



I. Summary

The second Plenary of the Financial Action Task Force (FATF) under the Presidency of T. Raja Kumar of Singapore was held from 22 to 24 February 2023. This Plenary decided to suspend the membership of the Russian Federation and called on all jurisdictions to respond to money laundering and terrorist financing risks.

This Plenary focused its discussion on Recommendations 24 and 25 with regard to transparency of beneficial ownership of legal persons, ransomware, global implementation of FATF standards relating to virtual assets (VA), and the risks of money laundering and terrorist financing in the art and antiquities market. In addition, this Plenary added Nigeria and South Africa to and removed Cambodia and the Kingdom of Morocco from the updated FATF list of jurisdictions under increased monitoring.

II. Focal Points: Key Issues in the Second Plenary of the FATF under the Singaporean Presidency of T. Raja Kumar

The second Plenary of the Financial Action Task Force (FATF) under the Singaporean Presidency of T. Raja Kumar took place from 22 to 24 February 2023. Delegates from

more than 200 jurisdictions of the global network participated in the Plenary at the FATF headquarters in Paris. The key issues and conclusions are as follows:

A. FATF Statement on the Russian Federation

One year after the Russian Federation's military invasion of Ukraine, the FATF reiterates its deepest sympathies for the people of Ukraine and continues to deplore the huge loss of lives and malicious destruction facing Ukraine. The Russian Federation's actions run counter to the FATF core principles aiming to promote security, safety, and integrity of the global financial system. Acknowledging the United Nations General Assembly Resolution ES-11/1,¹ the FATF is deeply concerned by the reports of arms trade between the Russian Federation and the jurisdictions sanctioned by the United Nations, as well as those of malicious cyber-activities emanating from Russia.

The Russian Federation's actions have not only run counter to the FATF core principles, but also violated the FATF members' commitment to the international cooperation and mutual respect in the implementation and support of the FATF Standards. As a consequence, the FATF decided to suspend the membership of the Russian Federation. Nonetheless, the Russian Federation remains accountable for its obligation to implement the FATF Standards. The Russian Federation is still a member of the Eurasian Group on Combating Money Laundering (EAG) and retains its rights. The FATF will monitor the situation and consider at each of its plenary meetings whether the grounds exist for lifting or modifying these restrictions.

The FATF reiterates that all jurisdictions should remain vigilant to possible threats to the security and integrity of the international financial system posed by the Russian Federation's military operations and should take necessary measures to mitigate related risks.

B. The 5th Round of FATF Mutual Evaluations

In March 2022, when the FATF approved the methodology and procedures for the 5th round of mutual evaluations, delegates agreed that the 5th round will take six years, which requires the FATF to assess seven countries each year. Since the next round of mutual evaluations will commence in 2024, FATF delegations agreed on the sequence of countries

¹ Passed on 22 March 2022, the Resolution demands that the Russian Federation immediately, completely and unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders.

to be assessed during the first year of the assessment cycle. The FATF also discussed the preparation by the FATF-Style Regional Bodies (FSRBs) for the next round of mutual evaluations.

C. Major Initiatives

1. Beneficial Ownership

(1) Beneficial Ownership of Legal Persons

In March 2022, the FATF agreed on tougher global beneficial ownership standards by requiring countries to ensure that competent authorities have access to adequate, accurate, and up-to-date information on the true owners of companies. As a result, FATF's revised Recommendation 24 requires countries to ensure that beneficial ownership information is held by a public authority or body functioning as a beneficial ownership registry, or an alternative mechanism they will use to enable efficient access. The FATF Plenary has finalized a guidance document² which will help countries implement the revised requirements of Recommendation 24, including assessing and mitigating the money laundering and terrorist financing risks associated with foreign companies to which their countries are exposed. This guidance aims to facilitate the implementation of the necessary measures so that shell companies can no longer be a safe haven for illicit proceeds with links to crime or terrorism.

(2) Beneficial Ownership of Legal Arrangements

This Plenary also agreed on the enhancements to Recommendation 25 on legal arrangements to bring its requirements broadly in line with those for Recommendation 24 on legal persons. Therefore, the FATF solicited input from relevant stakeholders through a White Paper consultation and a public consultation on proposed changes. The FATF will embark on a guidance document to help countries implement the revised requirements of Recommendation 25.

