

Pursuant to Article 45(1) of the Law on Government (*Official Gazette of RS*, No 55/05, 71/05 – corr., 101/07, 65/08, 16/2011, 68/2012 – CC decision, 72/2012, 7/2014 – CC decision and 44/2014),

The Government hereby adopts the

## **NATIONAL STRATEGY AGAINST MONEY LAUNDERING AND THE FINANCING OF TERRORISM**

### **1. INTRODUCTION**

The National Strategy Against Money Laundering and Terrorism Financing, adopted by the Government of the Republic of Serbia on September 25, 2008 (*Official Gazette of the RS*, No. 89/08) (2008 National Strategy), was the first national strategy of the Republic of Serbia in the anti-money laundering and countering the financing of terrorism (AML/CFT) area. The 2008 National Strategy had a particularly important objective, namely to efficiently establish a complex and comprehensive AML/CFT system.

The 2008 National Strategy provided for recommendations to upgrade Serbian AML/CFT system including at the legislative, institutional, and operational level, and with respect AML/CFT training. Such design of the strategy was adequate for the current stage of the AML/CFT system development focusing largely on satisfying the international standards. The 2008 National Strategy can be considered as having accomplished its main purpose, i.e. to set up an AML/CFT system.

The new National Strategy (National Strategy), for the next five years, is the logical next step as it aims at substantively strengthening certain segments of the AML/CFT system through targeted and meaningful action.

A specific feature of this National Strategy is that it highlights the importance of cooperation among all the competent authorities given that the AML/CFT system can only be effective through such cooperation, including through information and expertise sharing, access to databases, and setting-up of task forces.

The National Strategy has taken into account the latest developments in international standards.<sup>1</sup> International standards now require not only technical compliance to standards but the success of an AML/CFT system will be assessed against the effectiveness of their implementation. The National Strategy intends to ensure that the standards (at the legislative and institutional levels) are met but in such a way to achieve effective results.

### **2. AIM OF THE NATIONAL STRATEGY**

The objectives of the National Strategy took into account the hierarchy of objectives for an effective AML/CFT system, as specified in the FATF Methodology. Hence the overall objective and purpose of the National Strategy is to *fully protect the financial system and economy of the State from the threat caused by money laundering and terrorism financing and proliferation of weapons of mass destruction, whereby the integrity of the financial sector is strengthened and safety and security are contributed to.*

---

<sup>1</sup> The FATF recommendations and methodology and the proposed text of the *Fourth EU Money Laundering Directive*.

The National Strategy and the Action Plan also took into account the conclusions of the national risk assessment, which was carried out in 2012, in line with the Recommendation 1 of the FATF, and on the basis of the methodology of the World Bank.

Having in mind the commitment of the Republic of Serbia with regard to the European Union membership and the ongoing negotiations, the competent state authorities have taken into account, when developing the strategy, the comments and recommendations of the relevant European Commission services. In addition, the relevant Serbian authorities will follow with special attention the AML/CFT developments and legislation at the European Union level, particularly the work on the development of the Directive of the European Parliament and Council on the prevention of the use of the financial system for the purpose of money laundering or the financing of terrorism (i.e. Fourth Directive) and take adequate measures and actions to harmonise the Serbian AML/CFT system in a timely manner with the provisions of such legislation.

The National Strategy further elaborates this overall objective through four strategic themes, including:

- Policy, coordination and cooperation among all stakeholders mitigate the money laundering and terrorism financing risks;
- Proceeds of crime are prevented from entering the financial and other sectors or are detected and reported by these sectors, if already in the system;
- Detecting and disrupting money laundering and terrorism financing threats, sanctioning of criminals, and seizure and confiscation of illicit proceeds;
- Qualified human resources trained to participate effectively in all the segments of the AML/CFT system and understanding by the public of the roles and plans of the competent authorities.

These themes are further translated into main objectives and measures which took particular account of the highest-risk areas and issues identified in the Money Laundering National Risk Assessment (ML NRA).

### **Strategic theme 1: Policy, coordination and cooperation among all stakeholders mitigate the money laundering and terrorism financing risks**

#### **Objective 1.1: Develop a comprehensive understanding of money laundering (ML) risks in the Republic of Serbia**

**Expected results:** Good understanding of the risks allows the competent government authorities to prioritise their efforts against the most important threats and vulnerabilities. More successful cases are expected in these areas, including both prosecution and confiscation. Good quality risk analysis will be used by the private sector and supervisors to inform their own risk assessments and prioritise their activity. The risks will be understood by all stakeholders, including the public.

