



I. Summary

The 6th Plenary of the Financial Action Task Force on Money Laundering (FATF) was held from 1 to 4 March 2022. This plenary specifically reminded the FATF members about the possible risks of money laundering and terrorist financing derived from Russia's invasion of Ukraine and suggested the members to make requisite responses to relevant risks. Besides, the plenary discussed the amendment to Recommendation 24 on the transparency of beneficial ownership, the report on the money laundering and terrorist financing risks of migrant smuggling, the draft guidance for public consultation on the real estate sector's implementation of risk-based anti-money laundering measures, and the research findings about the unintended consequences of the FATF Recommendations. Moreover, the plenary took the formal decision to appoint the next FATF president and announced the inclusion of the United Arab Emirates as a new jurisdiction subject to increased monitoring.

From November 2021 onwards, the competent authorities for financial institutions and designated non-financial businesses and professions have continuously updated relevant regulations on anti-money laundering and combating the financing of terrorism (AML/CFT), practical Q&A for reporting entities, and amended money laundering/terrorist financing monitoring indicators. Please refer to Section VI for updates of related laws and regulations.

II. Focal Points: Key Issues in the 6th Plenary of the FATF under the German Presidency of Dr. Marcus Pleyer

This plenary was held from 1 to 4 March 2022. Taking place in a hybrid form, it allowed the delegates who could travel to meet in person, while the other delegations attended the plenary online. The key issues and conclusions were as follows:

A. FATF Public Statement on the Situation in Ukraine

The FATF members are seriously concerned for the current emergency situation occurring in Ukraine. The FATF also issued its statement, reiterating the principles of international cooperation, dialogue and mutual respect among countries. In light of Russia's military invasion of Ukraine, the FATF expresses its grave concern about the invasion's impact on the money laundering, terrorist financing and proliferation financing risk environment, as well as the integrity of the financial system. The actions of the Government of the Russian Federation run counter to the FATF core principles and represent a gross violation of the FATF Standards. The FATF is reviewing Russia's role at the FATF and will consider necessary future steps to uphold these core values. Besides, the FATF calls on all members to assess the money laundering and terrorist financing risks resulting from Russia's invasion of Ukraine and adopt appropriate risk mitigating measures. The FATF further reminds all members that they should carefully monitor the possibility of any actors with hidden agenda circumventing risk mitigating measures. The FATF also calls on all members' competent authorities to provide advice and facilitate information sharing with their private sectors on assessing and mitigating any emerging money laundering and terrorist financing risks identified.

B. Strategic Review

Beginning in 2019, the FATF strategic review aims to streamline the FATF's processes to make the next round of mutual evaluations more targeted, timely and

effective. It has finalized and approved the “FATF Methodology” and the “FATF Procedures” for the fifth-round mutual evaluations on assessing the effectiveness of countries’ actions to combat money laundering and the financing of terrorism and proliferation.

The fifth-round mutual evaluations will focus on risk and context to ensure that countries prioritize their efforts in areas where the risks are highest, and pay extra attention to designated non-financial businesses and professions. The next cycle of mutual evaluations will be significantly shorter, with a streamlined and strengthened follow-up process that focuses primarily on improving effectiveness and ensuring that countries which do not take effective actions are held accountable.

C. Major Initiatives

1. New Beneficial Ownership Rules to Tackle Money Laundering

Anonymous shell companies and other businesses enable organized criminal gangs, the corrupt, and sanctions evaders to launder their dirty money, which is why the FATF has agreed on tougher global beneficial ownership rules to stop criminals from hiding their illicit activities and dirty money behind secret corporate structures. In order to improve the standards of beneficial ownership and information transparency, the FATF held two rounds of public consultations, took the opinions of the public and affected stakeholders into consideration, and refined the text of the amendments accordingly in the course of revising Recommendation 24 and its Interpretive Note.

The new amendments to Recommendation 24 and its Interpretive Note require the members to ensure that their competent authorities can acquire adequate and updated beneficial ownership information, and that beneficial ownership information is held by a public authority or an alternative mechanism as efficient. Besides, the competent authorities should be able to rapidly and efficiently access beneficial ownership information. Authorities will have to assess and mitigate the money laundering and terrorist financing risks associated with foreign companies, to which their countries are exposed. The FATF has also agreed to ban new bearer shares and to strengthen

disclosure requirements for existing bearer shares and for nominee arrangements, which will stop these being used to hide money laundering.

