



金融情報辦公室
Gabinete de Informação Financeira
Financial Intelligence Office



2023

年報 | Relatório Anual | Annual Report



2023

Financial Intelligence Office
Annual Report

| | |
|--|-----------|
| Director's Message..... | 3 |
| Year 2023 - Task Overview of STR Analysis Team of <i>GIF</i> | A1-A2 |
| CHAPTER I BACKGROUND AND ORGANIZATION STRUCTURE..... | 5 |
| 1.1 <i>GIF</i> 's Organization Background..... | 5 |
| 1.2 <i>GIF</i> 's Organization Structure and Functions..... | 5 |
| 1.3 Duties of <i>GIF</i> | 7 |
| CHAPTER II TREND AND DEVELOPMENT OF STRS..... | 9 |
| 2.1 Statistical Data..... | 9 |
| 2.2 Statistics on Recent Trends of Suspicious Transactions..... | 10 |
| Year 2023 - Task Overview of Policy Team of <i>GIF</i> | B1 |
| CHAPTER III COORDINATION OF AML/CFT WORK IN MACAO SAR..... | 12 |
| 3.1 Coordination of the Interdepartmental AML/CFT Working Group..... | 12 |
| 3.1.1 Interdepartmental Coordination..... | 13 |
| 3.1.2 Strategic Analysis..... | 13 |
| 3.2 ML/TF/PF Risk Assessment of the Macao SAR..... | 15 |
| 3.3 Coordination of the Asset Freezing Coordination Commission..... | 15 |
| 3.4 Participation of International Bodies Activities..... | 17 |
| 3.4.1 Chairing of APG ME Committee..... | 17 |
| 3.4.2 Participation in ME of other APG Member Jurisdictions..... | 17 |
| 3.4.3 Macao SAR being represented as Co-Chair of APJG..... | 18 |

| | |
|---|-----------|
| 3.5 International Cooperation..... | 18 |
| 3.5.1 FIIB visited <i>GIF</i> | 20 |
| 3.5.2 <i>GIF</i> visited the Relevant AML Agencies of the People's Bank of China..... | 21 |
| 3.6 Attending International Conferences..... | 22 |
| 3.7 Local Cooperation..... | 24 |
| 3.7.1 Cooperation among Government Agencies..... | 24 |
| 3.7.2 "Joint Meeting on Prevention and Suppression of Financial Crimes"..... | 25 |
| 3.8 Public Awareness Program..... | 27 |
| 3.8.1 Local and Overseas Trainings for <i>GIF</i> Staff and Staff of Other Government Agencies..... | 27 |
| 3.8.2 Training for Government Agencies and Private Sector..... | 30 |
| 3.8.3 The 1st "Outstanding STR Case Award" organized by <i>GIF</i> | 35 |
| 3.9 Courtesy Visit from/to Other Entities..... | 37 |
| CHAPTER IV ADMINISTRATION..... | 39 |
| 4.1 Means of STR Submission..... | 39 |
| 4.2 Ongoing Enhancement of IT and Cybersecurity Infrastructure..... | 40 |
| APPENDIX - GLOSSARY..... | 42 |

With the easing of pandemic in Macao, economic activities and commercial transactions gradually recovered, thus leading to a significant increase in the number of suspicious transaction reports (STRs). Under rapid global economic development nowadays, the transparency and security of financial systems are crucial protection for global economic stability. With the development of technologies and diversification of financial instruments, transnational criminal syndicates ceaselessly abuse these new tools to conduct money laundering and other illegal activities. In order to effectively address this challenge, the Financial Action Task Force (FATF) has been continually updating its policy framework in recent years to ensure the integrity and stability of the financial system.

According to the latest FATF revision, enhancing the transparency of beneficial ownership of legal persons and legal arrangements mark a new height on the importance of financial transparency. These measures will facilitate the exposure of hidden criminals who conceal their identity through the use of shell companies and complex corporate structures to carry out money laundering activities. Regarding the fast growing virtual asset market, FATF has incorporated anti-money laundering regulatory models into its standards, aiming to strengthen the monitoring requirements for virtual asset transactions in order to reduce the risk of virtual assets being used as money laundering vehicles, while constantly updating members on relevant implementation status and closely monitoring their adoption of appropriate prevention and control measures in accordance with its standards. In addition, FATF has strengthened measures related to asset confiscation and recovery to deprive criminals of their illegal property. FATF recommended members to establish effective mechanism for tracing, seizing and confiscating criminal property and property of corresponding value, as well as returning them.

As for public awareness and juvenile education, through the comprehensive implementation of the "Policy on Public Relations" of Secretary for Security, the Financial Intelligence Office (GIF) is committed to enhance students' awareness on combating money laundering, terrorist financing and proliferation financing in the educational system. GIF proactively organizes "Reaching Out to Campus" programs and arranges multiple trainings and outreach sessions for tertiary education and juveniles in order to enhance public vigilance and prevention capabilities against money laundering. This is a long-term strategic goal to safeguard financial security and combat financial crimes. GIF also introduces the compliance industry to juveniles to assist them for career planning and to cultivate more anti-money laundering professionals.

In addition to the thematic trainings on Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT), all staff of GIF continuously promote and maintain national security. To achieve a deeper understanding of the latest national security situations, all staff of GIF participated in the "National Security Education Exhibition". National security encompass various key areas in which financial security is one of the core components. Maintaining financial security is a strategic goal essential for sustainable economic and social development. Thus, a sound and robust AML institutional framework serves as an inevitable defense frontier for maintaining economic and financial security. By investigating, analyzing, monitoring suspicious transactions and taking necessary risk management measures to prevent and suppress illegal criminal activities, all these steps will contribute to the orderly establishment of a sound economic and financial environment, safeguard financial security, social stability and thereby achieve national security.

In order to comply with the "Optimization of Human Resources and Streamlining Administration" Policy of Macao SAR Government, GIF has been under restructuring process and will be transformed from a project team to a permanent unit officially through integration into the Unitary Police Service (SPU) on 1 February 2024. While maintaining its original competences, GIF will further strengthen cooperation with the police to enhance effectiveness in preventing and combating money laundering (ML), terrorism financing (TF) and proliferation financing (PF).

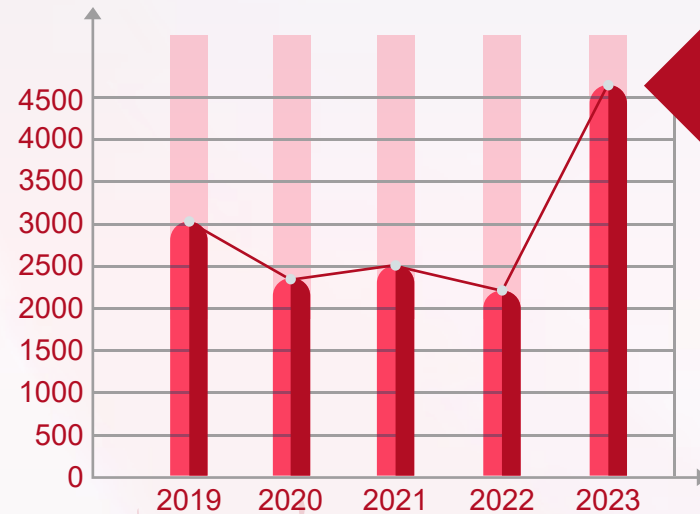


Director
Chu Un I, Connie

Year 2023

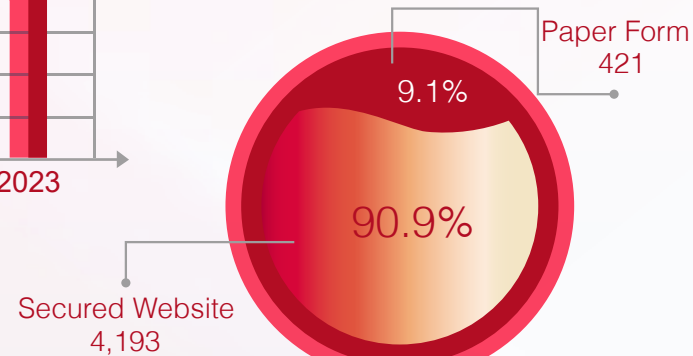
Task Overview of STR Analysis Team of GIF

