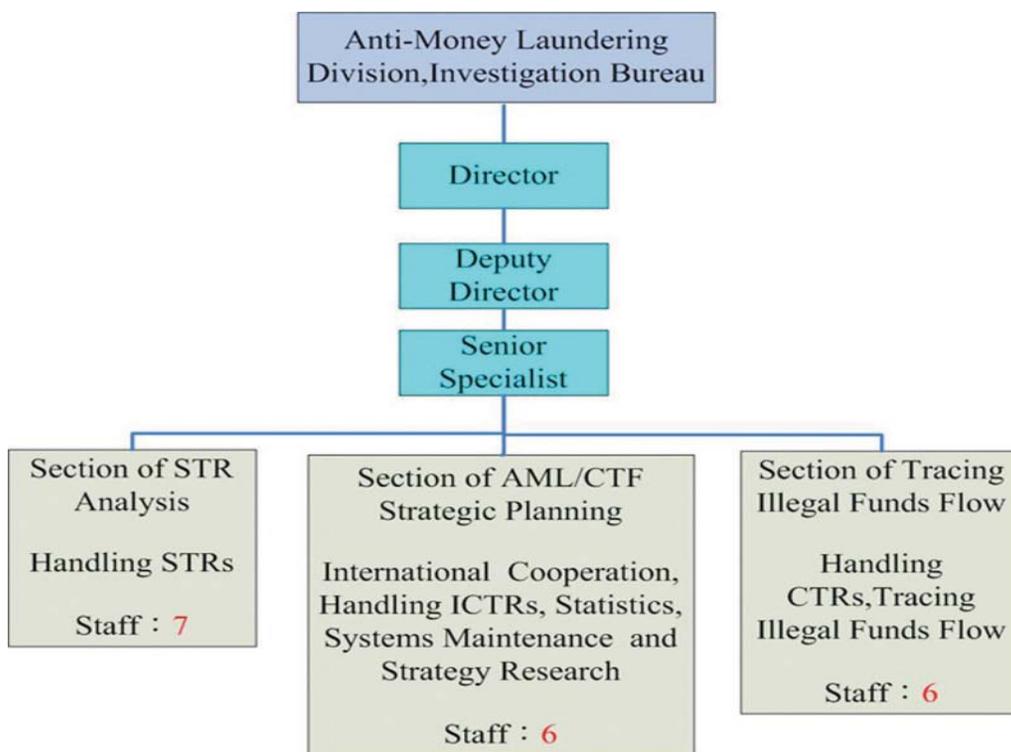
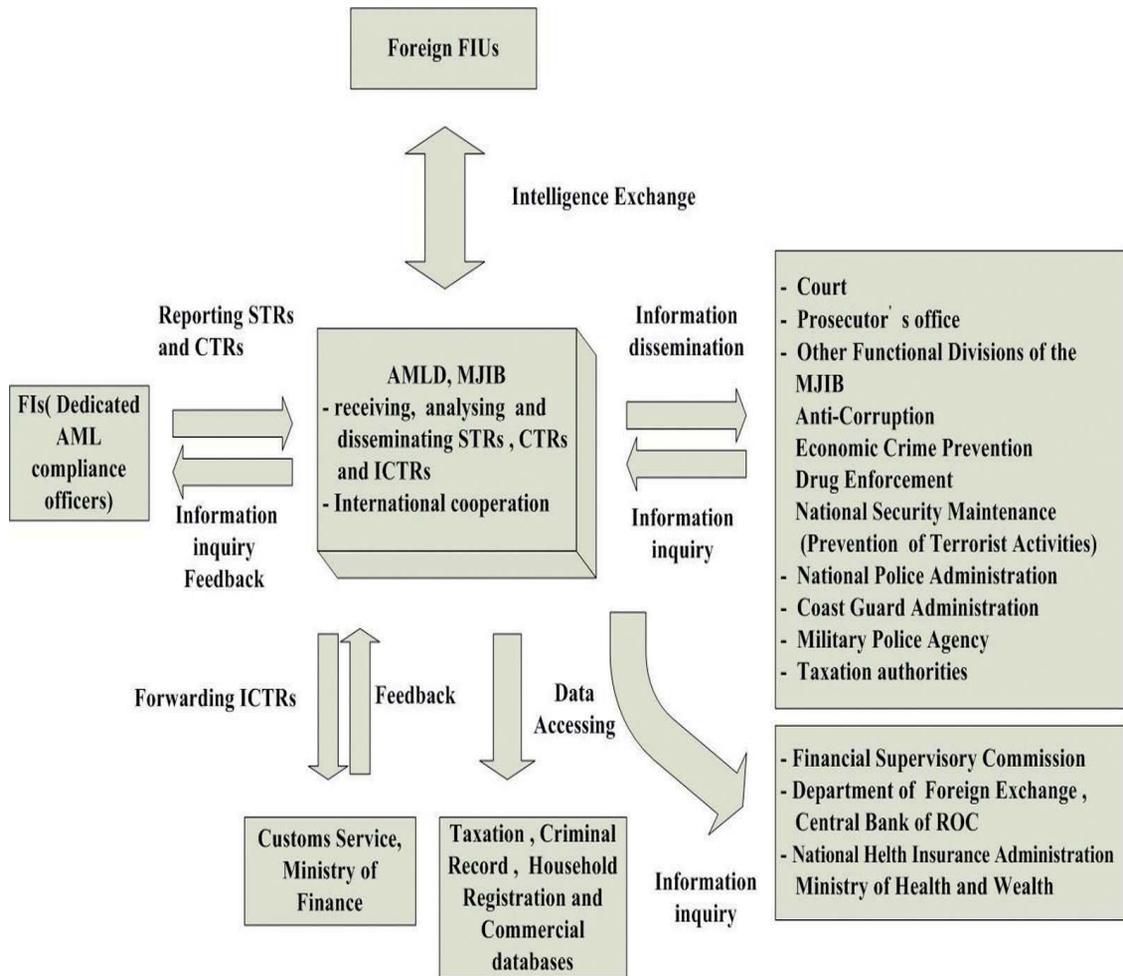


Figure B: The Standard Operating Procedure of the AMLD



Part Two:

Work Overview



- I. Strategy Research on AML/CFT**
- II. Processing the STRs Filed by FIs**
- III. Receiving the CTRs Filed by FIs**
- IV. Processing the International Currency and Securities Transportation Reports (ICTRs) Forwarded by Taiwan Customs**
- V. The Statistics of Prosecuted Cases under the Money Laundering Control Act (MLCA)**
- VI. Promoting Public Awareness and Training**
- VII. International Cooperation**

I. Strategic Research on AML/CFT

A. Continuing to Promote the Amendment of the Money Laundering Control Act

Taiwan accepted the 2nd round Mutual Evaluation (ME) of the Asia/ Pacific Group on Money Laundering (APG) in 2007. According to the Mutual Evaluation Report (MER), there are some deficiencies remained in Taiwan's AML/CFT regime. In order to address these deficiencies, Taiwan established a cross-department taskforce in September, 2012, to conduct a comprehensive review of the national AML/CFT regime. This taskforce convened meetings to discuss how to address the gap between our regime and the international standards and developed action plans. Since most deficiencies are in legal aspect, such as the ML offence lacks some of the elements outlined in the Vienna Convention and the Palermo Convention, the threshold for what is a serious offence (predicate crime of ML) is too high, a conviction for a predicate offence is necessary when proving money laundering offence, and terrorism and terrorist financing are not included in the scope of predicate offences, Ministry of Justice (MOJ) adopted the AMLD's suggestions to draft new amendments of the MLCA. For amending the MLCA, MOJ and the AMLD have coordinated with other competent authorities many times and discussed related issues in the meetings convened by MOJ. For the purpose of fully complying with the AML/CFT standards, the planned major amendments in the MLCA are as follows:

1. Referring to the Palermo Convention and Vienna Convention to refine the definition of "money laundering (ML) crimes";
2. Comprehensively reviewing the "predicate crimes" of ML offence in the MLCA, and considering to not only lower the predicate threshold but also expand the scope of predicate crimes;
3. Adopting the recommendations from the APG Review Team to clarify the meaning of "property and property interests" to cover the scope of "funds

- and other assets” as the requirements in the Vienna Convention; and
4. Criminalizing terrorist/terrorist organizations financing offence, and prescribing the provisions for targeted financial sanctions related to the listed terrorist/terrorist organizations and proliferation of weapons of mass destruction.

