



I. Summary

The 1st Plenary of the Financial Action Task Force (FATF) under the Presidency of T. Raja Kumar took place on 20 and 21 October 2022 at the FATF headquarters in Paris, France. This Plenary decided to follow the Plenary's decision in June against Russia's military operation to Ukraine and impose additional restrictions on Russia's influence in the FATF, so as to echo the FATF's determination to maintain the safety of the international financial system. This Plenary also focused its discussion on the improvement to asset recovery as well as the FATF's Recommendations 24 and 25 on updating beneficial ownership information and assisting competent authorities in investigating illicit proceeds generated from illicit trade in fentanyl and other synthetic opioids.

In this Plenary, the FATF announced its updated list of Jurisdictions under Increased Monitoring. The Democratic Republic of the Congo (DRC), Mozambique, and Tanzania are newly included, whilst Nicaragua and Pakistan are removed. With regard to the list of High-Risk Jurisdictions subject to a Call for Action, Myanmar has not yet completed its action plan to remedy its deficiencies in anti-money laundering and combating the financing of terrorism (AML/CFT). The FATF ergo called on the members and urged other jurisdictions to adopt reinforced due diligence measures proportionate to the risk arising from Myanmar.

Taiwan's competent authorities have amended related regulations on AML/CFT,

including the Template for Guidelines Governing Anti-Money Laundering and Combating the Financing of Terrorism in Life Insurance Industry and its Appendix, as well as the Anti-Money Laundering Regulations for Cross-border Declaration and Reporting. Please refer to V. Regulations.

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

The 1st Plenary of the Financial Action Task Force (FATF) under the Singaporean Presidency of T. Raja Kumar took place on 20 and 21 October 2022. Delegates from more than 200 jurisdictions of the global network participated in this Plenary at the FATF headquarters in Paris. The key issues and conclusions are as follows:

A. FATF's Public Statement on Russia's Military Operation

The FATF reiterated that Russia's actions continue to violate FATF's core principles of pursuing the safety and integrity of the international financial system. As a result of Russia's continuing military operation, the FATF has decided to impose additional restrictions on Russia's remaining role and influence, including prohibiting it from participating in the current and future FATF project teams and the meetings of the FATF-Style Regional Bodies as an FATF member.

B. Major Initiatives

1. Improving Asset Recovery

In line with the strategic priorities agreed by its ministerial meeting in April 2022, the FATF is working on enhancing the results of asset recovery and eliminating the financial incentives to criminal activities. Besides, in this plenary, the delegates expressed support for the key takeaways agreed at the FATF-INTERPOL Roundtable Engagement (FIRE) held in Singapore in September 2022¹. The participants recognized

¹ The roundtable gathered 150 experts to discuss related issues and reached a three-pronged consensus: (1) “promoting national policies and actions that prioritize the tracing, seizure and confiscation of criminal assets;” (2) “enhancing operational cooperation at the national, regional and international levels;” and (3) “increasing effective information sharing among public and private sectors,” insofar as to deprive criminals of their illicit proceeds, and recover illicit assets through global efforts.

that the amount of confiscated criminal proceeds is estimated to be less than 1% of total criminal proceeds, and therefore the FATF and its members should demonstrate their ambition and determination to improve asset recovery. A strong legal framework and rapid, effective international cooperation are necessary to achieve this objective. The FATF's Standards need to be strengthened, so that countries can act in a more effective manner at each stage of the asset recovery process.

The delegations also agreed that the FATF should continue to work closely with the INTERPOL, the Egmont Group, the UNODC, the World Bank, the Asset Recovery Inter-Agency Network-Asia Pacific (ARIN-AP), and the Camden Assets Recovery Interagency Network, CARIN)², so as to facilitate effective asset recovery.

