



AMLD PRESS

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I. Summary

The 7th Plenary of the Financial Action Task Force on Money Laundering (FATF) was held from 14 to 17 June 2022. In view of Russia's continuous military invasion of Ukraine, FATF decided to limit Russia's influence within the FATF. Other discussions revolved around information sharing and data protection, risk-based approach guidance for the real estate sector, implementation of the FATF Standard on virtual assets/virtual assets service providers, improving access to beneficial ownership information, and strengthening the FATF Standard on beneficial ownership information for trusts and other legal arrangements. In addition, Gibraltar was added to and Malta was removed from the list of jurisdictions under increased monitoring.

The competent authorities have updated the “practical FAQ on the counter-terrorism financing issues in insurance companies”, and the “types of transactions suspected of money laundering and the financing of terrorism and mass destruction weapon proliferation” in non-life insurance industry, futures commission merchants and leverage transaction merchants. Please refer to Section 5: Regulations for related updates.

II. Focal Points: Key Issues in the 7th Plenary of the FATF under the German Presidency of Dr. Marcus Pleyer

This Plenary was held from 14 to 17 June 2022, which was also the last Plenary under the Presidency of Dr. Marcus Pleyer. More than 200 delegates from all over the world attended the Plenary. The key issues and conclusions were as follows:

A. FATF Public Statement on the Situation in Ukraine

Following its serious concern for the emergency situation occurring in Ukraine in the last Plenary, the FATF again expresses its deepest sympathies for the people of Ukraine and continuously deplores the huge loss of life caused by the ongoing Russian invasion of Ukraine. Russia's actions not only run counter to the FATF's core principles aiming to promote security, safety and the integrity of the global financial system, but also represent a gross violation of the commitment to international cooperation and mutual respect upon which FATF Members have agreed to implement and support the FATF Standards. As a result, the FATF agreed to limit the Russian Federation's role and influence within the FATF. In particular, the Russian Federation can no longer hold any leadership or advisory roles or take part in decision-making on standard-setting, FATF peer review processes, governance and membership matters. The Russian Federation can also no longer provide assessors, reviewers or other experts for FATF peer-review processes. The FATF will monitor the situation and consider at each of its Plenary meetings whether the grounds exist for lifting or modifying these restrictions.

B. Major Initiatives

(a) Information sharing and data protection

A financial institution engages in only one part of a financial transaction, a small piece of what is often a large, complex puzzle. Criminal groups, corrupt officials, terrorist organizations, weapons proliferators, as well as drug and human traffickers tend to exploit this information gap to raise, use and move illicit funds. Collaborative analytics, bringing data together in responsible ways, or developing other sharing

initiatives can help financial institutions understand the full picture to assess and mitigate money laundering and terrorist financing risks. However, the collection and use of personal data for these purposes can trigger data protection and privacy concerns. Relevant data and systems must be managed and designed in accordance with applicable data protection and privacy principles. The FATF has collected the experience from its members who have applied information sharing with private sectors while meeting domestic data protection and privacy objectives and obligations. This report will be published in this July.

(b) Risk-based approach (RBA) guidance for the real estate sector

The FATF finalized the RBA guidance that aims to assist those involved in the real estate sector to implement risk-based measures to prevent money laundering and terrorist financing. Professionals involved in the real estate sector, including real estate agents and notaries, play an important role in preventing criminals from laundering their illicit assets through the purchase of high-end real estate. The guidance will be published in July and it will help the practitioners in the real estate sector develop a better understanding of the money laundering/terrorist financing risks.

(c) The updated FATF Standards on virtual assets (VA)/virtual asset service providers (VASPs)

The Plenary discussed and updated the FATF Standards on VA and VASPs to prevent their misuse for money laundering, and the financing of terrorism and proliferation. The report will be published at the end of June (it was published on 30 June 2022). It focuses particularly on the implementation of the FATF's travel rule, which requires VASPs to collect or send information on the identities of the originator and beneficiary with virtual asset transfers, so as to prevent criminal misuse. This report highlights that some progress has continued but not all countries have started introducing the travel rule. The slow introduction of regulations in many countries¹ leaves a significant gap, which means the VASP sector is vulnerable for criminal misuse. In addition, the report also provides a brief update on emerging risks and market developments (e.g., decentralized finance (DeFi), non-fungible tokens (NFTs), and unhosted wallets), and emphasizes that the FATF will continue to monitor them.²

¹ According to the FATF's survey, only 29 out of the 98 jurisdictions that responded to the survey have passed the travel rule on VA.

² For details, please refer to the "Targeted Update on Implementation of FATF's Standards on VAs and VASPs" on FATF's official website.