2. Money Laundering and Terrorist Financing Risks Arising from Migrant Smuggling

Every year, millions of migrants seek to escape regional conflict, political instability, persecution and poverty in search of a better future. Migrant smugglers see them as an opportunity to make financial gains. The proceeds generated by migrant smuggling are estimated to exceed 10 billion USD per year.

The FATF completed the research report on the money laundering and terrorist financing risks associated with migrant smuggling (the report will be published on 22 March). The report notes that while this criminal business has expanded, many countries do not consider it a high-risk crime for money laundering and the associated financial flows are rarely investigated. The report identifies the most common methods to transfer and launder the proceeds of migrant smuggling, including hawala, integration of proceeds into legitimate business such as shops, travel agencies and transport companies, as well as increasing use of professional money launderers. The report highlights the need for countries to understand the money laundering risks they face from migrant smuggling and to proactively follow the money linked to this criminal activity. To meet this need, countries should foster collaboration with national and international authorities and the private sector.

3. Risk-based Approach Guidance for the Real Estate

Real estate is a popular and stable choice for investments. Criminals who wish to launder their illicit assets often exploit the real estate sector. Therefore, real estate professionals play an important role in preventing criminals from misusing the real estate sector for money laundering or terrorist financing. However, the results of the fourth-round mutual evaluations indicated that the real estate sector generally has a poor understanding of the risks they are exposed to. The FATF has developed draft guidance on the risk-based implementation of AML/CFT measures in the real estate sector. The FATF will publish this draft guidance for public consultation.

4. Unintended Consequences of the FATF Recommendations

The FATF has completed its work to identify and analyze unintended consequences of the FATF Recommendations, with a focus on proactive steps to prevent AML/CFT measures from leading to “de-risking,” “financial exclusion,” and “undue targeting of NPOs.” The Plenary has now agreed to refer the substantive work to the relevant FATF Working Groups which will scope out and refine how the FATF can mitigate the unintended consequences of the FATF Recommendations without diminishing the effectiveness of global AML/CFT measures.

5. FATF Presidency 2022-2024

The Plenary took the formal decision to appoint Mr. T. Raja Kumar of Singapore as the next President of the FATF. He will take up his duties on 1 July 2022 for a fixed two-year term.

D. The Announcement of High-Risk Jurisdictions

This plenary issued a list of high-risk jurisdictions and a list of the jurisdictions under increased monitoring:

- (a) The high-risk jurisdictions that require countermeasures (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): North Korea and Iran.
- (b) 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):¹ Albania, Barbados, Burkina Faso, Cambodia, Cayman Islands, Haiti, Jamaica, Jordan, Mali, Malta, the Kingdom of Morocco, Myanmar, Nicaragua, Pakistan, Panama, the Philippines, Senegal, South Sudan, Syria, Turkey, Uganda, the United Arab Emirates (newly included), and Yemen.

¹ Zimbabwe was removed from the list of jurisdictions that shall be placed under increased monitoring.

III. AMLD Classroom

◆ United Nations Office on Drugs and Crime (UNODC)

Established in 1997, the headquarters of the United Nations Office on Drugs and Crime (UNODC) are located in the United Nations Office at Vienna. In addition to being responsible for implementing the UN-led anti-terrorism programs, the UNODC is a global leader in the campaign against illicit drugs and international crime. For two decades, the UNODC has been helping combat terrorism, strengthen international actions against transnational organized crime, reduce corruption and its negative impacts on the society, reinforce crime prevention and establish effective criminal justice systems, as well as support its members to adopt a balanced, comprehensive, and evidence-based approach to deal with illicit drugs.

To effectively prevent criminals from laundering their ill-gotten money, the UNODC proposed the “Global Program against Money Laundering, Proceeds of Crime and the Financing of Terrorism” (GPML). The GPML is intended to assist countries in building and strengthening their AML/CFT capacity. The GPML has not only offered e-learning courses, workshops, and legal assistance, but also supported several regions to establish asset recovery networks. Over the past three years, many countries in South America, West and South Africa, as well as Central and Southeast Asia have been benefited from this program.

Given the fact that the problem of transnational crime and money laundering is beyond the capacity of any single country, the UNODC tries to address this problem through the GPML. It assists and encourages countries to formulate national AML/CFT policies in addition to monitoring and analyzing the responses to associated crimes. More importantly, it attempts to promote the public understanding of money laundering and terrorist financing, thereby fulfilling the UNODC’s consistent missions of making the world safer from drugs, organized crime, corruption and terrorism, as well as achieving health, security and justice for all.