2. Improving Access to Beneficial Ownership Information

(1) Guidance on Beneficial Ownership (R. 24)

In March 2022, the FATF revised its Recommendation 24 and its Interpretive Note, requiring countries to prevent the misuse of corporate structures or legal persons for money laundering/financing of terrorism (ML/FT) and to ensure accurate and up-to-date information of beneficial ownership. To guide countries and the private sector in implementing the revised recommendation, the FATF has developed a Guidance on Beneficial Ownership which will be released for public consultation to solicit wider input from stakeholders.³ The FATF expects to finalize the guidance by February 2023.

(2) Strengthening the FATF Standard on Beneficial Ownership Information for Trusts and Other Legal Arrangements

The FATF Standard on the Recommendation 25 about beneficial ownership of legal arrangements (such as trusts, investment consultants or managers) has included the opinions collected through the white paper⁴ that the FATF issued for public consultation in June 2022. In this plenary, the FATF decided to issue the modifications to Recommendation 25 for public consultation. The revision is expected to be finalized by February 2023⁵, in order to ensure a balanced and

² A European Network of Assets Recovery

³ The Guidance on the Revision to Recommendation 24 was released on FATF's official website for public consultation on 25 October 2022, and the opinion collection ended on 6 December 2022.

⁴ The White Paper on the Revision to Recommendation 25 for Public Consultation was released on FATF's official website on 23 June 2022. The opinion collection ended on 1 August 1 2022.

⁵ The revisions to Recommendation 25 and its interpretive note were released on FATF's official website for public consultation on 25 October 2022, and the opinion collection ended on 6 December 2022.

coherent approach to beneficial ownership in the FATF Recommendations on trusts and other legal arrangements.

(3) Illicit Proceeds Generated from Fentanyl and Related Synthetic Opioids Supply Chains

The FATF has assisted law enforcement agencies and other authorities in conducting financial investigations into the illicit trade in fentanyl⁶ and other synthetic opioids. In North America, the non-medical use of fentanyl has caused a record number of overdose deaths. A similar problem also besets Asia. Although a majority of countries have identified drug trafficking as a major predicate offence for money laundering, the investigations and prosecutions against laundering of illicit proceeds remain inadequate. The risk indicators included in the FATF's report published in November 2022 can help law enforcement agencies and prosecutors identify suspicious activities, make recommendations on detecting and disrupting the financial flows of this illegal trade, facilitate international cooperation among the source, transit and destination countries, and instruct the public-private partnerships to share red-flag information.

C. 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 (newly added).

In February 2020, Myanmar committed to address its strategic deficiencies in AML/CFT, and its corresponding action plan expired in September 2021. In June

⁶ Fentanyl is a powerful semi-opioid analgesic, which is classified as the Category two narcotics in the Narcotics Hazard Prevention Act of Taiwan.

2022, the FATF urged Myanmar to complete its actions plan by October 2022. However, Myanmar remains short of progress by now. Given this situation, the FATF calls on its members and other jurisdictions to take enhanced due diligence measures proportionate to the relevant ML/TF risk arising from 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)⁷: Albania, Barbados, Burkina Faso, Cambodia, Cayman Islands, the Democratic Republic of the Congo (newly added), Gibraltar, Haiti, Jamaica, Jordan, Mali, the Kingdom of Morocco, Mozambique (newly added), Panama, the Philippines, Senegal, South Sudan, Syria, Tanzania (newly added), Turkey, Uganda, the United Arab Emirates, and Yemen.

III. AMLD Classroom

◆ International Monetary Fund

The International Monetary Fund (IMF) was founded in 1944. To strengthen international economic cooperation in the post-war era, delegates from 44 countries of the Allies attended the Bretton Woods Conference, seeking to establish a new economic order based on global cooperation, hence the IMF. The three stated missions of the IMF include “furthering international monetary cooperation,” “encouraging the expansion of trade and economic growth,” and “discouraging policies that would harm prosperity.”