Total number of STRs received

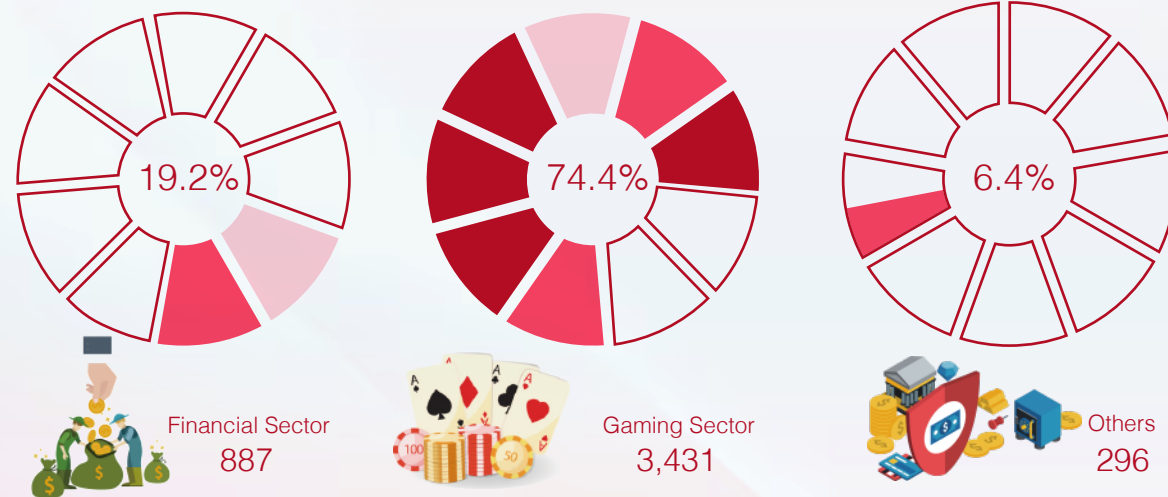


Total
4,614

Methods of Submission



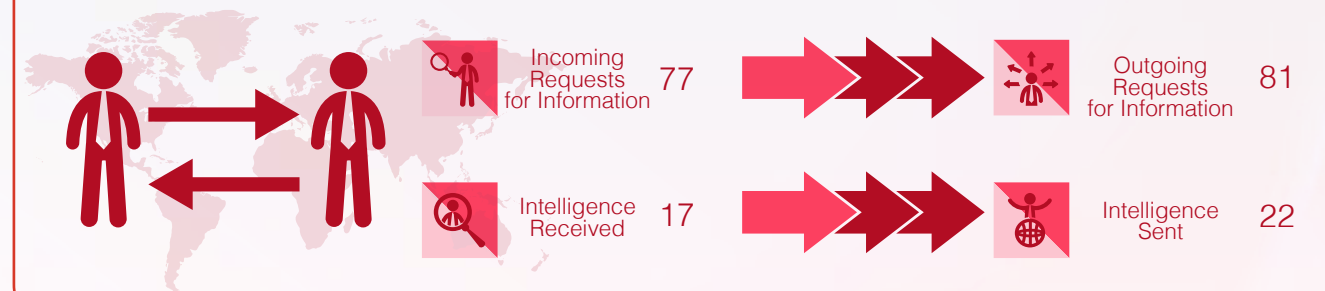
Number of STRs received from different reporting entities



STRs disseminated to MP

116

Statistical data of information exchange between GIF and other FIU



Number of participants in training and meeting

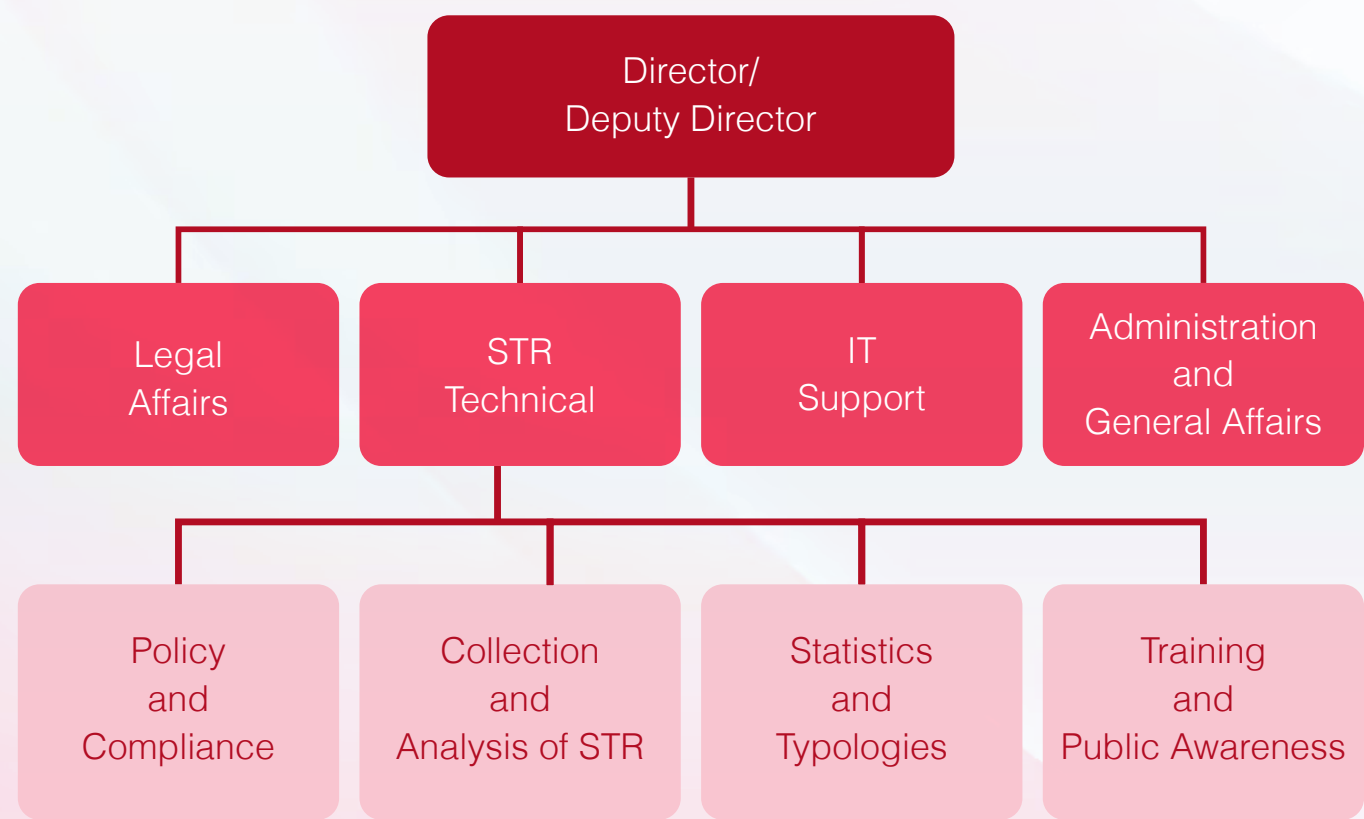


1.1 GIF's Organization Background

GIF was established on 8th August 2006 under Executive Ruling no. 227/2006 with the primary role of collecting, analyzing and disseminating information on suspicious transactions of ML and TF. It was established for coping with the implementation of Law no. 2/2006 and Law no. 3/2006 in force, on “Prevention and Suppression of Crimes of Money Laundering” and “Prevention and Suppression of Crimes of Terrorism”.

Under Executive Ruling no. 227/2006, GIF was set up in the form of a project entity that could be extended by Executive Ruling. The structure of GIF will be reorganized and it will no longer exist in the form of project team. According to Law no. 1/2001 “The Unitary Police Service of the Macao Special Administrative Region”, as amended by Law no. 23/2023, GIF will be officially integrated into SPU on 1 February 2024.