IV. AMLD Statistics

A. Statistics of Suspicious Transaction Reports (STRs)²

1. There were 6,319 STRs in total from 1 October to 31 December 2021.

Reporting Entities	Number of STRs 2021.10.1 ~ 12.31	Reporting Entities	Number of STRs 2021.10.1 ~ 12.31
Domestic banks	4,921	Securities investment trust enterprises	7
Foreign banks, including banks from China	7	Securities finance enterprises	0
Trust investment companies	0	Securities investment consulting enterprises	0
Credit cooperatives	132	Centralized securities depository enterprises	1
Credit department of national farmers' associations	169	Futures commission merchants	40
Credit department of national fishermen's associations	6	Designated non-financial businesses and professions	41
Postal remittances and savings	430	Electronic payment and electronic stored value card issuers	18
Bills finance companies	0	Foreign currency collection/exchange agencies	0
Credit card companies	10	Fintech innovative experimentation businesses	1
Insurance companies	377	Finance leasing companies	1
Securities firms	60	Enterprises handling virtual currency platform or transaction	98

² 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 discrepancy between the two versions, the AMLD's Annual Reports shall prevail.

There were 3,541 STRs in total from 1 January to 28 February 2022.

Reporting Entities	Number of STRs 2022.1.1 ~ 2.28	Reporting Entities	Number of STRs 2022.1.1 ~ 2.28
Domestic banks	2,816	Securities finance enterprises	0
Foreign banks, including banks from China	2	Securities investment consulting enterprises	0
Trust investment companies	0	Centralized securities depository enterprises	7
Credit cooperatives	78	Futures commission merchants	8
Credit department of national farmers' associations	92	Designated non-financial businesses and professions	22
Credit department of national fishermen's associations	1	Electronic payment and electronic stored value card issuers	32
Postal remittances and savings	169	Foreign currency collection/exchange agencies	0
Bills finance companies	0	Fintech innovative experimentation businesses	0
Credit card companies	5	Finance leasing companies	1
Insurance companies	235	Enterprises handling virtual currency platform or transaction	24
Securities firms	43	third-party payment enterprises	1 ³
Securities investment trust enterprises	5		

2. The Number of STRs from Designated Non-financial Businesses or Professions

Statistics of STRs from Designated Non-financial Businesses and Professions	
Businesses and Professions	2021.10.1 ~ 12.31
Public Certified Accountants	22
Certified public bookkeepers, and bookkeeping and tax return filing agents	2
Jewelry stores/business	0
Notaries	13
Attorneys	0
Land administration agents	3
Real estate agencies	1
Total	41

³ “Regulations Governing the Implementation and Report of Anti-Money Laundering and Combating the Financing of Terrorism for Third-Party Payment Enterprises” will come into force on 1 January 2023, except for Article 13(4) of the Regulations which has been enacted from the day of promulgation.

Statistics of STRs from Designated Non-financial Businesses and Professions	
Businesses and Professions	2022.1.1 ~ 2.28
Public Certified Accountants	11
Certified public bookkeepers, and bookkeeping and tax return filing agents	0
Jewelry stores/business	0
Notaries	9
Attorneys	0
Land administration agents	2
Real estate agencies	0
Total	22

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

Statistics of ICTR Notified by Customs, 2021.10.1~2021.12.31			
Customs	Delivered items (incl. other similar methods)		Passengers (incl. crew members)
Taipei	Outbound	12,246	445
	Inbound	62,518	
Keelung	Outbound	40	22
	Inbound	592	
Kaohsiung	Outbound	110	232
	Inbound	178	
Taichung	Outbound	5	23
	Inbound	11	

Statistics of ICTR Notified by Customs, 2022.1.1~2022.2.28			
Customs	Delivered items (incl. other similar methods)		Passengers (incl. crew members)
Taipei	Outbound	4,184	148
	Inbound	19,754	
Keelung	Outbound	9	8
	Inbound	229	
Kaohsiung	Outbound	33	80
	Inbound	65	
Taichung	Outbound	4	11
	Inbound	0	

C. Statistics of Currency Transaction Report (CTR)⁴

Statistics of CTRs	
Reporting Entities	2021.10.1 ~ 12.31
Domestic banks	614,236
Foreign banks, including banks from China	1,099
Credit cooperatives	29,257
Credit departments of farmers' & fishermen's associations	64,696
Postal remittances and savings	70,419
Insurance companies	1,028
Jewelry stores	187
Securities investment trust and consulting enterprises	10
Electronic payment and electronic stored value cards issuers	0
Finance leasing companies	0
Virtual currency transaction	2
Designated Non-financial Businesses or Professions	226
Total	781,160

