

Content

Title :	Regulations Regarding Article 7 of The Money Laundering Control Act (Cash Transactions) 
Date :	2003.11.18
Legislative :	3.Promulgated by The Ministry of Finance As last amended on November 18, 2003
Content :	<p>1. The terms "specified amount", "scope of cash transactions", "procedures to verify a customer's identification" and "method and time period of safe-keeping transaction records" as used in Article 7, paragraph 2 of the Money Laundering Control Act ("MLCA") shall be interpreted as follows:</p> <p>(1) A cash transaction above a certain amount shall mean a cash receipt, payment or bills exchange transaction above NT\$1,000,000 (or the foreign currency equivalent thereof) (other transactions which are booked as cash for accounting purposes shall also be included).</p> <p>(2) Regarding the procedures for verifying a customer's identification and the method and time period of safe-keeping transaction records:</p> <p>i. The financial institution shall verify a customer's identification based on the identification document or passport provided by such customer and keep records of the name, birth date, address, telephone number, transaction account number, transaction amount, and identification document number. However, if the customer can be verified as the owner of the transaction account, such verification is not required;</p> <p>ii. If the transaction is processed by an agent, unless the exception in Item 1 applies, the name, birth date, telephone number and identification document number shall also be recorded based on the identification document or passport provided by the agent; and</p> <p>iii. The originals of the verified records and transaction certification shall be kept for five years. Each financial institution shall consider, for its own benefit and in accordance with the principle that the entire institution should adopt a consistent system, adopting a single method of recording customer verification data.</p> <p>2. "Designated institution" and "scope and procedures for accepting the report" as used in Article 7, Paragraph 2, of the MLCA shall be interpreted as follows:</p> <p>(1) Designated institution shall mean the Investigation Bureau of the Ministry of Justice.</p> <p>(2) Except in the circumstances falling under Article 3, below, financial institutions shall submit reports in media format (see Attachment 1) [NOT TRANSLATED] for transactions above the specified amount to the Investigation Bureau of the Ministry of Justice within five (5) business days. With the approval of the Investigation Bureau of the Ministry of Justice for good cause shown, a hard copy form (see Attachment 2) [NOT TRANSLATED] may be substituted.</p>

3. There is no need for financial institutions to verify a customer's identification, keep transaction records or report to the designated institution regarding the following cash transactions:

(1) Where relevant regulations or contractual relationships so provide, receipts and payments to/from government agencies, government owned businesses, agencies acting with governmental power (within that power), public/private schools, public enterprises or foundations established by the government;

(2) Transfers between financial institutions. However, these regulations shall be complied with when the transfer arises from cashing a check from another financial institution by a customer and the transaction amount equals or exceeds NT\$1,000,000;

(3) Lottery ticket purchases by lottery merchants;

(4) Business bonds posted by securities or futures companies; and

(5) Transfers received when acting as collection agent (excluding special subscription accounts) where the collection agent has provided the relevant parties' names, identification document numbers (including numbers that can trace the identification of the relevant parties), transaction classification and amount in the relevant payment notice. A duplicate of the payment notice shall be kept as the transaction record.

If such a need is confirmed by the relevant financial institution, a list of non-individual accounts of department stores, supermarkets, gas stations, hospitals, transportation businesses and restaurants and hotels which have a need to make cash deposits over One Million NT Dollars (NT\$1,000,000) in cash on a regular basis for business reasons may be forwarded to the Investigation Bureau of the Ministry of Justice for approval. If the Investigation Bureau of the Ministry of Justice does not object to such list within ten (10) days, the relevant listed accounts shall be exempted from case-by-case confirmation and reporting.

Financial institutions shall check the parties to the above-exempted transactions at least once a year. If any such party ceases its relationship with the financial institution, the financial institution shall report to the Investigation Bureau of the Ministry of Justice for record.

Financial institutions shall comply with Article 8 of the Money Laundering Control Act if there is a suspicious money-laundering transaction under paragraph 1 or paragraph 2.

4. The financial institutions to which these regulations shall apply are banks, investment and trust companies, cooperatives, the credit departments of farmers' associations, the credit departments of fishermen's associations, bills financing enterprises, credit card companies, postal institutions that handle deposits and remittances, trust companies, securities firms, securities investment trust enterprises, securities financing enterprises, securities investment consulting enterprises, securities central depository companies, futures firm, and insurance companies.

5. These [amended] regulations shall be effective as from the date of promulgation.

