



I. Summary

The fifth Plenary of the Financial Action Task Force (FATF) was held from 21 to 23 February 2024 at the FATF headquarters in Paris, France. The delegates not only discussed the issues concerning money laundering, terrorist financing, and proliferation financing, but also made a statement on the Russian Federation, deciding to continue the suspension of its membership and call upon all jurisdictions to stay vigilant against the threats to the global financial system.

Among the key outcomes of the Plenary is a new risk-based guidance for the implementation of Recommendation 25 on the beneficial ownership and transparency of legal arrangements. The Plenary also agreed to release for public consultation a range of options of potential changes to Recommendation 16 and its Interpretive Note on wire transfers. In preparation for the next round of mutual evaluations, the Plenary undertook modifications to its assessment methodology to protect non-profit organizations (NPOs) from potential abuse for terrorist financing. Furthermore, the FATF identified jurisdictions with materially important virtual asset activity, so as to support them in implementing the FATF's requirements to supervise and regulate this activity.

In addition, the FATF included Kenya and Namibia and removed Barbados, Gibraltar, Uganda, and United Arab Emirates from the list of high-risk jurisdictions subject to increased monitoring. Finally, the Plenary agreed on the appointment of Ms. Elisa de Anda Madrazo as the new President of the FATF from 2024 to 2026.

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

The FATF fifth Plenary took place from 21 to 23 February 2024. Delegates from more than 200 jurisdictions and international organizations gathered and discussed vital issues at the FATF headquarters in Paris. The key issues and conclusions are as follows:

A. Major Initiatives

1. Setting the Strategic Priorities for 2024-2026

In preparation for the next biennium (2024-2026), delegates discussed the key mandates of the FATF—prevent criminals, the corrupt, and terrorists from abusing the international financial system and strengthen the foundations for sustainable and more inclusive economic development. The FATF’s strategic priorities will be presented to FATF Ministers at the upcoming FATF Ministerial Meeting in April.

2. Increasing Beneficial Ownership Transparency Globally

FATF Risk-Based Guidance - Recommendation 25 on Beneficial Ownership and Transparency of Legal Arrangements

Following the February 2023 revisions to FATF Recommendation 25 on beneficial ownership and transparency of legal arrangements, the FATF has updated its guidance for this Recommendation. The guidance complements the existing guidance on Recommendation 24 on legal persons, aiming to help stakeholders from the public and private sectors that are involved in trusts or similar legal arrangements to assess and mitigate money laundering and terrorist financing risks.

The finalized guidance¹ reflects the input from public consultations on the draft guidance passed at the October Plenary in 2023. The FATF extensively engaged with the private sector and other stakeholders on this initiative. The updated guidance is aimed at improving transparency of beneficial ownership globally. FATF’s

¹ The guidance was issued on 11 March 2024.

strengthened standards and guidance in this area will help identify the lawbreakers who hide or launder their criminal property or activities in shell companies or other complex structures (e.g., trusts or other legal arrangements). The FATF will assess countries' implementation of these requirements during its upcoming round of mutual evaluations.

3. Leveraging Digital Transformation: Virtual Assets

Many jurisdictions have yet to fully implement the FATF's revised Recommendation 15. Given the inherently borderless nature of virtual asset activity, this lack of implementation leaves significant loopholes globally for criminals and terrorists to exploit.

In February 2023, the FATF Plenary agreed on a roadmap to strengthen implementation of the FATF Standards on virtual assets and virtual asset service providers (VASPs). The FATF conducted stocktaking of current levels of implementation across the global network. The Plenary agreed to publish an overview of the steps that FATF and FSRB member jurisdictions with the most materially important virtual asset activity (based on trading volume and user base) have taken to regulate and supervise VASPs. This practice is intended to enable the FATF network to support these jurisdictions in regulating and supervising VASPs for the purposes of anti-money laundering (AML) and counter-terrorist financing (CFT) and to encourage jurisdictions to fully implement Recommendation 15.

