

APG ANNUAL MEETING 2010

APG Member Status Report

Chinese Taipei

1. **Steps taken since July 2009 to implement the international AML/CFT standards**
 - (a) Policy/coordination developments (eg awareness raising workshops etc)
 - a) The Ministry of Justice, MOJ, and Financial Supervisory Committee, FSC, established a coordination forum for sophisticating the process of financial crime investigation and prosecution on October 1, 2008. In the forum, the representatives from the two authorities and other agencies including Investigation Bureau get together to review the deficiencies of no prosecution, no guilty of conviction and closed investigation cases, to enhance the conscientious procedures and avoid the impact to financial market in related investigations and prosecutions. In the 7th coordination forum which was held in December of 2009, the Anti-Money Laundering Division, AMLD – FIU of Chinese Taipei, provided STR and CTR related statistic to FSC for enhancing AML/CFT supervision to financial institutions. In the 8th coordination forum which was held in March of 2010, the AMLD provided comments and suggestions to the new revised “Checklist of Money Laundering Prevention Guidelines for Banks” which was stipulated by the banker’s association for strengthening the AML/CFT guidance for financial institutions.
 - b) The MOJ took the “techniques for confiscating proceeds of crime” into the curriculum of “Middle Class of Financial Investigation Training Program” for strengthening the capability of prosecutors, prosecutor’s assistants, investigators on financial investigation. In addition, the Ministry also organized the “Practical Operation Forum on Seizing Proceeds of Crime” on August 28, 2009 for prosecutors and law enforcement agents to share practical experiences on seizing proceeds of crime.
 - c) In order to promote the professional capacity on AML/CFT, the FSC held a week-long on-the-job training in June and December 2009 respectively, and a workshop on AML operations on 16 March 2010.
 - d) All staffs from AMLD adopted the “Middle Class of Financial Investigation Training Program” and passed the certificate examination in May 2010 for enhancing the analysing and investigating capability on ML/FT cases.
 - e) The Criminal Investigation Bureau, CIB, held the “Drug Crimes Training Programs” in October of 2009 for police officers to trace the illegal funds flow instantly when cracking down drug crimes.
 - f) From August 3 to 13, 2009, the Customs, CBP and ICE co-hosted the “Workshop on the Interdiction and Investigation of Cross Border Bulk Cash Smuggling” in Taipei for raising awareness of frontline Customs and law enforcement agents from authorities to detect and investigate the related

criminal activities and the second phrase workshop is slated to be held by Customs of Chinese Taipei and ICE and CBP in August 2010.

- (b) Risk assessments or prioritisation of implementation tasks (eg preparation of a national AML/CFT strategy/implementation plan and any associated risk/vulnerability assessment)
 - a) In respond to the recommendations from the APG evaluation in 2007, the FSC coordinated with the Bankers Association to amend the said checklist in reference to Recommendation 6 of the FATF and the comments of the FSC financial examiners. The checklist includes the following key points, approved for recordation in October 2009 by the FSC and the FSC has simultaneously requested banks to revise their respective checklists and internal control procedures.
 - Promulgated amendments regarding prevention of money laundering by politically exposed persons (PEPs) : The FSC coordinated with banks to check whether customers are PEPs by way of the database, established either by the Joint Credit Information Centre or by banks themselves. If any PEP is identified, banks should take appropriate measures which are subject to periodical review.
 - Enhanced the guideline for signs of suspicious money laundering transactions : In reference to the experience and comments of on-site financial examiners, the FSC has amended the relevant regulation to explicitly provide for signs of money laundering.
 - b) The AMLD is planning to establish a dedicated secure communication platform on computer website. Once the communication platform is completed, financial institution can file CTRs and STRs through the secure web and access the processing progress of STRs being handled by the AMLD. The AMLD also can announce important message on AML/CFT through the platform.
 - c) Chinese Taipei recognizes the importance of seizure and confiscation of proceeds of crime for effectively preventing money laundering. The Ministry of Justice incorporated the “enhancing actions of seizing and confiscating illicit properties derived from embezzlements, severe economic crimes and drug smuggling” into its mid-term administrative plans (2009-2012) and was approved by the Administrative Yuan. The premier conducted onsite visit to the Ministry on January 15, 2010 and directed the Ministry to pay more attention on the seizure and confiscation of corruption offences, and bring the corruption offenders to justice for establishing the integrity of government to meet the expectation of people. The Ministry has taken measures as response including the amendments of related laws and the plan to set up dedicated units in Taipei, Taichung and Kaohsiung Prosecutor’s Offices in charge of seizing and confiscating proceeds of crime related matters.
- (c) Legislative framework - eg new or amended legislation (incl. draft/pending)
 - a) The Article 4 of the “Directions Governing Banking Enterprises for Operating Foreign Exchange Business” was revised on 4 September, 2009. Authorized banks and post offices under the Chunghwa Post Co. Ltd. shall abide by the following provisions when performing ordinary inward remittance business: In