The proposed MLCA Amendments is planned to be laid on the table in the Executive Yuan in 2014 and scheduled in the priority process of the legislation in the Legislative Yuan. While the proposed MLCA Amendments is enacted, the deficiencies in the legal aspect will be considered making a sufficient progress. Taiwan’s APG 3rd round ME is scheduled for the second half of 2016, and will make continued efforts to promote the amendments of the MLCA. Before 3rd round ME, it’s expected the proposed MLCA can be enacted and take effect to improve the compliant level with AML/CFT international standards.



© **APG(Asia/ Pacific Group on Money Laundering)**

APG was founded in 1997 with the mission of effective implementation, and enforcement of internationally accepted standards against ML/TF, in particular the Forty Recommendations of the FATF. APG also assists member states to establish coordinated domestic systems for reporting and investigating STRs and to develop effective capacities to investigate and prosecute ML/TF offenses. APG currently has 41 member jurisdictions and is an Associate Member of FATF. Taiwan, in the name nomenclature of Chinese Taipei, is a founding member of APG and able to attend FATF events in the capacity of APG umbrella.

B. Participating in the development of the Electronic Payment Institution Regulations

With the rapid development of internet technology, e-commerce market gradually developed a variety of new payment instruments and services. In order to promote the internet trading activities, the relevant businesses emerged the voice to promote the third-party payment industry. In 2013, the Ministry of Economic Affairs (MOEA) invited relevant agencies and businesses to discuss and develop a dedicated regulation to regulate the third-party payment industry, in order to facilitate the development of the industry, reduce the consumer disputes and protect the rights of the consumers when using the third-party payment services, and help to establish the operational mechanisms to protect the collections and payment transfer funds. After the coordination and communication, the regulation is named as “the Regulation of Non-Financial Institution E-Commerce Payment Services”. In early 2014, after comprehensive consideration, the Prime Minister made the decision that the supervisory authority of the third-party payment industry was transferred to the Financial Supervision Commission (FSC) instead of MOEA. The dedicated law was comprehensively reviewed and renamed as “the Electronic Payment Institution Regulations”. Since the emerging payment instruments and services are likely to be misused for money laundering and terrorist financing, the AMLD was invited to participate in the development of the dedicated regulations. The AMLD proposed that the dedicated regulations should include the AML/CFT mechanism and impose the liabilities to the internet payment institutions to reduce the risk and the probability of the instruments being misused for money laundering and terrorist financing purposes, such as customer due diligence, keeping transaction records, reporting CTRs/ STRs, and establishing its own money laundering prevention guidelines and procedures.

The AMLD also suggested to MOJ and competent authorities that the third-party payment institutions should be designated as the financial institutions referred to Article 5 of the MLCA and apply to the relevant regulations in the MLCA. On February 19, 2014, MOJ and MOEA jointly promulgated the rel-

evant regulations of financial institutions in the MLCA applicable to the third-party payment services sector.

C. Joining the Asset Recovery Interagency Network-Asia Pacific (ARIN-AP)

The globalization of financial activities makes the criminals easily conceal the proceeds of crime cross-border and also creates challenges for law enforcements to conduct the seizure and confiscation of transnational illicit proceeds when investigating the money laundering and terrorist financing offences. Europe, South America and other regions have established asset recovery networks which provide the platform for information exchange and mutual legal assistance. With the closely cooperation and sharing practical experiences between jurisdictions through the platform, the law enforcements can effectively seize and confiscate the proceeds of crime. The Korean Supreme Prosecutors Office recommended establishing a similar network within Asia/ Pacific region for the jurisdictions to combat crime cooperatively and deprive the illicit profits effectively. Under the supervision of the UN Office against Drugs and Crime (UNODC), Asset Recovery Interagency Network Asia-Pacific (ARIN-AP) was officially launched at the inaugural meeting held in Seoul over the November 19-20, 2013. MOJ, Ministry of Foreign Affairs (MOFA) and the legal attaché of MJIB in Korea made a lot of efforts to convey the expectation of Taiwan to joint the ARIN-AP and Taiwan's importance status in regional mutual legal assistance. On January 28, 2014, Taiwan formally joined the ARIN-AP as a founding member of the ARIN-AP. MOJ assigned MJIB as the second contact point to the ARIN-AP and the AMLD as the secretarial unit on the matters.

In addition to cross-border seizure and confiscation of illicit proceeds, asset recovery is also an important issue related to mutual legal assistance that all countries concerned. ARIN-AP was anticipated to be a successful platform for exchanging information and communication between the jurisdictions in Asia and Pacific, removing the obstacles of assets recovery, and improving the ef-

fectiveness of mutual legal assistance. ARIN-AP brings 28 law enforcement or prosecutorial agencies from 21 jurisdictions together, including Japan, South Korea, China, Australia, New Zealand, Singapore, Indonesia, Thailand, Taiwan and other major countries from the Asia-Pacific region. With sustainable operation of ARIN-AP, it will provide more supplementary resources on combat transnational crimes.

II. Processing the STRs Filed by FIs

The revised 20th Recommendation of the FATF 40 Recommendations states “If a financial institution suspects or has reasonable grounds to suspect that funds are the proceeds of a criminal activity, or are related to terrorist financing, it should be required, by law, to report promptly its suspicions to the financial intelligence unit (FIU)”. The requirement should be set out in law.

Pursuant to paragraph 1 of Article 8 of the MLCA, any financial transaction suspected of committing money laundering, the financial institutions (FIs) shall ascertain the identity of the customer and keep the transaction record as evidence, and report the suspect financial transaction (STR) to the MJIB. After receiving, the STRs will be filed, screened, analyzed, and disseminated to other functional divisions of MJIB or other competent authorities by the AMLD. In 2013, MJIB received 6,266 STRs. The STRs are compiled statistics and analyzed by FIs, dissemination, regions, month, subjects’ age, and value. 90.1% of STRs were filed by domestic FIs, 43.2% of STRs happened in Taipei City, 54.9% of the subjects were distributed between 31 and 60 years old, and 28.8% of the transaction amount was under NTD 500,000. (Please refer to Table 01 to Table 07 and Figure C to E for the statistics and analysis of STRs.)

A. The Statistics of STRs

Table 01: The Statistics of STRs Filed by FIs in 2013

Reporting Entities	No. of Reports
Domestic Banks	5,648
Foreign Banks	25
Credit Cooperative Associations	44
Credit Department of Farmer & Fishermen Associations	14
Securities Brokers	3
Bills Finance Corporation	5
Insurance Companies	31
Postal Service which handles money transactions of deposit, transfer and withdrawal	458
Securities Investment and Trust Enterprises	2
Securities Depository Enterprises	34
Credit Card Companies	2
Total: 6,266	

Table 02: The Statistics of STRs from 2009 to 2013

Years	2009	2010	2011	2012	2013
No. of Reports	1,845	4,536	7,514	6,137	6,266

B. The Results of STRs Processed by the AMLD

Table 03: The Statistics of STRs Disseminated by the AMLD in 2013

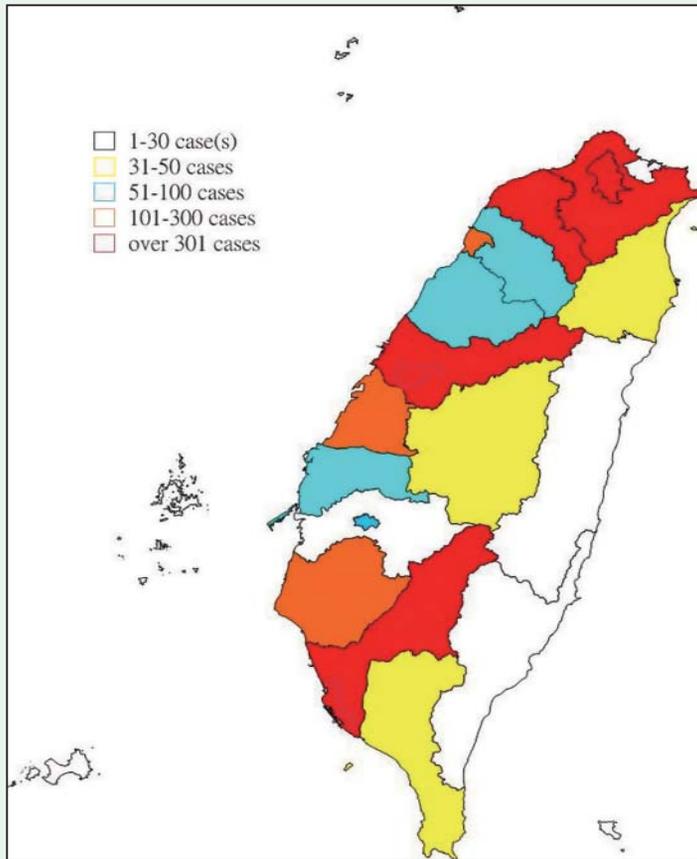
Status of STRs	No. of STRs
Disseminated to other functional divisions of the MJIB	432
Disseminated to police agency and other competent agencies	346
Stored in the AMLD database for reference	5,488
Under analysis	164
Total: 6,266	

