
ANTI-MONEY LAUNDERING ANNUAL REPORT, 2021



Investigation Bureau, Ministry of Justice,
Republic of China (Taiwan)

法務部調查局一一〇年洗錢防制工作年報

Investigation Bureau, Ministry of Justice

Anti-Money Laundering Annual Report, 2021



PREFACE

The COVID-19 pandemic continued to affect the world in 2021 and most regions continued to implement border and personnel management measures. In May 2021, the epidemic spread in Taiwan and the Central Epidemic Command Center (CECC) issued a nationwide level 3 pandemic alert. Government agencies, financial institutions, and private enterprises implemented remote work and separated attendance measures. Ministry of Justice Investigation Bureau (MJIB) also implemented remote work and separated attendance measures for approximately 2 months to stop the spread of the disease. Despite the severe impact of the disease, MJIB continued to implement anti-money laundering tasks in Taiwan and abroad and completed several challenging operations that were the first of their kind.

The enhancement of anti-money laundering and mechanisms for countering the financing of terrorism and proliferation of weapons in Taiwan relies on the joint efforts of competent authorities and reporting entities. I would like to use this opportunity to thank our international partners, domestic competent authorities, and reporting entities for their commitment and dedication to AML/CFT measures, and their support for the work and operations of the Anti-Money Laundering Division (AML/D) of MJIB. They have helped Taiwan maintain high-standard performance in anti-money laundering and won international recognition.

The AML/D organized coordination meetings with administrative and law enforcement agencies including the Financial Examination Bureau of the Financial Supervisory Commission, National Taxation Bureau of Taipei and

National Taxation Bureau of the Northern Area of the Ministry of Finance, Investigation Branch of the Coast Guard Administration, Ocean Affairs Council, and the Agency Against Corruption of the Ministry of Justice in 2021 to enhance the partnership between public sectors. The AMLD also accepted invitations from financial institutions and designated non-financial businesses or professions to serve as instructors for anti-money laundering training with 2,884 participants in 34 sessions.

AMLD created a secondment program in 2021 to effectively train more professional talents for anti-money laundering for MJIB. It organized the Bureau's "Virtual Currency Anti-Money Laundering Patterns and Money Flow Tracking Seminar" at the end of 2021 to help employees of the Bureau learn more about new tools for committing crimes and their risks. The AMLD also organized the "Conference on Criminal Money Flow and Anomalous Transaction Patterns" and invited public and private sectors to share information on typical money flows in crimes and anomalous transaction patterns. It discussed the results of latest national risk assessment report and future plans, provided opportunities for reporting entities and competent authorities to exchange ideas, and enhanced the overall effectiveness of anti-money laundering operations in Taiwan.

In terms of international cooperation, AMLD continues to use the security web of the Egmont Group to exchange financial intelligence for anti-Money laundering and counter terrorism financing with more than 160 countries across the world. It has maintained close and beneficial relations with Financial Intelligence Units (FIUs) in many countries. Despite the impact of the pandemic which has made cross-border movement difficult,

AMLD continues to actively participate in online international anti-money laundering and counter terrorism financing events, including the working group meeting and annual meeting of the Egmont Group, annual meeting of the Asia/Pacific Group on Money Laundering (APG), APG assessor training, APG seminars, and the annual meeting and working group meeting of the Financial Action Task Force on Money Laundering (FATF). The AMLD participates in meetings and activities of international organizations to obtain the latest information on international anti-Money laundering and counter terrorism financing risks and developments, and to enhance Taiwan's capacity for compliance with international standards and our global connections.

Financial transactions have become increasingly diverse and patterns of money laundering offenses are constantly evolving. To help the reader learn about related trends, the 2021 anti-money laundering annual report includes multiple cases which have been investigated by MJIB for violation of the Money Laundering Control Act. The diverse range of criminal offenses also includes the use of new virtual assets (VAs) for money laundering which can be used as valuable references. Virtual assets and virtual asset service providers (VASPs) are new types of products and industries. Due to the characteristics of the industry, the supervision and anti-money laundering mechanisms are of great concern to domestic and international organizations. For instance, key agenda items in the FATF meeting in October 2021 included the update of the VAs and VASPs guidelines. Taiwan officially promulgated the "Regulations Governing Anti-Money Laundering and Countering the Financing of Terrorism for Enterprises Handling Virtual Currency Platform or Transaction" on July 1, 2021 to incorporate VASPs into the anti-money

laundry reporting system to respond to the international standards and requirements of international organizations for incorporating VAs and VASPs into the anti-money laundering system, and to support measures taken by countries to enhance supervision of the industry.

The enhancement of mechanisms for anti-money laundering and countering the financing of terrorism and proliferation of weapons in Taiwan requires the support of public and private sectors as well as all industries. We hope that the AMLD can continue to play the key role of the Financial Intelligence Unit of Taiwan and maintain close partnerships with competent authorities and reporting entities in Taiwan and abroad to jointly support anti-money laundering in Taiwan.

Chun-Li Wang

Director General
MJIB

October, 2022

Editor's Note

I. Purpose

Recommendation 33 of the FATF states: "Countries should maintain comprehensive statistics on matters relevant to the effectiveness and efficiency of their AML/CFT systems. This should include statistics on the STRs received and disseminated; on money laundering and terrorist financing investigations, prosecutions and convictions; on property frozen, seized and confiscated; and on mutual legal assistance or other international requests for cooperation." Therefore, the annual report includes the compilation and analysis of data on anti-Money laundering and counter terrorism financing tasks executed by reporting entities in the past year.

II. Contents

This annual report is divided into the following four parts:

- (I) Introduction to the organization.
- (II) Work overview (including statistical chart and data).
- (III) Important case studies.
- (IV) Milestones of the AMLD.

III. Explanatory Notes

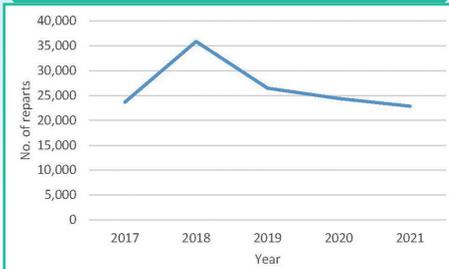
- (I) Unless otherwise specified, the years quoted in this annual report refer to the Gregorian calendar. The dates of international events, dates of publication of certain reference literature in the strategic analysis and foreign anti-money laundering data are shown based on the Gregorian calendar. Suspicious transaction reports and currency transaction reports of a certain amount or more (hereinafter referred to as CTRs) are shown as the number of cases; data reported by

customs are shown as the number of cases. Monetary amounts are specified in NTD. Numbers used for special cases are described in the table (figure).

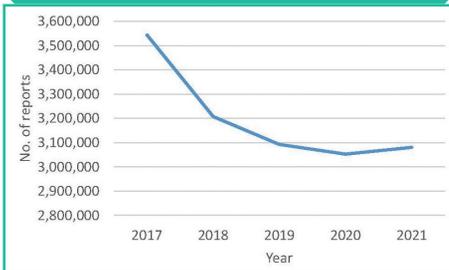
- (II) MJIB is an acronym which stands for Ministry of Justice Investigation Bureau, and AMLD is an acronym which stands for Anti-Money Laundering Division of MJIB.
- (III) The percentage of each figure is rounded off and the integer is slightly different from the decimal point.
- (IV) Date of data collection in work overview statistics, as presented in the second part of this annual report, are accurate as of June 30, 2022.

Year in Review

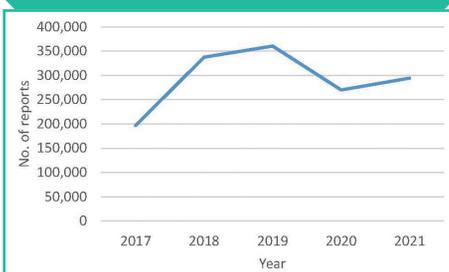
1. Suspicious transaction reports 22,846 reports



2. Currency transactions reports 3,080,885 reports

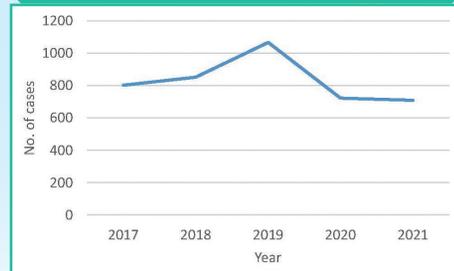


3. International currency and securities transportation reports 294,216 reports

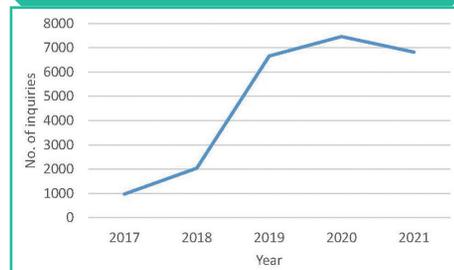


- 8. Memorandums of Understanding on Exchange of Information signed with foreign FIUs till the end of 2021 -- 52
- 9. External promotion and training (34 session for 2,884 participants)
- 10. Participating in international training, meetings, and activities (more than 38 times)

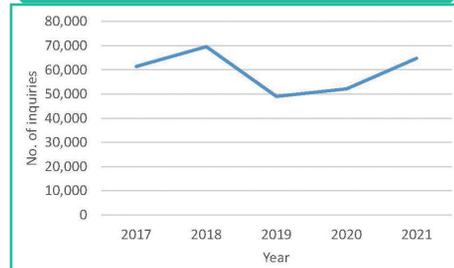
4. International intelligence exchange 709 cases



5. Process inquiries of suspicious transaction reports 6,819 inquiries



6. Process inquiries of currency transaction reports 64,744 inquiries



7. Inquiries of International currency and securities transportation reports 909 inquiries

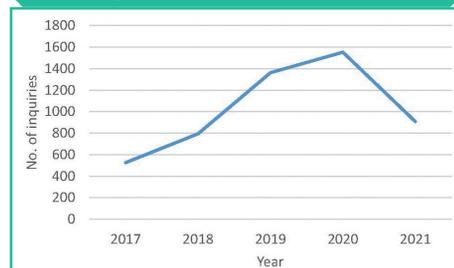


Table of Contents

Preface	<i>II</i>
Editor's Note	<i>VI</i>
Year in Review	<i>VIII</i>
Part 1 Introduction to the Organization	<i>1</i>
Part 2 Work Overview	<i>5</i>
I. Process reported STRs	<i>6</i>
1. Status of reported STRs	<i>8</i>
2. Processing status.....	<i>9</i>
3. Distribution of STRs Reported by Region	<i>10</i>
4. Distribution of STRs by Month	<i>10</i>
5. Distribution of STRs by Subjects' Age Group	<i>11</i>
6. Amounts of suspicious transactions	<i>12</i>
7. Gender distribution of reported entities in suspicious transaction reports.....	<i>13</i>
II. Process CTRs	<i>14</i>
1. Status of CTRs.....	<i>15</i>
2. Amounts of CTRs	<i>16</i>
3. Status of processed inquiries.....	<i>17</i>
III. Data reported by the Customs Administration, Ministry of Finance	<i>18</i>
1. Volume of passengers' reports (including crew members)	<i>20</i>
2. Passengers' reports (including crew members) by month	<i>20</i>
3. Passengers' reports (including crew members) by value	<i>21</i>
4. Statistics of ICTRs for delivered items (including other similar methods)	<i>22</i>
5. Statistics of the value of ICTRs for delivered items (including	

other similar methods)	22
6. Distribution of ICTRs for delivered items (including other similar methods) by month	22
IV. Publicity Outreach and Training	23
1. Coordination meetings with law enforcement, supervision, and taxation agencies	23
2. Organized the Conference on Criminal Money Flow and Anomalous Transaction Patterns.....	25
3. Strategic analysis reports	26
4. Distributed the Anti-Money Laundering Division newsletter	27
5. Organized the MJIB "Virtual Currency Anti-Money Laundering Patterns and Money Flow Tracking Seminar".....	28
6. Organized the first MJIB Money Tracing Personnel Secondment Program.....	29
7. AML/CFT Capacity Building Training.....	30
V. International cooperation and communication.....	32
1. International intelligence exchange	32
2. Memorandums of Understanding on Exchange of Information signed with foreign FIUs	33
3. Participating in the meetings and activities of the Egmont Group.....	34
4. Participating in the meetings and activities of the Asia/Pacific Group on Money Laundering (APG)	35
5. Participating in the meetings and activities of the Financial Action Task Force (FATF)	37
Part 3 Important Case Studies.....	39
I. GF Digital Transaction Platform's alleged violation of	

the Money Laundering Control Act.....	40
II. Wu and associates' alleged violation of the breach of trust of the Criminal Code, Securities and Exchange Act, and Money Laundering Control Act.....	44
III. Hung and associates' alleged violation the Banking Act and the Money Laundering Control Act	48
IV. Township Mayor Lin of Township, Yunlin County and associates' alleged corruption and violation of the Money Laundering Control Act.....	52
V. Chen of Ho Charity Organization and associates' alleged violation the Money Laundering Control Act.....	55
VI. Chen of Chia International Co., Ltd. and associates' alleged gambling and violation of the Money Laundering Control Act	58
Part 4 Important Milestones in 2021.....	63

Part 1
Introduction to the Organization



The immense profits and wealth generated by drug-related crimes allow criminal organizations to penetrate and corrupt all levels of government, legal businesses, financial institutions, and all levels of society. The "United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances" (Vienna Convention) was therefore established in the Vienna Conference in 1988 to require signatory states to enact legislation to penalize money laundering activities involving drug-related crimes. The Group of Seven (G7) understood that the money laundering activities from drug-related crimes pose immense threats to the banking system and financial institutions. They thus resolved in the G7 summit in 1989 to set up the FATF to develop and improve the international response for combating money laundering. The FATF established the 40 Recommendations of the Financial Action Task Force on Money Laundering in 1990 as the international standards for governing money laundering. The FATF revised 40 recommendations in 1996 and expanded the predicate offenses of money laundering to major criminal acts other than drug-related crimes. After 2001, the FATF expanded its mission to include countering the financing of terrorism and countering the financing of the proliferation of weapons of mass destruction.