(d) Improving the access to beneficial ownership information

(1) Guidance to Implement the FATF Standard on Beneficial Ownership information for legal persons

Transparency concerning the true beneficiary in financial transactions helps stop illicit assets being laundered. In March 2022, the FATF agreed on tougher global beneficial ownership rules in this regard. At this Plenary, the FATF discussed a guidance that aims to help countries implement the revised Standard of the FATF and agreed to seek views from targeted stakeholders before finalizing the guidance in October 2022.

(2) Strengthening the FATF Standard on Beneficial Ownership Information for trusts and other legal arrangements

The FATF is considering amendments to strengthen Recommendation 25, which applies to trusts and other legal arrangements. These revisions aim to ensure a balanced and coherent approach to beneficial ownership in the FATF Recommendations. The FATF is releasing a white paper for public consultation and welcomes views particularly on the scope of legal arrangements, risk assessment and foreign trusts, obligations of trustees, definition of beneficial owners, approaches to collecting beneficial ownership information, adequate, accurate and up-to-date information, and obstacles to transparency.

C. The Announcement of High-Risk Jurisdictions

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

- (a) The 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): North Korea and Iran.
- (b) The jurisdictions 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):³ Albania, Barbados, Burkina Faso, Cambodia, Cayman Islands, Gibraltar (newly included), Haiti, Jamaica,

³ Malta was removed from the list of jurisdictions that shall be placed under increased monitoring.

Jordan, Mali, the Kingdom of Morocco, Myanmar, Nicaragua, Pakistan, Panama, the Philippines, Senegal, South Sudan, Syria, Turkey, Uganda, the United Arab Emirates, and Yemen.

III. AMLD Classroom

◆ United Nations University

The concept of the United Nations University (UNU) originated in 1969 when the then UN Secretary-General U Thant (a Burmese) proposed it in his annual report to the UN General Assembly. The General Assembly passed a resolution to establish the UNU in December 1972. The government of Japan established an endowment fund and offered to provide headquarters facilities in Tokyo, so that the UNU was able to launch its academic work in September 1975. The UNU's priority program areas include “peace and governance,” “global development and inclusion,” and “environment, climate and energy” devoted to the Charter objectives of peace and progress.

The UNU's current research portfolio supports all of the 17 Sustainable Development Goals (SDGs). The “Liechtenstein Initiative,” a result delivered by the UNU in collaboration with the Permanent Mission of Liechtenstein to the UN, was proposed in September 2018, followed by the establishment of the Financial Sector Commission on Modern Slavery and Human Trafficking. This commission is dedicated to integrating the financial sector into the core of solutions to modern slavery and human trafficking. In September 2019, it announced “Unlocking Potential: A Blueprint for Mobilizing Finance against Slavery and Trafficking,” seeking to alleviate the problems of modern slavery and human trafficking effectively by including relevant risks in the monitoring and practice of the financial sector. It also calls for countries to take action to end modern slavery and human trafficking, and gives priority to the areas with higher risks such as the Asia-Pacific region and Africa.

IV. AMLD Statistics

A. Statistics of Suspicious Transaction Reports (STRs)⁴

(a) There were 7,964 STRs in total from 1 March to 30 June 2022.

Reporting Entities	Number of STRs 2022.3.1~6.30	Reporting Entities	Number of STRs 2022.3.1~6.30
Domestic banks	6,174	Securities investment trust enterprises	11
Foreign banks, including banks from China	10	Securities finance enterprises	1
Trust investment companies	0	Securities investment consulting enterprises	1
Credit cooperatives	156	Centralized securities depository enterprises	2
Credit department of national farmers' associations	208	Futures commission merchants	29
Credit department of national fishermen's associations	2	Designated non-financial businesses and professions	34
Postal remittances and savings	549	Electronic payment and electronic stored value card issuers	66
Bills finance companies	0	Foreign currency collection/exchange agencies	0
Credit card companies	9	Fintech innovative experimentation businesses	1
Insurance companies	540	Finance leasing companies	0
Securities firms	95	Enterprises handling virtual currency platform or transaction	76

⁴ 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 Number of STRs from Designated Non-financial Businesses or Professions

Statistics of STRs from Designated Non-Financial Businesses and Professions	
Businesses and Professions	2022.3.1~6.30
Public Certified Accountants	23
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	34

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

Statistics of ICTR Notified by Customs, 2022.3.1~6.30			
Customs	Delivered items (incl. other similar methods)		Passengers (incl. crew members)
Taipei	Outbound	25,209	716
	Inbound	73,182	
Keelung	Outbound	39	12
	Inbound	347	
Kaohsiung	Outbound	104	220
	Inbound	126	
Taichung	Outbound	4	22
	Inbound	9	