- Measure 1.1.1. Regularly update the national money laundering risk assessment (ML NRA);
- Measure 1.1.2. Ensure the results of the ML NRA are presented to all stakeholders in appropriate formats so that they can apply the relevant findings and guidelines to mitigate the risks identified;

#### **Objective 1.2. Develop a comprehensive understanding of terrorism financing (TF) risks in the Republic of Serbia**

**Expected results:** Good understanding of the TF risks, threats and vulnerabilities allows the competent government authorities to allocate their resources efficiently and proportionately in mitigating TF risks.

- Measure 1.2.1. Develop a TF national risk assessment (TF NRA) and update it regularly;
- Measure 1.2.2. Adjust the measures for mitigating the TF risks referred to in the Action Plan accompanying this Strategy with the risks identified in the TF NRA;
- Measure 1.2.3. Adopt appropriate legislation implementing the relevant United Nations Security Council (UNSC) resolutions and other relevant international standards, particularly the UNSC Resolution 1267 and 1373, as well as relevant European Union acquis in the area.
- Measure 1.2.4. Strengthen the capacities of relevant authorities through training, by reallocating the existing or procuring additional resources, in accordance with needs analysis.

**Objective 1.3. Develop greater coordination and cooperation between the competent authorities for supervision, financial intelligence, investigation, prosecution for ML and TF and asset recovery**

**Expected results:** More effective working will lead to increased numbers of successful multi-agency cases and contribute to better understanding of risks.

- Measure 1.3.1. Establish mechanisms for the analysis of the most important issues for the functioning of the anti-money laundering and counter-terrorist financing (AML/CFT) system;
- Measure 1.3.2. Strengthen the status and composition of the Standing Coordination Group for monitoring the implementation of the National AML/CFT Strategy;
- Measure 1.3.3. Carry out regular reviews of the effectiveness of the working arrangements at the level of policy, coordination and cooperation, and take action on deficiencies found;
- Measure 1.3.4. Analyse and review the existing mechanisms for handling international cooperation, including mutual legal assistance, intelligence sharing and asset recovery;
- Measure 1.3.5. Analyse relevant legislation and sectoral strategies in the drafting stage from the point of view of their impact on the AML/CFT system.

**Strategic theme 2: Proceeds of crime are prevented from entering the financial and other sectors or are detected and reported by these sectors, if already in the system**

**Objective 2.1. Improve the quality of reporting from the obliged entities so that useful financial intelligence can be derived**

**Expected results:** A larger number of quality reports from the private sector will lead to better quality of the reports made by the Administration for the Prevention of Money Laundering (APML) and other competent authorities, particularly in the high-risk areas.

- Measure 2.1.1. Improve suspicious transaction reporting guidelines for various sectors;
- Measure 2.1.2. Encourage obliged entities to internal audit and reporting mechanisms;
- Measure 2.1.3. Provide feedback to obligors about the quality of their reporting and other information, including the information from NRA reports and other important

<p>documents, in order for them to improve their efficiency;</p> <ul style="list-style-type: none"> <li>- Measure 2.1.4. Analyse the AML/CFT system in the banking sector, develop and implement a strategy to strengthen this system;</li> <li>- Measure 2.1.5. Improve the environment for an increased access to financial services and their affordability.</li> </ul>
<p><b>Objective 2.2. Customer Due Diligence (CDD) measures prevent abuse of the financial and other sectors</b></p> <p><b>Expected results:</b> Criminals will be efficiently deterred and prevented from abusing the financial and other sectors in such a way that this affects as little as possible the business operations and accessibility of the financial and other sectors. CDD information will be readily available to investigating agencies. Supervisors will allow ownership and management only to ‘fit and proper’ persons.</p>
<ul style="list-style-type: none"> <li>- Measure 2.2.1. Develop effective measures to ensure that obliged entities act in line with the risk-based approach;</li> <li>- Measure 2.2.2. Obligated entities to improve their CDD mechanisms;</li> <li>- Measure 2.2.3. Improve legislation relating to registration of business entities and non-governmental organizations and to beneficial ownership, particularly in relation to transparency of ownership and ease of access to such data by obliged entities.</li> </ul>
<p><b>Objective 2.3. Improve the work of supervisors of financial institutions, particularly in the banking sector, and DNFBPs</b></p> <p><b>Expected results:</b> Supervisors carry out supervision, monitoring, and regulation of financial institutions and DNFBPs, proportionate to the risks identified for each industry.</p>
<ul style="list-style-type: none"> <li>- Measure 2.3.1. Continuously adjust supervision over the implementation of the Law on the Prevention of Money Laundering and the Financing of Terrorism (AML/CFT Law) with the national risk assessment;</li> <li>- Measure 2.3.2. Capacity and ability of supervisors in AML/CFT will be enhanced, especially banking supervisors, through recruitment, retention and training measures;</li> <li>- Measure 2.3.3. Improve the work of supervisors in other sectors, such as the supervisors for exchange offices, money transfer businesses, capital market and securities, in line with risk assessments for these areas;</li> <li>- Measure 2.3.4. Improve the work of DNFBP supervisors, such as accountants and auditors, in line with the risk assessments for these areas;</li> <li>- Measure 2.3.5. Pass relevant risk-based legislation and procedures in the area of supervision, for all the obliged entities, according to international standards for each specific area;</li> <li>- Measure 2.3.6. Review and improve, as required, the existing sanctioning system for violations of the AML/CFT Law.</li> </ul>