The government of Taiwan understands the threat posed by money laundering offenses and followed international trends in the enactment of the "Money Laundering Control Act", which was passed by the Legislative Yuan on October 23, 1996. It was promulgated by the order of the President and implemented on April 23, 1997. After more than 20 years of actual implementation, we have received high acclaim from international AML organizations for the results, and the legislation was amended in 2003, 2006, 2007, 2008, 2009, 2016, and 2018 in response to issues in actual implementation to meet international AML/CFT standards and requirements and the needs in actual operations.

To prevent criminals from using channels such as financial institutions for money laundering and to identify suspicious signs when transactions are executed, the anti-money laundering laws in most countries generally require financial institutions to file CTRs and STRs. The institution responsible for

processing and analyzing CTRs and STRs is the Financial Intelligence Unit (FIU). When the Money Laundering Control Act was enacted in 1996, the legislative systems of different countries were used as references and it required financial institutions to file STRs to institutions designated by the Executive Yuan. MJIB established the "Money Laundering Prevention Center" (MLPC) on April 23, 1997 in accordance with the "Guidelines for the Establishment of the MJIB Money Laundering Prevention Center" approved by the Executive Yuan to execute FIU and anti-money laundering tasks. Article 2, Paragraph 7 of the Organic Act for Ministry of Justice Investigation Bureau " passed by the Legislative Yuan in 2007 clearly states that the MJIB is in charge of "the AML related matters." Article 3 of the same Act requires the MJIB to set up the "Anti-Money Laundering Division". According to Article 7 of the Counter-Terrorism Financing Act promulgated in July 2016, MJIB is responsible for processing reports regarding the financial or property interests of the targets of targeted financial sanctions. The AMLD currently has a Section of STR Analysis, a Section of AML/CFT Strategic Planning, and a Section of Tracing Illegal Funds Flow setup with approximately 27 personnel assigned in 2021 (including seconded personnel of MJIB field offices). The organization, division of labor, and operating procedures are shown in Figure A and B. According to Article 9 of the Regulations for Departmental Affairs of the Ministry of Justice Investigation Bureau, AMLD is responsible for the following matters:

1. Researching AML strategies and providing consultation in the formulation of relevant regulations;
2. Receiving, analyzing, and processing STRs filed by FIs and disseminating the analysis result;
3. Receiving, analyzing and processing CTRs filed by FIs, and ICTRs forwarded by the Customs and disseminating the analysis result;
4. Assisting other domestic law enforcement partner agencies in matching the AMLD database for investigating ML cases and coordinating/contacting with respect to AML operations;
5. Liaison, planning, coordination and implementation of information exchange, personnel training and co-operation in investigating ML cases

- with foreign counterparts;
- 6. Compilation and publication of Annual Report on AML work and the data management;
- 7. Other AML related matters.

Figure A: Organizational Chart of the AMLD

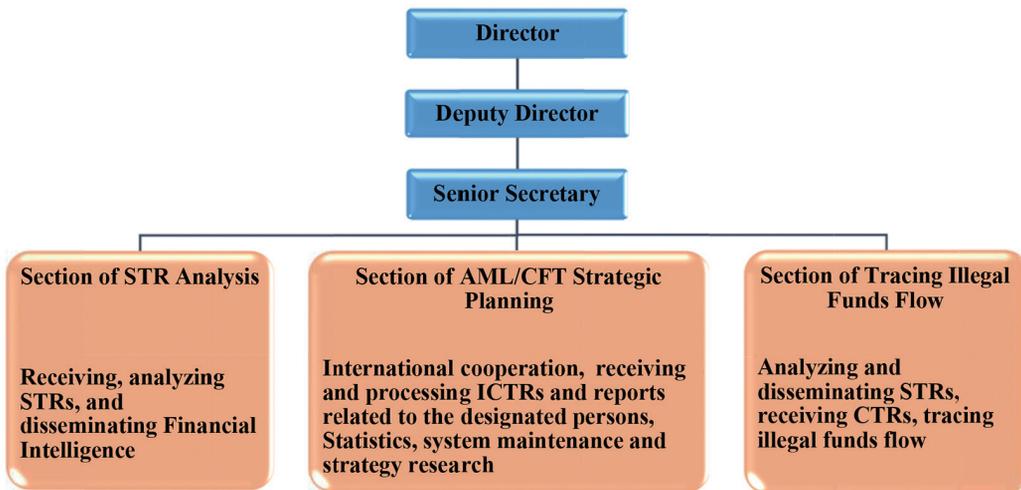
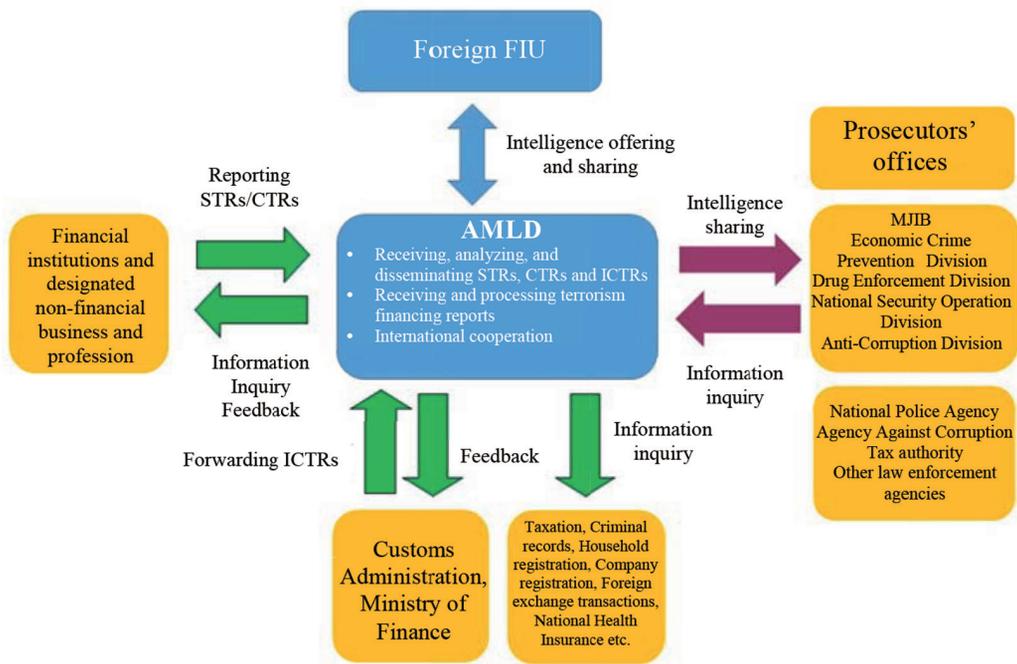


Figure B: Operational flow chart of the AMLD



Part 2
Work Overview



I. Process reported STRs

Recommendation 20 of the FATF: "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 to report promptly its suspicions to the financial intelligence unit (FIU)." In addition, regulations must be set in relevant laws.

Article 10, Paragraph 1 of the Money Laundering Control Act states that "Financial institutions and designated nonfinancial businesses or professions shall report to the Ministry of Justice Investigation Bureau all suspicious transactions, including attempted transactions, which may involve any of the offenses described in Articles 14 and 15." After MJIB receives a report, it shall be filed, screened, and analyzed by AMLD. If MJIB determines there to be suspected criminal activities after accepting reports or notifications in accordance with the Money Laundering Control Act, or if it is necessary to stabilize financial order and maintain national security, it may compile practical or strategic financial intelligence and deliver them to investigation units or other competent authorities for reference based on the nature therein. MJIB received a total of 22,846 STRs in 2021, which was 6.39% less than the 24,406 cases in the previous year (2020). After sorting and analyzing the reported data by reporting entities, processing progress, place of occurrence, month of report, subject's age and transaction amount, MJIB determined that the top 3 categories of reports in 2021 were filed by local banks (approximately 77.59%), postal service institutions engaging in fund deposits, transfers and exchanges (approximately 7.72%), and insurance companies (approximately 5.57%). The top 3 areas in which suspicious transactions occurred in 2021 were Taipei City (26.84%), New Taipei City (14.98%), and Taichung City (12.99%). With regard to the age groups of suspicious

transaction counterparties in 2021, 18.28% were within the 21 to 30 age group and 54.57% were within the 31 to 60 age group. Compared to data in 2020 in which 16.56% were within the 21 to 30 age group and 53.53% were within the 31 to 60 age group, the suspicious transaction counterparties have become younger. With regard to the amount of transactions, 12.46% were transactions below NTD 500,000, 20.13% were transactions over NTD 30 million. Compared to data in 2020 in which 14.46% were transactions below NTD 500,000 and 18.27% were transactions over NTD 30 million., the amount involved in suspicious transactions has risen (detailed statistics and analysis are presented in Tables 01 to 08 and Figures C to F). All STRs received by AMLD have been made accessible to competent authorities such as Ministry of Justice and National Police Agency (NPA), Ministry of the Interior, via online inquiry through secure lines.

1. Status of reported STRs

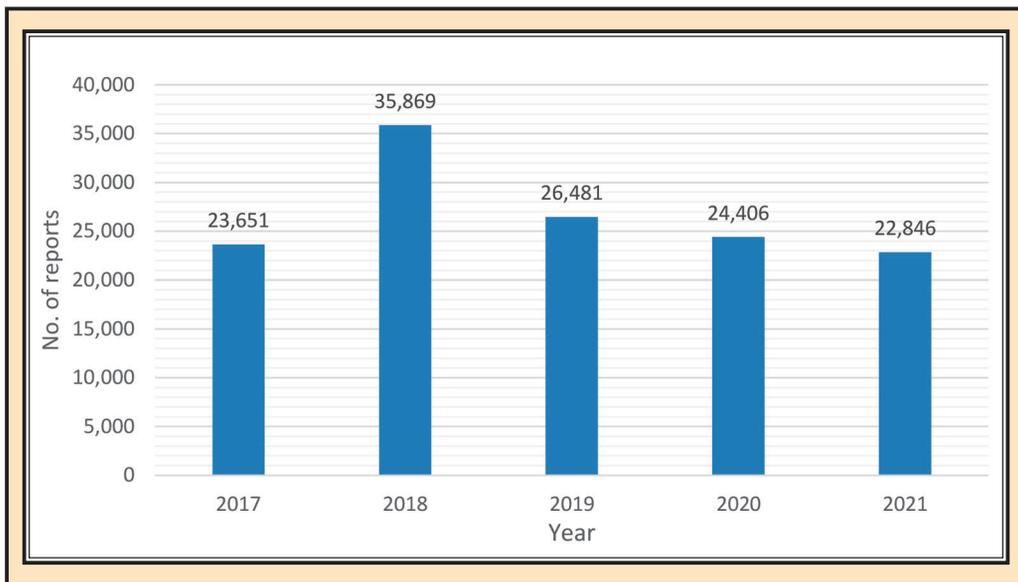
Table 01: Number of suspicious transaction reports processed in 2021

Reporting entities	Number of reports
Domestic banks	17,726
Foreign banks	19
Trust and investment enterprises	0
Credit cooperative associations	550
Credit departments of farmers' associations	657
Credit departments of fishermen's associations	20
Postal service institutions engaging in fund deposit, transfer and exchange	1,763
Bills finance companies	5
Credit card companies	34
Insurance companies	1,272
Securities firms	274
Securities investment trust enterprises	44
Securities finance enterprises	3
Securities investment consulting enterprises	0
Centralized securities depository enterprises	9
Futures merchants	120
DNFBPs	108
Mainland banks	41
Electronic payment service providers and electronic stored value card issuers	78
Foreign currency exchange counters	0
Foreign migrant worker remittance companies	1
Financial leasing	1
Virtual currency companies	121
Total : 22,846	

Table 02: Number of suspicious transaction reports in the past 5 years

Year	2017	2018	2019	2020	2021
Number of reports	23,651	35,869	26,481	24,406	22,846

Figure C: Number of suspicious transaction reports in the past 5 years



2. Processing status

Table 03: STR processing status and statistics in 2021

Processing status	No. of reports
Delivered to MJIB investigation units	968
Delivered to police, prosecutors office, and other competent authorities	1,293
International cooperation	10
Incorporated into the database	20,446
Analysis in progress	129
Total : 22,846	

3. Distribution of STRs Reported by Region

Table 04: Areas in which suspicious transactions occurred in 2021

Area	No. of reports	Area	No. of reports
Taipei City	7,915	Chiayi City	379
New Taipei City	4,418	Chiayi County	258
Keelung City	377	Tainan City	1,711
Yilan County	351	Kaohsiung City	2,907
Taoyuan City	2,596	Pingtung County	475
Hsinchu City	709	Hualien County	194
Hsinchu County	572	Taitung County	70
Miaoli County	476	Penghu County	31
Taichung City	3,831	Kinmen County	59
Changhua County	987	Lienchiang County	1
Nantou County	333	Others ¹	451
Yunlin County	350		
			Total : 29,495

Note: An STR may include more than one area of occurrence.