C. The Distribution of STRs by Region

Table 04: The STRs Distribution by Region

Region	No. of STRs	Region	No. of STRs
Taipei City	2,706	Yunlin County	65
New Taipei City	993	Chiayi City	100
Keelung City	26	Chiayi County	20
Yilan County	37	Tainan City	220
Taoyuan County	463	Kaohsiung City	365
Hsinchu City	179	Pintung County	47
Hsinchu County	83	Hualien County	23
Miaoli County	61	Taitung County	16
Taichung City	622	Penghu County	0
Changhua County	195	Kinmen County	2
Nantou County	43	Lienjiang County	0
Total: 6,266			

Figure C: The Map of STRs Distribution by Region in 2013



D. The Distribution of STRs by Month

Table 05: The STRs Distribution by Month in 2013

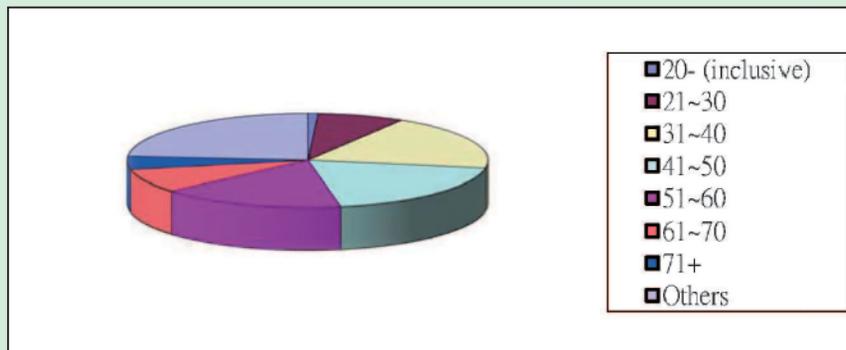
Month	Jan.	Feb.	Mar.	Apr.	May	Jun.	July	Aug.	Sept.	Oct.	Nov.	Dec.
No. Of STRs	482	289	430	472	495	494	580	588	530	646	645	615

E. The STRs Distribution by Subjects' Age

Table 06: The STRs Distribution by Subjects' Age in 2013

Age Group	No. of Persons
20- (inclusive)	56
21~30	488
31~40	1,193
41~50	1,214
51~60	1,030
61~70	518
71+	282
Others ¹	1,485
Total: 6,266	

Figure D: The Pie Chart of STRs by Subjects' Age



□ 20- (inclusive)	1%
□ 21~30	8%
□ 31~40	19%
□ 41~50	19%
□ 51~60	16%
□ 61~70	8%
□ 71+	5%
□ Others	24%

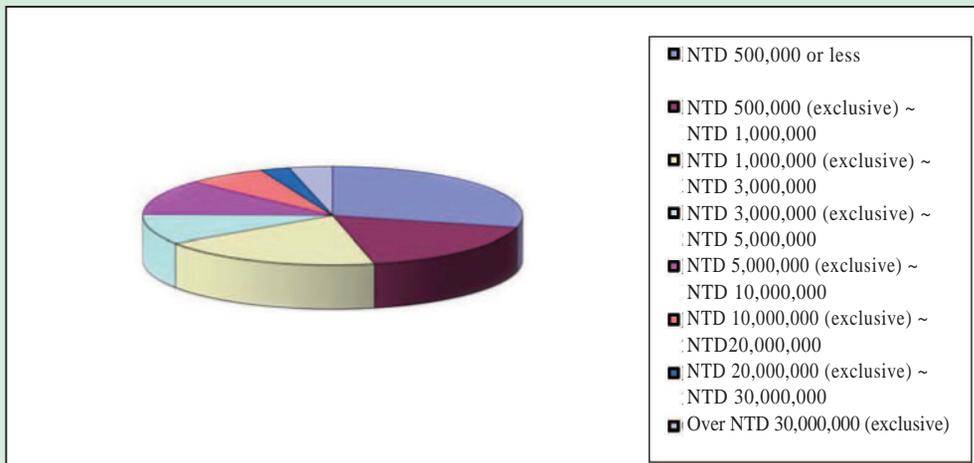
¹ Other: refers to companies and non legal entities.

F. The STRs Distribution by Value

Table 07: The STRs Distribution by Value in 2013

Amounts	No. of Cases
NTD 500,000 or less	1,810
NTD 500,000 (exclusive) ~ NTD 1,000,000	1,101
NTD 1,000,000 (exclusive) ~ NTD 3,000,000	1,191
NTD 3,000,000 (exclusive) ~ NTD 5,000,000	620
NTD 5,000,000 (exclusive) ~ NTD 10,000,000	729
NTD 10,000,000 (exclusive) ~ NTD 20,000,000	427
NTD 20,000,000 (exclusive) ~ NTD 30,000,000	156
Over NTD 30,000,000 (exclusive)	232
Total: 6,266	

Figure E: The Pie Chart of STRs by Value in 2013



- NTD 500,000 or less **29%**
- NTD 500,000 (exclusive) ~ NTD 1,000,000 **17%**
- NTD 1,000,000 (exclusive) ~ NTD 3,000,000 **19%**
- NTD 3,000,000 (exclusive) ~ NTD 5,000,000 **10%**
- NTD 5,000,000 (exclusive) ~ NTD 10,000,000 **12%**
- NTD 10,000,000 (exclusive) ~ NTD 20,000,000 **7%**
- NTD 20,000,000 (exclusive) ~ NTD 30,000,000 **2%**
- Over NTD 30,000,000 (exclusive) **4%**

III. Receiving the CTRs Filed by FIs

Pursuant to Article 7 of the MLCA, any currency transaction exceeding a certain amount of money (CTRs), the FIs shall ascertain the identity of customer and keep the transaction records as evidence, and submit the financial transaction, the customer's identity and the transaction records to MJIB. Pursuant to Article 2 of "Regulations Governing Cash Transaction Reports (CTR) and Suspicious Transaction Reports (STR) by Financial Institutions", the term "a certain amount" shall mean NTD 500,000 (including the foreign currency equivalent thereof). After receiving, the CTRs will be filed by the AMLD. In addition, according to the Operation Directions of the AMLD, the AMLD assists other Field Stations of MJIB, courts, prosecutors offices, and other law enforcement agencies to access CTRs database. In 2013, MJIB received 3,995,726 CTRs. Around 77.7% of CTRs were filed by domestic FIs, 75.1% of the transaction amount was between NTD 500,000 and NTD 1,000,000. In 2013, the number of accessing is 126,515. (Please refer to Table 08 to Table 11 and Figure F for the statistics of CTRs.)

A. The Statistics of CTRs

Table 08: The Statistics of CTRs Filed by FIs in 2013

Reporting Entities	No. of Cases
Domestic Banks	3,103,593
Foreign Banks	31,253
Credit Cooperative Associations	172,317
Credit Department of Farmers & Fishermen Associations	322,138
Postal Service which handles money transactions of deposit, transfer and withdrawal	344,046
Insurance Companies	12,375
Jewelry Retail Businesses	4
Total: 3,995,726	