**Strategic theme 3 - Detecting and disrupting money laundering and terrorism financing threats, sanctioning of criminals, and seizure and confiscation of illicit proceeds**

<p><b>Objective 3.1. Increase the number of ML or TF cases identified and taken up</b></p> <p><b>Expected results:</b> Improved quality and frequency of information sharing between authorities will enable ML and TF cases to be identified more effectively and efficiently. This will assist the Prosecutors in identifying criminal cases and provide evidence for successful prosecutions.</p>
--

- Measure 3.1.1. Develop and/or improve the legal framework for the exchange of information in specific ML and TF cases and predicate crimes;
- Measure 3.1.2. Develop and/or strengthen mechanisms of cooperation and exchange of information in specific ML and TF cases and predicate crimes, both domestically and internationally, and establish relevant methodologies;
- Measure 3.1.3. Ensure IT systems for exchanging information are in place in relevant authorities.

**Objective 3.2. Improve management of all stages in an ML or TF case (*end to end management*), i.e. as of the identified suspicion to the closure of the case**

**Expected results:** More ML cases will come to a successful conclusion, especially where the proceeds generating crime is one of the crimes identified in the NRA, and more TF cases. More criminal proceeds will be recovered, and more funds intended for terrorist financing frozen.

- Measure 3.2.1. Set up joint working groups to deal with particularly large cases and areas of a high level of priority;
- Measure 3.2.2. Develop tasking and coordination mechanisms between the competent authorities in joint working groups and task forces;
- Measure 3.2.3. Prioritise measures, in accordance with NRA, agreed by all authorities involved in ML and TF investigations and/or intelligence gathering;
- Measure 3.2.4. Analyse and improve working practices through the analysis of the financial investigation cycle and current working practices;
- Measure 3.2.5. Introduce effective and comprehensive statistical measurement processes at all stages of the proceedings, starting from the identification of suspicion to the closure of the proceedings;
- Measure 3.2.6. Devote resources, in detecting and prosecuting financial crimes, to understanding as well as detecting the money laundering offence, and establish appropriate performance indicators.

**Objective 3.3. Improve the capacities of the Administration for the Prevention of Money Laundering (APML)**

**Expected results:** Exchange of information will be more efficient and frequent, the quality of APML's analyses will be improved and other competent authorities and foreign counterparts will be able to derive useful intelligence for their own cases. Statistical monitoring and track record will allow for better understanding of the quality of its own work and trends in cooperation, as well as permit adjustments to the cooperation mechanisms, as appropriate.

- Measure 3.3.1. Improve resources of the APML;
- Measure 3.3.2. Improve business processes in the APML.

**Strategic theme 4 - Qualified human resources trained to participate effectively in all the segments of the AML/CFT system and understanding by the public of the roles and plans of the competent authorities**

**Objective 4.1. Train AML/CFT stakeholders for acquiring theoretical and practical knowledge and skills and for applying them adequately within their own powers and competences**

**Expected results:** AML/CFT stakeholders will use the acquired knowledge and skills for effective and efficient involvement in the preventive and repressive segments of the AML/CFT system.