4. Distribution of STRs by Month

Table 05: Statistics of STRs by month in 2021

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
No. of reports	1,994	1,489	2,010	1,704	1,723	1,946	1,767	2,097	1,797	2,009	2,148	2,162

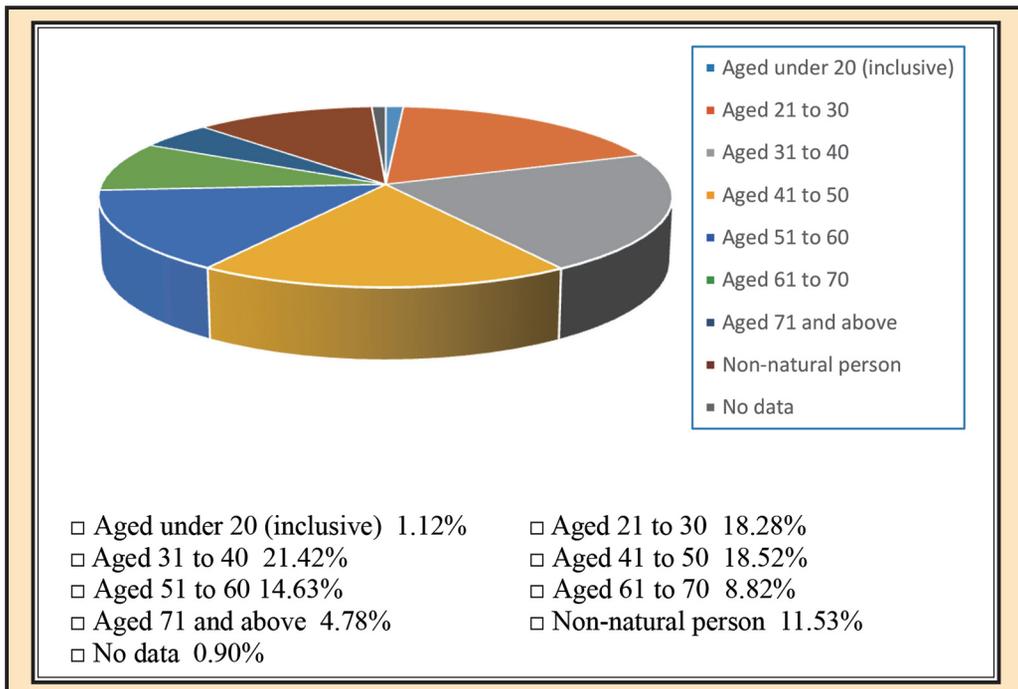
¹ Overseas.

5. Distribution of STRs by Subjects' Age Group

Table 06: Distribution of STRs by subjects' age group in 2021

Age group	Number of persons
Aged under 20 (inclusive)	257
Aged 21 to 30	4,176
Aged 31 to 40	4,893
Aged 41 to 50	4,230
Aged 51 to 60	3,343
Aged 61 to 70	2,016
Aged 71 and above	1,091
Non-natural person	2,635
No data	205
Total : 22,846	

Figure D: Pie Chart of STRs Distribution by Subjects' Age Group in 2021

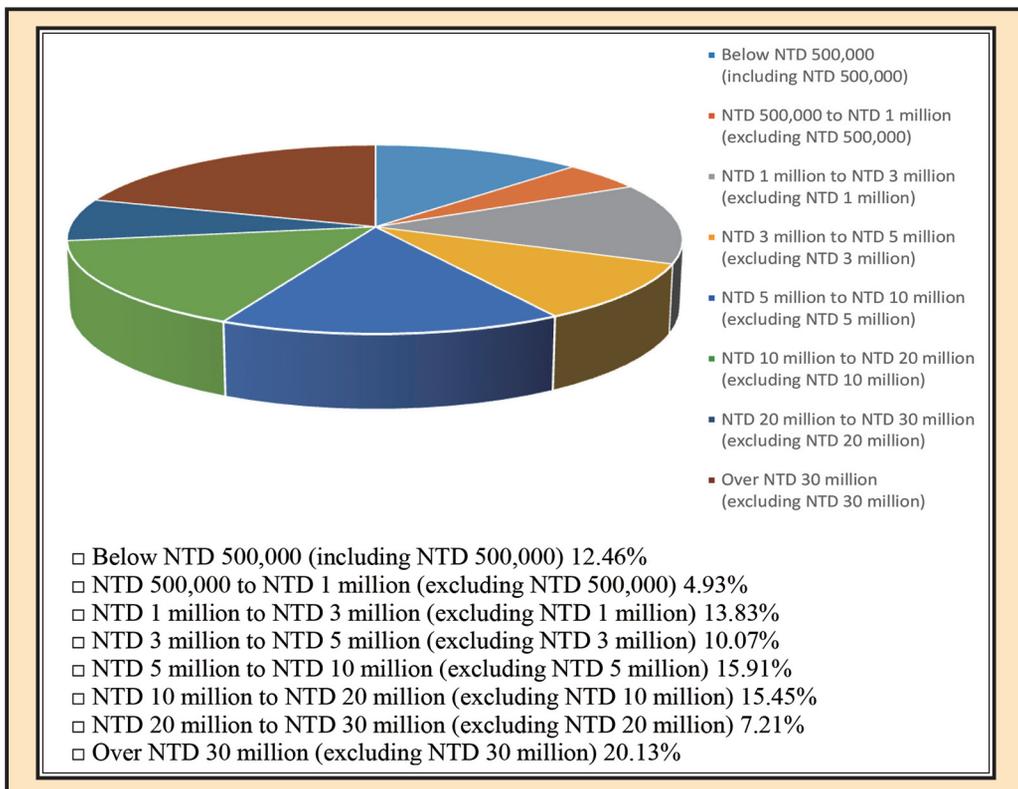


6. Amounts of suspicious transactions

Table 07: Distribution of STRs by amount in 2021

Transaction amount	No. of cases
Below NTD 500,000 (including NTD 500,000)	2,847
NTD 500,000 to NTD 1 million (excluding NTD 500,000)	1,127
NTD 1 million to NTD 3 million (excluding NTD 1 million)	3,159
NTD 3 million to NTD 5 million (excluding NTD 3 million)	2,301
NTD 5 million to NTD 10 million (excluding NTD 5 million)	3,635
NTD 10 million to NTD 20 million (excluding NTD 10 million)	3,529
NTD 20 million to NTD 30 million (excluding NTD 20 million)	1,648
Over NTD 30 million (excluding NTD 30 million)	4,600
Total : 22,846	

Figure E: Pie Chart of STRs Distribution by Amount in 2021

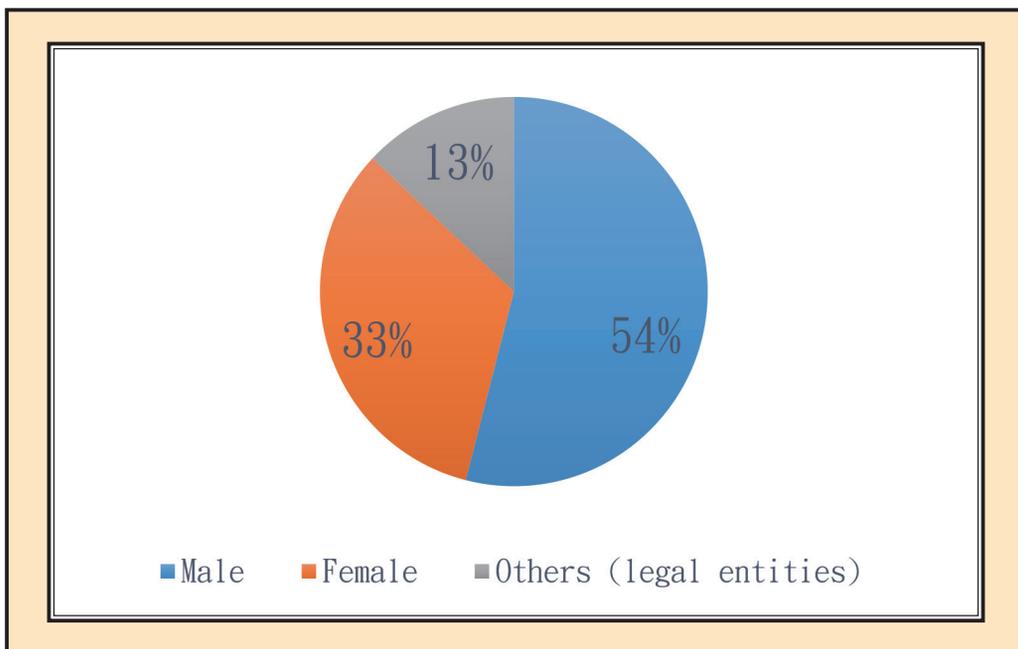


7. Gender distribution of reported entities in suspicious transaction reports

Table 08: Distribution of STRs by Subjects' Gender in 2021

Gender of subject	Number
Male	18,827
Female	11,276
Others ²	4,542

Figure F.: Gender distribution of reported entities in STRs in 2021



² Including legal entities and cases where the gender is not shown.

II. Process CTRs

According to Article 9 of the Money Laundering Control Act, where MJIB processes information from CTRs reported by domestic financial institutions, the term "certain amount" shall mean NTD 500,000 (including the foreign currency equivalent thereof) pursuant to Article 2 of the Regulations Governing Anti-Money Laundering of Financial Institutions and Article 2 of the Regulations Governing Anti-Money Laundering of Agricultural Financial Institutions. After receiving CTRs, AMLD will update and maintain data on the database, and accept large cash transaction inquiries from MJIB field offices, courts, prosecutor offices, and police agencies in accordance with the Guidelines on Anti-Money Laundering and Combating Terrorist Financing Operations of the Ministry of Justice Investigation Bureau. AMLD received 3,080,885 CTRs in 2021. According to the statistics and analysis of those reports, 78.73% of CTRs were reported by domestic banks; 71.84% of CTRs were with an amount of NTD 500,000 to NTD 1 million; and 64,744 transactions in CTRs database had been accessed in 2021 (Please refer to Table 9 to Table 12 and Figure G to H for detailed statistics and analysis).

1. Status of CTRs

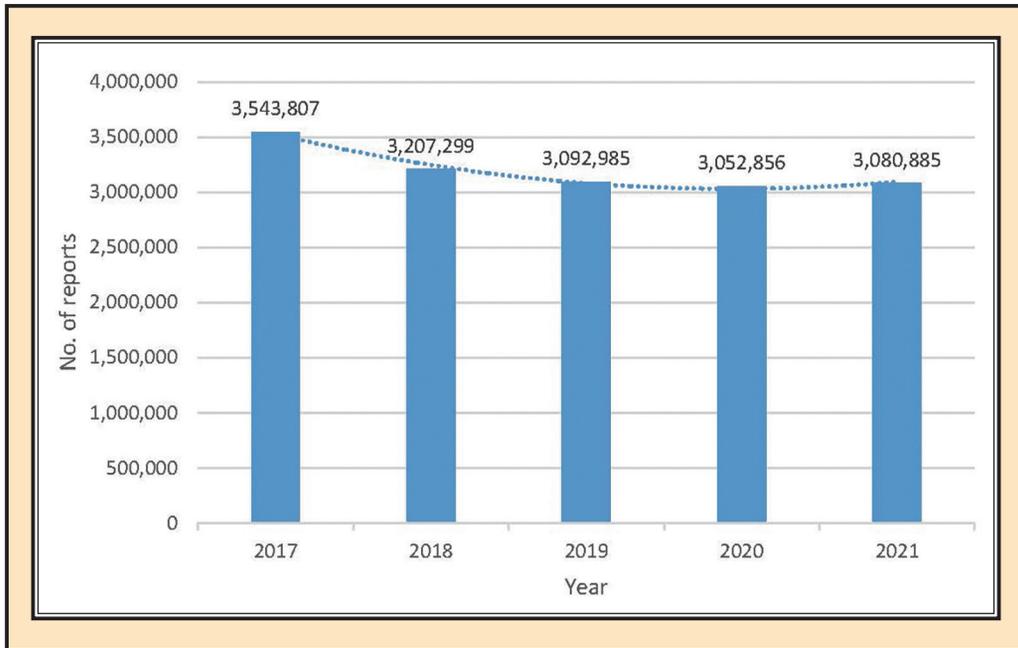
Table 09: Statistics of CTRs in 2021

Reporting institution	No. of reports
Domestic banks	2,425,464
Foreign banks	6,298
Mainland banks	0
Trust and investment enterprises	0
Credit cooperative associations	117,863
Credit departments of farmers' and fishermen's associations	255,201
Postal service institutions engaging in fund deposit, transfer and exchange	270,504
Insurance companies	4,633
Jewelry businesses (including reports in digital and written format)	532
Reports in written format (investment trust/consulting companies)	20
Reports in written format (land administration agents and real estate brokers)	284
Reports in written format (virtual currency companies)	85
Reports in written format (financial institutions - others)	1
Other financial institutions	0
Total : 3,080,885	