Table 09: The Statistics of CTRs from 2009 to 2013

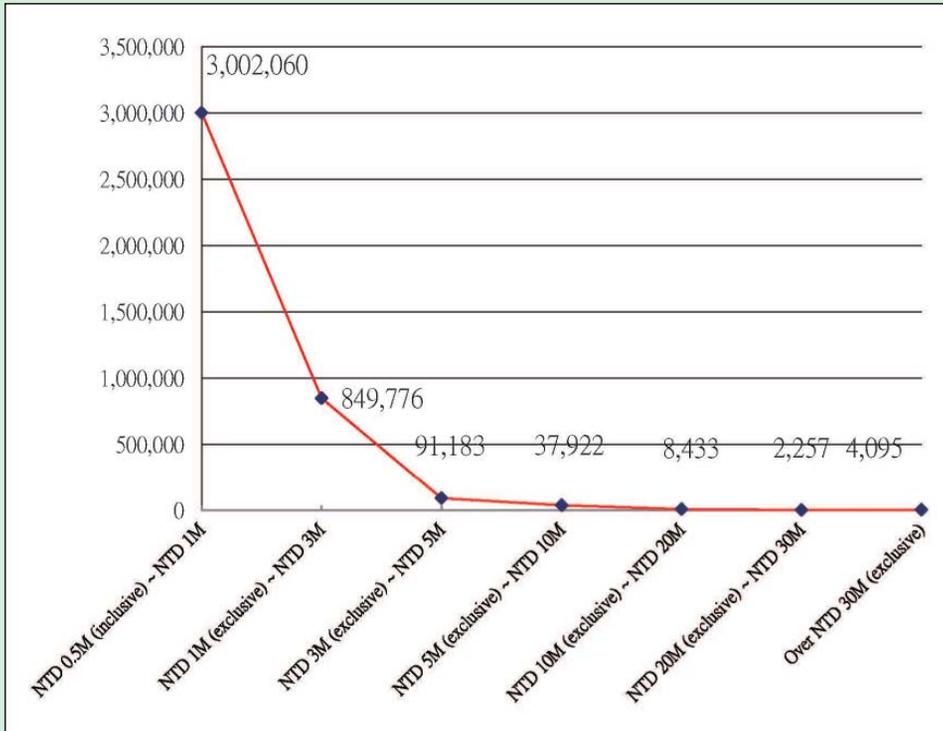
Year	2009	2010	2011	2012	2013
No. of Cases	2,963,282	3,637,884	3,836,757	3,726,585	3,995,726

B. The Distribution of CTRs by Value

Table 10: The CTRs Distribution by Value in 2013

Amounts	No. of Reports
NTD 500,000 (inclusive) ~ NTD 1,000,000	3,002,060
NTD 1,000,000 (exclusive) ~ NTD 3,000,000	849,776
NTD 3,000,000 (exclusive) ~ NTD 5,000,000	91,183
NTD 5,000,000 (exclusive) ~ NTD 10,000,000	37,922
NTD 10,000,000 (exclusive) ~ NTD 20,000,000	8,433
NTD 20,000,000 (exclusive) ~ NTD 30,000,000	2,257
Over NTD 30,000,000 (exclusive)	4,095
Total: NTD 3,995,726	

Figure F: The Line Graph of CTRs by Value in 2013



- NTD 500,000 (inclusive) ~ NTD 1,000,000 76%
- NTD 1,000,000 (exclusive) ~ NTD 3,000,000 21%
- NTD 3,000,000 (exclusive) ~ NTD 5,000,000 2%
- NTD 5,000,000 (exclusive) ~ NTD 10,000,000 1%
- NTD 10,000,000 (exclusive) ~ NTD 20,000,000 0%
- NTD 20,000,000 (exclusive) ~ NTD 30,000,000 0%
- Over NTD 30,000,000 (exclusive) 0%

C. The Statistics of Assisting Law Enforcement Agencies in Accessing CTRs Database

Table 11: The Statistics of Accessing CTRs Database from 2009 to 2013

Year	2009	2010	2011	2012	2013
No. of Reports	33,455	68,776	82,085	120,816	126,515

IV. Processing the International Currency and Securities Transportation Reports (ICTRs) Forwarded by Taiwan Customs

The revised 32th Recommendation of the FATF 40 Recommendations states “Countries should have measures in place to detect the physical cross-border transportation of currency and bearer negotiable instruments, including through a declaration system and/or disclosure system. Countries should ensure that their competent authorities have the legal authority to stop or restrain currency or bearer negotiable instruments that are suspected to be related to terrorist financing, money laundering or predicate offences, or that are falsely declared or disclosed. Countries should ensure that effective, proportionate and dissuasive sanctions are available to deal with persons who make false declaration(s) or disclosure(s). In cases where the currency or bearer negotiable instruments are related to terrorist financing, money laundering or predicate offences, countries should also adopt measures, including legislative ones consistent with Recommendation 4, which would enable the confiscation of such currency or instruments”. These recommendations require that countries should implement measures for the documents that are suspected to be related to terrorist financing, money laundering, or falsely declared or disclosed to supervise cross-border transportation of the currency and bearer negotiable instruments.

Pursuant to paragraph 1 of Article 10 of the MLCA, Passengers or service crew on board who cross the border with the carrier and carry the following items shall make declarations to the customs. The customs shall report subsequently to the Investigation Bureau, Ministry of Justice: 1. Cash of foreign currency with total amount exceeding a certain amount; 2. Negotiable securities with face value exceeding a certain amount. Pursuant to Article 4 of the

“Regulations for the Declaration of Carrying Foreign Currencies or Securities by Cross-Border Passengers or Service Crew on Board of Transport and for the Interagency Report by the Customs”, the term “a certain amount” shall mean USD 10,000 or foreign currency with equivalent value. In 2013, the number of the ICTRs reported by customs was 14,273. In terms of the declared value, around 68.8% of the ICTRs were under NTD 1,000,000. (Please refer to Table 12 to Table 16 and Figure G for the statistics and analysis of ICTRs.)

A. The Statistics of ICTRs Declared by the Passengers to Taiwan Customs

Table 12: The Statistics of Inbound and Outbound ICTRs in 2013

Inbound & Outbound	No. of Reports
Inbound	11,942
Outbound	2,331
Total	14,273

Table 13: The Statistics of ICTRs from 2009 to 2013

Year	2009	2010	2011	2012	2013
No. of Reports	6,709	7,655	8,378	8,726	14,273

B. The ICTRs Distribution by Month

Table 14: The ICTRs Distribution by Month in 2013

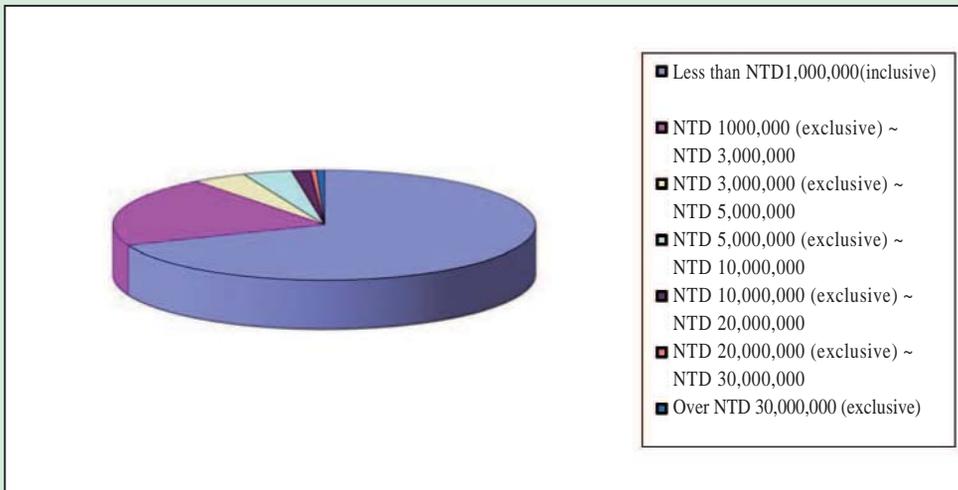
Month	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Cases	675	632	660	749	745	707	729	720	829	846	707	727

C. The ICTRs Distribution by Value

Table 15: The ICTRs Distribution by Value in 2013

Amounts	No. of Reports
Less than NTD 1,000,000 (inclusive)	9,826
NTD 1,000,000 (exclusive) ~ NTD3,000,000	2,963
NTD 3,000,000 (exclusive) ~ NTD5,000,000	593
NTD 5,000,000 (exclusive) ~ NTD10,000,000	533
NTD 10,000,000 (exclusive) ~ NTD20,000,000	204
NTD 20,000,000 (exclusive) ~ NTD30,000,000	67
Over NTD 30,000,000 (exclusive)	87
Total: 14,273	

Figure G: The Pie Chart of ICTRs by Value in 2013



- Less than NTD 1,000,000 (inclusive) 69%
- NTD 1,000,000 (exclusive) ~ NTD 3,000,000 21%
- NTD 3,000,000 (exclusive) ~ NTD 5,000,000 4%
- NTD 5,000,000 (exclusive) ~ NTD 10,000,000 4%
- NTD 10,000,000 (exclusive) ~ NTD 20,000,000 1%
- NTD 20,000,000 (exclusive) ~ NTD 30,000,000 0%
- Over NTD 30,000,000 (exclusive) 1%

D. The Results of ICTRs Processed by the AMLD

Table 16: The Results of ICTRs Processed by the AMLD in 2013

Status	No. of Cases
Forwarded to the Functional Divisions of the MJIB	1
Stored in the Database for Reference	12
Under Analysis	13

V. The Statistics of Prosecuted Cases under the Money Laundering Control Act (MLCA)

Through accessing the Prosecution Document Database Enquiring System which is maintained by the MOJ, the AMLD has retrieved 17 cases prosecuted by district prosecutors offices in 2013 under Article 11 of the MLCA, including deferred prosecutions and petitions for summary judgments. The information retrieved included the types of predicate crime, proceeds of crime, typologies of ML, and profiles of defendants. All these information shall be analyzed in order to build the statistics regarding ML overview and trends in Taiwan in 2013. In 2013, there are 17 cases prosecuted under money laundering. A total of laundered money reaches NTD 531,946,076 from the 17 prosecuted cases. (Please refer to Table 17 to Table 22 and Figure H for the statistics and analysis of the prosecuted cases.)