- Measure 4.1.1. Develop a training strategy to assist in building capacities of the AML/CFT stakeholders;
- Measure 4.1.2. Develop a training centre to organise, deliver and coordinate AML/CFT training;
- Measure 4.1.3. Make experiences and best practices in handling ML/TF cases available to even more staff engaged in cases of prevention, detection, and prosecution for the money laundering and related crimes;
- Measure 4.1.4. Train the staff of competent government authorities about the legal bases for cooperation and information exchange and mechanisms for their practical implementation;
- Measure 4.1.5. Particularly disseminate knowledge about terrorism financing and weapons of mass destruction (WMD) proliferation financing.

**Objective 4.2. Raising awareness among the professional and general public about the ML and TF phenomena, action taken by the authorities to fight them and about the roles of each authority.**

**Expected results:** Increased interest and better academic papers, media articles, and more competent investigative journalism and everyday information of citizens about topical ML and TF issues.

- Measure 4.2.1. Regularly inform the interested public about ML and TF trends and typologies and about what the authorities do to prevent and detect ML and TF;
- Measure 4.2.2. Inform regularly and in an adequate manner all entities affected by the legislation related to the AML/CFT area about all issues relevant to such entities.

### 3. AML/CFT STAKEHOLDERS

The APML is an administrative authority within the Ministry of Finance and it functions as the financial intelligence unit of the Republic of Serbia. The APML has been a member of Egmont Group since 2003. According to the Law on the Prevention of Money Laundering and the Financing of Terrorism (*Official Gazette of RS*, Nos 20/09, 72/09 и 91/10 – hereinafter: AML/CFT Law), the APML performs financial intelligence tasks, i.e. it collects, processes, and analyses information, data and documentation received from obliged entities listed in Article 4 of the AML/CFT Law, competent authorities and foreign financial intelligence units.

With respect to ML and TF detection, the APML can:

- Request data from obliged entities and lawyers in case of a suspicion of on money laundering and terrorism financing in transactions of certain persons;
- Request data from the competent government authorities in the Republic of Serbia;
- Issue written orders to obliged entities to temporarily suspend transactions when there is suspicion on money laundering or terrorism financing or orders to monitor transactions and business activities of a client;
- Share data with competent government authorities; provide answers to obliged entities, lawyers, and government authorities;
- Cooperate with foreign counterparts.

The role of the APML in preventing money laundering and terrorism financing (ML/FT) includes the following elements: - supervision over the implementation of the provisions of the AML/CFT Law and undertaking of actions and measures in order to remedy the deficiencies identified; submission of proposals to the Minister to amend the AML/CFT Law and related bylaws governing ML/TF prevention and identification; participation in the development of the list of indicators for identifying suspicious transactions; drafting of laws and bylaws and providing explanatory notes for practical implementation of the AML/CFT Law and regulations adopted based on the AML/CFT Law; drafting and publishing of guidelines for uniform implementation of the AML/CFT Law throughout the AML/CFT system; initiating procedures to sign memoranda of understanding with other authorities, foreign counterparts, and international organizations; participation in international AML/CFT cooperation; publishing of relevant statistics; informing the public about various AML/CFT aspects and issues.

**Republic of Serbia Public Prosecutor's Office** is an autonomous state authority prosecuting the perpetrators of crimes and other punishable offenses and undertakes measures for the protection of constitutional and legal order. ML and TF cases in Serbia are handled by higher prosecutors' offices which are 26. The Organised Crime Prosecutor's Office, which is part of the Higher Prosecutor's Office in Belgrade, also prosecutes ML and TF crimes where the proceeds of crime involved derive from organised crime, corruption and other particularly serious crimes in jurisdiction of these prosecutors' offices. The Serbian Public Prosecutor's Office and four appellate prosecutors' offices follow the work of higher prosecutors' offices in ML cases, and provide expert assistance if required. The Organised Crime Prosecutor's Office handles all TF cases in Serbia. According to the Criminal Procedure Code (Official Gazette of RS" Nos 72/11, 101/11, 121/12, 32/13, 45/13 and 55/14), public prosecutors are involved at all stages of the procedure – they lead the preliminary investigation, conduct criminal investigations to obtain evidence and bring charges. Their role, therefore, in ensuring efficient investigation and prosecution of ML and TF crimes is invaluable.

**Courts** - The Constitution of the Republic of Serbia (*Official Gazette of RS*, No. 98/2006) stipulates that Serbian courts are autonomous and independent and that they adjudicate according to the Constitution, laws, and other general acts according to the law, as well as generally accepted rules of international law and ratified international agreements. Judicial authority is exercised through courts of general and special jurisdictions the foundation, organization, jurisdiction, system, and composition of which are established by law. The highest court in Serbia is the Supreme Court of Cassation. Currently, there are 187 courts of general and special jurisdictions.