Table 10: Statistics of CTRs in the last 5 years

Year	2017	2018	2019	2020	2021
Number of reports	3,543,807	3,207,299	3,092,985	3,052,856	3,080,885

Figure G: Statistics on CTRs in the last 5 years

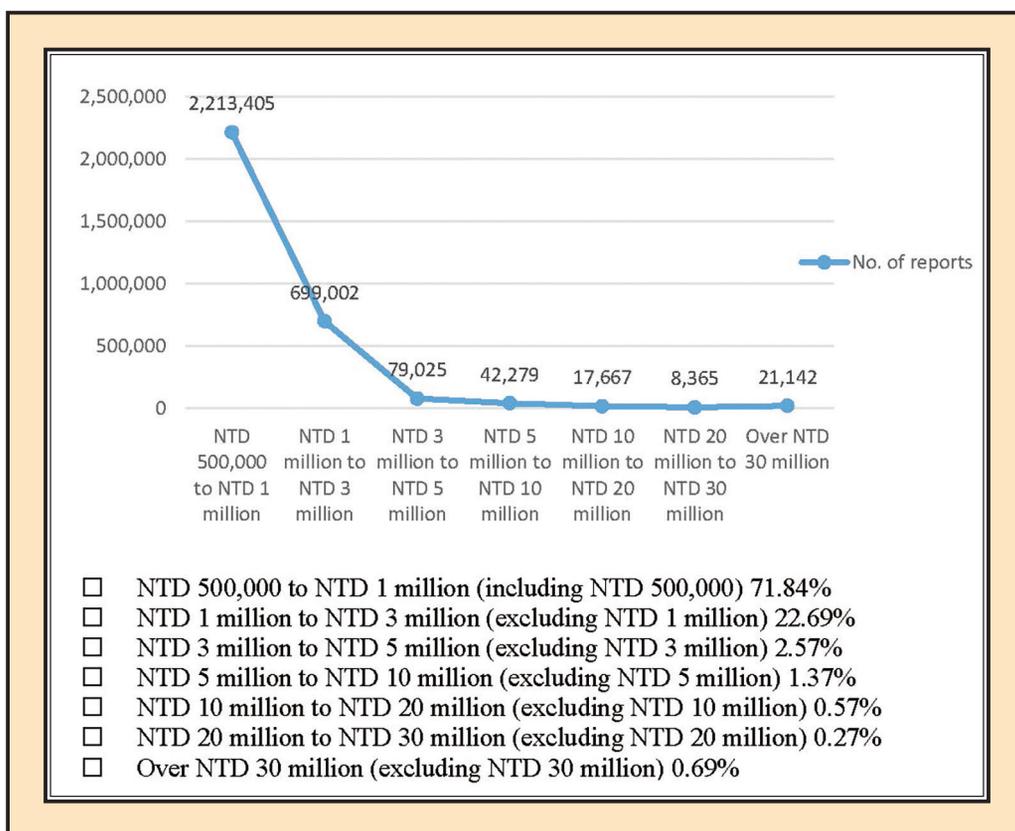


2. Amounts of CTRs

Table 11: Distribution of CTRs by Amount in 2021

Amount	No. of reports
NTD 500,000 to NTD 1 million (including NTD 500,000)	2,213,405
NTD 1 million to NTD 3 million (excluding NTD 1 million)	699,002
NTD 3 million to NTD 5 million (excluding NTD 3 million)	79,025
NTD 5 million to NTD 10 million (excluding NTD 5 million)	42,279
NTD 10 million to NTD 20 million (excluding NTD 10 million)	17,667
NTD 20 million to NTD 30 million (excluding NTD 20 million)	8,365
Over NTD 30 million (excluding NTD 30 million)	21,142
Total : 3,080,885	

Figure H : Line Graph of CTRs Distribution by Amount in 2021



3. Status of processed inquiries

Table 12: Statistics of accessing CTRs database in the last 5 years

Year	2017	2018	2019	2020	2021
Ministry of Justice Investigation Bureau	31,358	29,305	23,714	28,074	38,096
Other law enforcement agencies	18,937	25,245	14,490	11,043	19,472
Prosecutorial agencies and courts	9,043	9,890	5,615	5,917	6,604
Other administrative authorities	2,056	5,118	5,176	7,106	572
Total	61,394	69,558	48,995	52,140	64,744

III. Data reported by the Customs Administration, Ministry of Finance

Recommendation 32 of the FATF: "Countries should have measures in place to detect the physical cross-border transportation of currency and bearer negotiable instruments, including through a declaration system or disclosure system. Countries should ensure that the declaration or disclosure system can be used for all physical cross-border transportation including carrying by passengers or delivery through mail or cargo, but different systems may be used for different transportation models.

Article 12, Paragraph 1 of the Money Laundering Control Act states: "Passengers or crew members entering or leaving the country along with the vehicle and carry the following items shall make declarations at customs; the customs should subsequently file a report to the Ministry of Justice Investigation Bureau. 1. Cash in foreign currency or currencies issued by Hong Kong or Macau, and cash in New Taiwan dollars, totaling over an applicable designated threshold. 2. Negotiable securities with a face value totaling over an applicable designated threshold. 3. Gold with a value totaling over an applicable designated threshold. 4. Other items with a value totaling over an applicable designated threshold and might be used for the purpose of money laundering. Paragraph 2 also states that "Acts to deliver items prescribed in the preceding paragraph by shipment, express delivery, mail, or other similar means, across the border, would also be subject to the preceding provisions."

Article 3, Paragraph 1 and Paragraph 2 of the "Anti-Money Laundering Regulations for Cross-border Declaration and Reporting" states that "A passenger or a service crew member arriving into or departing from the country on a flight/voyage within the same day, holding the following items in his/her possession, shall be required to declare said items to the Customs

pursuant to Article 4 of the Regulations. Thereafter, the Customs shall report the said declarations to the Ministry of Justice Investigation Bureau pursuant to Article 5 of the Regulations. "1. Cash in foreign currencies, including currencies issued by Hong Kong or Macau, in an aggregate value exceeding ten thousand US Dollars (US\$10,000). 2. Cash in New Taiwan Dollars in an aggregate value exceeding one hundred thousand (NT\$100,000). 3. Securities bearing a total face value more than ten thousand US Dollars (US\$10,000). 4. Gold in an aggregate value exceeding twenty thousand US Dollars (US\$20,000). 5. Items, might be used for the purpose of money laundering, in an aggregate value exceeding five hundred thousand New Taiwan Dollars (NT\$500,000). Due to the impact of the COVID-19 pandemic, the number of passengers arriving and leaving the country has declined sharply since 2020. In 2021, the number of declarations by passengers (including service crew members) that were processed by customs and reported to MJIB totaled 2,816, which was a decrease compared to the 7,364 declarations in 2020. Among the number of reports in 2021, 71.45% were foreign currencies in cash or securities valued below NTD 1 million (please refer to Table 13 to Table 16 and Figure I for detailed statistics and analysis).

Article 3, Paragraph 3 of the "Anti-Money Laundering Regulations for Cross-border Declaration and Reporting" states that "An Exporter/Importer or a Sender/Receiver delivers items prescribed in the preceding paragraph across the border on a flight/shipment within the same arriving/post day by shipment, express delivery, mail or other similar means, shall also be subjected to provisions of preceding paragraph." In 2021, the customs had reported to MJIB 291,400 ICTRs for delivered items (including other similar methods) with a total value of more than NTD 205.3 billion; 54.42% of which were import declaration (please refer to Table 17 to Table 20 for detailed statistics and analysis).

1. Volume of passengers' reports (including crew members)

Table 13: Volume of passengers' reports (including crew members) in 2021

Arrival/departure	No. of reports
Arrival	1,003
Departure	1,813
Total	2,816

Table 14: Volume of passengers' reports (including crew members) in the last 5 years

Year	2017	2018	2019	2020	2021
No. of reports	45,165	47,383	39,855	7,364	2,816

2. Passengers' reports (including crew members) by month

Table 15: Passengers' reports (including crew member) by month in 2021

Month	Jan	Feb	Mar	Apr	May	Jun
No. of reports	253	173	269	256	206	221
No. of violations ³	3	0	0	2	3	5
Total	256	173	269	258	209	226
Month	Jul	Aug	Sep	Oct	Nov	Dec
No. of reports	238	244	213	240	212	264
No. of violations	5	2	1	0	0	6
Total	243	246	214	240	212	270

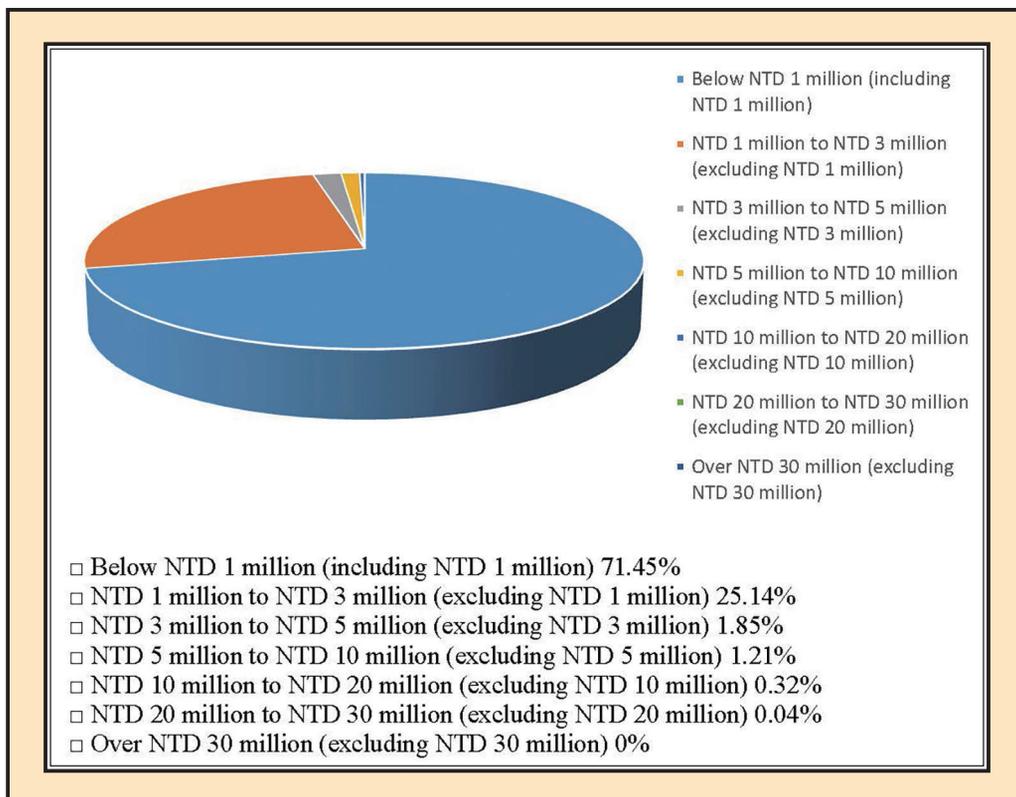
³ Unreported or false reports.