1.2 GIF's Organization Structure and Functions



The core function of GIF is to collect, analyze and disseminate relevant information to law enforcement agencies (LEAs), judicial authorities or other entities vested with the authority to prevent and suppress crimes relating to ML or TF. In exercising such duties, GIF is granted with the following specific competence:

- To receive information provided in accordance with the prevalent Article 7 of the Administrative Regulation no. 7/2006 in force and to establish and maintain a database with such information;
- To analyze the information received and report the suspicious ML activities to the Public Prosecutions Office (MP);
- To provide assistance to LEAs, judicial authorities and other entities empowered to prevent and suppress ML and TF crimes, based on their requests with stated legitimate reasons, particularly in the form of information sharing and technical support;
- To provide to and receive from foreign entities information about ML and TF crimes, for the implementation of inter-regional agreements or any other international law instruments;
- To collaborate with public entities to establish and revise AML/CFT guidelines;
- To develop promotion and education programs for public awareness about AML/CFT; and
- To furnish the Secretary for Security with an annual report on its activities.

1.3 Duties of GIF

The Director takes on the leadership, coordination and management responsibilities so as to fulfill the duties stipulated in paragraph 2 of Article 8 of Law no. 2/2006, paragraph 2 of Article 11 of Law no. 3/2006 in force, and Executive Ruling no. 227/2006.

The duties of *GIF* are categorized into 4 main areas: Policy and Compliance, Collection and Analysis of STRs, Statistics and Typologies, and Training and Public Awareness. Such duties are performed with the support of the following 3 teams of back-office staff: Legal Affairs, Information Technology (IT) Support and Administration and General Affairs.

Policy and Compliance

GIF has the duty to keep track of international developments and update the information on international standards, laws and conventions. It liaises on continual basis with international bodies such as FATF, Asia/Pacific Group on Money Laundering (APG) and the Egmont Group through the participation in the meetings of these professional bodies, commitments in the assessment missions of member jurisdictions, answer assessment questionnaires and enquiries in relation to AML/CFT. Domestically *GIF* follows up with the change in local laws and guidelines, and recommends new measures for keeping abreast with the latest developments in AML/CFT regime.

Collection and Analysis of STRs

GIF is responsible for collecting and analyzing STRs submitted by different reporting entities as well as inputting data collected through these STRs into the database. All incoming reports will be verified to ensure all data are properly filled in and initial feedback will be sent to the reporting entity accordingly. The initial feedback will be followed by subsequent follow-up replies if deemed necessary. At the same time analysis will be carried out, including data matching against existing records and intelligence provided by local law enforcement and foreign counterparts. *GIF* has been granted the authority to request additional information from reporting entities, if necessary, for in-depth analysis on any case, and to propose reported cases deemed suspicious to the MP.

Statistics and Typologies

GIF has to extract statistical data periodically from STRs received, as well as providing instructive information such as trends and typologies to the supervisory agencies. Analysis reports on typologies and transaction types will be prepared for internal and cross-departmental reference, and these reports may serve as insights for further policy review.

Training and Public Awareness

To arrange training and public awareness programs on AML/CFT is one of *GIF*'s important responsibilities. For this reason, *GIF* needs to search for suitable training resources provided by international bodies, arrange local courses by inviting experts from abroad, and take part in seminars and workshops overseas. At the same time, promotional campaigns by means of delivering AML/CFT trainings and seminars to reporting entities and public, broadcasting promotional videos on various platforms, as well as updating the content of WeChat Official Account of *GIF* and publication of newsletters on a regular basis are the common channels to raise public awareness about the importance of AML/CFT.

2.1 Statistical Data

In 2023, *GIF* continues to carry out its duties as per Executive Ruling no. 227/2006 to perform statistics on STRs data and detailed STRs cases analysis. Compared with 2022, the number of STRs received by *GIF* increased significantly due to the economic recovery post-pandemic.

Table 1: The Total Number of STRs Received and Their Variances

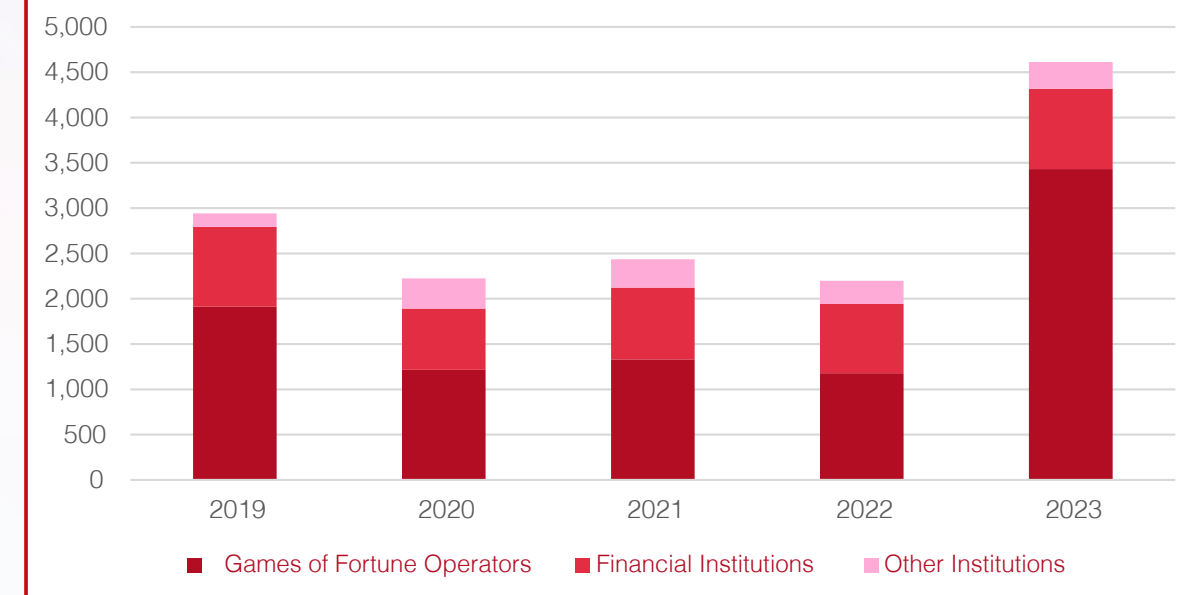
| Year | Number of STRs | Variance |
|------|----------------|----------|
| 2019 | 2,941 | - 20.9% |
| 2020 | 2,224 | - 24.4 % |
| 2021 | 2,435 | + 9.5 % |
| 2022 | 2,199 | - 9.7 % |
| 2023 | 4,614 | + 109.8% |

Among all STRs received in 2023, the gaming sector submitted 3,431 reports, financial sector submitted 887 reports, and other institutions submitted 296 reports, which accounted for 74.4%, 19.2% and 6.4% respectively. The total number of STRs has increased by 109.8% as compared with 2022. With the easing of pandemic in 2023, the number of visitors and commercial activities resumed gradually, the number of STRs had also increased accordingly. The increase mainly reflected in gaming sector, the STRs submitted by gaming sector increased dramatically by 191.5%, while the number of STRs submitted by financial sector and other institutions increased by 15.9% and 15.2% respectively. Statistical information relating to the number of STRs received in 2023 is given in Table 2 and Chart 1.

Table 2: Statistical Data of STRs Received from 2019 to 2023

| Reporting Entity | Number of STRs | | | | | Variance '22 vs '23 |
|----------------------------|----------------|-------|-------|-------|-------|---------------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | |
| Financial Institutions | 880 | 677 | 793 | 765 | 887 | +15.9% |
| Games of Fortune Operators | 1,913 | 1,215 | 1,330 | 1,177 | 3,431 | +191.5% |
| Other Institutions | 148 | 332 | 312 | 257 | 296 | +15.2% |
| Total | 2,941 | 2,224 | 2,435 | 2,199 | 4,614 | +109.8% |

Chart 1: Number of STRs Filed by Sectors in 2019 - 2023



During 2023, *GIF* disseminated 116 STRs to *MP*. As compared with 2022, the number of STRs disseminated to *MP* has decreased, as most STRs were one-off transactions that *GIF* followed up in statistical way to conduct trends and typologies. These statistical information would be shared with competent authorities, if needed, to assist them for better policy planning.