the event that the information (the full name, the account number and address of the originator) on the remitter of inward remittance from abroad is incomplete, a risk management procedure shall be established.

- b) Referring the provisions of Vienna Convention and Palermo Convention, Chinese Taipei is drafting the amendments of confiscating proceeds of crime provisions in the Criminal Code, including: 1) the essential conditions for the objects that subject to confiscation and the rights of bona fide third parties (amendment of Article 38); 2) confiscation of substitute assets (new provision in Article 38-1); 3) confiscation without a criminal conviction (amendment of Article 40).
 - c) Referring the provisions of the United Nations Convention against Corruption, the Anti-Corruption Act was amended in April 2009 to add in a new provision that authorizes prosecutors the power to order defendants of corruption cases to explain the sources of suspicious property obtained during the existing period of the corruption and the following 3 years then after of himself, spouse and minor children. No explanation without reasonable reason or unable to raise reasonable explanation or untrue explanation of defendants shall be punished with imprisonment for not more than 3 years or detention; in lieu thereof, or in addition to, a fine of not more the unknown source of property in equivalence.
 - d) Referring the provisions of the United Nations Convention against Corruption and the related laws in other jurisdictions, Chinese Taipei is drafting to add in a new provision regarding to the punishment of public officers who accept bribes in connection with duties in the Anti-Corruption Act. The draft already has been referred to the legislative body to complete legislation in October 2009.
 - e) Chinese Taipei began to draft new legislation of the Mutual Assistance Act for Criminal Justice in January of 2010. In the draft legislation, mutual legal assistance request doesn't need to initiate judicial proceedings as precondition in requesting jurisdiction.
 - f) In response to the recommendations from the APG evaluation in 2007 and in reference to the recommendations from international organizations including Special Recommendation 6 of the FATF, Article 3 of the "General principles for international remittance services", jointly issued by the World Bank and the Bank for International Settlements, and relevant legislative patterns of other jurisdictions, Chinese Taipei has drafted to amend Article 29 and 125 of the Banking Act, allowing the non-banking sector to lawfully engage in remittance services and establishing the relevant administrative mechanisms together with easing off the punishments to guide underground service providers back to comply with the regulations. In so doing, the enhanced market transparency and safety in remittance services will conform to the international AML and CFT standards.
- (d) Regulatory framework and its implementation - financial sector/DNFBPs/ARS/NPOs (eg drafting or issuing regulations, supervision initiatives, training, awareness raising, etc)
- a) Revised the Checklists of Money Laundering Prevention Guidelines for securities-related businesses: In response to the recommendations from the APG mutual evaluation in 2007, the FSC has coordinated with the Securities

Association, the Securities Investment Trust and Consulting Association and Futures Association to revise their checklists in order to incorporate the issue of PEPs.

- b) Revised the Checklist of Money Laundering Prevention Guidelines for insurance-related businesses: the FSC has coordinated with the Association of Insurance Brokering Companies and Insurance Agents Association to revise their checklists.
- c) The FSC coordinated with the Bankers Association to amend the said checklist in reference to Recommendation 6 of the FATF and the comments of the FSC financial examiners. The checklist includes the following key points, approved for recordation in October 2009 by the FSC and the FSC has simultaneously requested banks to revise their respective checklists and internal control procedures.
 - Promulgated amendments regarding prevention of money laundering by politically exposed persons (PEPs) : The FSC coordinated with banks to check whether customers are PEPs by way of the database, established either by the Joint Credit Information Centre or by banks themselves. If any PEP is identified, banks should take appropriate measures which are subject to periodical review.
 - Enhanced the guideline for signs of suspicious money laundering transactions : In reference to the experience and comments of on-site financial examiners, the FSC has amended the relevant regulation to explicitly provide for signs of money laundering.
- d) The FSC has drawn up the anti-money laundering measures as financial examination focuses in 2010 as follows:
 - Pursuant to the “Regulations Governing Cash Transaction Reports and Suspicious Transaction Reports by Financial Institutions” , issued on December 18, 2008, all related self-regulatory associations have revised their respective Checklists of Money Laundering Prevention Guidelines. Accordingly, the FSC has revised the content of AML audit in the examination manuals.
 - To enhance the effectiveness of AML audit, the FSC puts emphasis on the internal control system and procedures including whether financial institutions verify customer identity documents, facilitate the know-your-customer procedures, register and report the transactions exceeding a certain amount and suspected money laundering transactions; whether a customer requests to conduct money transfers on the pretext of cash withdrawals, and a customer frequently carried out cash withdraws in a short time; whether institutions adopt related measures for other identified suspicious money laundering activities; and whether financial institutions set up appropriate transaction parameters to establish a database with unusual or suspicious transactions. In addition, the FSC has taken not only the recommendations from the FATF and the APG mutual evaluation but