3. Passengers' reports (including crew members) by value

Table 16: Passengers' reports (including crew members) by value in 2021

Amount	No. of reports
Below NTD 1 million (including NTD 1 million)	2,012
NTD 1 million to NTD 3 million (excluding NTD 1 million)	708
NTD 3 million to NTD 5 million (excluding NTD 3 million)	52
NTD 5 million to NTD 10 million (excluding NTD 5 million)	34
NTD 10 million to NTD 20 million (excluding NTD 10 million)	9
NTD 20 million to NTD 30 million (excluding NTD 20 million)	1
Over NTD 30 million (excluding NTD 30 million)	0
Total: 2,816	

Figure I: Pie Chart of ICTRs distribution by value in 2021



4. Statistics of ICTRs for delivered items (including other similar methods)

Table 17: Statistics of ICTRs (delivered items) in 2020

Inbound/outbound	No. of reports
Outbound	51,946
Inbound	239,454
Total	291,400

Table 18: Statistics of ICTRs for delivered items (including other similar methods) in recent years

Year	2017	2018	2019	2020	2021
No. of reports	151,657	290,086	320,481	262,477	291,400

5. Statistics of the value of ICTRs for delivered items (including other similar methods)

Table 19: Statistics of the value of ICTRs for delivered items (including other similar methods) in 2021

Inbound/outbound	Value (NTD)
Outbound	93,586,710,690
Inbound	111,743,938,720
Total	205,330,649,410

6. Distribution of ICTRs for delivered items (including other similar methods) by month

Table 20: Distribution of ICTRs for delivered items (including other similar methods) by month in 2021

Month	January	February	March	April	May	June
No. of reports	24,469	22,326	26,803	28,707	30,012	21,978
Month	July	August	September	October	November	December
No. of reports	18,909	20,480	22,016	25,838	26,053	23,809

IV. Publicity Outreach and Training

1. Coordination meetings with law enforcement, supervision, and taxation agencies

To strengthen the capacity of the national FIU in supporting the practical requirements for the competent authorities of law enforcement, supervision, and taxation, and improve the effectiveness of using financial intelligence, AMLD actively communicated with related competent authorities in 2021 including a visit to the Examination Bureau of the FSC on March 26, 2021 to exchange ideas on the difficulties in tracking down illegal cross-border money flow, how to use technologies to improve analyses and identify illegal activities, and sharing information on risks. AMLD conducted business communication meetings with the National Taxation Bureau of Taipei, Ministry of Finance on October 15, 2021 and National Taxation Bureau of the Northern Area on November 29, 2021 to exchange ideas on cooperation requirements, law enforcement, and applicability of taxation regulations, and discuss new anomalous transaction patterns. In terms of communication with law enforcement agencies, AMLD convened business communication meetings with the Investigation Branch of the Coast Guard Administration, Ocean Affairs Council on October 25, 2021 and the Agency Against Corruption of the Ministry of Justice on October 29, 2021 to discuss and learn about the key criminal investigations and money laundering case studies with the aim of distributing intelligence that meet investigation requirements and enhancing the effectiveness of investigations.



Group photo of AMLD Director Lan Chia-Jui and employees during their visit to the Examination Bureau of the Financial Supervisory Commission on March 26, 2021



Group photo of AMLD Director Lan Chia-Jui and employees during their visit to the Investigation Branch of the Coast Guard Administration, Ocean Affairs Council on October 25, 2021

2. Organized the Conference on Criminal Money Flow and Anomalous Transaction Patterns

To strengthen the cooperation and exchange between law enforcement agencies, FIU, supervisors, and reporting entities in Taiwan on anti-money laundering operations, AMLD organized the "Conference on Criminal Money Flow and Anomalous Transaction Patterns" on December 23, 2021 and invited government agencies including the Anti-Money Laundering Office, Executive Yuan, Banking Bureau of the FSC, and compliance and AML/CFT supervisors or specialists from 85 financial institutions including banks, electronic payment institutions, and credit card companies. A total of 171 people attended the discussions. During the conference, law enforcement agencies such as the Agency Against Corruption and Economic Crime Prevention Division of MJIB, Agency Against Corruption of the Ministry of Justice, National Police Agency of the Ministry of the Interior shared information on recent representative cases of criminal money flow and anomalous financial transactions. Section Chief Chen Kuo-Chin of the Section of STR Analysis, AMLD explained the criminal patterns identified in STRs and processing procedures. Executive Secretary Su Pei-Yu of the Anti-Money Laundering Office, Executive Yuan explained the results of the latest national risk assessment report and future plans. Finally, the lecturers in the conference and all attendees discussed their experience to use the conference to help AML specialists in the private sector enhance techniques to identifying anomalous transactions and optimize AML operations.



AML organized the Conference on Criminal Money Flow and Anomalous Transaction Patterns on December 23, 2021

3. Strategic analysis reports

According to Recommendation 29 of the FATF, the FIU shall implement practical analysis of ML/TF and predicate offenses and use available and accessible information, including information provided by other competent authorities, for strategic analyses to identify related ML/TF trends and patterns. For this purpose, AMLD prepared the "Analysis Report of Taiwan's Deterrence for Financing the Proliferation of Weapons of Mass Destruction by North Korea" and the "Analysis Report of Behavioral Pattern Analysis and Related Recommendations and Strategies for Professionals in the Finance Industry" in 2021. The former provides information on anomalous transaction models and common methods in STRs related to North Korea from the perspective of the FIU in response to the international efforts to prevent the financing of the proliferation of weapons of mass destruction. The latter includes an analysis of common *modus operandi* from the perspective

of the FIU and related recommendations in response to a rise in fraud cases involving professionals in the finance industry. After the reports are completed, they are immediately delivered to related competent authorities and associations of financial institutions which forwarded the reports to their members as reference for the formulation of policies and regulations, analysis of trends, identification of risks, and filing STRs.



Strategic analysis reports compiled by AMLD in 2021

4. Distributed the Anti-Money Laundering Division newsletter

AMLTD is the FIU which plays the key role in communicating information. To continue to strengthen the role and functions of the FIU in supporting the operational requirements of the competent authorities of law enforcement, supervisors, and the information sharing and coordination

of reporting entities of the private sector, AMLD created a newsletter in November 2019 and continues to issue the newsletter in Chinese and English. The objectives of issuing the AMLD e-newsletters are to create a platform for integrating knowledge and information related to AML, counter-terrorist financing (CFT), and combating the proliferation of weapons (counter-proliferation); to expand the scope of cross-disciplinary “PPP” (public–private partnership) exchange methods; to compile professional opinions on relevant statistics, criminal trends, transaction patterns and prevention work focuses for the reference of relevant competent authorities, institutional partners and the general public. In doing so, we may improve our ability to identify risks, so as to adopt preventive measures of a scale proportionate to that of the risks, appropriately allocate limited resources, and focus on high-risk activities, thereby strengthening the mechanisms of AML, CFT, and counter-proliferation.

5. Organized the MJIB "Virtual Currency Anti-Money Laundering Patterns and Money Flow Tracking Seminar"

The FATF has released several regulatory recommendations and risk analyses for VA and VASP in recent years, which demonstrate the growing importance of the virtual asset sector in current and future criminal investigations. AMLD organized the "Virtual Currency Anti-Money Laundering Patterns and Money Flow Tracking Seminar", which was the first large-scale organizational learning event organized by AMLD on virtual assets within the MJIB. We invited domestic virtual asset companies to share their experience, techniques, and case studies in tracking virtual currency flows with AMLD colleagues from the perspective of the industry. It also helped MJIB law enforcement officers learn more about emerging money laundering tools and enhance their basic currency tracking skills.



The MJIB "Virtual Currency Anti-Money Laundering Patterns and Money Flow Tracking Seminar" was held on December 7, 2021

6. Organized the first MJIB Money Tracing Personnel Secondment Program

To cultivate more professional AML talents for MJIB, AMLD created the "AMLD Money Tracing Personnel Secondment Program" in early 2021 to assign suitable field personnel of MJIB to AMLD, which provides hands-on operations to help employees understand the operations and roles of the FIU, familiarize themselves with processing, analysis, and distribution of financial intelligence, participate in affairs of international organizations, learn about the international exchange of intelligence via the Egmont Group, and prepare professional talents of MJIB for AML/CFT tasks. The "AMLD Money Tracing Personnel Secondment Program" was started in 2021 and a total of 3 field personnel of MJIB were assigned to AMLD for a period of

approximately 9 months. The process was smooth and it effectively attained planned objectives.

7. AML/CFT Capacity Building Training

FATF Recommendation 34 states "The competent authorities, supervisors and SRBs shall establish guidelines, and provide feedback, which will assist FIs and designated non-financial businesses and professions in applying national AML/CFT measures and, in particular, in detecting and reporting suspicious transactions." To ensure that personnel of financial institutions fully understand the information required for AML/CFT operations, increase the quality of STRs filed by personnel of financial institutions, and help professionals of financial institutions understand the patterns of suspicious transactions, AMLD shall, based requests of financial institutions, assign personnel to financial institutions to promote AML tasks, communicate and discuss with personnel of financial institutions regarding reports filed by financial institutions and their professional experience, share actual case studies, discuss the *modus operandi* of underground banking, manipulation of stock prices, insider trading, tunneling, fraud, and Internet gambling etc. These discussions increased the reporting entities' abilities for identifying anomalous transactions and strengthen risk-based customer due diligence. In 2021, AMLD assigned personnel to assist in organizing AML/CFT training for reporting entities in 34 sessions for 2,884 participants. The statistics are shown in Table 21. Due to the nationwide level 3 epidemic alert in Taiwan from May to August 2021, AMLD temporarily stopped assigning personnel to assist in training activities. Therefore, the number of sessions and participants in 2021 decreased slightly from the previous year (2020).

Table 21: Statistics on AML and CFT training for reporting entities in 2021

Name of institution	Total	
	Sessions	Participants
Domestic banks (including financial holding companies)	23	1,476
Credit departments of farmers' and fishermen's associations	2	104
Securities investment trust and consulting companies	1	100
Futures commission merchants	1	167
Insurance companies	4	215
Financial leasing companies	1	19
Designated non-financial businesses or professions	2	803
Total	34	2,884

V. International cooperation and communication

1. International intelligence exchange

FATF Recommendation 40 states that "Countries should ensure that their competent authorities can rapidly, constructively and effectively provide the widest range of international cooperation in relation to money laundering, associated predicate offences and terrorist financing. Countries should do so both spontaneously and upon request, and there should be a lawful basis for providing cooperation. Should a competent authority need bilateral or multilateral agreements or arrangements, such as a Memorandum of Understanding (MOU), these should be negotiated and signed in a timely way with the widest range of foreign counterparts." "Competent authorities should use clear channels or mechanisms for the effective transmission and execution of requests for information or other types of assistance. Competent authorities should have clear and efficient processes for the prioritization and timely execution of requests, and for safeguarding the information received." The MJIB uses the Egmont Group channel to exchange intelligence on money laundering, terrorist financing, and proliferation with member states across the world. The intelligence is analyzed and delivered to competent authorities for processing. The statistics of international intelligence exchange by the AMLD in the last 5 years are shown in Table 22.

Table 22: Statistics of international intelligence exchange in the last 5 years

Task	Year	2017	2018	2019	2020	2021
Foreign entities requested Taiwan for investigation assistance	Cases	55	47	71	58	56
		161	162	279	197	176
Taiwan requested investigation assistance from foreign entities	Cases	26	23	38	32	7
		94	107	292	110	39
Foreign entities actively provided information	Cases	53	99	81	66	49
		100	198	198	132	95
Taiwan actively provided information	Cases	45	20	17	12	8
		94	46	50	23	20
Questionnaire and other matters	Cases	0	0	0	0	0
		354	339	248	261	379
Total	Cases	179	189	207	168	120
		803	852	1,067	723	709

2. Memorandums of Understanding on Exchange of Information signed with foreign FIUs

Money laundering is a crime that often takes place across borders, therefore it requires consensus, cooperation, mutual trust and mutual support between governments to effectively combat cross-border money laundering, terrorism financing, and financing of proliferation of weapons of mass destruction in joint AML/CFT operations. The COVID-19 pandemic ravaged the globe in 2021 and increased the cost and risks of cross-border interactions. During this period, AMLD signed an MOU remotely with the FIU of the Republic of Ecuador on February 24, 2021 to facilitate the exchange and analysis of intelligence for combating and preventing money laundering, terrorism financing, and financing of proliferation of weapons of mass destruction on the basis of cooperation, mutual benefits, and mutual

interests. The MOU will be hugely beneficial for cooperation for combating transnational money laundering crimes, felonies, and financing of terrorism operations. As of December 31, 2021, the AMLD had signed agreements or memorandums with 52 countries, and the AMLD continues to search for more opportunities to cooperate with more countries in the future to enhance Taiwan's international visibility and international cooperation in combating ML/TF crimes.

3. Participating in the meetings and activities of the Egmont Group⁴

- (I) Egmont Group Working Group Meetings: The meetings of the Egmont Group Information Exchange Working Group (IEWG) were held from February 1 to 4, 2021. The meetings of the Technical Assistance and Training Working Group (TATWG) were held from February 8 to 9, 2021. The meetings of the Policy and Procedure Working Group (PPWG) were held on February 10, 2021. In the IEWG meetings, members shared the progress of their projects and discussed the 2020-2021 annual work plan. FIUs and research institutes in Hong Kong, United Kingdom, and Australia discussed new trends in specific crimes or money laundering methods.
- (II) Annual meeting of the Egmont Group: The Egmont Group organized the online annual meeting from June 28 to July 8 and July 22, 2021 and member states, observers, and international organizations assigned representatives to attend the meetings. Taiwan attended meetings of the "Egmont Group Committee", "Information Exchange Working Group", "Membership, Support and Compliance Working Group", "Policy and Procedure Working Group", "Technical Assistance and Training Working Group", and "Asia Pacific Group". Discussions in the annual meeting were focused on "security of information exchange

⁴ Due the impact of the pandemic, all international conferences and events attended by AMLD in 2021 were organized online.

of FIUs" and "actual implementation of a risk-based FIU". The working group reported on the research projects they carried out in the past year and invited FIUs of Australia, Malaysia, and Israel to share their experience on related topics. Since AMLD became a member of the Egmont Group in 1998, we have provided technical support to assist in operations of the Egmont Group meetings, which created opportunities for interacting with members and demonstrated our AML expertise. We shall continue to use the channels of the Egmont Group to expand and intensify Taiwan's participation in international organizations.