2.2 Statistics on Recent Trends of Suspicious Transactions

“Chips conversion without/with minimal gambling activities” was the most common typology in 2023. The second to sixth ranking included “Irregular large cash withdrawals”, “Currency exchanges / cash conversion”, “Significant cash deposit with non-verifiable source of funds”, “Related to other crimes” and “Chips conversion / marker redemption / Gambling on behalf of third party(ies)”. The typology “Currency exchanges / cash conversion” has significantly increased as *GIF* received a large number of STRs related to frequent use of automated teller machine (ATM) / cash deposit machine (CDM) for cash withdrawal and exchange transactions in 2023. The top 10 most prevailing typologies (in terms of occurrence) in 2023 are given in the following Chart 2 and Table 3.

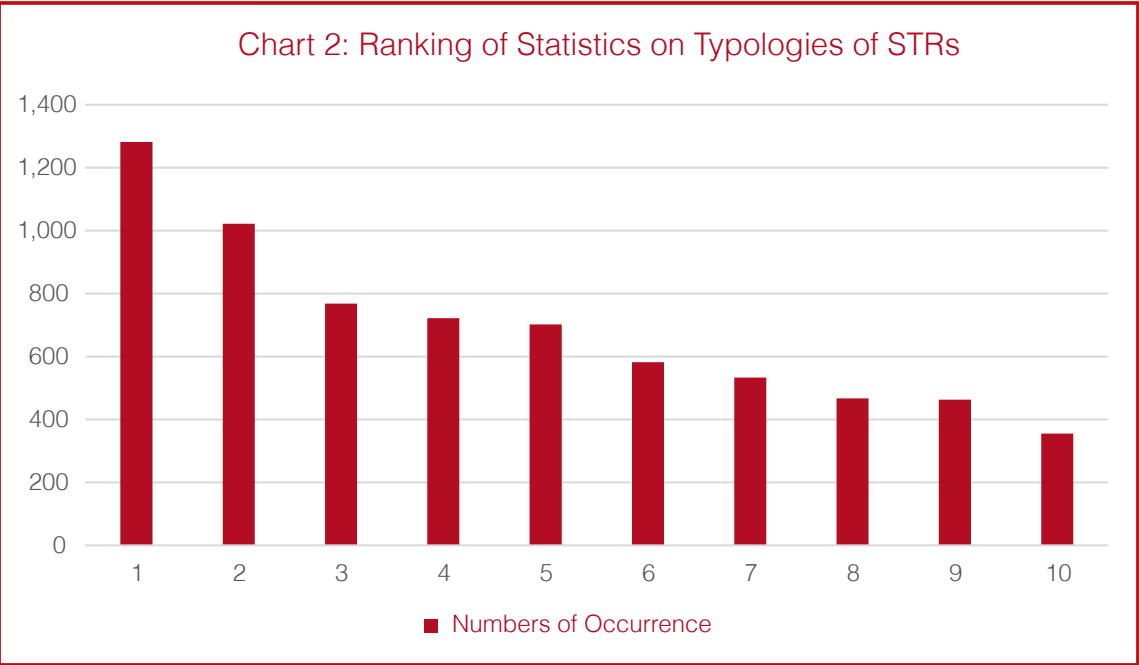


Table 3: Ranking of Statistics on Typologies of STRs
(in order of occurrence)

| | Typologies | Number of STRs |
|----|---|----------------|
| 1 | Chips conversion without/with minimal gambling activities | 1,282 |
| 2 | Irregular large cash withdrawals | 1,022 |
| 3 | Currency exchanges / cash conversion | 768 |
| 4 | Significant cash deposit with non-verifiable source of funds | 722 |
| 5 | Related to others crimes | 702 |
| 6 | Chips conversion / marker redemption / gambling on behalf of third party(ies) | 582 |
| 7 | Use of ATM, phone banking, CDM | 533 |
| 8 | Gambling activities (casinos, horse racing, internet gambling etc.) | 467 |
| 9 | Use of cheques / promissory notes / account transfer etc. to transfer funds | 463 |
| 10 | Suspicious wire transfers | 355 |
| 11 | Others* | 2,386 |

* Other typologies include “Use of online banking / internet”, “Possible Match with international Watch-list or other Black List”, “Foreign exchange transactions with unidentified source of funds” and “Attempted but unsuccessful transaction”, etc.

Year 2023

Task Overview of Policy Team of GIF

Number of meetings chaired / participated as Co-Chairs of international working groups

33



Project

Total number of MOU signed (accumulative over years) 33

Number of participants in trainings held by the Asset Freezing Coordination Commission Around 350

Number of AML/CFT working group meetings and risk assessment related meetings 8 total

Number of international meetings / trainings attended 20

Number of assessors participated in Mutual Evaluation (ME) 3

3.1 Coordination of the Interdepartmental AML/CFT Working Group

In order to strengthen the coordination work in the AML/CFT regime in Macao SAR, the Interdepartmental AML/CFT Working Group was established in 2002 and formalized in 2014. The AML/CFT Working Group is an interdepartmental group of different judicial authorities and government agencies, it has been working smoothly and closely for many years. Functions of the AML/CFT Working Group are specified as follows:

- (1) Coordination and follow-up of the works related to the evaluation and assessment of Macao SAR conducted by international and inter-regional AML/CFT organizations, especially in coordinating the collection of related necessary data;
- (2) Carrying out policy studies related to AML/CFT;
- (3) Provision of AML/CFT training and public awareness programs to the economic sectors involved in the fight against ML and TF;
- (4) Exchange of information on trends related to AML/CFT;
- (5) Establishment of special sub-Working Groups whenever deemed necessary for the study of some particular AML/CFT related issues.

The Interdepartmental AML/CFT Working Group continued to follow up all the AML/CFT related works in Macao SAR. *GIF* continues to be the coordinator of the Interdepartmental AML/CFT Working Group and meetings were held regularly. At present, the AML/CFT Working Group is comprised of 14 different government agencies of supervisory, legal and law enforcement nature, including (in alphabetical order of Portuguese acronym):

- (1) Monetary Authority of Macao (*AMCM*)
- (2) Commission against Corruption (*CCAC*)
- (3) Independent Committee for the Exercise of Disciplinary Power over Solicitors (*CIEPDSS*)
- (4) Public Security Force (*CPSP*)
- (5) Gaming Inspection and Coordination Bureau (*DICJ*)
- (6) Legal Affairs Bureau (*DSAJ*)
- (7) Economic and Technological Development Bureau (*DSEDT*)
- (8) Financial Services Bureau (*DSF*)
- (9) Housing Bureau (*IH*)
- (10) Public Prosecutions Office (*MP*)
- (11) Judiciary Police (*PJ*)
- (12) Macao Customs Service (*SA*)
- (13) Unitary Police Service (*SPU*) and
- (14) Financial Intelligence Office (*GIF*) (coordinator).

3.1.1 Interdepartmental Coordination

During 2023, *GIF* organized 3 Interdepartmental AML/CFT Working Group meetings and 8 meetings with individual government or supervisory agencies, including *AMCM*, *CCAC*, *DICJ*, *DSAJ*, *DSF*, *MP*, *SPU*, *SA*, *PJ*, *CPSP*, judicial authorities like The Court of the Macao SAR. The following issues were discussed:

- ML/TF/PF risk assessment of Macao SAR; (See Section 3.2)
- Coordinate the Asset Freezing Coordination Commission as the Secretariat in order to discuss the practical operational procedures of asset freezing and emergency notification mechanism, and held seminars on “Asset Freezing Regime” to different industries; (See Section 3.3) and
- Coordinate training activities for different judicial authorities and government agencies.

3.1.2 Strategic Analysis

GIF has been coordinating relevant Interdepartmental AML/CFT Working Group members to carry out thematic risk assessments in various areas since 2009. Results and findings from those risk assessments have been shared among relevant judicial authorities and government agencies, meetings were also arranged to explain the risks identified and suggest risk mitigation measures. These ongoing risk assessment project studies include:

- a. Non-profit organization sector review based on international standard requirements;
- b. ML/TF risks based on STRs received in relation to the gaming sector;
- c. Analytical review on the enhanced customer due diligence data received from supervisory agency;
- d. Thematic review based on particular typologies from STRs;
- e. Review on risks of the cross-border cash declaration system.