A. The Predicate Offence Types of the ML Cases

Table 17: The Statistics of the Predicate Offence Types of the ML Cases and the Competent Authorities Joined the Investigation in 2013

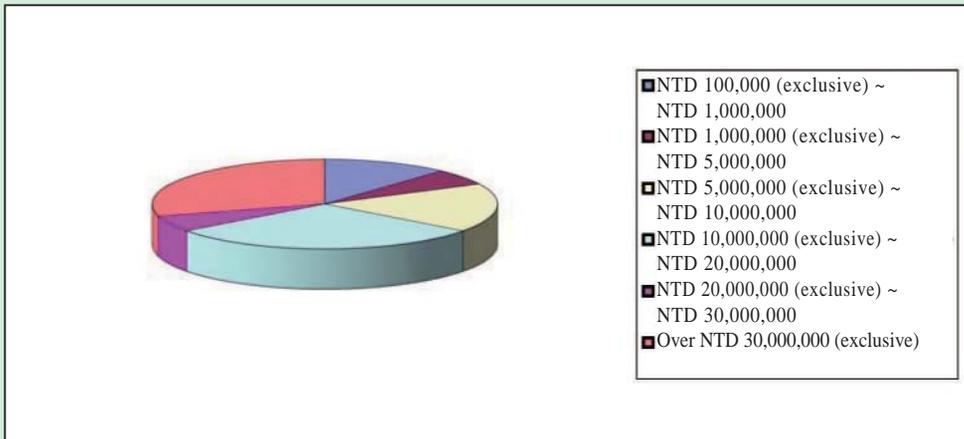
Offence Types	Predicate Offences	MJIB	Prosecutors Offices	National Police Agency	Total
General Criminal Crimes	Robbery	0	0	1	1
	Organized Crime	0	0	1	1
Subtotal		0	0	2	2
Economic Crimes	Fraud	1	1	7	9
	Nonbanking Entities Accepting Deposits	2	1	0	3
	Breach of Trust	2	0	0	2
Subtotal		3	1	8	12
Corruption	Accepting Kickbacks	2	0	0	2
Subtotal		2	0	0	2
Narcotics Crime	Transportation	1	0	0	1
Subtotal		1	0	0	1
Total		6	1	10	17

B. The Prosecuted ML Cases Distribution by Value

Table 18: The Prosecuted ML Cases Distribution by ML Value in 2013

Amounts	Cases
NTD 100,000 (exclusive) ~ NTD 1,000,000	2
NTD 1,000,000 (exclusive) ~ NTD 5,000,000	1
NTD 5,000,000 (exclusive) ~ NTD 10,000,000	3
NTD 10,000,000 (exclusive) ~ NTD 20,000,000	5
NTD 20,000,000 (exclusive) ~ NTD 30,000,000	1
Over NTD 30,000,000 (exclusive)	5
Total: 17	

Figure H: The Pie Chart of ML Value in the Prosecuted ML Cases in 2013



- NTD 100,000 (exclusive) ~ NTD 1,000,000 12%
- NTD 1,000,000 (exclusive) ~ NTD 5,000,000 6%
- NTD 5,000,000 (exclusive) ~ NTD 10,000,000 18%
- NTD 10,000,000 (exclusive) ~ NTD 20,000,000 29%
- NTD 20,000,000 (exclusive) ~ NTD 30,000,000 6%
- Over NTD 30,000,000 (exclusive) 29%

C. The ML Channels and Methods used in the Prosecuted ML Cases

Table 19: The Prosecuted ML Cases Distribution by ML Channels in 2013

Types of FIs	No. of Cases
Banks	17
Other FIs	0
Total: 17	

Table 20: The Prosecuted ML Cases Distribution by ML Methods in 2013

Methods of ML	No. of Cases
Dummy Accounts	10
Underground Remittance	2
Purchasing Insurance Policy	1
Bank Safe Boxes	1
Changing the Right of the Possession	1
Repayment of debt	1
Purchasing Real Estates	1
Total: 17	

D. The Prosecuted ML Cases Distribution by Region

Table 21: The Prosecuted ML Cases Distribution by Region in 2013

Region	Cases	Region	Cases
Taipei City	5	Taichung City	4
Kaohsiung City	1	Yunlin County	1
Taoyuan County	2	Tainan City	2
Hsinchu City	1	Changhua County	1
Total: 17			

E. The Prosecuted ML Cases Distribution by the Defendants' Gender

Table 22: The Statistics of the Defendants' Gender Prosecuted under the MLCA in 2013

Charges	Defendant Types	Gender	No. of Persons
Paragraph 1, Article 11 of MLCA	ML for a Serious Crime Committed by Defendants Themselves	Male	37
		Female	9
		Subtotal	46
Paragraph 2, Article 11 of MLCA	ML for a Serious Crime Committed by Others	Male	14
		Female	9
		Subtotal	23
Total			69

VI. Promoting Public Awareness and Training

A. Promoting Public Awareness of AML/CFT

Besides routinely promoting the public awareness campaigns of protecting government infrastructure and anti-corruption, AML/CFT as well a vital part, of which are carried out year-round by the field offices of the MJIB nationwide. By taking advantage of local activities and public occasions, the field agents introduce and explain directly and enthusiastically to the people what the AML/CFT is and its related matters. With all these efforts, we firmly believe that the awareness will step by step be deep-rooted in Taiwanese people eventually.



- The agents from the Taipei Field Division, MJIB illustrated what the AML/CFT is and how it works during the National Yang-Ming University Carnival 2013.



- The agents from the Kaohsiung Field Division, MJIB illustrated what the AML/CFT is and how it works during the Reserved Servicemen Cadre Promotion and Commendation Carnival 2013.

B. AML/CFT Capacity Building Training

To help the staffs of FIs fully understand the requirements concerning AML/CFT, the indicators of suspicious transactions to improve the quality of filing STRs, the compliance with the MLCA, and media transmission protocols, the AMLD has been providing training programs with lectures and presentations. These programs, upon FIs' requests, cover the topics of the MLCA reporting obligations of FIs, case studies and the emerging trends in AML/CFT. The AMLD instructors have been sharing professional experiences with the participants from FIs and discussing the pros and cons of the reported STRs. With case studies, the patterns of suspicious transactions which were connected with certain crimes, such as underground remittance, stock market ma-

nipulation, insider trading, and internet gambling, etc. can thus be further understood and learned as lessons to detect and identify suspicious transactions more effectively in the future.

Table 23: The Statistics of Seminars and Participants Carried out by the AMLD in 2013

Types of FIs		Subtotal	
		No. of Seminars	No. of Participants
Banks	Domestic Banks	39	7,193
	Foreign Banks	1	34
Credit Department of Farmers & Fishermen Associations		2	155
Securities Investment and Trust Enterprises		3	148
Securities Brokers		22	3,900
Futures Brokers		0	0
Postal Service which handle money transactions of deposit, transfer and withdrawal		7	376
Insurance Companies		26	2,697
Negotiable Instrument Finance Corporations		0	0
Total		100	14,503

VII. International Cooperation

A. International Information Exchange

ML is generally regarded as a transnational crime. For the purposes of effectively combating transnational crimes concerning ML, TF, and the proliferation of WMD, countries are required to reach consensus and closely work together. The AMLD plays the role as the FIU of Taiwan and shares related information with a number of foreign FIUs. Exchanging information benefits not only the operational work of the FIUs but also the LEAs to track the transnational movement of the proceeds of crime.