Statistics of CTRs	
Reporting Entities	2022.1.1 ~ 2.28
Domestic banks	475,697
Foreign banks, including banks from China	876
Credit cooperatives	23,317
Credit departments of farmers' & fishermen's associations	49,904
Postal remittances and savings	46,065
Insurance companies	712
Jewelry stores	102
Securities investment trust and consulting enterprises	1
Electronic payment and electronic stored value cards issuers	0
Finance leasing companies	0
Virtual currency transaction	0
Designated Non-financial Businesses or Professions	106
Total	596,780

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

D. Statistics of International Intelligence Exchange

Statistics of International Intelligence Exchange, 2021.10.1~2021.12.31		
Types	Cases	Number of Reports
Requests from Overseas	17	51
Requests to Overseas	2	6
Spontaneous Exchanges from Overseas	14	28
Spontaneous Exchanges to Overseas	2	4
Questionnaires and Other Matters	0	85
Total	35	174

Statistics of International Intelligence Exchange, 2022.1.1~2022.2.28		
Types	Cases	Number of Reports
Requests from Overseas	11	48
Requests to Overseas	7	11
Spontaneous Exchanges from Overseas	7	13
Spontaneous Exchanges to Overseas	1	3
Questionnaires and Other Matters	0	66
Total	26	141

V. Events and Activities

◆ Coordination meetings between the AMLD and the National Taxation Bureau of Taipei, Ministry of Finance

On 29 November 2021, colleagues from the Third Examination Division, led by Chang Sheng-Hsiung, the Monitoring Office Director of the National Taxation Bureau of Taipei, Ministry of Finance, visited and had a coordination meeting with the AMLD. The two parties exchanged their views about the newly detected anomalous financial transaction patterns for tax evasion and related taxation regulations. The AMLD further recognized the practical needs from the National Taxation Bureau of Taipei in tax investigation and expected to improve the efficiency of financial information application, increase the capabilities of financial intelligence units and prevent tax crime in an effective fashion.



A group photo of the coordination meeting between the AMLD and the National Taxation Bureau of Taipei, Ministry of Finance

◆ The AMLD organized the “Seminar on Criminal Money Flow and Anomalous Transaction Patterns”

To promote the collaboration and exchange in AML affairs among the law enforcement agencies, financial intelligence units, supervisory agencies, and reporting entities in Taiwan, the AMLD organized the “Seminar on Criminal Money Flow and Anomalous Transaction Patterns” at the Ministry of Justice Investigation Bureau on 23 December 2021. It invited a total of 171 participants in charge of AML/CFT affairs from the public sector (incl. the Anti-Money Laundering Office of the Executive Yuan and the Banking Bureau of the Financial Supervisory Commission) and 85 financial institutions (incl. banks, electronic payment service providers and credit card companies). Law enforcement agencies (incl. the Investigation Bureau’s Anti-corruption Division and Economic Crime Prevention Division, the Ministry of Justice’s Agency Against Corruption, and the National Police Agency’s Criminal

Investigation Bureau) shared the illegal money flow and anomalous transaction patterns of recent criminal cases, followed by the presentation of Chen Kuo-Chin, Section Chief of AMLD's STR Analysis Unit, who explained the standard operation procedure for identifying criminal activities and the patterns from suspicious transaction reports. In addition, the AMLD invited Su Pei-Yu, Executive Secretary of the Executive Yuan's Anti-Money Laundering Office, to report the latest findings of the national risk assessment on ML/TF and future planning. At last, the attendees had an experience-sharing talk with lecturers. This seminar was expected to help the executives in charge of anti-money laundering in the private sector acquiring the techniques to identify anomalous transaction patterns and thereby optimize the performance of money laundering prevention mechanism.



A group photo of the Seminar on Criminal Money Flow and Anomalous Transaction Patterns



A view of the Seminar on Criminal Money Flow and Anomalous Transaction Patterns

VI. Law and Regulations updated information:

1. On 30 November 2021, the Financial Supervisory Commission approved the amendments to the Appendixes of the ML/FT Types of the “Template for Guidelines Governing Anti-Money Laundering and Combating the Financing of Terrorism in Insurance Agent Companies (incl. banks engaging in insurance agency business) and Individual Insurance Agents” and the “Template for Guidelines Governing Anti-Money Laundering and Combating the Financing of Terrorism in Insurance Brokerage Companies (incl. banks engaging in insurance brokerage business).” The amendments to the Appendixes are scheduled to be in effect on 14 February 2022. The Financial Supervisory Commission also approved the amendment to the Appendix of the “Template for Guidelines Governing Anti-Money Laundering and Combating the Financing of Terrorism in Non-Life Insurance Companies” on 17 January 2022. The amended Appendix is scheduled to be in effect on 1 April 2022. Please refer to the AMLD’s official website for the amendments: <https://www.mjib.gov.tw/EditPage/?PageID=076d8266-a060-4888-8d67-c8f9ed514a3b>