These various strategic analysis reports cover the results from STR analysis as well as international AML/CFT developments. Whenever emerging trends or threats were detected, *GIF* will share the information with Interdepartmental AML/CFT Working Group members for follow-up actions, and discuss how to develop the relevant risk mitigation measures. These study reports served as useful reference for different judicial authorities and government agencies in preparing their AML/CFT work plan and policies, which include prioritizing their work according to the risks identified, allocating more resources in higher risk areas, amending the operational procedures and supervisory guidelines to incorporate risk mitigation measures. Most of the recommendations have been adopted by the respective judicial authorities and government agencies, with timely follow-up, so as to comply with the requirements of international organizations and reduce the risk of ML/TF involved in different industries.



Interdepartmental AML/CFT Working Group Meeting in 2023

3.2 ML/TF/PF Risk Assessment of the Macao SAR

In accordance with the requirement of FATF Recommendation 1, jurisdictions should identify, assess and understand their ML/TF/PF risks. In addition, jurisdictions should apply a risk-based approach to allocate resources and mitigate risks identified, and should also conduct regular updates to maintain risk assessment to the latest status. By the end of 2022, the Macao SAR had generally completed various sector review reports and relevant crime threat analysis reports. In 2023, *GIF* coordinated the members of the Interdepartmental AML/CFT Working Group to consolidate the statistics and information of the above-mentioned reports into “Macao Special Administrative Region Risk Assessment Report on Money Laundering / Terrorist Financing / Financing of Proliferation of Weapons of Mass Destruction”.

In order to further enhance sectors’ awareness of the risk assessment and understanding of the assessment results, *GIF* has distributed the private sector version of the reports to various stakeholders and sector practitioners. *GIF* will launch a series of explanatory sessions in 2024 in the form of seminars jointly organized with supervisory authorities to share the risk assessment result. The first round of seminars is scheduled to commence in the first quarter of 2024 for the financial and gaming sectors, while the seminars in the second quarter of 2024 will be for other sectors, including dealers of goods of high unit value, real estate intermediaries and agents, accounting professionals, lawyers and notaries.

3.3 Coordination of the Asset Freezing Coordination Commission

The Asset Freezing Coordination Commission (hereafter as “the Commission”) was established on 1 September 2016, in accordance with Paragraph 4 of Article 5 of Law no. 6/2016 “Asset Freezing Regime”. The main responsibilities of the Commission include: setting up and maintaining a public database available on its website, with an updated record of the designated natural and legal persons and entities, as well as of frozen assets; communicating to the entities in accordance with the “Asset Freezing Regime”; developing clear guidance to ensure compliance with obligations and duties, as well as providing technical advice. The Commission comprises member agencies including *SPU* (Coordinator), *MP*, *SA*, *DSAJ*, *AMCM*, *PJ* and *GIF* (the Secretariat of the Commission).

From its establishment in 2016 to the end of 2023, the Commission has held 16 meetings in total to optimize the practical operating procedures of the “Asset Freezing Regime” in a timely manner, continue to carry out outreach programs to enhance the awareness of reporting entities in relation to different sectors and improve the relevant notification mechanism.

The Commission held the 16th meeting in the year of 2023, mainly to discuss and actively exchange views on various agenda items, including risk assessment of PF, notification of United Nations Security Council Resolutions (UNSCRs) and revision of the Commission’s internal regulations. In 2023, the Commission issued 1 notification to the supervisory agencies on the publication of UNSCRs.

In order to ensure the effective implementation of the “Asset Freezing Regime” and to raise the awareness of the sectors about the responsibilities and obligations of the relevant laws, the content of the “Asset Freezing Regime” has been integrated into the regular AML/CFT training for different sectors, in order to promote the knowledge of the relevant regime more effectively and further enhance their understandings. *GIF* being the Secretariat of the Commission provided a total of 3 training sessions on “Asset Freezing Regime” in November 2023, targeting the banking sector, insurance sector and the gaming sector. Topics included laws and regulations, international standards, implementation of freezing measures and PF, etc. The above-mentioned trainings recorded a total attendance of about 350 and the relevant promotional work will be continued on an ongoing basis to further strengthen the sector’s understanding of the “Asset Freezing Regime”.



The 16th Asset Freezing Coordination Commission Meeting

3.4 Participation of International Bodies Activities

ML and TF crimes never confine themselves to the border of a jurisdiction and always involve international movements of funds. As such, different international organizations foster cooperation and compliance globally with the internationally recognized standards in AML/CFT, in particular the 40 Recommendations of FATF. Macao SAR joined the APG in 2001 and *GIF* joined the Egmont Group in 2009. As a member, Macao SAR has been proactively enhancing its AML/CFT efforts through the participation in the meetings as well as the assessment missions of member jurisdictions. These commitments not only fulfill the obligations of the Macao SAR being a member of the international organization, but also enhance the international status of the Macao SAR.

3.4.1 Chairing of APG ME Committee

Since September 2013, *GIF* sent one representative to serve as one of the Co-Chairs of the APG ME Working Group. The representative of *GIF* was supported by all member jurisdictions during the APG Annual Meeting in July 2022 to continue as Co-Chair of the Mutual Evaluation Committee (MEC) and renewed a 3-year term until 2025. The core function of the MEC is that it supports the 3rd round ME, and provides training to prospective assessors on FATF international standards and assessment procedures. In addition, MEC discusses the Mutual Evaluation Report (MER) and follow-up report of the assessed jurisdiction according to procedures with each member in the APG annual meeting, provides recommendations to members concerning some key issues to ensure the quality and consistency of ME and follow-up procedures. During 2023, the representative of *GIF* participated in or chaired a total of 5 MEC virtual meetings on behalf of the Macao SAR, and chaired the MEC meeting prior to the APG Annual Meeting held in Vancouver, Canada in July 2023.

3.4.2 Participation in ME of other APG Member Jurisdictions

Being a member of APG, Macao SAR is obliged to nominate appropriate experts to assist APG in the ME assessment. In 2023, 3 representatives from *GIF* have taken up the assessor role in the FATF/APG ME of 4 member jurisdictions. While 2 of the MERs were completed for discussion or endorsement in February and July 2023 respectively, and the other 2 reports are still in progress. In addition, 1 representative from the Interdepartmental AML/CFT Working Group has been nominated to take up the reviewer role for another member jurisdiction of APG according to his own area of expertise.

In November 2023, a representative of *GIF* participated in the Assessor Training Workshop jointly organized by FATF and APG. *GIF* and members of the Interdepartmental AML/CFT Working Group will continue to nominate representatives to participate in the APG Assessor Training Workshops, and actively participate in ME assessment, in order to fulfill its duties as a member of an international organization.

3.4.3 Macao SAR being represented as Co-Chair of APJG

Asia/Pacific Joint Group (APJG) is a regional sub-group of the International Cooperation Review Group (ICRG) which is responsible for establishing sanction and monitoring lists under the international AML organization, FATF. The APJG, which is composed of two Co-Chairs and other regional members, is mainly responsible for reviewing the listed members and following up their progress on AML/CFT. Since April 2020, Macao SAR being represented by *GIF* has served as one of the APJG Co-Chairs till the present, to coordinate and follow up the progress of the listed regional members, as well as to report regularly to the ICRG Co-Chairs who in turn report to the FATF members. By the end of 2023, a total of 3 Asia/Pacific regional members were listed and the co-ordination work was shared by two Co-Chairs. With the easing of pandemic in 2023, most the APJG meetings in the past year were conducted in face to face format.

As the Co-Chair of the APJG, *GIF* was invited to organize a three-and-a-half-day APJG meeting in May 2023 in Macao SAR, with a total of about 70 representatives from the assessment team, assessed jurisdictions and international organizations. Macao SAR continues to nominate representatives to participate in the membership affairs of international AML organizations, to enhance the international status of Macao SAR, to keep abreast of the latest assessment requirements and policies of FATF, and actively participate in international work related to AML/CFT/CPF.

