

Dear Customer,

Thank you for banking with the New York Branch (the “NY Branch”) of Mega International Commercial Bank Co. Ltd. (“Mega ICBC”). We sincerely appreciate the opportunity to serve you and your banking needs.

NY Branch recently become aware of an increased number of transfers involving Informal Value Transfer Systems (“IVTS”). IVTS is a term used to describe those money or value transfer systems that operate informally to transfer money as business. Depending on the ethnic group, IVTS are called by a variety of names in different countries including, for example, Hawala (Afghanistan), Flying money (China), Phoe kuan (Thailand) and Black Market Peso Exchange (Latin America).

USA PATRIOT Act earlier expanded the definition of “financial institution” to include IVTS operators. In U.S., IVTS operators must register with The United States Department of the Treasury Financial Crimes Enforcement Network (“FinCEN”). IVTS operators without an appropriate money transmitter license cannot conduct money transmitting business and must comply with all Bank Secrecy Act registration, recordkeeping, reporting and AML program requirements.

We are writing this letter to alert you to anti-money laundering (“AML”) risks posted by the use of IVTS in respective countries of the sender or recipient and to advise you to conduct all currency exchanges and other financial transactions through formal banking channels in foreign country. Enclosed is the legal letter to explain the background of IVTS, risk associated with IVTS and the requested action to our customers. In the event customers continue to conduct currency exchange and financial transactions through an IVTS operator in foreign country, NY Branch reserves the right to take further action.

Please contact us immediately at 212-608-4222 EXT.101 or email us at nyb.business@megaicbc.com if you have any questions regarding this letter. Thank you for your cooperation in this matter.

Sincerely,

Enclosed is the IVTS Notice Letter

親愛的顧客您好：

感謝您長久以來對本行的支持與厚愛！

針對本行部分客戶在美國以外地區，尤其是中南美洲等國家，利用非正式金融機構從事「非正式價值轉移系統 (Informal Value Transfer System (“IVTS”))」的交易，本行在此勸導，勿在當地利用 IVTS 個人或機構進行匯款交易與兌換貨幣，以增加洗錢交易的風險。同時，為確保您的帳戶權益，請您透過正規的金融機構進行所有的金融交易，包括兌換貨幣。

根據美國「Section 359 of the USA PATRIOT Act」規定，金融機構除了指有執照之個人或機構，還包括以資金移轉為營業的個人或機構：包括從事「非正式價值轉移系統」的個人或機構 (IVTS)，或以非正規金融管道處理國內及國際匯款的個人或機構。任何個人或團體在美國有進行、操縱、指示或擁有「非正式價值轉移系統」 (IVTS)，都視為金融機構並且應遵循美國法規

(Bank Secrecy Act)，必須有營業登記、交易記錄保存、向金融監管單位報告以符合美國財政部管轄下之「FinCEN」防治洗錢法規範。

「非正式價值轉移系統」其安全性、匿名及多元性，易受犯罪份子的青睞並利用。若從事「非正式價值轉移系統」的個人或機構不遵循美國法規 (Bank Secrecy Act)，將造成非法或恐怖份子的資金流入美國金融體系。「非正式價值轉移系統」的本質，也易讓有心人士在現金為主的商業活動中掩飾其非法的交易，或將非法資金隱藏至合法資金中而不被發覺。再者，其快速方便、客戶無需或僅需提供簡略文件已成為執法機關執法時的顧慮。

有關 IVTS 的資訊與其產生的風險，敬請詳閱本行謹附之信函。未來顧客若在美國以外地區持續利用 IVTS (個人或機構) 進行交易，或兌換貨幣，本行將保留權利對該帳戶採取進一步措施。若有關於此封信的任何問題，請您立即聯繫我們。

電話：212-608-4222 EXT.101; 電郵：nyb.business@megaicbc.com

附件:非正式價值轉移系統通知信函

**Privileged & Confidential
Attorney Work Product**

Mega International Commercial Bank
65 Liberty Street
New York, NY 10005

Re: Anti-Money Laundering Concerns Regarding Informal Value Transfer Systems

Dear Customer:

Mega International Commercial Bank New York Branch (“Mega”) recently become aware of an increased number of transfers involving Informal Value Transfer Systems (“IVTS”). We are writing to alert you to the anti-money laundering (“AML”) risks posed by the use of IVTS and to advise you to conduct all currency exchanges and other financial transactions through formal banking channels.

Background on IVTS

IVTS is a term used to describe those money or value transfer systems that operate informally to transfer money as a business. Per Section 359 of the USA PATRIOT Act, a “financial institution” is not only a licensed sender of money but *any* person who engages as a business in an informal money transfer system, or who facilitates the transfer of money domestically or internationally outside the conventional financial institution system. Any individual or group of people engaged in conducting, controlling, directing or owning an IVTS in the United States is operating as a financial institution. Therefore, IVTS operators must comply with all Bank Secrecy Act (“BSA”) regulations, including registration, recordkeeping, reporting, and AML compliance program requirements.

Risks Associated with IVTS

Since IVTS provides security, anonymity, and versatility to the user, the systems can be very attractive for misuse by criminals. By not complying with BSA requirements, IVTS invites illicit proceeds and terrorist money into the U.S. financial system. The informal nature of IVTS allows users to disguise illicit transactions among the proceeds of cash intensive businesses, commingling proceeds from IVTS with legitimate business earnings. Speedy transactions with minimal or no documentation has long raised concern in the law enforcement community.

The United States Department of the Treasury Financial Crimes Enforcement Network (“FinCEN”) has issued public guidance regarding the risks of IVTS.¹

Requested Action

¹ Available at <https://www.fincen.gov/sites/default/files/advisory/FIN-2010-A011.pdf> and <https://www.fincen.gov/sites/default/files/advisory/advis33.pdf>.

We ask that you exercise particular caution with any transaction involving an IVTS and conduct currency exchanges and other financial transactions through formal banking channels.

In the US, any person who facilitates the transfer of money (domestically or internationally) outside the conventional banking system, must comply with all Bank Secrecy Act (“BSA”) regulations.

Conducting, for example, currency exchange without a license is illegal. Mega does not tolerate this activity. Therefore, we are advising all customers to conduct currency exchanges and other financial transactions through formal banking channels.

If you have any questions or concerns regarding these requests, please contact 212-608-4222 EXT.101 or nyb.business@megaicbc.com at Mega International Commercial Bank New York Branch.

Sincerely,

Mega International Commercial Bank Co., LTD.
New York Branch.