The IMF comprises 190 countries with its headquarters in Washington, D.C., the United States. Since its establishment, the IMF has devoted itself to fostering global monetary cooperation, ensuring financial stability, facilitating economic growth, and reducing poverty. To achieve its goal of stabilizing the global financial system, the IMF undertakes three main tasks, including (1) “supervision” —overseeing the international monetary system and monitoring the economic and financial policies of its member states; (2) “technical assistance” —helping the member states improve the design and implementation of their

⁷ Nicaragua and Pakistan were removed from the list of jurisdictions that shall be placed under increased monitoring.

economic policies; and (3) “loan” —offering financial support to the member states hit by crisis, so as to restore economic stability and growth.

Criminals have engaged in money laundering or terrorist financing by exploiting the inherent complexity of the global financial system and the discrepancies among the laws of different countries. These criminal activities may hinder foreign investments and international capital flows, and even lead to the loss of welfare, the waste of national resources, and instability in other countries. In 2000, the IMF responded to the appeal made by the international community and expanded its work on anti-money laundering. In 2004, the IMF incorporated AML/CFT assessments and technical assistance into its regular work. Based on the FATF's Recommendations, the IMF supports and urges its member states to devote themselves to AML/CFT work. Forging an effective AML/CFT mechanism is the only way to strengthen the financial sector's integrity and stability and thereby help the countries to be integrated into the global financial system.

IV. AMLD Statistics

A. Statistics of Suspicious Transaction Reports (STRs)⁸

(a) There were 8,728 STRs in total from 1 July to 31 October 2022.

Reporting Entities	Number of STRs 2022.7.1~10.31	Reporting Entities	Number of STRs 2022.7.1~10.31
Domestic banks	6,961	Securities investment trust enterprises	9
Foreign banks, including banks from China	8	Securities finance enterprises	3
Trust investment companies	0	Securities investment consulting enterprises	0
Credit cooperatives	167	Centralized securities depository enterprises	5
Credit department of national farmers' associations	208	Futures commission merchants	32
Credit department of national fishermen's associations	7	Designated non-financial businesses and professions	17
Postal remittances and savings	481	Electronic payment and electronic stored value card issuers	83
Bills finance companies	0	Foreign currency collection/exchange agencies	0
Credit card companies	9	Fintech innovative experimentation businesses	0
Insurance companies	579	Finance leasing companies	1
Securities firms	68	Enterprises handling virtual currency platform or transaction	90

(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	2022.7.1~10.31
Public Certified Accountants	10
Certified public bookkeepers, and bookkeeping and tax return filing agents	1
Jewelry stores/business	0
Notaries	4
Attorneys	0
Land administration agents	2
Real estate agencies	0
Total	17

⁸ 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.

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

Statistics of ICTR Notified by Customs, 2022.7.1~10.31			
Customs	Delivered items (incl. other similar methods)		Passengers (incl. crew members)
Taipei	Outbound	16,083	1,225
	Inbound	70,700	
Keelung	Outbound	67	15
	Inbound	439	
Kaohsiung	Outbound	94	203
	Inbound	263	
Taichung	Outbound	3	23
	Inbound	2	

C. Statistics of Currency Transaction Report (CTR)⁹

Statistics of CTRs	
Reporting Entities	2022.7.1 ~ 10.31
Domestic banks	806,869
Foreign banks, including banks from China	1,586
Credit cooperatives	38,151
Credit departments of farmers' & fishermen's associations	83,385
Postal remittances and savings	94,662
Insurance companies	1,297
Jewelry stores	78
Securities investment trust and consulting enterprises	2
Electronic payment and electronic stored value cards issuers	0
Finance leasing companies	0
Virtual currency transaction	28
Designated Non-financial Businesses or Professions	263
Total	1,026,321

⁹ 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, 2022.7.1~10.31		
Types	Cases	Number of Reports
Requests from Overseas	17	56
Requests to Overseas	17	48
Spontaneous Exchanges from Overseas	12	19
Spontaneous Exchanges to Overseas	1	3
Questionnaires and Other Matters	0	106
Total	47	232

V. Events and Activities

◆ The AMLD participated in the Egmont Group Plenary in Riga

The 28th Egmont Group Plenary took place from 11 to 15 July 2022 in Riga, the capital city of Latvia. The Plenary saw a total of around 350 participants, including the FIU heads and staff from 125 countries, as well as the personnel from international organizations such as the INTERPOL, the WCO, and the World Bank. Mr. Lan Chia-Jui (Director of AMLD) and Lin Ko-Fan (Special Agent of AMLD) participated in the meeting on behalf of Taiwan (R.O.C.).