4. Participating in the meetings and activities of the Asia/Pacific Group on Money Laundering (APG)

- (I) 22nd APG Seminar on Money Laundering Typologies: APG organized the "22nd APG Seminar on Money Laundering Typologies" from February 2 to 5, 2021. The seminar focused on "Digital 'Know Your Customer' " and "Financing and Facilitating Foreign Terrorist Fighters". The agenda of the "Digital 'Know Your Customer' " focused on "e-KYC/CDD" and "Privacy, Personal Rights and Control". The Alliance for Financial Security with Information Technology (AFS-IT) was invited to discuss digital identity and related KYC and CDD procedures. The Asian Development Bank, Reserve Bank of New Zealand, Central Bank of Malaysia, and Monetary Authority of Singapore shared their experience on the implementation of digital identity/customer identity verification, and due diligence investigations to help related financial industries and professionals set up more comprehensive and effective business procedures.
- (II) "Supervision of Designated Non-Financial Businesses or Professions: Regulations in the FATF's 40 Recommendations and Implementation" online seminar: On April 28, 2021, APG organized the ""Supervision

of Designated Non-Financial Businesses or Professions: Regulations in the FATF's 40 Recommendations and Implementation" online seminar and invited APG members and personnel responsible for implementing policies, regulations, supervision, investigation, and businesses to take part in the discussions. To strengthen the communication mechanisms of AMLD and the competent authorities of DNFBPs, 11 representatives of the competent authorities of DNFBPs in Taiwan including the Ministry of Justice, FSC, the Ministry of the Interior, Ministry of Economic Affairs, Ministry of Finance, and the Anti-Money Laundering Office, Executive Yuan, and AMLD were invited to take part in the online meeting on the day of the seminar. The FATF Secretariat and APG Secretariat reported the supervisory guidelines proposed for DNFBPs in the "Guidance on Risk-Based Supervision" announced by the FATF on March 2021. It also invited officials from the Central Bank of Malaysia, Department of Internal Affairs of New Zealand, and the FIU of Sri Lanka to share their countries' action plans for the supervision of DNFBPs, implementation results, and difficulties they encountered to use their experience for improving the effectiveness of supervision implemented by competent authorities of APG members.

(III) APG online annual meeting and related meetings: In 2021, APG organized meetings of the Mutual Evaluation Committee on July 13 and 15, organized meetings of the Executive Committee on July 14, and organized the annual meeting from July 27 to 29. In the meeting, Tonga's Mutual Evaluation Report and follow-up reports filed by several countries including Myanmar, Thailand, Bangladesh, Samoa, United States, Cambodia, Mongolia, Pakistan, and Philippines were accepted. The meeting discussed quality and consistency issues of several project reports including the follow-up reports, updated documents for APG mutual evaluation procedures, results of the 2021 seminar on typologies, 2021 report on typologies, 2021 technical

assistance and implementation report, and the reports on terrorist financing, drugs, and human trafficking.

- (IV) APG assessor training: APG is a regional AML/CFT organization that uses mutual evaluations between member states to evaluate whether the AML/CFT mechanisms of member states meet the 40 Recommendations published by the FATF and the effectiveness in implementation. All member states are obligated to accept mutual evaluations. APG holds evaluator training from time to time every year to develop the capacity of member states to perform mutual evaluations and to prepare evaluators to perform mutual evaluations of other member states. APG held online training for evaluators from November 25 to December 3, 2021, and the AMLD assigned one employee to take part in the training. After the selection by APG, the employee commenced intensive courses on the APG mutual evaluation procedures, methodology, technical compliance, and effectiveness evaluations with professionals in FIU, law enforcement, law, finance, or supervision. The training was conducted through a diverse range of methods including group discussions, onsite Q&A, simulated mutual evaluation, written reports, and group reports. After they passed the training, they became qualified evaluators for future mutual evaluations of other member states.

5. Participating in the meetings and activities of the Financial Action Task Force (FATF)

- (I) Second plenary and working group meeting of the FATF's 32nd term: The FATF held the second plenary meeting of its 32nd term in February 2021. In the meeting, the FATF advocated that supervisors must enhance their abilities to provide "Guidance on Risk-Based Supervision", continue to effectively reduce the risks of ML/TF risks of virtual assets, strengthen the prevention of the financing of WMD

proliferation, enhance investigations on terrorist financing activities, prosecute and resolve illegal arms trade.

(II) Fourth plenary and working group meeting of the FATF's 32nd term:

The FATF held the fourth plenary meeting of its 32nd term in June 2021. In the meeting, attendees discussed how to use new technologies for AML/CFT operations, enhanced measures for preventing money laundering for environmental crimes and financing of terrorism based on ethnic or racial motives, enhanced identification and prevention of risks of the proliferation of weapons, specific and effective implementation of beneficiary rights and related standards, digital transformation of practical AML/CFT operations of institutions, and effective responses to challenges in the return of assets. The FATF also adopted and published the "Second 12-Month Review of the Revised FATF Standards on Virtual Assets and Virtual Asset Service Providers".

(III) Fifth plenary session of the FATF's 32nd term: The FATF held the fifth plenary meeting of its 32nd term from October 19 to 21. In the meeting, the FATF published the "Updated Guidance for a Risk-Based Approach to Virtual Assets and Virtual Asset Service Providers", "Cross Border Payments - Survey Results on Implementation of the FATF Standards", and "Revisions to Recommendation 24 and its Interpretive Note - Public Consultation". The FATF will also continue to study how to reduce the unforeseen consequences when FATF standards are lowered, implement enhanced prevention for environmental crimes, and enhance the digital transformation of practical AML/CFT operations of institutions.

Part 3
Important Case Studies



I. GF Digital Transaction Platform's alleged violation of the Money Laundering Control Act

1. Summary

(I) Source of intelligence

Members of the public reported that unidentified Internet users used online social media to promote investment in the virtual asset "FEC Coin", which were issued by GF Digital Transaction Platform (hereinafter referred to as GF Platform). These users claimed that the value was steadily increasing and investors could apply to withdraw money to attract investors. However, GF Platform informed investors in January 2020 that their accounts are blocked and suspended withdrawal, which resulted in a case of suspected fraud.

(II) Suspects

14 suspects including Yeh, Chen, Chen, Chang, Lin, Hou, Tsai, Chen, Wang, Wu, Wu, Shih, Su, and Change.

(III) Suspects' involvement

The 14 suspects including Yeh were fully aware that providing financial accounts to others for use as tools may help criminal organizations commit property crimes and conceal or hide the destination of specific criminal proceeds. They nevertheless participated in the GF Platform fraud ring from August 2019 to January 2020. The fraud ring consisted of Wu, Chan, a man with the nickname "Kao", aliases "Chen" and "FEC" in the communication software LINE, and the alias "Ms. Chen" in WeChat, respectively, with the criminal intent to help others commit fraud. They provided all their financial account information to the fraud ring for receiving payment and transferring payments to victims' investment accounts, and served

as the "money mules" for the ring. They then used their virtual asset wallets in multiple VASPs to buy Tether (hereinafter referred to as USDT) and other virtual currencies, or use cash for the purchase of virtual currencies, money transfer, and third-party payments to assist in the transfer of criminal proceeds to the designated accounts of Wu and others.

The GF Platform fraud ring fabricated false investment return data on its website and reached out to Internet users through communication software such as LINE. They claimed that the "FEC Coin" issued by the platform is stable and its value will not fall. They first solicited small investments and made payments for returns to gain trust. They then persuaded investors to invest more money. The 14 suspects including Yeh used the same method to conceal or hide the sources and destination of criminal proceeds from the GF Platform fraud ring with a total amount of NTD 111,291,972. GF Platform later suspended the operations of its website on January 6, 2020. As a result, investors could not apply for the withdrawal of their investments and sustained heavy losses.

2. Suspicious signs of money laundering

The suspects including Yeh accumulated multiple transfers in their deposit accounts. The number of remittances exceeded a certain quantity and they were quickly transferred elsewhere. Their newly registered virtual asset accounts suddenly had large transactions which were obviously incommensurate with their identity or had no reasonable explanation.

3. Prosecution

The prosecutor of Taiwan Tainan District Prosecutors Office prosecuted the suspect Yeh for violation of Article 339-4, Paragraph 1,

Subparagraph 2 and Subparagraph 3 of the Criminal Code and Article 14, Paragraph 1 of the Money Laundering Control Act in July 2020. The prosecutor of Taiwan Taichung District Prosecutors Office prosecuted the suspects Chen, Chang, and Lin for violation of Article 339, Paragraph 1 of the Criminal Code in July 2020. The prosecutor of Taiwan Shilin District Prosecutors Office prosecuted the suspect Su for violation of Article 339-4, Paragraph 1, Subparagraph 2 of the Criminal Code and Article 14, Paragraph 1 of the Money Laundering Control Act in November 2020. The prosecutor of Taiwan Kaohsiung District Prosecutors Office prosecuted the suspect Hou for violation of Article 339-4, Paragraph 1, Subparagraph 2 of the Criminal Code and Article 14, Paragraph 1 of the Money Laundering Control Act in March 2021. The prosecutor of Taiwan Yunlin District Prosecutors Office prosecuted the suspect Wang for violation of Article 339-4, Paragraph 1, Subparagraph 2 of the Criminal Code and Article 14, Paragraph 1 of the Money Laundering Control Act in May 2021. The prosecutor of Taiwan New Taipei District Prosecutors Office prosecuted the suspect Chang for violation of Article 339, Paragraph 1 of the Criminal Code and Article 14, Paragraph 1 of the Money Laundering Control Act in May 2021. The suspects Chen, Tsai, Chen, Wu, Wu, and Shih were not prosecuted.

4. Experience for reference

- (I) The case started with tracking funds from the victim's remittances. However, the criminal ring instructed the cash mules to open their own virtual asset accounts to help transfer USDT to cold wallets controlled by unknown persons or to conduct transactions on offshore exchanges. They created a breakpoint in the flow of funds, which made it difficult to trace the funds. Therefore, virtual asset service providers must strengthen mechanisms such as suspicious transaction reporting and implement the verification of customer identity to trace the flow of

funds.

- (II) The criminal ring used a third-party payment model to transfer the money by working with an offshore laundering center to manage the creditor rights of different customers. The criminal proceeds collected by the fraud ring was paid to other creditors without their knowledge to launder the money. As such laundering centers engage in underground remittances, they exhibit suspicious signs of money laundering such as massive amounts of online banking transfers and immediate withdrawals with personal accounts. Such irregular transactions can be used by financial institutions as references for enhanced audits and red flagging.

II. Wu and associates' alleged violation of the breach of trust of the Criminal Code, Securities and Exchange Act, and Money Laundering Control Act

1. Summary

(I) Source of intelligence

The MJIB learned in December 2019 that Wu, head of the Business Department of Fu Company, instructed the IT procurement personnel to engage in false procurement projects with multiple suppliers and caused significant losses to the company.

(II) Suspects

Head of the Business Department of Fu Company--Wu, manager of Hui Company--Chen (Wu's spouse), Chi Company's legal representative--Chou (Wu's brother-in-law) and accounting personnel--Wu (Wu's younger sister), business manager of Chu Company and its subsidiary Tun Company--Yang, vice president Kao of Tun Company, sales manager Li of Hua Company, Yang Company's legal representative--Tung, etc.

(III) Suspects' involvement

Wu was employed by Fu Company and was obligated to uphold the interests of Fu Company. However, he conspired to damage the interests of Fu Company for personal gain and filled out source documents for accounting of Fu Company in breach of trust and deliberate falsification of facts. From 2011 to 2018, Wu planned false transactions between Fu Company and 6 suppliers including Chi Company, Chu Company, Tun Company, Hua Company, and Yang Company. To conceal or hide their criminal activities, they used small

amounts, multiple transactions, and dispersion of suppliers for false purchases of computer software which cannot be easily checked. After the aforementioned 6 suppliers received the orders, Wu instructed Chou, Yang, Kao, Li, and Tung, who were the sales personnel of the 6 aforementioned suppliers, to make purchases by issuing purchase orders from Hui Company and Chi Company which were controlled by Wu and set up by Wu 's family members but were not really in operations.

Wu later intended to transfer or change the source of specific criminal proceeds by using the payment of the aforementioned false transaction process as cover to allocate payments directly or indirectly from Fu Company's accounts to the accounts of Chi Company, Chu Company, Tun Company, Tun Company, Hua Company, and Yang Company designated by Wu for transactions. The funds were ultimately transferred to the accounts of Hui Company and the transactions totaled more than NTD 280 million.

Wu later attempted to conceal or hide the nature, flow, and location of the specific criminal proceeds and instructed Chen to transfer the criminal proceeds in the aforementioned account of Hui Company to Chen 's account. The money was transferred in separate batches to Chen 's other account, Wu 's account, and multiple account registered under the names of Wu 's children to pay for the mortgages of 6 luxury apartments in Taipei City, Hsinchu City, and Tokyo. The money was also exchanged to foreign currencies such as RMB, HKD, JPY, and USD to purchase domestic and foreign insurance policies, funds, and stocks to conceal the criminal proceeds and avoid investigations by judicial authorities.

