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Legislative :	Order of the Financial Supervisory Commission (FSC) Issue date: 26 June 2017 Issue no.: Financial-Supervisory-Securities-Auditing-1060023292
Content :	<p>Article 1 These Regulations are adopted pursuant to Article 7, paragraph 4, Article 8, paragraph 3, and Article 10, paragraph 3 of the Money Laundering Control Act (hereinafter, "the Act").</p> <p>Article 2 For the purposes of these Regulations, a certified public accountant (CPA) means a person who has acquired qualification to practice as a CPA and practices as a CPA, pursuant to Article 8 of the Certified Public Accountant Act.</p> <p>Article 3 A CPA preparing for or carrying out any of the transactions in the items under Article 5, paragraph 3, subparagraph 3, or transactions under subparagraph 5, of the Act shall undertake customer due diligence (CDD) measures, perform enhanced due diligence, and maintain all information obtained through CDD measures, and transaction records. The CPA shall report suspicious transactions to the Investigation Bureau of the Ministry of Justice pursuant to Article 7 and Article 8.</p> <p>Article 4 A CPA preparing for or carrying out any of the transactions in the items under Article 5, paragraph 3, subparagraph 3, or transactions under subparagraph 5, of the Act shall undertake CDD measures when: 1. Establishing business relations with the customer; or 2. There is a suspicion of money laundering; or 3. During the business relations, a CPA has doubts about the veracity or adequacy of previously obtained customer identification data; or 4. During the business relations, there is any change of previously obtained customer identification data. A CPA establishing business relations with a customer shall apply a risk-based approach to assess risk, and take the background of the customer, types of transactions, transaction amounts, and direct source and flow of funds as assessment items. A CPA shall understand the purpose and intended nature of the business relationship when undertaking CDD measures, and shall comply with the following provisions: 1. The CPA shall not conduct transactions for a customer in anonymous or fictitious names. 2. The CPA shall identify and verify the customer's identity using reliable, independent source documents, data or information, and shall keep copies of the customer's identity documents or record the relevant information. A. If the customer is a natural person, the CPA shall obtain identity data such as the name, birth date, address, telephone number, and profession of the customer, and shall check the customer's national identification card, national health insurance card, alien resident certificate, passport, or other proof of identity. B. If the customer is a legal person, the CPA shall understand the nature</p>

of the customer's business and its ownership and control structure, and shall obtain the following information:

a. Name, country of registration, the address of the registered office and, if different, the place of business, telephone number, and business items of the legal person.

b. Proof of establishment or registration, bylaws, lists of directors and supervisors.

c. Documents or statements that can prove ownership or beneficial owners. "Beneficial owner" means the natural person(s) who ultimately, directly or indirectly, holds 25% or more of the legal person's shares or capital.

C. If the customer is the trustee of a trust or a legal arrangement similar to a trust, the CPA shall understand the nature of the customer's business and its ownership and control structure, and shall obtain, and maintain or record, the following information:

a. Name, telephone number, and address of accommodation or residence of the settlor, beneficiary, and the director, supervisor, trustee, or administrator of the legal arrangement.

b. Proof of enrollment or registration.

c. Trust contract or the documents of legal agreement.

d. Documents or statements that can prove ownership or beneficial owners. The CPA shall verify that any person purporting to act on behalf of the customer is so authorized, and identify and verify the identity of that person pursuant to the preceding paragraph.

The obligation to undertake CDD measures shall terminate upon the termination of the business relationship.

The provisions of paragraphs 1, 3, and 4 need not be applied if the customer or any person purporting to act on behalf of the customer is any of the following:

1. An R.O.C government entity or an enterprise owned by the R.O.C government.

2. A foreign government entity.

3. An R.O.C public company or any of its subsidiaries.

4. An entity listed on a stock exchange outside the R.O.C. that is subject to regulatory disclosure requirements of its principal shareholders, and the subsidiaries of such entity.