In 2023, *GIF* representatives participated in or chaired over 28 meetings, to follow up on listed members, as well as meetings with ICRG members and FATF Plenary Meetings, etc.

3.5 International Cooperation

During the pandemic, the use of technologies facilitated people's livelihood, but was also exploited by criminals to form new trend of cybercrime. With the easing of pandemic in 2023, commercial activities resumed gradually, however cybercrimes were becoming rampant. Given the cross-border nature of cybercrime, criminals can use technology to quickly transfer the proceeds of crime, thereby increasing the difficulty of investigations. *GIF* understands that international cooperation is the key to success in the prevention and suppression of ML and TF, therefore, *GIF* keeps on establishing cooperation and financial intelligence exchange channels to foster cooperation with overseas Financial Intelligence Units (FIUs) so as to prevent and suppress ML and TF activities more effectively.

GIF has been proactively seeking the opportunities of signing Memoranda of Understanding (MOU) with overseas FIUs of "The Belt and Road Initiative" countries and jurisdictions. Up to 2023, there were 33 foreign jurisdictions established an information exchange mechanism under the format of MOU with *GIF*.

The following table indicates the statistics on information exchange between *GIF* and foreign counterparts during 2023:

Table 4: Statistical Data of Information Exchange

| 2023 | Number |
|-----------------------------------|--------|
| Incoming Requests for Information | 77 |
| Outgoing Requests for Information | 81 |
| Intelligence Received | 17 |
| Intelligence Sent | 22 |

Apart from intelligence exchanges with foreign counterparts, *GIF* also seeks opportunities to strengthen other forms of cooperation in AML/CFT with neighboring regions.



Director of *GIF* and Head of FIU-Netherlands met at 2023 Plenary Meeting of the Egmont Group



Deputy director of *GIF* and Head of FIU-Mongolia met at 2023 Annual Meeting of APJG

3.5.1 FIIB visited GIF

GIF and its Hong Kong counterparts have been committed to enhance different cooperation mechanism between Hong Kong and Macao through regular visits or meetings in AML/CFT regime. The physical interaction of people between Hong Kong and Macao has restarted after the relax of travel restrictions across border in early 2023. Hong Kong Financial Intelligence and Investigation Bureau (FIIB) visited GIF on 3 March 2023, and GIF also visited Hong Kong Joint Financial Intelligence Unit (HKJFIU) on 24 April 2023.

With the relaxation of the pandemic preventive measures in 2023, travel and economic activities between Hong Kong and Macao have resumed. Therefore, the meetings mainly focused on AML/CFT cooperation mechanism between Hong Kong and Macao, which included the sharing on analysis of cross-border suspicious transactions' trends and typologies in recent years and deepen bilateral cooperation in different means, so as to effectively mitigate ML/TF risks caused by cross-border illicit fund flows. In addition, the views on information technology and implementation of AML analysis tools were also shared between participants.



Representatives of HKJFIU visited GIF

3.5.2 GIF visited the Relevant AML Agencies of the People's Bank of China

In order to enhance the cooperation mechanism and the effectiveness of prevention and control of cross-border ML risks, regular meetings and visits were held by GIF with counterparts in Mainland. Representatives of GIF went to Beijing from 22 to 24 March 2023 to meet with the Anti-Money Laundering Bureau of the People's Bank of China, the China Anti-Money Laundering Monitoring and Analysis Center (CAMLMAC) and the National Internet Finance Association of China (NIFA).

The meetings mainly focused on sharing experiences in the preparation of ME of AML/CFT, the typologies and latest trends of cross-border suspicious transactions, to explore ways to enhance cooperation mechanism between authorities and to discuss AML issues of FinTech.



Representatives of GIF visited NIFA



Representatives of GIF visited CAMLMAC

3.6 Attending International Conferences

As a member of international organization, *GIF* proactively participated in international conferences and the assessment missions of member jurisdictions. The international conferences participated in 2023 are as follows:

Table 5: List of International Conferences

| Quarters | Conferences | Venues |
|-------------------------|---|---------------------------------|
| 1 st Quarter | APJG Meeting | <i>GIF</i> (Virtual meeting) |
| | FATF Plenary and Working Group Meeting | Paris, France |
| | Egmont Group - Asia Pacific Regional Group Meeting | <i>GIF</i> (Virtual meeting) |
| 2 nd Quarter | APG MEC Meeting | <i>GIF</i> (Virtual meeting) |
| | APJG Meeting | Macao, SAR |
| | Face-To-Face Meetings of ME for Brunei Darussalam | Brunei Darussalam |
| | FATF Plenary and Working Group Meeting | Paris, France |
| 3 rd Quarter | 29 th Egmont Plenary Meeting | Abu Dhabi, United Arab Emirates |
| | APG Annual Meeting and Forum on Technical Assistance & Training | Vancouver, Canada |
| | Pre-ME Meetings for Timor-Leste | <i>GIF</i> (Virtual meeting) |
| | APJG Meeting | Mumbai, India |
| | On-site Visit of ME for Timor-Leste | Timor-Leste |
| | APG MEC Meeting | <i>GIF</i> (Virtual meeting) |
| 4 th Quarter | Egmont Group Heads of FIU and Egmont Committee Meeting | <i>GIF</i> (Virtual meeting) |
| | FATF Plenary and Working Group Meetings | Paris, France |
| | 24 th APG Annual Typologies & Capacity Building Workshop | New Delhi, India |



Representatives of *GIF* and Macao SAR participated in 2023 Annual Meeting of APG

Representatives of *GIF* participated in the 29th Plenary Meeting of the Egmont Group



Representatives of *GIF* and Macao SAR participated in the 24th “APG Annual Typologies & Capacity Building Workshop”

3.7 Local Cooperation

3.7.1 Cooperation among Government Agencies

Information sharing and collaboration is fundamental to *GIF*'s operations. Maintaining effective partnerships with all the relevant judicial authorities and government agencies has been a cornerstone of *GIF*'s work. Partnerships and collaboration continued to be crucial to the success of cross-agency task forces in the past year to achieve the objective of fighting ML/TF. During 2023, the meetings listed below were held among legal departments, supervisory agencies and LEAs:

Judicial Authorities and LEAs

- A meeting with the Court, *MP*, *CCAC*, *SA*, *SPU*, *PJ* and *CPSP* was held in June, to discuss the threat analysis report in relation to Macao SAR ML/TF/PF Risk Assessment.

Supervisory Agencies

- A meeting with *DICJ* was held in March to discuss the analysis report in gaming sector, the impact of recent amendments to gaming laws and regulations on AML/CFT, and preparation work for the 4th round APG ME.
- A meeting with *DSAJ* and *DSF* was held in March to discuss issues related to the identification and record of beneficial ownership information of legal entities and legal arrangements, and another meeting with *DSAJ* was held in June for further discussion.
- A bilateral meeting with *AMCM* was held in June to discuss AML/CFT issues, updates on 3rd round of Macao SAR ML/TF/PF Risk Assessment, the status of virtual asset service providers in Macao, the typologies and trends of STRs, and the latest revisions of FATF Recommendations 24 and 25, etc.

Other Entities

- A meeting was held with Macao Lawyers Association in June to discuss the sector analysis report for legal professionals and share an overview of the 3rd round Macao SAR ML/TF/PF Risk Assessment, etc.

Asset Freezing Coordination Commission

- The 16th meeting of Asset Freezing Coordination Commission was held in December.

Interdepartmental AML/CFT Working Group Meeting

- Meetings with AML/CFT Working Group were held in March, June and December to discuss the assessment results of the 3rd round of Macao SAR ML/TF/PF Risk Assessment.

3.7.2 “Joint Meeting on Prevention and Suppression of Financial Crimes”

With the easing of pandemic, visitors and economic activities resumed to normal levels, various industries gradually shifted their focus from combating the pandemic to promoting economic recovery. In this post-pandemic era, measures to prevent and combat financial crimes are crucial for economic recovery.

In view of this, *GIF* organized two "Joint Meeting on Prevention and Suppression of Financial Crimes" for the financial sector in June and December 2023 respectively. The compliance officers and relevant representatives from all banks in Macao were invited and a total of 100 representatives attended the two meetings. During the meeting, representatives of *GIF* shared the overview and methodology of the 3rd round of Macao SAR ML/TF/PF Risk Assessment, the statistics and latest trends of STRs related to the financial sector, and the upcoming training and public awareness plans.