By passing judgments, judges have a decisive role in ensuring efficiency of the system against economic and organized crime including ML and TF. Higher courts have jurisdiction over the money laundering crime.

**Police** - In terms of AML/CFT, the police force is, as a part of the Ministry of Interior (hereinafter: MUP), in charge of ML/TF investigations. Money laundering investigations fall under the competence of the Criminal Police Department (CPD) which has its seat and 27 regional police departments. CPD is responsible for the status and organisation of operations to identify and suppress all forms of organised crime, prevent and suppress other forms of crime and the related planning and organisation of timely information sharing and reporting and

coordination of services, and carries out and organises intelligence and counter-intelligence tasks as well as the application of operational and technical and tactical measures aimed at revealing and documenting all crimes, in accordance with law. The Service for Combating Organized Crime which is part of the CPD plays an important role, including its organisational units, as follows: Department for Suppression of Organised Financial Crime; Department for Suppression of Organised General Crime; Financial Investigations Unit.

When cases of money laundering and terrorism financing have an organised crime dimension, they fall under the competence of the Section for Suppression of Money Laundering, which is part of the Department for Suppression of Organized Financial Crime. Each of the 27 regional departments also has a specialized section for the suppression of financial crime. The Financial Investigations Unit was founded under the Law on Seizure and Confiscation of Proceeds from Crime (*Official Gazette of RS*, No. 97/08) as a specialised organisational unit of the Interior Ministry in charge of financial investigations. Its main task is tracing the proceeds from crime.

**Military Security Agency** (hereinafter: VBA) is a security service performing security tasks relevant for the defence of the Republic of Serbia. According to the law, the VBA, among other things, detects, monitors and disrupts internal and international terrorism and detects, investigates and gathers evidence in cases of crime against the constitutional order and security of the Republic of Serbia, organised crime cases, money laundering offence and the crimes of corruption directed against the commands, institutions and units of the Serbian Army and the ministry competent for defence. Having in mind VBA's competences, as defined in the law, prevention of ML and TF is one of the most important tasks in protecting the defence system. VBA has set up a special organisational unit whose tasks also include detecting, investigating and documenting ML and TF crimes; this unit receives analytical support from a special VBA's unit. VBA has legal power to apply special procedures and measures for covert collection of data of preventive nature, as well as special investigative techniques in detecting, investigating and documenting the crimes of money laundering or terrorism financing, within its limits of its competences. A legal mechanism is in place ensuring that the information collected in this way are considered as having full credibility at trial in criminal procedural terms.

**Military Intelligence Agency** (hereinafter: VOA), as a security service of the Republic of Serbia, is competent for intelligence tasks relevant for defence, including collection, analysis, evaluation, protection and dissemination of data and information about potential and actual threats, activities, plans and intentions of foreign states and their armed forces, international organisations, groups and individuals, having a military, military policy, or military economic dimension, and related also to terrorist threats, directed from abroad against the system of the Republic of Serbia.

**Security Information Agency** (hereinafter: BIA) is a special organisation established in the Law on the Security Information Agency (*Official Gazette of RS*, Nos. 42/02, 111/09, 65/14 – CC decision and 66/14) and is part of a single security-intelligence system of the Republic of Serbia. BIA performs tasks related to the protection of security of the Republic of Serbia and detecting and preventing of action directed towards the undermining or overturning the Republic of Serbia constitutional order, investigation, collection, processing and evaluation of security intelligence and information relevant for security of the Republic of Serbia and provision of information to the competent state authorities about such data, as well as other tasks specified in



the law. BIA also performs the tasks related to countering organised international crime. These tasks include detecting, investigating and documenting the most serious forms of organised crime with international dimension, e.g. drugs smuggling, illegal migration, and human trafficking, arms smuggling, money counterfeiting and money laundering, as well as the most serious forms of corruption linked to international organised crime. Special BIA activities and tasks are related to the prevention and suppression of internal and international terrorism. BIA has set up a unit against international organised crime dealing also with the prevention of money laundering and terrorism financing.