Table 24: The Statistics of International Information Exchange from 2009 to 2013

Types	Year	2009	2010	2011	2012	2013
Requests from Overseas FIUs	Case	39	20	76	37	41
	No. of Reports	N/A	61	171	96	113
Requests to Overseas FIUs	Case	8	12	5	15	16
	No. of Reports	N/A	50	14	55	61
Spontaneous Exchanges	Case	17	12	7	22	22
	No. of Reports	N/A	34	48	48	51
Questionnaires and Other Matters	Case	2	5	2	0	0
	No. of Reports	N/A	186	155	78	100
Total	Case	66	49	90	74	79
	No. of Reports	N/A	331	388	277	325

B. Participating in the Related International Organizations' Activities

The AMLD has been actively participating in several AML/CFT related international organizations for years, including the APG, the Egmont Group of FIUs, and the FATF under the umbrella of the APG. By building tight connections with these organizations, not only does it help the AMLD develop skills and knowledge of AML/CFT, but also help lead the international community to better understand the efforts dedicated to AML/CFT by the Government of the Republic of China (Taiwan).

(1) Asia Pacific Group on Money Laundering (APG)

The AMLD representatives joined the delegations of the country to participate in the APG Plenary Meeting held in Shanghai, Mainland China, in July 2013. The AMLD also assigned representatives to participate in the APG Workshops on Revised FATF Assessment Methodology and National Risk Assessment held in Seoul, Korea, in August 2013, the APG Typologies and Capacity Building Workshop held in Ulaanbaatar, Mongolia, in September 2013, and the Implementation of FATF Targeted Financial Sanctions Workshop and Abbreviated Assessors' Training held in Washington DC, the United States of America, in December 2013. Beyond that, the AMLD with competent authorities also joined the Donor and Provider Group (DAP Group) on Technical Assistance and Training (TA&T) in the APG, and sponsored AUD 56,000 in 2013 for assisting member jurisdictions in Pacific Islands to attend the meetings and trainings held by the APG.

(2) The Egmont Group of FIUs

The AMLD took the EG activities as a priority at work and assigned representatives to participate in the Egmont Group Working Group and Committee Meetings Program held in Ostend, Belgium, in January 2013, the Egmont Group Plenary held in Sun City, South Africa, in July 2013, and the Joint Egmont Group/ Moneyval Experts' Meeting on Money Laundering and Terrorist Financing Typologies held in Strasbourg, France, in October 2013.



© Egmont Group

Recognizing the benefits inherent in the development of a FIU network, a group of FIUs met at the Egmont-Arenberg Palace in Brussels Belgium in 1995 and decided to found a group for the stimulation of international cooperation. Now known as the Egmont Group of FIUs, these FIUs meet regularly to find ways to cooperate, especially in the areas of information exchanges, training and the sharing of expertise. To date, the Egmont Group has 139 member countries and provides a secured web for facilitating intelligence exchanges among FIUs.

The FIU Taiwan joined the Egmont Group at the 6th Annual Meeting in June 1998 under the title “Anti-Money Laundering Division, Taiwan” (AML/D, Taiwan). Thus far, a total of 26 FIUs around the world have signed agreements/MOUs with the AML/D, Taiwan.

(3) Financial Action Task Force (FATF)

The AML/D assigned representatives to participate in the FATF Plenary in Paris, France in February 2013 and Oslo, Norway, in June 2013 under the umbrella of the APG. In addition, for complying with the FATF standards, the AML/D closely cooperates with relevant authorities, including the Financial Supervisory Commission, the Ministry of Justice, and the Central Bank to contribute to the policies development, which is required to satisfy the FATF recommendations.

C. Concluding Agreements/MOUs with foreign FIUs

In 2013, the AML/D signed Memorandum of Understanding (MOU) concerning the exchange of information related to AML/CFT with the Kingdom of Saudi Arabia to establish the basis of exchange of information.



- Mr. Wang, Fu-Lin, the former Director General of MJIB, signed “Memorandum of Understanding Concerning the Exchange of Information Related to AML/CFT” with Mr. FAHAD A ALMAGHLOOTH, the General Supervisor of the Saudi Arabia Financial Investigation Unit.

Part Three

Significant Case Studies



- I. Detecting Window Dressing and Stock Manipulation**
- II. Detecting Insider Trading in Stock Market**
- III. Assisting to Trace the Illegal Profit derived from Adulterated Cooking Oil**

I. Detecting Window Dressing and Stock Manipulation

A. Disclosure of STRs

In March 2012, the AMLD received an STR from Bank A indicating that the customer Ms. C often conducted deposition and withdrawal transactions with large amount of cash from her own bank account in the short period of time. Most funds were the settlement of the securities. Ms. C equivocated of the source and purpose of the funds and refused the suggestion of Bank A to conduct the transaction in remittance. Bank A considered the transactions were suspicious and filed the STR to the AMLD.

B. STR Analysis

After receiving the STR, the AMLD initiated the standard analyzing procedures and found the suspicious transactions conducted by Ms. C were used to buy/sell the stocks of listed Company A. Ms. C's bank account was very possible to be used as only a dummy account to manipulate stock price and the practical controller of the stock trade was Mr. C. The information was disseminated to the Economic Crime Prevention Division, MJIB for further investigation.

C. Case Scenario

OTC-listed Company A issued 3,000 shares of convertible bond by book building in December 2011. In order to gain the profit from the price difference between the issuing price of the convertible bond and the exchanging price of the over-the-counter market, the president Mr. W, the CFO Mr. H, the market speculator Mr. C, and the vice president Mr. Ch of Securities Company B, conspired to use dummy accounts to allocate 2,280 shares to Mr. W, Mr. H, and Mr. C and allocate 300 shares to Mr. Ch that held about 40% shares in total of Company A with lower cost.

For luring investors to buy Company A's shares to elevate the share price,

they intentionally had window dressing the financial report. For artificially inflating income, the market speculator Mr. C arranged fake trading between Company A and the shell companies which incorporated in Taiwan and foreign countries. Mr. W instructed his employees to cooperate with Mr. C's employees to deal with the vouchers and the financial transactions of the fake trades. Mr. C also arranged his sister in law, Ms C, as the director of Company A. The investors therefore misunderstood Company A had had good profit and bought its shares and the convertible bonds. In order to more lift the share price, Mr. C used dummy accounts including Ms C's to wash trade Company A's shares in short period of time. Mr. W and other related persons could take this advantage to sell their shares with higher price and made redemption of the options. Mr. W et al. gained about NTD 110 million through the market fraud and stock manipulation.

For more elevating Company A's share price, Mr. C instructed the fund manager to buy Company A's shares with higher price, and Mr. C could sell his shares simultaneously to gain more profit. The transaction that the fund manager did caused the investors misunderstood Company A's share was the brisk security in the market and continuously bought it. After that, Mr. C gave the fund manager rewards in cash. The shares that the manager bought in higher price sold with lower price already caused loss to fund investors.

Company A needed to pay around NTD 990 million for the above mentioned fake trading. Basing on the agreement, Mr. C should remit the receiving funds on behalf of the shell companies to Company A as the payment. However, Mr. C embezzled part of the funds and transferred the funds to Mr. W and Mr. H. Mr. H instructed the employees to pay prepayment of purchase to shell companies for them stealing more money from Company A. The embezzlement caused about NTD 450 million loss to Company A.

D. Indictment

Mr. W was indicted on the charges of violating the Securities Exchange Act and the Business Entity Accounting Act by the Taipei District Prosecutors Office in May 2013.

II. Detecting Insider Trading in Stock Market

A. Disclosure of STRs

In August 2013, the AMLD received an STR from Bank B indicating that the customer Ms. Ch continuously sold Company B's shares and then transferred the funds to her accounts in other banks or withdrew large amount of cash. Bank B considered the suspicious transactions meeting the indicator of money laundering as follows and decided to file STR to the AMLD:

Any other obviously unusual transactions, e.g., sales of financial bonds in huge volume, or frequent use of traveler's checks or foreign currency checks in a huge volume without justifiable reasons; or opening L/Cs in huge amount for transaction where the client is unable to provide reasonable information, or opening an account in huge amounts (tens of millions of New Taiwan Dollars) with another financial institution's check which is suspected to money-laundering.

B. STR Analysis

After receiving the STR, the AMLD initiated the standard analyzing procedures and found Ms. Ch was the Company B's supervisor and her husband Mr. H was the president of the company B. Beginning from June of 2013, there were some funds transferred into Ms. Ch's account in Bank B continually, and the funds were sourced from selling the shares of Company B. The balance of the account was more than NTD 204 million. The AMLD suspected the financial transaction were very possible involving money laundering for the proceeds of crime derived from insider trading, and determined to disseminate the information to relevant law enforcement agency for further investigation.