2. Suspicious signs of money laundering

The suspects including Wu used false transaction payments as cover to gradually transfer criminal proceeds to Hui Company which

they controlled. As a result, Hui Company's inactive account suddenly had inward and outward transfers of money exceeding a certain amount. The money was quickly transferred to Chen 's personal account and then transferred to the private accounts of Wu 's family members. As a result, the money transferred between several customers exceeded a certain amount.

3. Prosecution

Taiwan Taipei District Prosecutors Office prosecuted the suspects including Wu in February 2022 for breach of trust and forging or altering documents to cause a false entry to be made based on the Criminal Code, and violations of the Securities and Exchange Act, Business Entity Accounting Act, and Money Laundering Control Act.

4. Experience for reference

- (I) The suspects including Wu sought to hide their criminal activities by using small amounts, multiple transactions, and dispersion of suppliers for false purchases of computer software which cannot be easily checked, and defrauded Fu Company of more than NTD 280 million. To cut the relationship between the funding and the criminal activities and evade criminal prosecution and penalties, Wu started by setting up Hui Company and Chi Company in the name of the mother Chang and the brother-in-law Chou. Wu then instructed the spouse Chen and the younger sister Wu to issue uniform invoices and manage accounts for the 2 dummy companies and to process the deposits and withdrawals of the financial accounts used to conceal criminal proceeds.
- (II) According to investigations on the payments made by Fu Company to the 6 suppliers designated by Wu and the subsequent money flow, the 6 suppliers deducted management costs and retained profits totaling 7% to 10% and transferred the money to the account of Chi Company

or Hui Company, and the money was all transferred to the personal accounts of Wu 's family members to pay for mortgages, purchase domestic and overseas stocks, funds, insurance policies, and foreign currencies to complete the placement, layering, and integration in the money laundering process.

- (III) Since the media coverage of the case, financial institutions have discovered irregular activities involving Chen 's termination of contracts for insurance policies purchased with criminal proceeds, and continuously reported the transaction counterparties and transaction data. It has helped MJIB monitor the flow of funds and successfully seized related criminal proceeds.

III. Hung and associates' alleged violation the Banking Act and the Money Laundering Control Act

1. Summary

(I) Source of intelligence

The case started with MJIB's investigation of Chen 's violation of the Controlling Guns, Ammunition and Knives Act. After reviewing related bank remittance information, MJIB identified leads proving that Hung and others of "Hung International Transportation Co., Ltd." (hereinafter referred to as Hung Company) are suspected of running an underground remittance scheme in China and Taiwan in violation of the Banking Act. After the case was established, it was reported to Taiwan Taipei District Prosecutors Office for investigations.

(II) Suspects

The de facto legal representative of "Hung Company", "Lung Enterprise Co., Ltd." (hereinafter referred to as Lung Company), "Hung Trading Co., Ltd." (hereinafter referred to as Hung Trading Company, which was renamed "Ai International Co., Ltd."), "Hsieh Trading Co., Ltd. (hereinafter referred to as Hsieh Company), "Hui Trading Co., Ltd." (hereinafter referred to as Hui Company), "Li International Enterprise Co., Ltd." (hereinafter referred to as Li Company), and "Su Trading Co., Ltd." (hereinafter referred to as Su Company) Hung, former legal representatives Lin, employees Hung, Lin, Tseng, Feng, Yang, Hun, and Fan.

(III) Suspects' involvement

The suspects including Hung, Lin, and Hung were fully aware that unless otherwise provided by law, any person other than a bank shall not handle domestic or foreign remittances. However, they

conspired to use a non-bank entity to process domestic and foreign remittances. They used the logistics operations of domestic clothing companies such as Tung International Co., Ltd. (hereinafter referred to as Tung Company) in China from January 2014 to February 2021 and requested the sales personnel of Hung Company to fill out the "Payment Credit Application Form" based on cross-border payments between companies in Taiwan and Mainland China to provide Taiwanese companies with credit for making payments to Mainland China. After Hung Company received a purchase order from a Taiwanese company, the accounting personnel Feng works with the Mainland Chinese employee Chen of the company Nan in Mainland China to make payments in RMB from the company's account to the company in Mainland China. The suspects Chen sent the NTD-RMB exchange rate on WeChat every day to Hung and Feng. Feng then sent the exchange rate for the same day on WeChat to Hung Company's internal chat group. Hung referenced the NTD-RMB exchange rate announced by the Central Bank and customers' payment status to determine the exchange rate for making or receiving individual payments on behalf of customers. The sales representatives then provided quotations to Taiwanese companies. Once companies such as Tung Company receives the products it purchased that were delivered with the assistance of Hung Company, they followed the requests of Hung Company and transferred the payment to the designated bank accounts or paid in cash to complete the remote clearing of foreign exchange between NTD and RMB across the strait.

The suspects including Hung sought to offset the RMB payments made by Nan Ya Company in Mainland China on behalf of Hung Hai Transportation Company and followed the instructions of Nan Ya Company's personnel to exchange the funds to be remitted by the client in Mainland China into the equivalent amount in NTD. The amount was paid from the personal accounts of Hung and Hung

in domestic financial institutions to the personal accounts of Chen, Su, Li, Huang, Chen, and Yang for processing logistics services for companies other than Hung Company, which were merely remittance services for clients on both sides of the strait. They also followed Chen 's instructions by delivering cash to Nan Company's personnel in Taiwan. The employees of Hung Company and Nan Company produced the "Guangzhou & Taiping Daily Report" every day and the payment department personnel produced the "payment withdrawal form" every day for verification and recordkeeping by Hung Company.

The suspects including Hung did not have banking qualifications to operate remittances but used the aforementioned remote payments and remittances to operate remittance businesses of banks. From January 2014 to February 2021, they used the aforementioned bank accounts for underground remittances. They withdrew NTD 10,020,835,899 from 32 companies and personal bank accounts and deposited NTD 9,891,154,421.

2. Suspicious signs of money laundering

The suspects including Hung set up 7 companies and opened 32 bank accounts (including 30 company accounts and 2 personal accounts). They involved multiple deposits into a deposit account at a certain amount or above which were frequently made and transferred rapidly and the deposits reached or exceeded a certain number. They exhibited signs of money laundering.

3. Experience for reference

- (I) Hung applied for company registration under the names of several individuals and opened numerous accounts in financial institutions for specific personnel to operate transactions. After a client transfers money into the account of a subsidiary company, they withdraw cash to transfer the funds or remit the funds to personal accounts. They then

used frequent remittances to different personal accounts in banks in an attempt to evade investigations.

- (II) In 2014, certain bank accounts were only used for remittances of only 1 or several specific clients. After they made several bank transfers exceeding a specific amount, they closed several accounts at the same time on the same day and then opened several new accounts. There were also cases where they remitted different amounts of money to different personal accounts after some accounts remitted large amounts of money in a single day. The timing was very similar, and the money flow appeared to be deliberately created. Each account had frequent transactions of a specific amount per month, which is consistent with money laundering and inconsistent with the business model of a company that has normal operations.
- (III) Hung Company appeared to be a legal company that operates logistics in Taiwan and China and the collection of logistics fees appears to be normal. However, the company has numerous bank accounts and collected payments from multiple companies totaling NTD hundreds of millions, which far exceeded the operations of logistics businesses and were disproportionate and irregular. The funds also moved quickly through multiple accounts and there were remittances of NTD several tens of thousands to NTD millions from personal accounts and large cash withdrawals. The transaction records of dozens of accounts showed that the company's frequent processing of funds was irregular. More in-depth investigations revealed that it was engaged in large-scale long-term underground remittances and money laundering.

IV. Township Mayor Lin of Township, Yunlin County and associates' alleged corruption and violation of the Money Laundering Control Act

1. Summary:

(I) Source of intelligence

According to investigations conducted by MJIB in December 2020, Township Mayor Lin of Township, Yunlin County made use of the accounts of launderers Huang and Hu 's Shang 's Energy Co., Ltd. (hereinafter referred to as Shang Company) and Chin Microgrid Co., Ltd. to collect bribes from green energy operators Hai Photovoltaics Co., Ltd. (hereinafter referred to as Hai Company) by remittance or bills. Lin later used the accounts and bank safety deposit box of a friend, Chen, who worked in Yunlin County Government to hide the bribe, and used the funds in such accounts to purchase securities, USD, and gold to transfer criminal proceeds and funds from unknown sources into several types of financial products and precious metals for concealing the criminal proceeds from bribery.

(II) Suspects

Lin, Huang, Chen, Hai Company General Manager Huang, and employee Chiu.

(III) Suspects' involvement

In 2020, Lin saw that Hai Company planned to apply for the creation of combined aquaculture facilities with solar photovoltaic system in the Township. She allegedly took advantage of her position to demand a bribe of NTD 4 million from the general manager of the company Huang and Qiu. Lin also requested that the bribe money be

remitted to designated accounts set up by the launderer Huang for Shang Company in a financial institution. The funds were later entirely withdrawn in cash by Huang and Hu and given to Lin.

Lin took advantage of her position to demand a bribe from a specific company and attempted to conceal and transfer the bribe and funds from unknown sources to evade penalties based on the Act on Property-Declaration by Public Servants. Lin later instructed the friend Chen to set up a demand deposit account, securities account, foreign currency account, and gold passbook in a commercial bank, and borrowed Chen 's deposit box leased in a certain bank to deposit large sums of cash from unknown sources including the bribe into the aforementioned accounts or hide them in the aforementioned safe deposit box. Lin later instructed Chen to process deposits and remittances at the bank to help Lin use the funds in the accounts to purchase securities, USD, gold, and physical gold bars to transfer criminal proceeds and funds from unknown sources into several types of financial products and precious metals for concealing the criminal proceeds from bribery totaling approximately NTD34,576,568.

2. Suspicious signs of money laundering

Chen 's main source of income is the salary paid by Yunlin County Government and Douliu City Office, Yunlin County. However, Chen 's account often has large cash deposits between NTD 500,000 and NTD 3.5 million, which were used to purchase securities, USD, and gold. The deposits and purchases were evidently incommensurate with the income from Chen 's job as a public servant.

3. Prosecution

On August 24, 2021, the prosecutor of Yunlin District Prosecutors Office prosecuted Lin, Huang, Hu, and Chen for violation of the Anti-Corruption Act and Money Laundering Control Act.

4. Experience for reference

- (I) Chen 's main source of income in 2016 consisted only of the salary as a public servant. However, Chen began to receive dividends from several listed companies that were the same as Lin starting from 2017. Since 2017, Chen also made large deposits between NTD 500,000 and NTD 3.5 million, which was evidently irregular for Chen 's regular income and exhibited signs of money laundering. Chen was therefore included as a key target of investigations.
- (II) According to surveillance information, Lin often met Chen in private in Douliu City, Yunlin County in 2020 and 2021. Chen 's account would have large sums of cash deposits or withdrawals totaling NTD hundreds of thousands to NTD millions. The movement of funds were evidently related to Lin and investigators suspected that the bribes taken by Lin were the source of irregular funds received by Chen. Chen provided the money laundering channel for Lin to conceal and convert bribes and other criminal proceeds.

V. Chen of Ho Charity Organization and associates' alleged violation the Money Laundering Control Act

1. Summary

(I) Source of intelligence

MJIB analyzed intelligence in February 2020 and found the following: Chen used a bank account registered under her name to collect donations made to the Ho Charity Organization and used the account to pay for the purchase of large deposit insurance policies and credit card bills. She was suspected of embezzling the donations made to the Ho Charity Organization. An analysis report was thus created and sent to the investigation unit of MJIB for reference.

(II) Suspects

2 suspects including Ho Charity Organization's legal representative Chen and her spouse Hsiao.

(III) Suspects' involvement

Chen and Hsiao took over Ho Charity Organization of Chen's father since 2002 and raised funds online for building bridges, paving roads, and donating coffins by collecting cash, remittances, bills, and checks from nonspecific online donors through the Internet and the address of "Ho Charity Organization". The funds were distributed to several bank accounts of Chen, Hsiao, their son Hsiao, and daughter-in-law Tai. According to statistics, Chen used 8 accounts from 2002 to 2020 and accumulated donations totaling NTD 1,422,035,201. After deducting the expenditures for construction specified on the promotional materials of "Ho Charity Organization" from 2002 to 2021 and the remaining balance of NTD 5,988,800, Chen and Hsiao allegedly embezzled charitable donations totaling NTD 695,706,401.

Chen and Hsiao subsequently concealed the source and flow of criminal proceeds and opened 46 accounts in several banks in the name of Chen, Hsiao, their son Hsiao, their daughter, their daughter-in-law Tai, and several relatives and friends. The aforementioned embezzled donations were deposited in cash or by remittance for the purchase of financial products, large insurance policies, and real estate in their names. MJIB conducted investigations and seized large amounts of cash totaling NTD 693,062,498.

2. Suspicious signs of money laundering

They used several related financial accounts with several large deposits for consecutive days every week, which was incommensurate with the identity and income of the owners of the accounts. They also purchased insurance policies totaling approximately NTD 426 million. There was no reasonable source of funding and it was evidently abnormal income.