4. Payment Transparency

The FATF has worked on amendments to Recommendation 16 to respond to the rapid development of cross-border payment systems and the changes in industry standards (particularly ISO20022). These amendments aim to help make cross-border payments faster, cheaper, more transparent, and more inclusive whilst ensuring that FATF Recommendation 16 remains technology-neutral. The Plenary agreed to release the proposed amendments for public consultation.

5. Protecting Non-Profit Organizations from abuse for Terrorist Financing

At its October 2023 Plenary, the FATF agreed on amendments to Recommendation

8 that aim to protect NPOs from potential terrorist financing abuse through the effective implementation of risk-based measures. Based on the amendments to Recommendation 8, the FATF updated its best practices to help jurisdictions, the non-profit sector, and financial institutions understand how best to protect relevant NPOs from abuse for terrorist financing without unduly disrupting or discouraging legitimate NPO activities.

The FATF has now agreed on changes to its assessment methodology for the next round of mutual evaluations, which clarifies the existing obligations to apply risk-based measures to protect NPOs that are most vulnerable to potential terrorist financing abuse and to prevent the unintended consequences of the incorrect application of the FATF's requirements.

6. FATF Presidency 2024-2026

The Plenary decided to appoint Ms. Elisa de Anda Madrazo of Mexico as the next President of the FATF for a fixed two-year term. Ms. de Anda Madrazo, who was FATF Vice President from 1 July 2020 to 30 June 2023, will take up duties on 1 July 2024.

B. The FATF's Statement on the Russian Federation

Two years after the Russian Federation's unprovoked war against Ukraine, FATF members note with concern the potential risks to the international financial system, including growing financial connectivity of Russia with jurisdictions subject to FATF countermeasures, risks of proliferation financing, and malicious cyber activities and ransomware attacks. Due to the gravity of these risks, many FATF members are taking proactive measures to protect themselves and the global financial system. The FATF calls upon all jurisdictions to continue to remain vigilant against the above-mentioned risks and keep monitoring the situation and the risks posed to the global financial system. As a suspended member of the FATF, the Russian Federation remains accountable for its obligation to implement the FATF Standards.

C. The Announcement of High-Risk Jurisdictions

This plenary issued a list of high-risk jurisdictions requiring increased monitoring:

1. High-Risk Jurisdictions subject to a call for action (i.e. “countries or regions 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 regions where advice of international anti-money laundering organizations are not followed or not fully followed” stipulated in the Money Laundering Control Act)²: Bulgaria, Burkina Faso, Cameroon, the Democratic Republic of the Congo, Croatia, Haiti, Jamaica, Kenya (newly added), Mali, Mozambique, Namibia (newly added), Nigeria, the Philippines, Senegal, South Africa, South Sudan, Syria, Tanzania, Turkey, Vietnam, and Yemen.

² Barbados, Gibraltar, Uganda, and United Arab Emirates were removed from the list of jurisdictions that shall be placed under increased monitoring.

III. AMLD Classroom

◆ The Asia/Pacific Group on Money Laundering (APG)

The APG was founded in 1997, and its Secretariat was established in Sydney, Australia. The APG is one of the 9 FATF-Style Regional Bodies. It comprises 42 members, 8 observer jurisdictions, and 32 observer organizations. The APG's objective is to help its members follow and implement the international standards against money laundering, terrorist financing, and proliferation financing. Its primary functions include:

1. Mutual Evaluations

The APG assesses the levels of compliance by its member jurisdictions with the global AML/CFT standards through a mutual evaluation program.

2. Technical Assistance and Training

The APG Secretariat coordinates bilateral and donor-agency technical assistance and training in the Asia/Pacific region for its member jurisdictions in order to improve compliance with the global standards.

3. Typologies Research

The APG conducts research and analysis into money laundering and terrorist financing methods and trends, aiming to assist policymakers, lawmakers, as well as law enforcement agencies and the general public to identify and respond to new and emerging trends, methods, risks, and vulnerabilities.

4. Global Engagement

The APG actively engages in international AML/CFT policy development and maintains close cooperation with other FSRBs. The APG also participates in a number of FATF working groups and in its plenary meetings.