C. Case Scenario

Mr. H, the president of Company B, and his wife Ms. Ch, the Company B's supervisor jointly held 77.29% shares of Company B. During March to April

2012, Mr. H intended to expand the business activity and invited Mr. Hs to jointly invest and establish Company C. Company B hold 50% shares of Company C. Then, they invested a bread chain stores using Company C's capital. For promoting the business of the chain, they arranged Mr. Hs' daughter in law, a celebrity, as the spokesperson that caused sales volume of the chain stores rapidly increasing therefore led Company B's share price surging. However, the amount of business activities declined fiercely in a short time. Mr. H requested the chairman of Company C to promote the performance but failed. On August 19, 2013, Company B publicly announced the information and convened a board meeting to dismiss the chairman of Company C, and assigned Mr. H to be Company C's new chairman. On August 27, 2013, Company B further raised accusation to Company C's previous chairman for breaching trust. The information were both relating to the finances or businesses of a company that would impact the stock price and affect general people's investment decisions on the stock.

Mr. H and his wife Ms. Ch knew the business performance of Company C was not good enough and would like to draw back the stock price of Company B in June 2013. Mr. Hs and his son also knew the above mentioned information in July 2013. Precisely knowing the information would have a material impact on the price of the securities of Company B, Mr. H et al. sold their shares for profit in July and August of 2013 prior to the public disclosure of the material information that would violate the regulation of Securities and Exchange Act. They therefore could escape from about NTD 39.8 million of damages in total. (Article 157-1 of Securities and Exchange Act : Upon actually knowing of any information that will have a material impact on the price of the securities of the issuing company, after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the following persons shall not purchase or sell, in the person's own name or in the name of another, shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company: 1. a director, supervisor, and/or managerial officer of the company, and/

or a natural person designated to exercise powers as representative pursuant to Article 27, paragraph 1 of the Company Act; 2.shareholders holding more than ten percent of the shares of the company.....)

D. Indictment

In October 2013, Mr. H et al. were indicted on the charges of violating the Securities Exchange Act by the Taipei District Prosecutors Office.

III. Assisting to Trace the Illegal Profit derived from Adulterated Cooking Oil

A. Disclosure of STRs

In October 2013, the Changhua District Prosecutors Office received a complaint that alleged the virgin olive oil produced by Company T was not pure. Then, the Prosecutors Office initiated an investigation and found other kinds of oil produced by the same company were also adulterated with cheap oil or even illegal additive chemicals. The prosecutor interrogated the chairman of the company Mr. K and bailed the subject with NTD1 million. Afterwards, the Changhua District Prosecutors Office continuously seized the banking accounts and the assets of Company T and Mr. K. This sensational case brought the attention of the AMLD and actively screened relevant databases regarding the subjects. In November 2013, the AMLD found the Company T's employee cashed a check issued by a company which had business relationship with Company T and directly withdrew NTD 12 million in cash from the checking account and delivered the funds to Mr. K in person. The AMLD suspected Mr. K and his employee might be trying to disguise and conceal assets for avoiding further seizure and confiscation, and decided to spontaneously disseminate the information to the Prosecutors Office for further investigation.

B. Case Scenario

In order to cut production costs and acquire more profit, Company T's chairman Mr. K and the employee Mr. W and Mr. C have adulterated virgin olive oils, grape seed oils and other high quality oils with cheap oil products and sold them with high prices and labeled as 100% pure oils from 2007. Since March 2013, they even intensify to add illegal additive copper chlorophyllin for forging the colour of high quality oils' for higher profits. The consumers mistook the adulterated oils as pure oils due to the intentional mislabeling and

bought the cheap oils with expensive prices. Company T therefore gained the illegal profit in total of more than NTD 1.9 billion. The Changhua District Prosecutors Office charged Mr. K, Mr. W and Mr. C with fraudulence and against the Act Governing Food Safety and Sanitation in October 2013.

During the trial process of this case, the presiding judge decided to increase the bail of Mr. K up to NTD 11 million considering the prosecutor stated that Mr. K intended to conceal the assets of the company through the ML method as mentioned above. Furthermore, the AMLD found Mr. K instructed the employee to notice the retail dealers to make payments in cash or issuing checks. After receiving the payments, the employees immediately delivered the funds to Mr. K or his family members. The sum of the funds is up to NTD 95 million. As Mr. K refused to disclose the funds flow, the Changhua District Court justified Mr. K under apprehension after considering he might abscond with the facts of concealing the funds.

C. Adjudication

On December 16, 2013, the Changhua District Court sentenced Mr. K 16 year imprisonment and under custody immediately following the sentence.

IV. Facilitating the Enquiry and the Detention of the Offenders regarding the Injury to Death Case

A. Disclosure of STRs

On December 6, 2013, the media reported that Ms. H, a member of a radical religion group, was alleged to detain her son privately and tortured him to death. The chairperson of the religion group Ms. C denied the religion group involving the case when she was interrogated by the public prosecutor. Bank D filed a STR to the AMLD on the same day. The STR indicated that Ms. C's account received several inward remittances from other banks on November 27, 2013, and funds from Certificates of Deposits prematurely terminated, and she immediately withdrew about NTD10 million in cash. At the same time, Ms. C sold United States dollars from her foreign currency saving account and withdrew about NTD1.7 million in cash. The clerk of Bank D questioned Ms. C about the purpose of the transactions, but she was loath to explain. Bank D determined Ms. C's financial transactions were suspicious and then filed the STR to the AMLD, according to the following indicators:

1. The deposits, withdrawals or remittances in a bank by a client who is believed to have been implicated in a major, extraordinary case as reported by press, magazine, TV, Internet and such media.
2. When a client suddenly receives a deposit(s) in extraordinarily large amount (e.g., by depositing many promissory notes, checks into the same account) which is apparently not commensurate with the client's identity and revenue background and irrelevant to the attributes of his/her profession.
3. Each deposit case and withdrawal case are similar in amounts and are close together in occurrence.

B. STR Analysis

After receiving the STR, the AMLD initiated the standard analyzing procedures and found the activity of withdrawing cash from bank account were very possible for concealing the funds that might face seizure and confiscation in the future for civil compensation. The AMLD determined to immediately disseminate the information to the Changhua District Prosecutors Office, which is in charge of this case, for further reference.

C. Case Scenario

Ms. C organized a radical religion group and took the ancestral home in Changhua County as a gathering place for the members. In May 2013, Ms. C considered Ms. H's son having behaviors in disorderly manner. Ms. C called Ms. H and other members to question the kid, commit assault and battery upon him, and take him into custody for more than 10 days. At last, multiple blunt knife wounds, rhabdomyolysis, and acute tubular necrosis resulted in multiple organ dysfunction syndromes were found on the kid's body that caused the death.

Considering Ms. C continuously withdrew large amounts of cash, the Changhua District Prosecutors Office strongly suspected Ms. C might abscond and requested the court to issue detention order. The Changhua District Court decided a detention ruling and held incommunicado.

C. Indictment

In January 2013, Ms. C et al were indicted for committing the offence of causing injury to death. The public prosecutor specifically indicated in the indictment that the defendant Ms. C might abscond with the large amount of cash withdrew from her own account shortly before the case was disclosed.

V. Repatriation of a fugitive Ms. Chou back to Mainland China to Face Justice

A. Disclosure of STRs

In August 2013, the AMLD received an STR from Bank E noting that Ms. Chou, a citizen from Mainland China, opened an account on April 8, 2013 in the bank. Her bank account received a remittance in NTD 5,448,000 on May 8, 2013. Then, she withdrew NTD 5,449,070 on May 10, 2013 and closed the account on the same day. The staff of Bank E asked Ms. Chou about the purpose of the financial transactions, but she was loath to explain. The Bank deemed the transactions suspicious as the indicator of money laundering: “when an account, shortly after opening, is seen having deposit, inward remittance in a huge amount apparently incommensurate with the client’s identity and income, or irrelevant to the client’ business and the deposit has been quickly transferred out” , and decided to file STR to the AMLD.

B. STR Analysis

After receiving the STR, the AMLD initiated the standard analyzing procedures and found:

Ms. Chou was a spouse of a Taiwanese. She applied to reside in Taiwan with the dependent visa but frequently travelled back Mainland China. On May 9, 2013, she returned Taiwan from Mainland China and rushed to Bank E to withdraw all the money on deposit the next day and close the account at the same time, but she did not go back Mainland China.