3. Prosecution

The prosecutor of Taiwan Chiayi District Prosecutors Office prosecuted the 2 suspects Chen and Hsiao for violation of Article 336, Paragraph 1 of the Criminal Code and Article 14, Paragraph 1 of the Money Laundering Control Act on June 27, 2021.

4. Experience for reference

- (I) Chen attempted to conceal her criminal activities by using her accounts in multiple banks used for collecting her teacher's pension to raise funds from external entities. She deliberately mixed her personal pension with the donations made to Ho Charity Organization to embezzle the money. She then deposited the embezzled funds to the bank accounts of her son Hsiao, daughter-in-law Tai, and several

other relatives and friends for the purchase of large insurance policies, funds, and real estate. When she later purchased real estate, she pledged one of them as collateral for a loan and claimed that the high amount of investment had come from the loan in an attempt to conceal the embezzlement.

- (II) Chen published promotional materials of Ho Charity Organization every 4 months and detailed the income and expenses to gain trust. However, after Chiayi District Prosecutors Office published the news, the contractor of the Charity Organization's construction project actively reported the misrepresentation of project payments. MJIB thus digitalized the income and expenses specified in the promotional materials of the Charity Organization from 2002 to 2021 and compared them to the expenses for construction. MJIB also used the electromagnetic recordings it seized to prove that Chen and Hsiao did in fact embezzle charitable donations.

VI. Chen of Chia International Co., Ltd. and associates' alleged gambling and violation of the Money Laundering Control Act

1. Summary

(I) Source of intelligence

AMLD processed financial intelligence analysis of Chen and Chang in April 2020 and found many offshore companies in which the 2 individuals were the beneficial owners. They remitted large amounts of funds to the bank accounts of their domestic companies. The sources of the funds were unknown and the transactions were suspected to be abnormal. AMLD thus prepared an analysis report and sent it to the MJIB's case investigation unit for reference.

(II) Suspects

Chen, Chang, and associates.

(III) Suspects' involvement

Chen and associates began running a cash online gambling platform in Taiwan for offshore gamblers since August 2018. They cooperated with gambling websites to process the collection and transfer of gambling funds (commonly known as "laundering centers"). They encouraged Mainland Chinese gamblers to sign up for membership and remit funds online, and then log onto the gaming platform of "Lai o Entertainment City" to gamble. Chen attempted to conceal or hide the illegal gambling funds of the aforementioned gambling website. Chen first connected to the management system of the third-party payment company through the online management system of the gambling platform. The customer service personnel

operated the online banking account registered under the dummy account "Wu " and other Mainland Chinese nationals through the third-party payment company to confirm that the top-up payment was remitted by the gambler, before transferring the remitted money to the account designated by the gambling website (commonly known as "high-level share"). When the gambler wins points on the gambling website and intends to withdraw in cash, the gambler uses the third-party payment company to operate the online management system and use the online banking dummy account in Mainland China with USBKey or mobile phone verification code to transfer the funds the gambler wishes to withdraw to the designated account (commonly known as "low-level share"). They transmitted the relevant deposit and withdrawal information to the computer system of the work site of the gambling platform for confirmation by the employees of the work site to disguise and conceal the nature, source, and destination of the criminal proceeds from gambling.

Chen also provided a site for registering a dummy company Chia International Co., Ltd. (hereinafter referred to as Chia Company) set up by Chang in the name of other individuals for running the online gambling website. Chang also hired several dummy accounts including Hsieh to serve as the registered persons in charge of Hung International Co., Ltd. (hereinafter referred to as Hung Company) and more than 30 other companies. They opened the online banking accounts of the aforementioned companies and operated online gambling websites such as "Wan Sports" in Mainland China. They encouraged Mainland Chinese gamblers to sign up as members and when gamblers transferred gambling funds to gamble on online gambling websites such as "Wan Sports", they remitted the foreign currency proceeds from the operations of the aforementioned gambling website to the foreign currency accounts set up by Hung and other companies in Taiwan by means of foreign currency remittance in

USD by claiming to have generated profits for providing information services to overseas companies. They then converted the foreign-currency income to NTD and transferred it to the NTD accounts of Hung and other companies. Chang fabricated payments for products and loans to process multi-layer fund transfers between the dummy accounts of companies such as Hung which were controlled by Chang to pay for the salaries of employees and operations of Chang's gambling ring. They thus disguised or concealed the source, destination, ownership, and disposal of criminal proceeds from gambling operations.

Chen and associates transferred the proceeds from gambling operations through third-party payment services and dummy accounts for multi-layer transfers to disguise and conceal the source and destination of the funds. From August 2018 to April 2020, they laundered criminal proceeds totaling NTD 324,016,593. Chang transferred the criminal proceeds from offshore gambling through offshore companies to several accounts of dummy companies in Taiwan and used multi-layer transfers to disguise and conceal the source and destination of the funds. From January 2017 to January 2021, they laundered criminal proceeds totaling NTD 2,386,887,589.

2. Suspicious signs of money laundering

- (1) Cases in which deposits and withdrawals for the same account within a certain period of time reached a certain accumulative amount respectively.
- (2) The customer has an unexpected increase in deposit that exceeds a certain amount.
- (3) Cases in which multiple deposits into a deposit account at a certain amount or above were frequently made and transferred rapidly, or the deposits reached or exceeded a certain number.
- (4) The customer who often transfers funds between accounts of different

customers and the transactions exceed a certain amount.

- (5) The customer frequently performs deposits/withdrawals on others' behalf, or a third party performs cash deposits/withdrawals for a specific account or above.
- (6) The customer often receives large payments wired from overseas and immediately withdraws in cash, and the transactions exceed a certain amount.

3. Prosecution

The prosecutor of Taiwan Chiayi District Prosecutors Office deferred prosecution of the suspects Chen and associates for their violation of Article 268 of the Criminal Code and Article 14, Paragraph 1 of the Money Laundering Control Act in April 2021 (Chen and associates voluntarily repaid NTD 200 million in criminal proceeds and paid NTD 950 million as payment for deferred prosecution to the treasury). The prosecutor of Taiwan Ciaotou District Prosecutors Office prosecuted the suspects Chang and associates for violation of Article 268 and Article 214 of the Criminal Code, Article 14, Paragraph 1 of the Money Laundering Control Act, and Article 41 of the Tax Collection Act in May 2021 (Chang and associates paid NTD 190 million as payment for deferred prosecution to the treasury).

4. Experience for reference

- (I) When AMLD analyzed the bank accounts of Chia Company and Hung Company in this case, it discovered that all accounts of these dummy companies had foreign currency deposits. The funds were transferred to foreign currency time deposits for a period of time, and were then converted to NTD deposits before a series of intensive outward transfers with amounts and number of transfers exceeding a certain amount. In addition, the customers often made deposits and withdrawals on behalf of others, or the company's accounts were

often used for deposits and withdrawals by third parties, which is consistent with typologies of money laundering. These companies often transfer money between bank accounts, and their foreign income sources consisted mainly of information services and other non-physical transactions that are difficult to verify. Financial institutions are advised to learn more about the background information of their customers and remain vigilant when commencing business relations. They must adjust the risk level of their accounts and immediately report suspicious transactions of relevant parties. These measures will help law enforcement agencies quickly trace the money flow, seize the criminal proceeds, and take other investigative actions.

(II) At present, domestic financial institutions do not provide account opening and association inquiries for OBU (offshore banking unit) accounts. Therefore, it is difficult to monitor information of all OBU accounts registered under the suspect's name in real time. We rely on financial institutions to actively report suspicious transactions in OBU accounts or to set up an OBU account opening and account association inquiry mechanism in the future, which can help law enforcement agencies quickly and comprehensively clarify the money flow.

Part 4
Important Milestones in 2021



2021/1/6~8/18 (Attended 11 conferences)	Attended the "Ministry of Justice Discussion Meetings for the Amendment of the Money Laundering Control Act".
2021/1/28~12/2 (Attended 6 conferences)	Attended the Asia/Pacific Group on Money Laundering "Online Meeting of the Mutual Evaluation Committee".
2021/1/26	Attended the "Discussion Meeting for the Draft of the Regulations Governing Anti-Money Laundering and Countering the Financing of Terrorism for Third-Party Payment Services".
2021/2/1~4、 B2/8~10	Attended the Egmont Group's "2021 Online Working Group Meeting".
2021/2/2、B2/5	Participated in the Asia/Pacific Group on Money Laundering "Money Laundering Typologies Seminar".
2021/2/23	Visited the Anti-Money Laundering Office, Executive Yuan and held a business conference.
2021/3/10	Video conference with the Executive Secretary of the Egmont Group.
2021/3/17	Attended the "38th Coordination Meeting between the Ministry of Justice and FSC".
2021/3/26	Business conference with the Financial Examination Bureau of the Financial Supervisory Commission.
2021/3/26	Attended the Egmont Group's "2021 Asia Pacific Online Working Group Meeting".
2021/4/12	Participated in the ECOFEL online training course of the Egmont Group
2021/4/13、 B4/16	Attended the "Asia/Pacific Group on Money Laundering Review and Improvement of Deficiencies in the Third Round Mutual Evaluation".
2021/4/28	Participated in the Asia/Pacific Group on Money Laundering "DNFBPs Supervision: Regulations in the FATF's 40 Recommendations and Implementation Online Seminar".

2021/5/4	Attended the "Discussion Meeting for the Draft of the "Regulations Governing Anti-Money Laundering and Counter-Terrorism Financing for Land Administration Agents and Real Estate Brokerages"
2021/5/7	Attended the "Discussion Meeting for the Draft of the Regulations Governing Anti-Money Laundering and Countering the Financing of Terrorism for Enterprises Handling Virtual Currency Platform or Transaction".
2021/5/26	Assigned personnel to serve as lecturer in the "Global Cooperation and Training Framework (GCTF) - Workshop on Anti-Money Laundering" and discuss the risks of money laundering and case studies regarding virtual currencies.
2021/6/21~25	Participated in the 3rd online plenary meeting of the FATF's 32nd term
2021/6/28~7/8、 B7/22	Attended the Egmont Group's "2021 Online Annual Meeting" and related online meetings.
2021/7/7	Participated in the Asia/Pacific Group on Money Laundering "Online Technical Seminar on Public-Private Partnership (PPP)".
2021/7/20	Visit of the Anti-Money Laundering Office, Executive Yuan and business conference.
2021/7/27~29	Attended the Asia/Pacific Group on Money Laundering "2021 Special Plenary Meeting".
2021/8/3、B8/4	Attended the Asia/Pacific Group on Money Laundering "Online Meeting of the Donation and Technical Assistance Group".
2021/8/3	Attended the "AML Meeting" of Taiwan High Prosecutors Office.
2021/8/20	Attended the "Enhanced Information Sharing and Cooperation Meeting" of the Ministry of Justice.
2021/9/13	Held the "2021 Secondment Results Publication and Seminar".

2021/9/20	Attended the FATF - Egmont Group "Digital Transformation of AML/CFT" joint online seminar.
2021/10/1	Submitted the follow-up report for the APG Third Round Mutual Evaluation Report.
2021/10/6、 B10/12、B11/8	Attended the meeting to discuss the "Draft of the 2021 National ML/TF/PF Risk Assessment Report".
2021/10/15	Business meeting with the National Taxation Bureau of Taipei, Ministry of Finance.
2021/10/19	Attended the "39th Coordination Meeting between the Ministry of Justice and FSC".
2021/10/25	Business meeting with the Coast Guard Administration, Ocean Affairs Council.
2021/10/28、 B11/4	Organized the "2021 Communication Meeting with the Financial Institutions".
2021/10/29	Business meeting with the Agency Against Corruption, Ministry of Justice.
2021/11/9~11/11	Attended the Asia/Pacific Group on Money Laundering "Virtual ML/TF(PF) Typologies Workshop"
2021/11/18	Attended the Asia/Pacific Group on Money Laundering Special Plenary.
2021/11/25~12/3	Assigned personnel to attend the Asia/Pacific Group on Money Laundering online training program.
2021/11/29	Business meeting with the National Taxation Bureau of the Northern Area, Ministry of Finance.
2021/12/7	Organized the MJIB Virtual Asset and Currency and Money Flow Tracking Seminar.
2021/12/23	Organized the 2021 Conference on Criminal Money Flow and Anomalous Transaction Patterns.

ANTI-MONEY LAUNDERING ANNUAL REPORT, 2021

Published by: Investigation Bureau, Ministry of Justice, Republic of
China (Taiwan)

Issuer: Chun-Li Wang

Editor: Anti-Money Laundering Division, Investigation Bureau, Ministry
of Justice

Address: No.74, Zhonghua Rd., Xindian Dist., New Taipei City 23149,
Taiwan

Phone: 886-2-29112241

Website: <http://www.mjib.gov.tw/en/>

Publishing Date: November 2022



ANTI-MONEY LAUNDERING
ANNUAL REPORT, 2021
INVESTIGATION BUREAU, MINISTRY OF JUSTICE,
REPUBLIC OF CHINA (TAIWAN)



<http://www.mjib.gov.tw/mlpc>