2. Disrupting the Financial Flows from Ransomware

The scale and number of ransomware attacks has increased significantly in recent years. Criminals are exploiting the latest technologies to develop increasingly powerful tools to carry out their attacks. The targets of their attacks include individuals,

² The guidance document was released on 10 March 2023.

corporations, and government agencies, which have a crippling impact on business activity and lead to disruptions of essential infrastructure and services. The criminals responsible tend to abscond with large amounts of ransom (predominantly using VA). Upon the completion of its analytic report on the methods that criminals employ to carry out their ransomware attacks and how they launder ransom payments, the FATF found that criminals often harness the virtual asset service providers (VASPs) in jurisdictions with weak or non-existent controls on anti-money laundering/combating the financing of terrorism (AML/CFT). Given the transnational nature of ransomware attacks, competent authorities in each country should build up effective international cooperation mechanisms or leverage existing ones to successfully tackle the laundering of ransomware payments. Authorities also need to develop the necessary skills and tools to quickly collect key information, trace the nearly instantaneous virtual transactions, and recover these VA before they dissipate. This means that authorities must extend their collaboration beyond their traditional counterparts to include cyber-security and data protection agencies.

This report will be published in March 2023 together with a list of risk indicators that helps public and private sector entities identify suspicious activities related to ransomware.

3. Improving Implementation of FATF standards for VA and VASPs

As the aforementioned ransomware report demonstrates, the lack of VA regulation in many countries creates exploitable opportunities for criminals and terrorist financiers. As early as October 2018, the FATF already strengthened its Recommendation 15 to address VA and VASPs, yet many countries have failed to implement these revised requirements, including the “travel rule” which requires obtaining, holding and transmitting originator and beneficiary information relating to VA transactions. This Plenary ergo agreed on a roadmap to strengthen the implementation of FATF Standards on VA and VASPs. In the first half of 2024, the FATF will report on the steps that FATF members and FSRB countries have taken to regulate and supervise VA transactions and VASPs.

4. Money Laundering and Terrorist Financing in the Art and Antiquities Markets

The FATF finalized a report³ that explores the link between money laundering and art and antiquities. The report identified that the trade in high value works of art

³ The report was released on 27 February 2023, full text available on FATF’s official website (<https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Fatfgeneral/learning-development-forum-asset-targeting-recovery.html>).

and antiquities can attract criminals who seek to exploit the sector's history of privacy and the use of third-party intermediaries to launder the proceeds from drug trafficking, corruption, and other crimes. Besides, this report explores how terrorist groups use cultural objects from areas where they are active to finance their operations. Many jurisdictions do not have sufficient awareness and understanding of the risks associated with these markets, which results in a lack of investigative resources and expertise, as well as difficulties with cross-border investigations. This report not only includes a list of risk indicators that can help public and private sector entities identify suspicious activities in the art and antiquities markets, but also highlights the importance of rapidly identifying and tracing cultural objects involved in money laundering or terrorist financing. The report also includes some successful practices that countries have taken to address the challenges they face, including the establishment of specialized units, relevant databases, and cooperation with experts and archaeologists to help identify and investigate suspicious activities.

5. FATF Vice Presidency (2023-2025)

This Plenary selected Mr. Jeremy Weil, currently Head of the Canadian delegation to the FATF, to be the next FATF Vice President. Mr Weil will succeed Ms. Elisa de Anda Madrazo from Mexico, and will hold this position for two years from 1 July 2023.