also related AML regulations as reference and designed AML checklists as financial examiners' working paper.

- To strengthen the supervision of AML operation of foreign subsidiaries and offshore branches, the FSC has held a meeting with the banking industry on Dec 28, 2009, drafted "Measures to strengthen the AML operations of foreign subsidiaries and offshore branches" and required the measures to be put into effect.
 - To improve the internal audit mechanism of financial institutions and implement the compliance of Money Laundering Control Act, the FSC has conducted AML targeted financial examinations of banks, Credit cooperatives and post offices while necessity.
 - In order to promote the professional capacity, the FSC has held a workshop of AML operations on March 16, 2010. Furthermore, the FSC is going to hold the staff training courses and experience sharing on AML examinations in the near future.
- e) The FSC and the related self-regulatory organizations organized/held 150 training programs for raising the awareness on AML/CFT in 2009, and there were 9,385 participants from financial sector to accept the training programs.
- f) Pursuant to the lists of terrorists and groups issued by international community, The FSC disseminated 89 requests to all financial institutions and related self-regulatory associations to act in accordance with Article 8 of the MLCA, i.e. upon the findings of transactions related to the listed terrorists or groups or transactions which they are the ultimate beneficial owners, a financial institution shall file a prompt report of the suspected transactions with the AMLD and send a copy thereof to the FSC.
- g) The AMLD provided 141 AML/CFT training programs in 2009 for financial institutions under request and the participants reached 8, 134. In addition, the Division issued a Suspicious Transaction Reporting Guideline for Banks in April 2010 and this guidance has been circulated to banks through the banker's association in May 2010.
- h) For strengthening communication among NPOs and to foster partnerships, the authorities organized a convention for nation-wide / provincial social welfare and charitable organizations on November 18th and 19th 2009. Besides discussion on set topics, the convention also focussed on finding solutions to common issues as well as sharing past service experiences. In this year, the Ministry of Interior will continually delegate professional accountants to audit the financial management of 71 foundations which were graded as B, C, D in the 2008. For those shortcomings being detected in audit, the Ministry shall inform the foundations for improvements with official letters.
- (e) Law enforcement developments (eg significant investigations/prosecutions, enhancement of FIU, implementation of cross border cash controls etc)
- a) In 2009, the total amount of laundered proceeds of crime valued to NTD \$4,626,782,146 from the 23 prosecuted cases of ML offences.