Through experience sharing in "Joint Meeting on Prevention and Suppression of Financial Crimes", *GIF* aims to raise awareness in AML/CFT preventive measures to ensure the effective prevention and suppression of financial crimes with the contributions from supervisory agencies and financial institutions.

Table 6: “Joint Meeting on Prevention and Suppression of Financial Crimes”

| Sector | Attendance |
|------------------|------------|
| Financial Sector | 100 |



“The 10th Joint Meeting on Prevention and Suppression of Financial Crimes”



“The 11th Joint Meeting on Prevention and Suppression of Financial Crimes”

3.8 Public Awareness Program

GIF continued to raise public awareness on AML/CFT through publications and trainings. In 2023, *GIF* organized series of public awareness programs for different sectors and public, including trainings tailored for different stakeholders, publication of newsletters and annual reports, promotional videos, as well as the website and WeChat Official Account with updates on AML/CFT issues accessible to the public.

GIF will continue to conduct different types of public awareness programs in order to deliver AML/CFT knowledge to the public and other practitioners, for the betterment of economic environment and development for Macao SAR.

3.8.1 Local and Overseas Trainings for *GIF* Staff and Staff of Other Government Agencies

In 2023, staff of *GIF* and members of the Interdepartmental AML/CFT Working Group had attended different training sessions. In addition, staff of *GIF* visited the “National Security Education Exhibition” in April 2023 that was jointly held by Macao SAR Government and the Liaison Office of the Central People’s Government in the Macao SAR, which provided *GIF* staff with a better understanding of the concept of overall national security.



Staff of *GIF* visited the “National Security Education Exhibition”



Representatives of *GIF* attended
“International Symposium on Cyber Policing” in Hong Kong

Representatives of *GIF* participated in
“APG-focused FATF Standards Training Course”



Representatives of *GIF* participated in “APG Assessor Training”

3.8.2 Training for Government Agencies and Private Sector

Raising the awareness of supervisory agencies and reporting entities on their AML/CFT obligations is always crucial to the functions of *GIF*. During 2023, the following training sessions had been conducted for the management, compliance departments and the front-line staff of various sectors as well as the educational institutions. The total number of participants in trainings and seminars in 2023 showed a significant decrease as compared with 2022. The main reason was that trainings and seminars were held online in 2022 in order to comply with the pandemic preventive measures, thus more participants could participate the trainings and seminars. However in 2023, the trainings and seminars were held face to face resulting in a decrease in the number of participants. Details are as follows:

Table 7: List of Trainings and Seminars Organized by *GIF*

Sectoral training – Total number of participants: around 465

| Sectors | Training Target | Attendance |
|--------------------|--------------------------|------------|
| Financial Sector | Financial Institutions | 200 |
| | Insurance Agents | 80 |
| Gaming Sector | Gaming Concessionaires | 80 |
| Accounting Sector | Accounting Professionals | 80 |
| Real Estate Sector | Real Estate Agents | 25 |



GIF provided AML/CFT seminar for banking sector



GIF provided AML/CFT seminar for gaming sector



GIF and AMCM jointly organized "2023 AML Seminar for Insurance Sector"



GIF provided AML seminar for PJ



GIF provided AML/CFT seminar for real estate sector

Government officials training and seminar – Total number of participants: 130

| Sectors | Training Target | Attendance |
|---------------------|--|------------|
| Government Agencies | The 6 th Internship for Judicial Officers | 20 |
| | PJ | 110 |

Individual training – Total number of participants: around 260

| Industries | Training Target | Attendance |
|--------------------------|---|------------|
| Financial Institutions | Industrial and Commercial Bank of China (Macau) Limited (ICBC) | 40 |
| | The Macau Chinese Bank Limited (MCB) | 50 |
| Educational Institutions | Students of The University of Saint Joseph and Macao Polytechnic University | 22 |
| | Students of <i>Colégio Diocesano de São José 5^a</i> (CDSJ5) | 110 |
| | Students of Macau Institute of Management | 40 |



GIF provided AML/CFT training to ICBC



GIF provided AML/CFT training to MCB



Promotion of prevention of ML to juveniles - CDSJ5

3.8.3 The 1st “Outstanding STR Case Award” organized by GIF

In order to promote the prevention of ML/TF and improve the quality of AML works in Macao SAR, GIF organized the 1st “Outstanding STR Case Award” for banking sector in 2023, with an aim to recognise and encourage relevant banks of their outstanding STR cases. The evaluation committee is composed of director, deputy director from *GIF*, and one supervisor each from *GIF*, *AMCM* and *PJ*. The evaluation was carried out anonymously, the best STR case was selected based on various criteria, including the identification and analysis process of suspicious transactions, the various measures taken to prevent ML/TF, the typologies involved and the referential value of the STR case. The winner of the best STR case of the 1st “Outstanding STR Case Award” was Bank of China Limited (Macao Branch). The award was given by *GIF* in the “AML/CFT Seminar” held by *AMCM* on 1 December 2023.

GIF aims to successively promote the prevention of ML/TF in Macao through this award activity, to encourage reporting entities and relevant practitioners to have sustainable improvement in the quality of STR reports, encourage submission of more reasonable STR cases, and to deepen the understanding of preventive measures for AML/CFT.



GIF organized the 1st “Outstanding STR Case Award” for banking sector in 2023

3.9 Courtesy Visit from/to Other Entities

In 2023, *GIF* continued to receive courtesy visits from different financial institutions and private sectors. Through these visits, *GIF* introduced the AML/CFT/CPF related works conducted by the Macao SAR Government, the trends, typologies of STRs and related financial knowledge, and to catch up on the latest market development of new products and services, so as to consider the ML/TF risks involved and enhance the relevant AML/CFT preventive measures when necessary, with the aim to elevate the effectiveness of AML/CFT/CPF in Macao SAR.



Representatives of Australian Transaction Reports and Analysis Centre visited *GIF*



Representatives of Bank of Communications Company Limited Macao Branch visited *GIF*



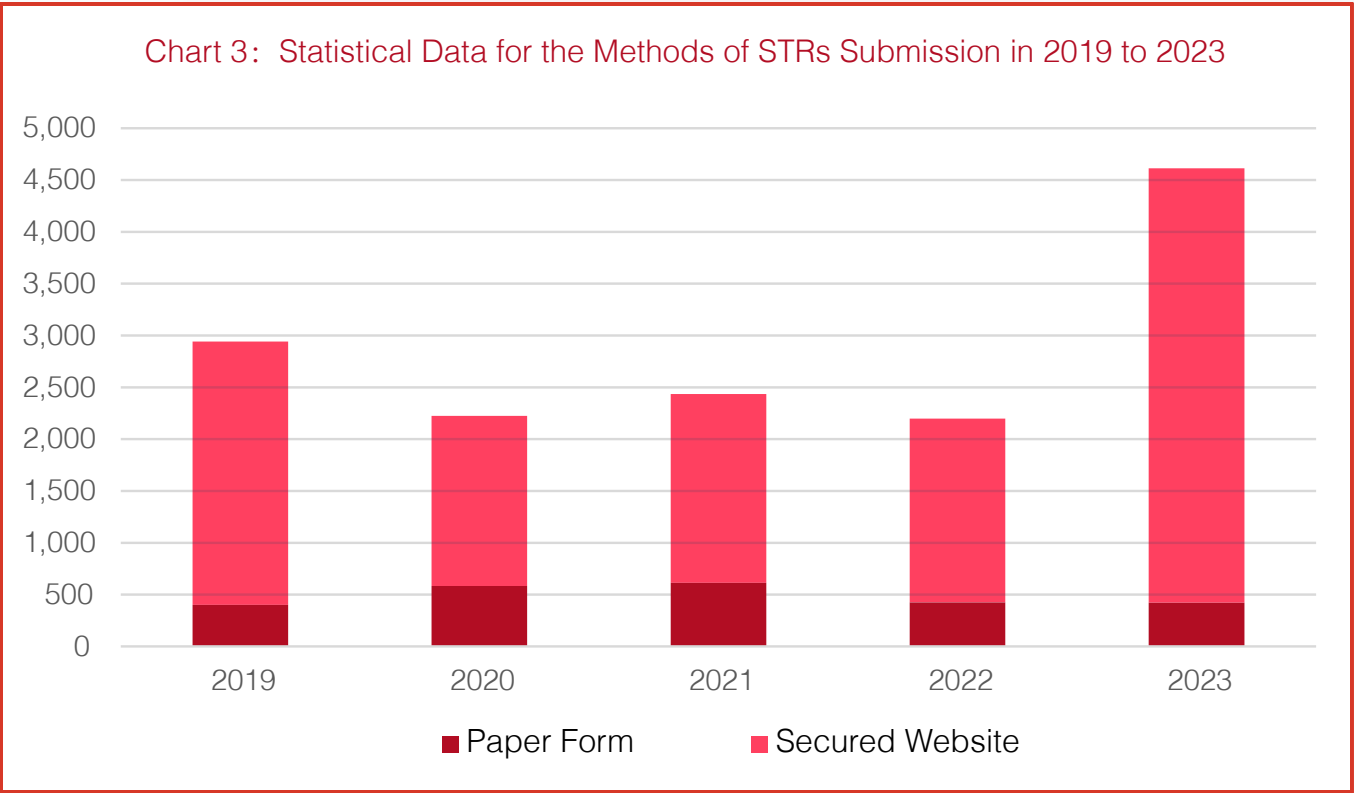
Representatives of Macau Anti-Money Laundering Specialists Association visited *GIF*