5. Private Sector Engagement

The APG actively cooperates with financial and non-financial institutions, NPOs, and academic institutions in the Asia-Pacific to better inform the general public and specialists about global issues relating to money laundering, terrorist financing, and proliferation financing.

Taiwan is a founding member of the APG. In 2001, Taiwan underwent the APG's first-round mutual evaluations and the results were favorable. In the second-round evaluations of 2007, Taiwan was rated as regular follow-up. In 2011, Taiwan was rated as enhanced follow-up for its poor performance. After several modifications, Taiwan was rated as regular follow-up again in 2014. The APG started its third-round evaluations in 2015. Taiwan had undergone the third-round evaluations since November 2018 and was rated as regular follow-up in August 2019 at the APG Plenary, which was the best performance among the Asia-Pacific member jurisdictions. Taiwan is about to undergo the APG's fourth-round mutual evaluations during 2029 and 2030.

IV. AMLD Statistics

A. Statistics of Suspicious Transaction Reports (STRs)³

(a) From All Financial Institutions and Designated Non-financial Businesses or Professions

Statistics of STRs, 2023.12.1 ~ 12.31			
Reporting Entities	Numbers of STRs	Reporting Entities	Numbers of STRs
Domestic Banks	2,124	Securities investment trust enterprises	0
Foreign banks, including banks from mainland China	0	Securities finance enterprises	1
Trust and investment corporations	0	Securities investment consulting enterprises	0
Credit cooperative associations	63	Centralized securities depository enterprises	10
Credit department of farmers' associations	64	Futures commission merchants	3
Credit department of fishermen's associations	8	Designated non-financial businesses or professions	33
Postal institutions	202	Electronic payment and electronic stored value card issuers	6
Bills finance companies	0	Foreign currency collection/exchange agencies	23
Credit card companies	24	Foreign Worker's Remittance Enterprises	2
Insurance companies	151	Finance leasing companies	0
Securities companies	26	Virtual Asset Service Providers	38
Total	2,778		

³ 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 maybe a little bit different from those in the AMLD's Annual Reports. In case of any discrepancies between the two versions, the AMLD's Annual Reports shall prevail.

Statistics of STR, 2024.1.1 ~ 2.29			
Reporting Entities	Numbers of STRs	Reporting Entities	Numbers of STRs
Domestic Banks	3,801	Securities investment trust enterprises	2
Foreign banks, including banks from mainland China	2	Securities finance enterprises	0
Trust and investment corporations	0	Securities investment consulting enterprises	1
Credit cooperative associations	66	Centralized securities depository enterprises	5
Credit department of farmers' associations	93	Futures commission merchants	6
Credit department of fishermen's associations	8	Designated non-financial businesses or professions	57
Postal institutions	258	Electronic payment and electronic stored value card issuers	26
Bills finance companies	0	Foreign currency collection/exchange agencies	64
Credit card companies	34	Foreign Worker's Remittance Enterprises	7
Insurance companies	230	Finance leasing companies	1
Securities companies	42	Virtual Asset Service Providers	80
Total	4,784		

(b) From Designated Non-Financial Businesses or Professions

Statistics of STRs from Designated Non-Financial Businesses or Professions, 2023.12.1 ~ 12.31	
Business	Numbers of STRs
Certified Public Accountants	9
Certified public bookkeepers, and bookkeeping and tax return filing agents	1
Jewelry business	0
Notaries	4
Lawyers	0
Land administration agents	0
Real estate agencies	0
Third-Party Payment enterprises	19
Total	33

Statistics of STRs from Designated Non-Financial Businesses or Professions, 2024.1.1 ~ 2.29	
Business	Numbers of STRs
Certified Public Accountants	4
Certified public bookkeepers, and bookkeeping and tax return filing agents	0
Jewelry business	0
Notaries	1
Lawyers	1
Land administration agents	0
Real estate agencies	0
Third-Party Payment enterprises	51
Total	57