- b) The Investigation Bureau completed 204 cases of drug offence investigation in 2009. 292 suspects were arrested and a total of 4,953.9kg (gross weight) various drugs was confiscated and 33 drug manufacturing laboratories were cracked down and the seized proceeds of crime was about NTD\$ 1,065,000 (about USD\$34,000).
 - c) The police agencies seized illegal funds NTD\$18,793,000 (about USD\$587,281) in 2009 from drug related enforcement.
 - d) For raising the capability of financial investigations for the staff from AMLD, an advanced courses of financial investigation was organized in May 2010 to learn the professional knowledge on analysing the financial statements of listed companies, investigating techniques on internet financial crimes, serious financial crimes, securities trade crimes etc. Every participant is required to pass the final examination as a precondition to engage in financial crime investigation.
 - e) Regarding the implementation of SRIX on cash couriers, all cross border passengers are required to declare International Currency Transportation Reports (ICTRs) to Customs Service for carrying exceeding USD\$10,000 in equivalence and the ICTRs should be forwarded to the AMLD every 10 days by the Customs. In 2009, there were 2,750 pieces of inbound ICTRs and 3,959 pieces of outbound ICTRs, 6,709 pieces of ICTRs in total and the amount of value was NTD 7,599,353,587. The AMLD, after analysis, disseminated 2 cases to the Investigation Bureau for further investigation.
 - f) The Customs prints leaflets and puts them in the arrival/departure lounge of each airport and seaport for promoting passengers or service crew to voluntarily declare cross border carrying significant currency and negotiable securities with Customs. In addition, the leaflets are distributed to travel agencies, airlines for circulation.
- (f) International co-operation (eg ratification of treaties/instruments, development of MOUs, mutual legal assistance/extradition developments)
- a) In 2009, the FSC signed or confirmed MOUs, EOLs, or side letters for cooperation in single -sector or cross-sector supervision with California State of the U.S., Hong Kong, Belgium, Ireland and China. In furtherance of the cross-border supervisory cooperation and information exchange in the insurance sector, the FSC became signatory to the IAIS Multilateral Memorandum of Understanding (MMOU).
 - b) For the exchange of information between its law enforcement agencies and their foreign counterparts to combat money laundering and terrorist financing, Chinese Taipei signed MOU with Netherlands Antilles in 2009 to establish cooperation on AML/CFT.
 - c) For complying with the requirements of related international conventions, Chinese Taipei will continue to actively push bilateral and multilateral MOUs and Agreements on AML/CFT with counterparts from other jurisdictions.
- (g) Other capacity building/training initiatives

- a) The Ministry of Justice organized two international mutual legal assistance seminars in May 2010, including international cooperation and information exchange on AML/CFT, for public prosecutors and law enforcement agents.
- b) On August 28, 2009, the Ministry of Justice held a workshop on the operational exercise for the seizure and confiscation of proceeds of crime, and the participants included prosecutors, law enforcement agents and representatives from AMLD.
- c) The AMLD organized a specific lecture on the subject of seizing the proceeds derived from economic crime for its staff and law enforcement agents from Investigation Bureau on January 17, 2010. There were 80 participants to attend the workshop.
- d) During the heavy burden of work in AMLD, it is very hard to meet the training needs from financial institutions on AML/CFT. The AMLD had produced an AML/CFT training VCD in 2009 to provide all financial institutions freely for promoting the professional knowledge of financial institution's employee on AML/CFT.

2. National coordination mechanisms/committees

- (a) If your jurisdiction previously did not previously have a national coordination committee, has one been established since July 2009?
 - a) At the strategic level on AML/CFT, there is a specific forum called "Public Security Coordination Forum" which is organized by the Executive Yuan and directly hosted by the Premier. In the forum, the Ministers from relevant Ministries and the CEO of law enforcement agencies will discuss the emerging criminal trends, typologies and the addressing methods including on AML/CFT. Then the authorities including judicial, law enforcement and financial supervisory agencies have to take measures for effectively implementing the strategies.
 - b) At operation level on AML/CFT, there is a specific forum called "Economic Crime Prevention Forum" which is organized by the Investigation Bureau and attended by the representatives from judicial, law enforcement, financial supervisory, immigration, international trade and intelligence agencies. In the forum, all operational problems on economic crimes and money laundering will be discussed and seek solutions as possible. The forum is organized and hosted by the Investigation Bureau every 4 months.
- (b) For those existing national coordination mechanisms, please provide details of developments or significant activity over the past 12 months.
 - a) The Ministry of Justice, MOJ, and Financial Supervisory Committee, FSC, established a coordination forum for sophisticating the process of financial crime investigation and prosecution on October 1, 2008. In the forum, the representatives from the two authorities and other agencies including Investigation Bureau get together to review the deficiencies of no prosecution, no guilty of conviction and closed investigation cases, to enhance the conscientious procedures and avoid the impact to financial market in related investigations and prosecutions. In the 7th coordination forum which was held in December of 2009, the AMLD, AMLD – FIU of Chinese Taipei, provided STR and CTR related statistic to FSC for enhancing AML/CFT supervision to

financial institutions. In the 8th coordination forum which was held in March of 2010, the AMLD provided comments and suggestions to the new revised “Checklist of Money Laundering Prevention Guidelines for Banks” which was stipulated by the banker’s association for strengthening the AML/CFT guidance for financial institutions.

