

KOFIU BEGINS OPERATING UPGRADED AML SYSTEM

The FSC announced that the Korea Financial Intelligence Unit (KoFIU) will begin to operate an upgraded anti-money laundering system from December 17, which will improve efficiency in its suspicious transaction report system, strengthen assessment and analysis capabilities and enhance information security.

BACKGROUND

The KoFIU analyzes suspicious transaction reports (STR) and currency transaction reports (CTRs) of financial companies and provide results to law enforcement agencies for detection and prevention of money laundering activities. It is a central AML infrastructure connecting about 6,000 reporting entities, eight law enforcement agencies and some twenty related administrative agencies. Since the system began to operate in 2002, the rising volume of reports it handles has placed increasing burdens on the system. To address this problem, the KoFIU started upgrading the system in May 2019, and after system development and a test run, the upgraded AML system began its operation on December 17, 2020.

IMPROVEMENTS & EXPECTATIONS

(INCREASED EFFICIENCY IN STR SYSTEM) The upgraded AML system enables financial institutions to file STRs about three times more than that of the previous capacity. The KoFIU's processing capacity has also increased about five times, guaranteeing a swift and secure transfer and processing of the rising volume of STRs. **(STRENGTHENED ASSESSMENT & ANALYSIS CAPABILITIES)** The upgraded AML system utilizes machine learning technology in assessing and analyzing money laundering activities. By directly connecting KoFIU with other administrative agencies, it also greatly reduces the time it takes to gather necessary data from relevant institutions. **(ENHANCED INFORMATION SECURITY)** The upgraded AML system has been set up at the National Information Resources Service to ensure high levels of security and stable management.

FURTHER PLANS

The authorities will work to ensure system stability and continue to effectively respond to money laundering schemes that are based on newly emerging transaction mechanisms including crypto assets.

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