

Premier Lin Chuan (林) yesterday instructed the Financial Supervisory Commission (FSC) to form an investigative committee from members of the central bank, and the ministries of justice and finance after the New York branch of Mega International Commercial Bank (兆豐銀行) was ordered to pay a massive fine for violating US money-laundering rules.

Lin said he hopes that the details of the case are clarified as soon as possible, and that any Mega International employees responsible for the situation are identified.

Lin added that people at all levels of society are concerned about the case and said the committee must make an immediate announcement following its meeting.

The New York State Department of Financial Services on Friday announced that the New York branch of Mega International agreed to pay a US\$180 million penalty for violating the US Bank Secrecy Act and money-laundering regulations.

The department said Mega International must take immediate steps to correct the violations, including engaging an independent monitor to address serious deficiencies within the bank's compliance program and implementing effective money laundering controls.

New Power Party Executive Chairman Huang Kuo-chang (黃國昌) criticized the commission for what he said was its failure to force Mega International to take responsibility for its actions.

Those found responsible at the bank should be forced to bear indemnities, so that the Treasury would not have to pay fines with money that came from the "blood and sweat" of taxpayers, Huang said.

The incident has not only exposed the inadequacies of Mega International's New York branch, but also the shortcomings of the nation's regulatory agencies, which lack laws that can deliver meaningful punitive consequences, Huang said on Facebook.

FSC commission to probe Mega Ban

Written by Taipei Times

Monday, 22 August 2016 07:03 -

In light of the unprecedented severity of the issue, the Ministry of Finance said that it is to meet with the nation's eight state-controlled banks this week to assess and improve their internal controls and regulatory compliance.

Beginning today, major state-controlled banks with operations in the US are to undergo audits dating back three years to verify if they meet US regulatory requirements, the Chinese-language China Times reported yesterday.

The banking sector has voiced concerns about the nation's standing in an Asia/Pacific Group on Money Laundering review scheduled to take place in 2018.

"Banking is a highly regulated industry, particularly in the US due to more stringent counterterrorism and money-laundering requirements," National Treasury Administration Director-General Juan Ching-hwa (簡景華) said on Saturday. "Regulatory compliance must be an integral part of banks' operating strategy."

Local media outlets have reported that Taiwanese banks generally lack the scale and legal resources to ensure regulatory compliance in foreign markets.

Source: [Taipei Times - 2016/08/22](#)