- b) The Ministry of Justice organized a laws and decrees amendment researching task force for establishing a comprehensive seizure and confiscation regime to the proceeds of crime in February 2009. The task force is drafting the amendments of related provisions in the Criminal Code including Article 38 which precisely regulates the scope of proceeds of crime that may be confiscated including “property” and “property interests” and extends confiscation scope to the proceeds of crime held by third parties with evil intention. The Ministry is also planning to set up dedicated units in Taipei, Taichung and Kaohsiung Prosecutor’s Offices in charge of seizing and confiscating proceeds of crime related matters.
- c) Many topics regarding to AML/CFT were raised and discussed in the “Economic Crime Prevention Forum” in 2009, including “implementing actions to strengthen the AML/CFT mechanism for financial institutions” which presented by the FSC, “nation’s integrity actions and money laundering prevention” and “broaden the scope of money laundering predicate crimes in the MLCA” which both presented by the AMLD.

3. APG Typologies – methods and trends

(a) Case studies of significant methods identified

- a) **Case study 1:** the Anti-Money Laundering Division, FIU of Chinese Taipei, received a STR that described “Wang was an employee of A Corporation, a listed company in emerging stock market. Some huge funds in his banking account sourcing from abroad companies and Wu, the responsible person of A Corporation withdrew the funds daily from the banking account just under the currency transaction reporting threshold on behalf of Wang’s name to avoid reporting requirement.” The analysts of AMLD traced the flow of funds to identify the so called abroad companies and found:
 - one of the three paper companies was a subsidiary company of A Corporation in Virgin Islands and the other two were B company (also registered in Virgin Islands and the responsible was Wang) and C Company (also registered in Virgin Islands and the responsible was Chang, an employee of A Corporation).
 - The funds were originated from A Corporation’s banking account. At first, the funds were remitted into the banking account of the subsidiary company of A Corporation using the name of reinvestment. The funds were transferred into the banking account of B Company and then were transferred into the banking account of C Company. At last, the funds were remitted into Wang’s personal banking account and were withdrawn daily just under the reporting threshold by Wu on behalf of Wang to avoid the reporting requirement.
 - Wu was suspected of involving in irregular transaction for manipulating the stock price of A Corporation in stocking market, which was prohibited by the Securities and Exchange Act, and embezzling the gains

from A Corporation. The funds were very possible sourcing from the illegal gains.

The AMLD disseminated the above information to law enforcement agency for further investigation. Law enforcement agents searched the residence of Wu and found huge amount of local and foreign currency valued more than 250 million NTD in a safe box. And then, all the currency was seized by prosecutor's office immediately.

- b) **Case study2:** The AMLD received a STR from Bank A that described "Lin deposited 7,000 fifty-dollar coins tainted with greasy dirt smell on November 13 of 2008, and beginning from April 14 of the same year, Lin successively deposited various amount of fifty-dollar coins 37 times into his banking account from different branches of this bank and usually withdrew immediately from ATR after the deposits. The transaction type is different from ordinary customers that caused this bank to file this STR for cautious view." The AMLD also received another STR from Bank B for the same subject in May of 2009 that described "Lin frequently deposited large amount of fifty-dollar coins into his banking account in person and usually withdrew from ATM at the same day, and each deposit case and withdrawal case were similar in amounts and close together in occurrence."

The AMLD checked Lin's background, occupation and criminal records to suspect he was very possible a member of counterfeiting metallic currency organization and disseminated this information to law enforcement agency for further investigation. Law enforcement agents found the criminal organization assigned its members to deposit fake coins mixed with genuine coins by the ratio of 1:4 into banking accounts for deceiving the tellers to find the truth. Once the fake coins have been deposited into banking account, the funds were withdrawn from ATM subsequently. This case was transferred to prosecutor's office for raising prosecution.

- c) **Case study 3:** The AMLD received a STR from the Postal Corporation that described "a banking account of retirement pension did not have extraordinary large amount of input or output in the past, but on August 27 of 2009, the banking account suddenly received a remittance of 1.1 million NTD from Yang. The transaction was apparently not commensurate with the client's identity and revenue background and irrelevant to the attributes of her profession. Wei, who is the brother of the banking account holder, withdrew 430,000 NTD in cash and remitted 625,000 NTD to Yang from the banking account on behalf of her. The bank's teller asked Wei the reason to use his sister's banking account to transfer huge amount of money, but his rhetoric was evasive and inconsistent." After analysis, the AMLD found Wei's sister was adjudicated of interdiction and was staying in a shelter for the disabled. She inherited a real estate from her late husband and her mother was her guardian in law. Wei intended to steal and sell the real estate for embezzling it to repay the debt that he owed Yang 1.4 million NTD, then he lied to his mother that the real estate must be sold to Yang for paying the expense of his sister staying in the shelter, but actually he only paid 30,000 to the shelter and appropriated the surplus of the selling price. The information was disseminated to law enforcement agency for further investigation and this case has been referred to prosecutor's office for prosecution.