D. The Announcement of High-Risk Jurisdictions

This plenary issued a list of high-risk jurisdictions subject to a call for action and a list of jurisdictions under increased monitoring:

1. High-Risk Jurisdictions subject to a call for action (i.e. “countries or territories where major flaws are detected in its money laundering prevention and counter-terrorism financing efforts” stipulated in the Money Laundering Control Act):
 - (1) The jurisdictions having significant deficiencies in AML/CFT against which the FATF calls on its members to adopt countermeasures according to Recommendation 19: North Korea and Iran.
 - (2) The jurisdictions having several deficiencies in AML/CFT, into which the FATF calls on its members to employ appropriate and enhanced due diligence investigations: Myanmar.
2. The jurisdictions that shall be placed under increased monitoring (i.e. “countries or territories where advice of international anti-money laundering organizations are not

followed or not fully followed” stipulated in the Money Laundering Control Act):⁴ Albania, Barbados, Burkina Faso, Cayman Islands, Democratic Republic of the Congo, Gibraltar, Haiti, Jamaica, Jordan, Mali, Mozambique, Nigeria (newly added), Panama, the Philippines, Senegal, South Africa (newly added), South Sudan, Syria, Tanzania, Turkey, Uganda, United Arab Emirates, and Yemen.

III. AMLD Classroom

◆ FATF-Style Regional Bodies (FSRBs)

The FATF is in charge of establishing international AML/CFT standards. It conducts mutual evaluations of FATF and FSRBs members to assess the members' technical compliance with FATF's 40 Recommendations and their implementation effectiveness.

There are currently nine FSRBs around the world, including:

1. Asia/Pacific Group on Money Laundering (APG): Sydney, Australia
2. Caribbean Financial Action Task Force (CFATF): Port of Spain, Trinidad and Tobago
3. Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG): Moscow, Russia
4. Eastern & Southern Africa Anti-Money Laundering Group (ESAAMLG): Dar es Salaam, Tanzania
5. Central Africa Anti-Money Laundering Group (GABAC): Libreville, Gabon
6. Financial Action Task Force of Latin America (GAFILAT): Buenos Aires, Argentina
7. Inter-Governmental Action Group against Money Laundering in West Africa (GIABA): Dakar, Senegal
8. Middle East and North Africa Financial Action Task Force (MENAFATF): Manama, Bahrain
9. Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL): Strasbourg, France

The nine FSRBs are intended to facilitate effective implementation of FATF's 40 Recommendations among their members. They also play an important role in providing expertise for FATF decision-making. A global network of over 200 jurisdictions from FATF members and FSRB countries is committed to comply with FATF's 40 Recommendations.

⁴ Cambodia and the Kingdom of Morocco were removed from the list of jurisdictions that shall be placed under increased monitoring.

IV. AMLD Statistics

A. Statistics of Suspicious Transaction Reports (STRs)⁵

(a) There were 4,486 STRs in total from 1 November to 31 December 2022.

Reporting Entities	Number of STRs 2022.11.1 ~ 12.31	Reporting Entities	Number of STRs 2022.11.1 ~ 12.31
Domestic banks	3,570	Securities investment trust enterprises	6
Foreign banks, including banks from China	3	Securities finance enterprises	0
Trust investment companies	0	Securities investment consulting enterprises	0
Credit cooperatives	94	Centralized securities depository enterprises	12
Credit department of national farmers' associations	119	Futures commission merchants	13
Credit department of national fishermen's associations	6	Designated non-financial businesses and professions	19
Postal remittances and savings	297	Electronic payment and electronic stored value card issuers	28
Bills finance companies	0	Foreign currency collection/exchange agencies	0
Credit card companies	9	Fintech innovative experimentation businesses	0
Insurance companies	255	Finance leasing companies	0
Securities firms	18	Enterprises handling virtual currency platform or transaction	37

⁵ The AMLD checks the statistics of STRs with the reporting entities every six months. The data in the tables include those to be checked, which may be a little bit different from those in the AMLD's Annual Reports. In case of any discrepancy between the two versions, the AMLD's Annual Reports shall prevail.

(a) There were 3,821 STRs in total from 1 January to 28 February 2023.