4.1 Means of STR Submission

GIF has launched the Online STR Reporting System (secured website) for over 10 years. Through this secured and efficient way to submit STR, paper consumption can be reduced and hence, it is more environmentally friendly. The table below shows the utilization rate of using different methods of STRs submission in the past 5 years.

Table 8: Statistical Data for the Methods of STRs Submission

| Methods of Submission | Number of STRs | | | | | | | | | |
|-----------------------|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2019 | % | 2020 | % | 2021 | % | 2022 | % | 2023 | % |
| Paper Form | 401 | 13.6% | 583 | 26.2% | 613 | 25.2% | 424 | 19.3% | 421 | 9.1% |
| Secured Website | 2,540 | 86.4% | 1,641 | 73.8% | 1,822 | 74.8% | 1,775 | 80.7% | 4,193 | 90.9% |
| Total | 2,941 | 100% | 2,224 | 100% | 2,435 | 100% | 2,199 | 100% | 4,614 | 100% |



From the data above, secured website was the main method of submission of STRs in 2023. A total of 4,193 STRs were submitted through secured website, which accounted for 90.9% of total submission. Out of these 4,193 STRs, 3,431 STRs were submitted by the gaming sector, while 762 STRs were submitted by the financial sector and other sectors. As the Online STR Reporting System has been widely used, *GIF* will continue to optimize the functions of the system to facilitate users while reducing network security risks.

4.2 Ongoing enhancement of IT and Cybersecurity Infrastructure

In 2023, the IT Support Team of *GIF* continuously enhanced the functions in Online STR Reporting System, by refining features to enhance the efficiency in STR submission and user friendliness. The new feature “Statistical Charts” allowed users to have a comprehensive visual representation of reports submitted and enabled them to customize statistical parameters and categories, thereby promoting quicker data insights and analysis. Furthermore, another feature “Status Enquiry” had been integrated with real-time tracking capabilities for STRs submitted and status updates, leading to more effective collaboration.

In order to cope with the increasing trend of reporting STRs, the IT Support Team enhanced the automated risk assessment system, to reduce human efforts and time costs. The use of historical data and patterns had been improved to enhance the accuracy for evaluations in the assessment process.

As per Macao SAR Government’s policy on “the Development of Digital Government”, the IT Support Team provided supports in the implementation of “Government Affairs”, a centralized management system for administration held by Public Administration and Civil Service Bureau. The support focus on programming and utilizing Application Programming Interfaces to gather and organize required data for integration into the system.

As the techniques used in cyberattacks become more sophisticated and diverse, the awareness in cybersecurity protection is crucial to avoid these attacks. *GIF* regularly invites cyber security experts to provide in-depth and practical training in cybersecurity for all staff in *GIF*. The training content covers the latest cyberattack strategies, common security threats on the internet, with particular emphasis on the threats and risks posed by the use of artificial intelligence technology. The aim of the training is to enhance the understanding of risks and policies of cybersecurity, to maintain a better cyber environment for the Macao SAR Government and *GIF*.

In the future, *GIF* will continue to optimize the STR Reporting System, by adding more statistical functions to achieve more efficient data management and facilitate decision-making. *GIF* will continue to keep abreast of the latest development in cybersecurity and strive to strengthen *GIF*’s strategies and response plans to maintain a highly efficient and secured cyber environment.

| | |
|-------------|--|
| AMCM | Monetary Authority of Macao (<i>Autoridade Monetária de Macau</i>) |
| AML/CFT/CPF | Anti-Money Laundering / Combating the Financing of Terrorism / Countering Proliferation Financing |
| APG | Asia/Pacific Group on Money Laundering |
| APJG | Asia/Pacific Joint Group |
| ATM | Automated Teller Machine |
| CAMLMAC | China Anti-Money Laundering Monitoring and Analysis Center |
| CCAC | Commission Against Corruption (<i>Comissariado contra a Corrupção</i>) |
| CDM | Cash Deposit Machine |
| CIEPDSS | Independent Committee for the Exercise of Disciplinary Power over Solicitors (<i>Comissão Independente para o Exercício do Poder Disciplinar sobre os Solicitadores</i>) |
| CPSP | Public Security Force (<i>Corpo de Polícia de Segurança Pública</i>) |
| DICJ | Gaming Inspection and Coordination Bureau (<i>Direcção de Inspecção e Coordenação de Jogos</i>) |
| DSAJ | Legal Affairs Bureau (<i>Direcção dos Serviços de Assuntos de Justiça</i>) |
| DSED | Economic and Technological Development Bureau (<i>Direcção dos Serviços de Economia e Desenvolvimento Tecnológico</i>) |
| DSF | Financial Services Bureau (<i>Direcção dos Serviços de Finanças</i>) |
| FATF | Financial Action Task Force |
| FIIB | Hong Kong Financial Intelligence and Investigation Bureau |
| FIUs | Financial Intelligence Units |
| GIF | Financial Intelligence Office (<i>Gabinete de Informação Financeira</i>) |
| HKJFIU | Hong Kong Joint Financial Intelligence Unit |
| ICRG | International Cooperation Review Group |
| IH | Housing Bureau (<i>Instituto de Habitação</i>) |

| | |
|-----------|--|
| IT | Information Technology |
| LEAs | Law Enforcement Agencies |
| Macao SAR | Macao Special Administrative Region |
| ME | Mutual Evaluation |
| MEC | Mutual Evaluation Committee |
| MER | Mutual Evaluation Report |
| ML | Money Laundering |
| MOU | Memoranda of Understanding |
| MP | Public Prosecutions Office (<i>Ministério Público</i>) |
| NIFA | National Internet Finance Association of China |
| PF | Proliferation Financing |
| PJ | Judiciary Police (<i>Polícia Judiciária</i>) |
| SA | Macao Customs Services (<i>Serviços de Alfândega de Macau</i>) |
| SPU | Unitary Police Services (<i>Serviços de Polícia Unitários</i>) |
| STRs | Suspicious Transaction Reports |
| TF | Terrorist Financing |
| UNSCR | United Nations Security Council Resolution |



金融情報辦公室
Gabinete de Informação Financeira
Financial Intelligence Office

ID : GIFMacao



澳門蘇亞利斯博士大馬路307-323號中國銀行大廈22樓
Avenida Dr. Mário Soares, n.ºs. 307-323, Edifício Banco da China, 22º andar, Macau

電話 Tel : (853) 2852 3666
電郵 E-mail : info@gif.gov.mo

傳真 Fax : (853) 2852 3777
網址 Website : www.gif.gov.mo