The AMLD was invited by the Egmont Group Secretariat to present its work results and cases during the Asia-Pacific Region Meeting in this Plenary. At the roundtable discussion of the Asia-Pacific Region Meeting, Director Lan shared the AMLD's recent orientation and contribution to this region under the title “The AMLD's Work Progress in the Asia-Pacific Region.” Besides, Ms. Lin reported the AMLD's role in assisting law enforcement agencies with investigation and introduced the significance of the public-private partnership for combating crimes at the case-study presentation session of the Asia-Pacific Region Meeting, under the title “FIU's Role in the Cases of Stock-Price Manipulation.”

Seizing the opportunity of participating in this Plenary, the AMLD's representatives had formal and informal talks with the FIU representatives from multiple countries, thereby grasping the current situations of FIU operations in different countries and deepening the related cooperation.



The AMLD's participation in the annual meeting of the Egmont Group in Riga

◆ Coordination meeting between the AMLD and the Financial Examination Bureau of the Financial Supervisory Commission

In order to enhance the compliance with the anti-money laundering regulations and the effectiveness of the prevention mechanisms of financial institutions, the AMLD held a coordination meeting with the Financial Examination Bureau of the Financial Supervisory Commission (hereafter referred to as the FEB) on 26 October 2022 in FEB's conference room.

During the meeting, the AMLD and the FEB discussed and exchanged opinions upon several issues, including the analysis of suspicious transaction reports, the FEB's examination results of domestic bank regarding tax crime and the risks of tax evasion-based money laundering, the deficiencies of the thematic examination of the monitoring mechanism for suspected money laundering by securities firms, and the necessity of reporting defensive cases like watch-listed accounts. The AMLD also introduced the function and structure of the “Information Exchange Platform for Preventing Money Laundering, Terrorist Financing and Proliferation” to the FEB.

The aforementioned platform has been in use since 26 September 2022. By virtue of



A group photo of director Lan Chia-Jui and his colleagues with the chief of the FEB

this coordination meeting, the AMLD invited the FEB to accomplish this achievement with concerted efforts, and encouraged the FEB to share risk information. The AMLD expects a sustainable public-private partnership and a continuous solid performance in future tracking or mutual evaluation.

◆ The AMLD participated in the “Stronger Together - 2022 International Organizations Day” held by the Ministry of Foreign Affairs

On 22 October 2022, the Ministry of Foreign Affairs held the “Stronger Together - 2022 International Organizations Day” at the Taipei Guest House. This event attracted the participation of 26 governmental agencies, institutions and groups.

Having established an active presence in anti-money laundering IGOs, the AMLD was invited by the Ministry of Foreign Affairs to serve as a co-organizer of this event. The AMLD shared its booth with the Anti-money Laundering Office, Executive Yuan at the Taipei Guest House, introducing the historical context and results of Taiwan's engagement in international organizations such as the APG, the EG, and the ARIN-AP.

Wang Chun-Li (Director General of the Investigation Bureau of Ministry of Justice, MJIB) and Lan Chia-Jui (Director of AMLD) were invited to attend the opening ceremony of this event. They accompanied Minister Jaushieh Joseph Wu and foreign envoys to the AMLD's booth, where they took part in the prized-quiz prepared by the AMLD's colleagues. Director General Wang and Director Lan also acted as goodwill ambassadors, explaining to and interacting with the guests on site. The visiting guests highly appreciated the achievements and contributions of the MJIB in actively engaging in international organizations related to money laundering prevention.