B. Statistics of Currency Transaction Report (CTR)⁴

Statistics of CTRs, 2023.12.1 ~ 12.31	
Reporting Entities	Numbers of STRs
Domestic banks	222,307
Foreign banks, including banks from mainland China	19
Credit cooperative associations	9,987
Credit departments of farmers' & fishermen's associations	22,105
Postal institutions	26,048
Insurance companies	304
Jewelry business	17
Securities investment trust and consulting enterprises	1
Electronic payment and electronic stored value cards issues	0
Finance leasing companies	0
Virtual currency transaction	611
Designated Non-Financial Businesses or Professions	72
Total	281,471

Statistics of CTRs, 2024.1.1 ~ 2.29	
Reporting Entities	Numbers of STRs
Domestic banks	534,266
Foreign banks, including banks from mainland China	62
Credit cooperative associations	24,865
Credit departments of farmers' & fishermen's associations	55,666
Postal institutions	54,026
Insurance companies	585
Jewelry business	31
Securities investment trust and consulting enterprises	3
Electronic payment and electronic stored value cards issues	0
Finance leasing companies	0
Virtual currency transaction	357
Designated Non-Financial Businesses or Professions	104
Total	669,965

⁴ In case of any discrepancies in data between the table and the AMLD's Annual Reports, those in the latter shall prevail.

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

Statistics of ICTR Notified by Customs, 2023.12.1 ~ 12.31			
Customs	Delivered items (incl. other similar methods)		Passengers (incl. crew members)
	Outbound/ Inbound	Numbers	Numbers
Taipei	Outbound	7,510	2,546
	Inbound	20,476	
Keelung	Outbound	96	2
	Inbound	232	
Kaohsiung	Outbound	22	517
	Inbound	132	
Taichung	Outbound	1	24
	Inbound	2	

Statistics of ICTR Notified by Customs, 2024.1.1 ~ 2.29			
Customs	Delivered items (incl. other similar methods)		Passengers (incl. crew members)
	Outbound/ Inbound	Numbers	Numbers
Taipei	Outbound	12,516	5,939
	Inbound	45,687	
Keelung	Outbound	73	3
	Inbound	208	
Kaohsiung	Outbound	20	1,059
	Inbound	201	
Taichung	Outbound	2	40
	Inbound	6	

D. Statistics of International Intelligence Exchange

Statistics of International Intelligence Exchange , 2023.12.1 ~ 12.31		
Types	Cases	Number of Reports
Requests from Overseas	7	16
Requests to Overseas	7	16
Spontaneous Exchanges from Overseas	1	1
Spontaneous Exchanges to Overseas	0	0
Questionnaires and Other Matters	0	29
Total	15	62

Statistics of International Intelligence Exchange , 2024.1.1 ~ 2.29		
Types	Cases	Number of Reports
Requests from Overseas	4	24
Requests to Overseas	14	33
Spontaneous Exchanges from Overseas	8	15
Spontaneous Exchanges to Overseas	1	2
Questionnaires and Other Matters	0	74
Total	27	148

V. Events and Activities

◆ The AMLD participated in the Egmont Group Working and Regional Groups Meetings in Malta

The 30th Working and Regional Groups Meetings of the Egmont Group of Financial Intelligence Units (EG) was held from 29 January to 2 February 2024 in Saint Julian's, Malta. It gathered about 400 delegates from the financial intelligence units (FIUs) of 128 jurisdictions and 17 observer organizations (e.g., Interpol, WCO, and FATF). The AMLD's director Wu Yueh-Ping and special agent Chen Yen-Jun attended the meetings where they had positive interactions with personnel of several FIUs and international organizations, which effectively expanded the professional network and yielded fruitful results.

During the meetings, the AMLD's delegates had a talk with Mr. Jérôme Beaumont (EG's Executive Secretary) and Parviz Bakhshaliyev (Acting Project Manager of ECOFEL). They both appreciated the AMLD's consistent participation in EG-related affairs and praised the excellent performance of the three AMLD crews who have been seconded to the Secretariat and well recognized by the staff of the Secretariat. The professionalism and attitude of the AMLD was ergo highly affirmed. Besides, the AMLD held the "Global Asset Recovery Conference" on 16 and 17 November 2023 in Taiwan. EG's Executive Secretary, Acting Chairperson, and several FIU crews who attended the conference also expressed their gratitude to the AMLD for passionately and professionally organizing the conference. Their speeches bolstered not only Taiwan's public image but also our country's worldwide reputation in the AML/CFT field.