5. A financial institution supervised by the R.O.C. government, or an investment vehicle managed by such institution.

6. A financial institution established outside of the R.O.C, in a non-high-risk country or region, or an investment vehicle managed by such institution. A high-risk country or region is as described in Article 11, paragraph 2 of the Act.

7. A fund managed by an R.O.C government entity.

8. The CPA has previously established a business relationship with the customer and one year has not yet elapsed after the termination of the business relationship; and the business relationship was rated low-risk based on the assessment under paragraph 2.

If the CPA cannot, within a reasonable time period, complete the required CDD process on a customer, the CPA shall consider refusing to undertake or terminating the business relationship, and, when necessary, consider filing a suspicious transactions report related to the customer.

Article 5

In any of the following circumstances, the CPA shall conduct enhanced customer due diligence measures in addition to the CDD measures under the preceding article:

1. Politically exposed persons and their family members or close associates, as the Ministry of Justice is authorized to determine under Article 7, paragraph 4 of the Act, that have been assessed as high-risk under Article 4, paragraph 2.

2. Persons other than politically exposed persons and their family members or close associates under the preceding subparagraph, that have been assessed as high-risk under Article 4, paragraph 2; or, if the direct source or flow of the funds, or the customer, is from a high-risk country or region, then the person is a high-risk customer.

The enhanced customer due diligence measures under the preceding paragraph shall be as follows:

1. The CPA shall find out the purpose of the transactions, and the method of obtaining the funds.
2. The CPA shall, during the business relationship, pay close attention to whether there are any of the circumstances that require reporting under Article 7.
3. The CPA shall, during the business relationship, review whether the information obtained under the CDD process is sufficient at least once a year.

Article 6

A CPA shall, pursuant to the record-keeping period under Article 7, paragraph 2, and Article 8, paragraph 2 of the Act, establish files on the transactions of the customers, maintain photocopies of the customer and relevant personnel's identity documents or record them, and maintain copies or electronic files of the correspondence documents and records and certificates pertaining to the transactions.

Article 7

The CPA shall report to the Investigation Bureau of the Ministry of Justice pursuant to Article 10, paragraph 1 of the Act if any of the following circumstances applies to a transaction:

1. The remuneration or the transaction amount exceeds NT\$500,000, and the customer, without due reason, pays or demands to pay an amount slightly lower than NT\$500,000 in cash, multiple times or consecutively.
2. The remuneration or the transaction amount exceeds NT\$500,000, and the customer, without due reason, pays in cash, cash in a foreign currency, or by traveler's check, draft in a foreign currency, or other bearer financial instrument.
3. Without due reason, the customer asks to purchase a real property or a business entity immediately.
4. The customer is a natural person, legal person or group that has been announced and sanctioned by the Ministry of Justice pursuant to the Act Governing the Countering of Terrorism Financing, or a country announced by the Ministry of Justice, or a terrorist organization or a terrorist recognized or investigated by an international organization.
5. The transaction amount originates from, or will be paid to, a high-risk country or region, and is suspected to be involved with any terrorist activity, terrorist organization, or terrorism financing.
6. When the CPA prepares for, or carries out, a transaction designated under Article 5, paragraph 3, subparagraph 5 of the Act for the customer, and the customer cannot provide a concrete explanation, or the explanation provided is obviously not true.
7. After the commission relationship is over, the CPA discovers that the customer denies the relationship, or that no such customer exists, or that there are sufficient facts to prove that the customer's name was falsely used by someone else.

Article 8

The CPA shall, within 10 working days upon discovery of a suspicious ML/TF transaction set out in the preceding article, report to the Investigation Bureau of the Ministry of Justice in the format prescribed by the Investigation Bureau of the Ministry of Justice, by mail, fax, email or other methods.

The records of reports under the preceding paragraph shall be maintained for a period of five years in the form of copies or electronic files.

Article 9

These Regulations will be in force from 28 June 2017.