This event was open to the general public and allowed interaction with the exhibitors. In coordination with the main theme of this event and to kindle the visitors' interest, AMLD staff specifically collated the information of Taiwan's participation in previous activities held by international anti-money laundering organizations, and made the information available for the organizer to produce exhibition boards before the event. We also designed the hand-holding board with slogans, interactive games, as well as brochures of the AMLD (the financial intelligence unit of Taiwan), which attracted enthusiastic responses from the visiting public.



2022 International Organizations Day—a group photo of Executive Secretary Su Pei-Yu (Anti-money Laundering Office, Executive Yuan), Director General Wang Chun-Li, Director Lan Chia-Jui and colleagues

◆ The AMLD organized the “Online Seminar on AML/CFT Information Sharing Mechanism between Public and Private Sectors—Australia and Taiwan”

The Anti-money Laundering Office, Executive Yuan and the AMLD co-constructed the “Information Exchange Platform for Preventing Money Laundering, Terrorist Financing and Proliferation” (hereafter referred to as the platform) to effectively combat money laundering, terrorist financing and proliferation, as well as to improve the efficiency in sharing information about specific threats, vulnerabilities and risks among competent authorities, financial institutions and designated non-financial businesses and professions. The platform has been in use since 26 September 2022.

The Australian Transaction Reports and Analysis Centre (hereafter referred to as the Centre) is Australia's competent authority over AML/CFT. The Centre established the “Fintel Alliance” in 2017, and a mature interactive pattern between public and private sectors has ensued. Therefore, the AMLD and the Centre co-organized the aforementioned seminar on 9 November 2022, inviting the participation from Taiwan's related competent authorities, including the Anti-money Laundering Office, the Taiwan High Prosecutors Office, the Financial Supervisory Commission, the National Police Agency, the Agency Against Corruption, the MJIB's National Security Protection Division, Anti-corruption Division, Economic Crime Prevention Division, Drug Prevention Division, and Information and Communication Security Division, as well as the Bankers Association, the Securities Association, the Life Insurance Association and the Futures Association from the private sector.

This online seminar featured the presentations by Australia's FIU and the AMLD on the public-private collaboration mechanisms of Australia and Taiwan. Prof. Tsang Cheng-Yun from the National Cheng-Chi University was invited to present his research findings on public-private collaboration, information sharing and regulation technology. In the after-seminar session, the participants continued to discuss and exchange opinions about the presentations, with the aim of advancing their understanding of the public-private collaboration mechanisms. Together with the information exchange platform of Taiwan, this seminar was expected to enhance the private sector's ability to identify the risks of ML/FT, and to foster the cooperation in preventing crime, increasing financial transparency, and protecting the integrity of the financial system, thereby strengthening the effectiveness of AML/CFT in Taiwan.



The AMLD and Australia's FIU in the online seminar



The venue and participants in the online seminar

VI. Regulations

1. The amendment to the “Appendix: Types of Transactions Suspected of Money Laundering and the Financing of Terrorism and Proliferation of Weapons of Mass Destruction” of the “Template for Guidelines Governing Anti-Money Laundering and Combating the Financing of Terrorism in Life Insurance Companies” was approved by the Financial Supervisory Commission (Letter Jin-Guan-Bao-Zong-Zi No. 1110430021, dated 14 July 2022). The amended template and appendix are scheduled to be enacted on 1 February 2023. The amendment to the Appendix primarily aims to reinforce the monitoring of the activities of exploiting insurance policy for loan or repayment and using foreign account to conduct abnormal transactions. For details, please refer to: <https://www.mjib.gov.tw/EditPage/?PageID=076d8266-a060-4888-8d67-c8f9ed514a3b>.
2. The Ministry of Finance announced the amendment to Article 4 of the “Anti-Money Laundering Regulations for Cross-border Declaration and Reporting” on 4 November 2022. To provide inbound and outbound passengers with a more convenient procedure of declaration, the Ministry of Finance made this amendment by including electronic data transmission as one of the ways for declaration. For details, please refer to the Ministry of Finance Order: Tai-Tsai-Guan-Zi No. 11110279043, dated 4 November 2022.



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