Reporting Entities	Number of STRs 2023.1.1 ~ 2.28	Reporting Entities	Number of STRs 2023.1.1 ~ 2.28
Domestic banks	3,073	Securities investment trust enterprises	0
Foreign banks, including banks from China	1	Securities finance enterprises	0
Trust investment companies	0	Securities investment consulting enterprises	0
Credit cooperatives	65	Centralized securities depository enterprises	1
Credit department of national farmers' associations	60	Futures commission merchants	9
Credit department of national fishermen's associations	4	Designated non-financial businesses and professions	23
Postal remittances and savings	192	Electronic payment and electronic stored value card issuers	37
Bills finance companies	0	Foreign currency collection/exchange agencies	1
Credit card companies	12	Fintech innovative experimentation businesses	21
Insurance companies	253	Finance leasing companies	1
Securities firms	35	Enterprises handling virtual currency platform or transaction	33

(b) The Number of STRs from Designated Non-Financial Businesses or Professions

Statistics of STRs from Designated Non-Financial Businesses and Professions	
Businesses and Professions	2022.11.1 ~ 12.31
Public Certified Accountants	15
Certified public bookkeepers, and bookkeeping and tax return filing agents	3
Jewelry stores/business	0
Notaries	1
Attorneys	0
Land administration agents	0
Real estate agencies	0
Third-Party Payment Enterprises	—
Total	19

Statistics of STRs from Designated Non-Financial Businesses and Professions	
Businesses and Professions	2023.1.1 ~ 2.28
Public Certified Accountants	3
Certified public bookkeepers, and bookkeeping and tax return filing agents	0
Jewelry stores/business	0
Notaries	3
Attorneys	0
Land administration agents	17
Real estate agencies	0
Third-Party Payment Enterprises	0
Total	23

B. The International Currency Transportation Report (ICTR) Notified by Customs

Statistics of ICTR Notified by Customs, 2022.11.1 ~ 12.31			
Customs	Delivered items (incl. other similar methods)		Passengers (incl. crew members)
Taipei	Outbound	13,073	1,920
	Inbound	53,348	
Keelung	Outbound	25	13
	Inbound	303	
Kaohsiung	Outbound	53	293
	Inbound	168	
Taichung	Outbound	37	26
	Inbound	7	

Statistics of ICTR Notified by Customs, 2023.1.1 ~ 2.28			
Customs	Delivered items (incl. other similar methods)		Passengers (incl. crew members)
Taipei	Outbound	7,880	3,336
	Inbound	50,579	
Keelung	Outbound	28	20
	Inbound	264	
Kaohsiung	Outbound	38	495
	Inbound	104	
Taichung	Outbound	2	14
	Inbound	6	

C. Statistics of Currency Transaction Report (CTR)⁶

Statistics of CTRs	
Reporting Entities	2022.11.1 ~ 12.31
Domestic banks	435,398
Foreign banks, including banks from China	850
Credit cooperatives	19,893
Credit departments of farmers' & fishermen's associations	45,128
Postal remittances and savings	51,432
Insurance companies	689
Jewelry stores	52
Securities investment trust and consulting enterprises	0
Electronic payment and electronic stored value cards issuers	0
Finance leasing companies	0
Virtual currency transaction	45
Designated Non-Financial Businesses or Professions	122
Total	553,609

⁶ In case of any discrepancy in data between the table and the AMLD's Annual Reports, those in the latter shall prevail.

Statistics of CTRs	
Reporting Entities	2023.1.1 ~ 2.28
Domestic banks	478,243
Foreign banks, including banks from China	1,036
Credit cooperatives	22,774
Credit departments of farmers' & fishermen's associations	50,626
Postal remittances and savings	48,726
Insurance companies	672
Jewelry stores	47
Securities investment trust and consulting enterprises	0
Electronic payment and electronic stored value cards issuers	0
Finance leasing companies	0
Virtual currency transaction	151
Designated Non-Financial Businesses or Professions	83
Total	602,358

D. Statistics of International Intelligence Exchange

Statistics of International Intelligence Exchange, 2022.11.1 ~ 12.31		
Types	Cases	Number of Reports
Requests from Overseas	14	38
Requests to Overseas	10	32
Spontaneous Exchanges from Overseas	5	11
Spontaneous Exchanges to Overseas	0	1
Questionnaires and Other Matters	0	63
Total	29	145

Statistics of International Intelligence Exchange, 2023.1.1 ~ 2.28		
Types	Cases	Number of Reports
Requests from Overseas	8	25
Requests to Overseas	11	38
Spontaneous Exchanges from Overseas	7	13
Spontaneous Exchanges to Overseas	0	0
Questionnaires and Other Matters	0	65
Total	26	141

