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The New Order of World Money Flow —The Virtual Assets Requirements of FATF and Suggestions of the Overall Legal Regulations

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Abstract

Since Satoshi Nakamoto published his first paper about “decentralized virtual currency” on the internet in 2008, virtual currency has subverted our traditional imagination of money. “Money” seems to transform from paper money to a string of numbers, a pile of wallet address and private key or public key. Perhaps we are still accustomed to the sense of security of cash, but virtual currency has already changed our world quietly. The Financial Action Task Force (FATF) is the international norms maker for global money laundering prevention and combating terrorism financing. From 2018 to 2019, FATF warned that criminals liked to use virtual currency for black market trading and money laundering in dark web. FATF has released documents such as virtual asset guidelines and virtual asset red flag indi-

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cators in 2019 and 2020, which gave a full landscape of the virtual assets. In Taiwan, the Money Laundering Control Act was amended in November 2017. At that time, it was included in the “virtual currency” as the scope of the money laundering prevention and control law, which can be described as international standards. However, with the end of the third round of APG Mutual Evaluation, the amendment of the Law has once again become the focus of all nations. In addition to considering the international standards for virtual assets, this research intends to use international experiences for suggesting appropriate directions for legal reform in Taiwan.

Keywords: Virtual Assets, Virtual Asset Service Providers, FATF, The Money Laundering Control Act