The fund of NT 5,448,000 was transferred into Ms. Chou’s bank account on May 8, 2013 through underground banking system service in Mainland China, and the analyzing staff of the AMLD suspected the fund might be sourced from illegal activities. Then, the AMLD requested the Public Security Department of Mainland China to check the background of Ms. Chou according to

the framework of the Cross-Strait Joint Fight against Crime and Mutual Legal Assistance Agreement.

The counterpart from Mainland China responded that Ms. Chou was a fugitive involving a fraud case and requested Taiwan to deport her back to Mainland China to face justice in August 2013.

C. Case Scenario

Ms. Chou was the chairperson of Company F in Guangxi Province of Mainland China. She signed the procurement contract with a company in May 2013 and applied bank drafts from Bank F in Mainland China for the payments of RMB 34,170,000. Then, Ms. Chou forged the company's stamp to honor the drafts, and transferred the fund of NTD 5,448,000 to her account in Bank E in Taiwan through underground banking system service. In August 2013, the prosecutor office in Mainland China issued a wanted warrant for Ms. Chou violating the Negotiable Instruments Act.

D. Result

The AMLD disseminated the relevant information to the Economic Crime Prevention Division, MJIB, for further investigation. The law enforcement agents of Kaohsiung Field Division, MIJB traced the residing place of Ms. Chou in Taiwan and cooperated with the National Immigration Agency to apprehend her and then deported her back Mainland China to face justice on January 17, 2014.

Part Four:

The Major Events of the AMLD in 2013



Date	Major Events
2013/1/10	The representatives of the AMLD participated in the MLCA amendment meeting convened by MOJ.
2013/1/10-11	The representatives of the AMLD participated in the business study tour of Asia-Pacific Economic Cooperation (APEC).
2013/1/18-27	The representatives of the AMLD participated in the Egmont Group Working Group and Committee Meetings Program in Ostend, Belgium.
2013/2/15-24	The representatives of the AMLD participated in the 2nd Plenary Meeting of FATF-XXIV in Paris, France.
2013/2/25	The representatives of the AMLD participated in the 2013 Counterterrorism Seminar.
2013/3/26	The AMLD assisted the Taipei Field Division, MIJB in investigating Ms. Lai et al who were alleged of receiving the bribes.
2013/4/16-18	The representatives of St. Vincent and the Grenadines FIU attended a 3-day anti-money laundering training program arranged by the AMLD.
2013/4/17	The AMLD disseminated the information related to Mr. Hu who was alleged of attempting to commit causing injury to death of others to the New Taipei District Prosecutors Office for reference.
2013/5/16	Ms. Jennifer Ford, an Executive Officer in APG Secretariat, visited Taiwan. AMLD convened a meeting and invited the representatives from MOJ, MOFA, FSC and Central Bank to discuss: (1) the working programs for the extra contributions from Taiwan; (2) the analysis report of Taiwan's ME progress report.
2013/5/27	The representatives of the AMLD participated in the draft of MLCA Amendment meeting held by MOJ.

2013/5	The AMLD assisted authorities to seize illicit properties of cases, including Mr. Shen was alleged of violating Futures Trading Act which under the investigation by the Kaohsiung Field Division, MIJB, Company K was alleged of violating the Banking Act which under the investigation by the Taipei Field Division, MIJB, and Mr. Li was alleged of illegally selling public grain which under the investigation by the Chiayi County Field Office, MIJB.
2013/5	The AMLD published the Case Study Collection VI.
2013/6/4	The MJIB and the FIU of the Kingdom of Saudi Arabia concluded the MOU concerning the exchange of information related to AML/CFT.
2013/6/6	Ms. Chiou, the Deputy Director General of Banking Bureau FSC, visited AMLD.
2013/6/11	The AMLD assigned staffs to receive the officers from Korean Customs Service and participate in the meeting with the representatives from Korean Customs Service, MOJ and agents from the Taipei Field Division, MIJB to discuss mutual legal assistance of Mr. Park' s case.
2013/6/13	The representatives of the AMLD participated in the Anti-Money Laundering Enforcement Seminar held by Association of Certified Anti-Money Laundering Specialists (ACAMS) and Securities and Futures Institution.
2013/6/14-23	The representatives of the AMLD participated in the 3rd Plenary Meeting of FATF-XXIV in Oslo, Norway.
2013/6/17	Wally Tsai, the Deputy attaché in Hong Kong office, the U.S. Department of Homeland Security, visited Taiwan.
2013/6/26	The AMLD assigned representatives to accompany with the Economic Crime Prevention Division, MJIB representatives to receive the representatives of the Judges Association of Shanghai City, Mainland China visited Taiwan.

2013/6/29-7/8	The representatives of the AMLD participated in the 21th Egmont Group Plenary in Sun City, South Africa.
2013/7/13-20	The representatives of the AMLD participated in the 16th APG Plenary and Working Group Meeting in Shanghai, China.
2013/7	The AMLD assisted authorities to seize illicit properties of cases, including the fraud case of Mr. Chang which under the investigation by the Taipei Field Division, MIJB, and the bribery case of Company L which under investigation by the New Taipei City Field Division, MIJB.
2013/8/1	Mr. Ceoi, the representative of the U.S. Department of Homeland Security in Hong Kong Office, visited Taiwan.
2013/8/27-31	The representatives of the AMLD participated in the Revised Financial Action Task Force (FATF) Assessment Methodology and National Risk Assessment Workshop organized by APG and held in Seoul, Korea.
2013/8/28-9/4	The representatives of the AMLD participated in the Law Enforcement Seminars held in Mainland China.
2013/9/18	The representatives of the AMLD participated in the Illicit Properties Seizure Workshop held by MOJ.
2013/9/22-28	The representatives of the AMLD participated in the APG/EAG Typologies and Capacity Building Workshop in Ulaanbaatar, Mongolia.
2013/9/26	The AMLD assigned representatives to participate in the working meeting, with the representatives from the Economic Crime Investigation Department, Ministry of Public Security, Mainland China.

2013/9	The AMLD assisted authorities to seize illicit properties of cases, including Company M was alleged of violating the Banking Act which under investigation by the Taipei Field Division, MIJB, Mr. Huang was alleged of violating the Banking Act which under investigation by the Hualian County Field Office, MIJB, Mr. Hao was alleged of bribery and under the investigation of by the Central Mobile Team, MJIB, and Company N was alleged of fraud and investigated by the Southern Mobile Team, MJIB.
2013/10/7-10	The representatives of the AMLD participated in the Financial Investigation Training Course 2013 (International Class - English) in Hong Kong.
2013/10/7-13	The representatives of the AMLD participated in the 2013 Joint Egmont Group/MONEYVAL Experts' Meeting on Money Laundering and Terrorist Financing Typologies in Strasbourg, France.
2013/10/31	The representatives of the AMLD participated in the Mutual Legal Assistance Seminar held by MOJ.
2013/11/5	The representatives of the AMLD participated in the reception of the Director of Homeland Security Office to visit MJIB.
2013/11/5	The representatives of the Credit Cards Risk Management Committee under the Bankers Association visited the AMLD.
2013/11/13	Mr. Edwin S. Saeger, the Section Chief of AIT Economical Section, visited the AMLD.
2013/11/18	Mr. Doron Hemo, the Director of Economic Affairs of Israel Economic and Cultural Office in Taipei, visited AMLD.

2013/11/26	The representatives of the AMLD participated in the enhancing Banking Sector AML/CFT measures workshop held by FSC.
2013/11/26-28	The AMLD assigned a representative to deliver lecture at the ICBC Anti-Money Laundering Training Program organized by ACAMS in Hong Kong.
2013/11/29	The representatives of the AMLD participated in the meeting of evaluating the feasibility of signing MOU concerning the exchange of information related to AML/CFT with Mainland China convened by MOJ.
2013/1/30	The representatives of the AMLD participated in the MLCA amendment meeting convened by MOJ.
2013/11	The AMLD assisted Changhua Field Office, MJIB to investigate the funds flow of the Company O alleged of fraud case. After thorough analysis of STR, the AMLD found the whereabouts of Ms. Chou, the fugitive of Mainland China, and disseminated the information to the Economic Crime Prevention Division, MJIB for proceeding the repatriation.
2013/12/8/15	The representatives of the AMLD participated in the APG Workshops on the Implementation of FATF Targeted Financial Sanctions and Assessors' Training in Washington DC, U.S.
2013/12/12	Mr. Kendrick Yeung, the legal attaché of the U.S. Immigration and Customs Enforcement in Hong Kong Office, visited AMLD.
2013/12	The AMLD disseminated the information related to Mr. Chen alleged of causing injury to death to Changhua District Prosecutors Office for reference.

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