C. Statistics of Currency Transaction Report (CTR)⁵

Statistics of CTRs	
Reporting Entities	2022.3.1 ~ 6.30
Domestic banks	814,358
Foreign banks, including banks from China	1,415
Credit cooperatives	39,438
Credit departments of farmers' & fishermen's associations	85,800
Postal remittances and savings	95,519
Insurance companies	1,439
Jewelry stores	216
Securities investment trust and consulting enterprises	2
Electronic payment and electronic stored value cards issuers	0
Finance leasing companies	0
Virtual currency transaction	32
Designated Non-financial Businesses or Professions	230
Total	1,038,449

D. Statistics of International Intelligence Exchange

Statistics of International Intelligence Exchange, 2022.3.1~6.30		
Types	Cases	Number of Reports
Requests from Overseas	19	51
Requests to Overseas	19	59
Spontaneous Exchanges from Overseas	11	20
Spontaneous Exchanges to Overseas	5	9
Questionnaires and Other Matters	0	213
Total	54	352

⁵ In case of any discrepancy in data between the table and the AMLD's Annual Reports, those in the latter shall prevail.

V. Events and Activities

◆ The AMLD Internal Training: “Experience Sharing in the Prevention of Credit Card-based Money Laundering”

Given that the National Risk Assessment Report on ML/TF issued in December 2021 has identified the risks of emerging money laundering threats from VA and used car deals, the AMLD invited the staff (incl. department head Chao Ke-Wen, executive officer Chen Li-Ching, and assistant executive officer Duan Chia-Ming) from the Department of Risk Management, National Credit Card Center of R.O.C. (NCCC) on 14 January 2022 to share their experiences in tackling the cases of credit card-based VA and used car transactions.

The NCCC serves as a domestic settlement, authorization switching center for credit cards. The Department of Risk Management is highly experienced in preventing criminals from money laundering through credit card-based VA and used car transactions. Apart from the colleagues of AMLD, some staff from the Economic Crime Prevention Division and the Anti-Corruption Division of Investigation Bureau were being invited to participate the internal training event, which allowed the participants to learn from the NCCC and exchange views about the abnormal transaction patterns or modus operandi they observed recently. This event not only enhanced the participants' understanding about the practice of credit cards and associated risks of money laundering, but also improved the AMLD's efficacy in financial intelligence analysis.



The AMLD Internal Training: “Experience Sharing in the Prevention of Credit Card-based Money Laundering”



Exchanging Viewpoints during the Training Event

◆ Coordination meeting between the AMLD and the Taxation Administration, Ministry of Finance

On 21 April 2022, the AMLD arranged a coordination meeting with the Taxation Administration, Ministry of Finance. Both parties exchanged views on the cases handled by the Taxation Administration, and discussed feasible investigation directions and collaboration needs. As a national financial intelligence unit, the AMLD is committed to supporting the practical needs of law enforcement agencies and tax authorities to enhance the effectiveness of financial intelligence utilization. The AMLD expects to prevent tax crimes through close collaboration with the taxation administration.



Coordination meeting between the AMLD and the Taxation Administration

VI. Regulations:

- A. The latest “practical FAQ on the counter-terrorism financing issues in insurance companies” was approved by the Financial Supervisory Commission (Jin-Guan-Bao-Zong-Zi No. 1110418005, dated 21 June 2022). This update primarily explicates the affairs mentioned in the Annual Report of Counter-Terrorism Financing. Any institution, business or profession that freezes or manages any property or property interests for the designated sanctioned individual, legal person and entity in the previous year shall submit its annual report to the AMLD whether there are new cases to be reported or not. For details, please refer to <https://www.mjib.gov.tw/EditPage/?PageID=15b26af4-e669-4141-95e3-e66b1cfe9fe0>.
- B. The amendments 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 Non-Life Insurance Industry” was approved by the Financial Supervisory Commission (Jin-Guan-Bao-Zong-Zi No. 1100434458, dated 17 January 2022) and enacted on 1 April 2022. The amendments mainly focus on the insurance for global logistics involving the financing of terrorism and proliferation of weapons, including relevant risk factors such as the ports of departure and destination in route shipping insurance, the high-risk waters that the cargo must pass, countries or areas, types of the shipped items, and the service items of the insured. For details, please refer to <https://www.mjib.gov.tw/EditPage/?PageID=076d8266-a060-4888-8d67-c8f9ed514a3b>.
- C. The amendments 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 for Futures Commission Merchants and Leverage Transaction Merchants” was approved by the Financial Supervisory Commission

(Jin-Guan-Zheng-Qi-Zi No. 1100378903, dated 28 January 2022) and enacted on 1 August 2022. The amendments principally include risk factors such as the clients' ability to bear risks and loss based on the comparison between the degree of loss and the approved transaction quota. For details, please refer to <https://www.mjib.gov.tw/EditPage/?PageID=076d8266-a060-4888-8d67-c8f9ed514a3b>.



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