2. On 14 December 2021, the Financial Supervisory Commission introduced the amendments to the “Regulations Governing Anti-Money Laundering of Financial Institutions” and the “Regulations Governing Internal Audit and Internal Control System of Anti-Money Laundering and Countering Terrorism Financing of Banking Business and Other Financial Institutions Designated by the Financial Supervisory Commission” primarily as a response to the newly amended “Act Governing Electronic Payment Institutions” that incorporates the “Rules Governing the Business of Electronic Stored Value Card Issuers” which allows electronic payment institutions to run domestic and foreign small-amount remittance, and foreign remittance companies to handle migrant workers’ small-amount remittance, thus bringing foreign remittance companies under related rules and laws and revising associated terms and definitions. (Please refer to the Financial Supervisory Commission Orders, Jin-Guan-Yin-Fa-Zi No. 11002741311 and Jin-Guan-Yin-Fa-Zi No. 11002741312, dated 14 December 2021.)
3. On 22 December 2021, the Ministry of Finance issued the amendments to Article 15 of “Regulations Governing Anti-Money Laundering and Counter-Terrorist Financing for Certified Public Bookkeepers and Bookkeeping and Tax Return Filing Agents,” stipulating that the on-the-job training in AML/CFT can be provided in physical or online courses, and the training hours per year shall not be less than 2 hours. (Please refer to the Ministry of Finance Order, Tai-Tsai-Shui-Zi No. 11004692160, dated 22 December 2021.)
4. On 23 December 2021, the Financial Supervisory Commission promulgated and enacted the “Guidance on Data Sharing among Financial Institutions” as a response to the advancement of financial technology and in order to provide consumers with convenience as well as to improve the risk control of and foster the cooperation among financial institutions. The guidance clearly articulates the principles for handling the data types sharable among financial institutions (Please refer to the press release by the Financial Supervisory Commission on 23 December 2021.)
5. On 27 December 2021, the Ministry of Justice gave an advance notice of a period of public comments on the draft amendments to the “Money Laundering Control Act,” including redefining money laundering, broadening the scope of specified unlawful activity, amending the elements of specific money laundering, defining the provision of one’s own financial account to others without due cause as a criminal offense, and adding regulations on the authorization and control of information sharing for money laundering prevention. The notice period ended on 1 March 2022. (Please refer to the announcement at <https://join.gov>.)

tw/policies/detail/948645dc-25a9-42a5-8404-e744a6ad2393.)

6. On 26 January 2022, the Central Bank announced the amendments to the “Regulations Governing the Establishment and Administration of Foreign Currency Exchange Counters” mainly as a response to the recommendations from the APG third-round mutual evaluations, including reducing the maximum amount of exchange to 3,000 USD, revising the regulations on the documents for storage and application procedure, as well as reinforcing customer review measures and related audit procedures, so as to improve the AML/CFT performance and enhance the management of foreign currency exchange counters. (Please refer to the Central Bank Order, Tai-Yang-Wai-Lu-Zi No. 1110004867, dated 26 January 2022.)
7. On 18 August 2021, the Executive Yuan designated third-party payment enterprises as non-financial businesses and professions prescribed in Article 5(3)-5 of the “Money Laundering Control Act.” Article 9(1) of the Act, namely the regulation regarding the report of currency transactions equal to or above the designated threshold, ergo no longer applies to third-party payment enterprises. On 28 January 2022, the Ministry of Economic Affairs, as the competent authority, announced that the “Regulations Governing the Implementation and Report of Anti-Money Laundering and Combating the Financing of Terrorism for Third-Party Payment Enterprises” will come into force on 1 January 2023, except for Article 13(4)⁵ of the Regulations which has been enacted from the day of promulgation. (Please refer to the Executive Yuan Order, Yuan-Tai-Zi No. 1100181600, dated 18 August 2021, and the Ministry of Economic Affairs Order, Jing-Shang-Zi No. 11102401760, dated 28 January 2022.)

⁵ The third-party payment enterprises shall ensure that transaction records and CDD information will be available swiftly to the competent authorities when such requests are made with appropriate authority.