(b) Research / studies undertaken on ML/TF typologies

There were 23 prosecuted money laundering cases (including deferred prosecution cases and petition for summary judgement cases) in 2009 violating the articles of Money Laundering Control Act. The money laundering channels can be classified into 3 major categories of financial industries as follows:

Types of financial sectors	cases
Banks	15
Postal Corporation	1
Real estate	2
Credit unions	1
Others	4
Total	23

Statistics of money laundering methods in 2009:

Money laundering methods	cases
Dummy accounts	9
Securities	4
Underground remittances	2
Cross border remittances	2
Purchasing real estate	2
Purchasing precious metal and jewel	1
Purchasing movable property	1
Cash courier	1
Others	1
Total	23

4. Statistics

(a) Number of suspicious transaction reports received and disseminated;

a) STRs

In 2009, AMLD received 1,845 STRs from financial institutions. The number was 1,643 in 2008 and 1,741 in 2007. Please refer to the details of following table

Reporting financial industry	Number of STRs
Domestic banks	1,454
Foreign banks	69
Credit unions	18
Farmers' & fishermen's credit associations	9
Insurers	18
Postal service engaged in money transfers	184
Securities investment enterprises	1
Securities depository enterprises	87
Credit Companies	1

Securities brokers	4
Futures brokers	0
Total	1,845

b) CTRs

In 2009, AMLD received 2,963,282 CTRs from financial institutions. The number was 1,133,014 in 2008 and 1,190,753 in 2007. Please refer to the details of following table:

Reporting financial industry	Number of CTRs
Domestic bank	2,296,579
Foreign banks	19,905
Trust & investment companies	193
Credit unions	137,245
Farmers'/ Fishermen's credit associations	227,269
Postal service engaged in money transfers	268,788
Other financial institutions	13,303
Total	2,963,282

c) Processing result of STRs and CTRs in 2009

STRs:

Processing result	number
Disseminating to Investigation Bureau	261
Disseminating to the police and other competent agencies	142
Case being closed without ML/FT suspicion	1,382
Still under analysis	228

CTRs:

Processing result	number
Disseminating to Investigation Bureau	7
Disseminating to the police and other competent agencies	10
Case being closed without ML/FT suspicion	77
Still under analysis	98

(b) Number of AML/CFT investigations, prosecutions, convictions and sanctions;

a) Statistics of prosecuted ML/FT cases in 2009 as follows:

Type of ML offense	Prosecuted Offence	Cases referred by Investigation Bureau	Case referred by prosecutor's office	Case referred by police agencies	Total
General criminal activities	Robbery	0	0	1	1

Subtotal		0	0	1	1
Economic crime	Abnormal trading prohibited by law	2	0	0	2
	Unlicensed banking business	2	0	0	2
	Unlicensed remittance business	1	1	0	2
	Fraud	0	0	6	6
	Embezzlement	2	0	0	2
Subtotal		7	1	6	14
Corruption	Kickbacks	2	0	0	2
	Taking bribery	3	0	0	3
	Offering bribery	2	1	0	3
Subtotal		7	0	0	8
Total		14	2	7	23

b) Statistics of prosecuted defendants for ML offences

Prosecuted offences violating provisions	offences MLCA	Offenders category	Gender	Number of offenders	
Paragraph 1, Article 11	Principal offenders		Male	26	
			Female	10	
			Subtotal	36	
	Accessory offenders			Male	0
				Female	0
				Subtotal	0
Paragraph 2, Article 11	Principal offenders		Male	17	
			Female	11	
			Subtotal	64	
	Accessory offenders			Male	2
				Female	0
				Subtotal	2
Total				102	

(c) Amount of seizures & confiscation related to ML and TF

In 2009, the total amount of laundered proceeds of crime valued to NTD \$4,626,782,146 from the prosecuted cases by district prosecutors' offices (including the cases of deferred prosecutions and petitions for summary judgments) using the provisions of MLCA. Statistics of the amount of laundered proceeds of crime of the ML cases are as follows:

Laundered money	Cases
Under NTD 100,000	2
NTD 100,000 – under NTD 1 million	2
NTD 1 million – under NTD 5 million	3
NTD 5 million – under NTD 10 million	6
NTD 10 million – under NTD 20 million	0
NTD 20 million – under NTD 30 million	1
Upper NTD 30 million –	9
Total	23

(d) Number of AML/CFT supervisory inspections and statistics of sanctions

a) Number of AML/CFT supervisory inspections

From January 2009 through March 2010, the Financial Examination Bureau of the FSC reported 152 negligence findings on AML operations of 169 financial institutions. These findings can be boiled down to the following 4 types: violations of KYC rules, violations of the cash transaction reporting obligations, violations of the suspicious transaction reporting obligations, insufficient implementations of legal compliance and internal control.

b) Sanctions against financial institutions in violation of the MLCA and the Banking Act

	2009	Jan. 2010 – May 2010	Total
Fine under Articles 7 and 8 of the MLCA)	3 (2 cases under Article 8 and 1 case under Article 7)	3 (1 case under Article 8 and 2 cases under Article 7)	6
Order of Correction under Article 61.1 of the Banking Act	0	2	2
Order of Improvement (Subject to follow-ups by internal auditing unit or order of reports on the measures taken to the competent authorities)	16	5	21
Order of Improvement pursuant to the comments of the Financial Examination Bureau (Subject to follow-ups by internal auditing unit)	107	8	115
Others (the statute of limitations is past; the process of presenting views is underway; the	6	3	9

circumstance of the offence is not serious)			
Order to Discharge Directors under Article 61.1 of the Banking Act	0	1	1
Total	131	23	154

- (e) Statistics related to international cooperation – MLA, extradition, FIU info etc.
- a) Money laundering is a kind of transnational criminal activities in nature. For effectively countering ML/FT, it needs to get consensus from all jurisdictions and cooperate closely together on AML/CFT. The AMLD plays the role of FIU in Chinese Taipei and spares no effort to set up cooperation mechanism with foreign counterparts. In 2009, the AMLD exchanged 66 pieces of ML/FT information with foreign counterparts including 39 pieces requested by foreign counterparts, 8 pieces requesting foreign counterparts to provide information, 17 pieces of spontaneous dissemination and 2 pieces of questionnaire and others.
 - b) Chinese Taipei signed MOU with Netherlands Antilles in 2009 to establish cooperation on AML/CFT and several bilateral Memorandums of Understanding (MOUs) on cooperation for the exchange of money-laundering intelligence are expected to finalize in the near future.
 - c) The AMLD is sponsoring Vietnamese FIU, Cambodian FIU and Brunei FIU to apply the Egmont Group membership, and has separately organized AML/CFT training program for colleagues from Vietnam and Cambodia in March 2009 and April 2010. It is expected to conducting onsite visit to Vietnam in the second half of this year for assisting Vietnamese FIU to meet the requirements of EG membership.
 - d) The AMLD successfully sponsored Mongolian FIU to apply the membership of Egmont Group. The membership application was adopted at the Qatar plenary meeting held in June 2009.
 - e) The investigation Bureau arranged law enforcement training program including AML/CFT courses for colleagues from Arabian jurisdictions and Southern East jurisdictions in June and July of 2010.
 - f) Although Chinese Taipei cannot sign or become a party to the Vienna Convention (1988), the Palermo Convention (2000), United Nations International Convention for the Suppression of the Financing of Terrorism (1999) or other multilateral instruments due to the reality of international politics, Chinese Taipei has endeavored to combat global money laundering and the financing of terrorism through promoting the signing of bilateral agreements and MOUs on the exchange of related financial intelligence.

5. Future priorities and planned AML/CFT initiatives/activities

In response to the defects of the AML/CFT regime and improving the recommendations raised by the MET in the second round ME conducted by the APG in

2007, the government of Chinese Taipei deeply recognizes the importance to take the same steps with international community on AML/CFT, especially at the edge of global village is forming and the new trends and methodologies of ML/FT are emerging. The authorities are on the way to strengthen the actions of the amendments of related laws, burdening the obligations to financial institutions, financial supervision, law enforcement, and information exchange with foreign counterparts on AML/CFT for complying with the international standards and requirements.