During the meetings, the AMLD and the Financial Reporting Authority of the Cayman Islands (FRA/CAYFIN) signed a memorandum of understanding (MOU) concerning cooperation in the exchange of financial intelligence on money laundering, associated predicate crimes, and terrorist financing. Both parties believed that the MOU is of substantial significance for them to jointly combat transnational money laundering, major crimes, and terrorist financing in the future. The AMLD also proactively approached their counterparts from other jurisdictions, trying to promote the signature of MOUs and express Taiwan's willingness to deepen bilateral or multilateral law enforcement and financial intelligence

cooperation. Moreover, our delegates actively approached the FIU crews with similar ideas from Japan, South Korea, Malaysia, Thailand, and the United States, seizing the opportunity to have in-depth discussions on issues including the membership status of each country, the organizational structure of FIUs in the Asia-Pacific region, and the latest criminal trends and patterns. Our delegates also made friendly contact with their FIU counterparts from neighboring countries in the Asia-Pacific region.

In sum, the AMLD's delegates seized the opportunity of participating in EG's Working and Regional Groups Meetings to discuss the signature of MOUs and transnational cooperation plans, build up contacts and friendships, broaden their horizons, and substantively assist with law enforcement diplomacy, which was nothing if not fruitful.



A group photo of AMLD's director Wu Yue-Ping and EG's executive secretary Mr. Jérôme Beaumont



The signature of MOU by AMLD's director Wu Yue-Ping and the head of CAYFIN Mr. R. J. Berry

VI. Regulations

1. On 21 December 2023, the Financial Supervisory Commission promulgated the documents, information, and procedures under Article 17, Paragraph 1 of the “Regulations Governing Anti-Money Laundering and Countering the Financing of Terrorism for Enterprises Handling Virtual Currency Platform or Transaction” (Order: Jin-Guan-Zheng-Quan-Zi No. 1120385668), which came into force from 1 February 2024. For details, please visit the official website of the AMLD:

<https://www.mjib.gov.tw/EditPage/?PageID=e3dc5929-91bb-4cbf-a66c-0ee7069ea12c>

2. On 22 January 2024, the Ministry of Digital Affairs amended Articles 5, 5-1, and 16 of the “Regulations Governing Anti-Money Laundering and Countering the Financing of Terrorism for the Third-Party Payment Enterprises” (Document: Shu-Shou-Chan-Jing-Zi No. 1134000041). In order to improve the developmental environment of the third-party payment industry in Taiwan and assist this industry in fulfilling its AML obligations, the Ministry of Digital Affairs designated that third-party payment enterprises shall complete

the registration of their service energy in accordance with the documents, information, and procedures specified by the Ministry of Digital Development. For full text, please visit the official website of the AMLD:

<https://www.mjib.gov.tw/EditPage/?PageID=e834cf2f-15cd-4b3b-91f4-33e2ce0cc886>

3. On 29 February 2024, the Ministry of Justice, the Financial Supervisory Commission, and the Ministry of Digital Affairs promulgated the “Regulations on Suspension, Functional Restriction, or Immediate Closure of Accounts under Paragraph 6 of Article 15-2 of Money Laundering Control Act,” stipulating that financial institutions, virtual currency platforms, and third-party payment enterprises may, within a certain period of time, suspend or restrict all or part of the functions of the account, or directly close the account, of the person reprimanded by the authorities for delivering or making available to another party, the account information that the person or others filed with a financial institution, a businesses handling virtual currency platforms or transactions, or a third-party payment enterprise. The regulations came into force from 1 March 2024. For full text, please visit the official website of the AMLD:

<https://www.mjib.gov.tw/EditPage/?PageID=e834cf2f-15cd-4b3b-91f4-33e2ce0cc886>



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