V. Events and Activities

◆ The AMLD participated in the 2023 Egmont Group Working and Regional Group Meetings in Senegal

The 2023 Egmont Group (EG) Working and Regional Group Meetings took place from 30 January to 3 February 2023 in Dakar, the capital of Senegal. The meeting saw a total of around 300 participants, including the FIU heads and staff from 92 countries, and the personnel from 12 observer organizations such as the INTERPOL and the WCO. The AMLD Director Lan Chia-Jui and special agent Chen Yen-Chun participated in the meeting on behalf of Taiwan (R.O.C.). They had positive interactions with the FIU staff from different countries, and discussed issues concerning organization structure, staffing structure, and crime patterns, so as to expand the network of their work. They also learned about the emerging patterns of money laundering and the updated international standards on AML/CFT by attending working group meetings.



A group photo of the AMLD Director Lan Chia-Jui, the EG Chair Ms. Xolisile, and the EG Secretary-General Mr. Beaumont

◆ The Ministry of Justice, the Anti-money Laundering Office of the Executive Yuan, and the Investigation Bureau jointly held the “Virtual Assets Supervision and Law Enforcement Workshop.”

To inform Taiwan's public and private sectors about the risks of money laundering and terrorist financing through VA and VASPs, as well as about the updated FATF Recommendation on beneficial ownership, the Ministry of Justice, the Anti-money Laundering Office of the Executive Yuan, and the Investigation Bureau jointly held the “Virtual Assets Supervision and Law Enforcement Workshop” on 13 March 2023. Dr. Gordon Hook, the Secretary-General of APG, was invited to deliver two keynote speeches on VA and beneficial ownership, which not only helped Taiwan's private and public sectors advance their understanding of the revised international standards in this regard, but also served as a reference for future implementation of corresponding measures.

This workshop attracted more than 150 participants from Ministry of Justice, Financial Supervisory Commission, Anti-money Laundering Office of the Executive Yuan, Investigation Bureau, VASPs, third-party payment enterprises, and representatives of designated non-financial businesses and professions from associated guilds.



A group photo of government officials and APG Secretary-General Dr. Gordon Hook at the Virtual Assets Supervision and Law Enforcement Workshop

◆ Coordination meeting between the AMLD and the National Taxation Bureau of the Northern Area, Ministry of Finance

Director of Investigation Office Chang Sheng-Hsiung and Director of Sales Tax Division Wu Hai-Yen and their colleagues from the National Taxation Bureau of the Northern Area, Ministry of Finance visited the AMLD on 16 March 2023 to exchange views about recent tax regulations and cases and to communicate respective needs for future cooperation. As the FIU of Taiwan, the AMLD is devoted to supporting the practical needs that law enforcement and taxation authorities express, thereby enhancing the effective use of financial intelligence. The AMLD expects continual collaboration with the taxation authorities to prevent tax crimes in a joint fashion.



A group photo of the AMLD director Lan Chia-Jui, Director of Investigation Office Chang Sheng-Hsiung and Director of Sales Tax Division Wu Hai-Yen from the National Taxation Bureau of the Northern Area, Ministry of Finance

VI. Regulations

1. The Ministry of Digital Affairs amended Article 3 of the Regulations Governing the Implementation and Report of Anti-Money Laundering and Combating the Financing of Terrorism for Third-Party Payment Enterprises (Order: Shu-Shou-Chan-Jing Zi No. 1124000074, dated 24 February 2023). According to this amendment, the Ministry of Digital Affairs is substituted for the Ministry of Economic Affairs as the competent authority supervising the third-party payment enterprises. For details, please refer to: <https://www.mjib.gov.tw/EditPage/?PageID=e834cf2f-15cd-4b3b-91f4-33e2ce0cc886>. Besides, the report form of suspicious transactions for third-party payment enterprises is updated and available on the AMLD website: <https://www.mjib.gov.tw/EditPage/?PageID=8bda0b1c-fe1f-41dd-becc-1be85b6d507d>.



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