**National Bank of Serbia** (hereinafter: NBS) is autonomous and independent in performing its functions as defined in the Law on the National Bank of Serbia (*Official Gazette of RS*, Nos. 72/03, 55/04, 85/05 – different law, 44/10, 76/12 and 106/12) and other laws; it reports and is accountable for its work to the National Assembly of the Republic of Serbia. The main objective of the NBS is achieving and preservation of price stability. Additionally, without prejudice to the achievement of its main objective, the NBS contributes to the preservation and strengthening of stability of the financial system. NBS regulates, controls and improves unhindered functioning of internal and external payment operations. In terms of AML/CFT, NBS is the regulator and supervisor for most of the financial market in Serbia and, in addition to the banking sector, it regulates, issues and revokes operating licenses, and supervises voluntary pension funds, financial leasing providers, insurance companies, insurance brokerage companies, insurance agency companies, and insurance agents licensed to perform life insurance business. The NBS controls the solvency and legality of operation of banks and other financial institutions and it is in charge of improving the functioning of payment operations and strengthening of the financial system stability.

**Securities Commission** is an autonomous and independent organization of the Republic of Serbia responsible for lawful functioning of the securities market, with the aim to protect investors and ensure the market is fair, efficient, and transparent. In this respect, the Securities Commission supervises the implementation of the Law on the Capital Market (*Official Gazette of RS*, No. 31/2011), Law on Takeovers of Joint Stock Companies (*Official Gazette of RS*, Nos. 46/06, 107/09 and 99/11, and the Law on Investment Funds (*Official Gazette of RS*, Nos 46/06, 51/09 and 31/11). The Securities Commission is responsible, among other things, for licensing broker-dealer companies, investment fund management companies, and for supervising over these entities and the entire capital market. In addition, the Securities Commission supervises the implementation of the AML/CFT Law by broker-dealer companies, investment fund management companies and banks (in case of custody and broker-dealer activities).

**Market Inspectorate Sector**, a sector of the Ministry of Trade, Tourism and Telecommunication, continuously supervises entrepreneurs and legal entities in the real estate business, and supervision of implementation of Article 36 of the AML/CFT Law prohibiting cash payments for goods or services in RSD equivalent of EUR 15,000 or more. In conducting regular inspections, market inspectors check the method of payment for goods, i.e. the amount of cash used for payment for goods, on the basis of records that business entities are obliged to keep.

**Customs Administration** an administrative authority within the Ministry of Finance pursuing the customs policy of the Republic of Serbia and, by actively participating in international and regional customs cooperation, contributes to securing continuous public revenue, efficient international trade, and the preservation of security, safety, and overall protection. In AML/CFT terms, the Customs Administration has both a preventive and repressive roles in cross-border flows of goods, primarily of cash. The Customs Administration has the power to control flows of foreign currency in international passenger transportation.

**Tax Administration** is an administrative body within the Ministry of Finance. The following TA units are relevant for the fight against money laundering and terrorism financing:

- The Tax Police Sector was set up in 2003 and is responsible for detection of tax crimes and their perpetrators. - The competence of the Tax Police is governed by the Law on Tax Procedure and Tax Administration (Official Gazette of RS, Nos. 80/02, 84/02 – corr., 23/03 - corr., 70/03, 55/04, 61/05, 85/05 – different law, 62/06 – different law, 63/06 – corr. of different law, 61/07, 20/09, 72/09 – different law, 53/10, 101/11, 2/12 – corr., 93/12, 47/13 и 108/13). The Tax Police has the powers of the law enforcement agency in preliminary proceedings and can apply, according to the Law, all criminal investigation techniques, except for restriction on the freedom of movement.

- Foreign Exchange Operations and Transactions and Games of Chance Sector monitors foreign exchange operations of both residents and non-residents, licences and de-licences money exchange business, and supervises money exchange businesses according to the Law on Foreign Exchange Operations (*Official Gazette of RS*, Nos. 62/06, 31/11 and 119/12). In addition, this sector conducts supervision over the implementation of the Law on the Prevention of Money Laundering and the Financing of Terrorism (*Official Gazette of the RS*, Nos. 20/09 and 72/09) by those engaged in factoring and forfeiting, international money transfers as well as supervision over the games of chance sector in line with the Games of Chance Law (*Official Gazette of the RS*, Nos. 88/11 and 93/12 – different law) that governs the right to organisation, types and conditions for the provision of games of chance, rights and obligations of games of chance operators, generation and ownership of revenues made by organizing games of chance.

**Anti-Corruption Agency** (hereinafter: ACAS) is an autonomous and independent state authority. It was established by the Anti-Corruption Agency Law (Official Gazette of the RS, No 97/08, 35/10, 66/11- CC decision, 67/13 – CC decision and 112/13 – authentic interpretation) and it is accountable for its work to the National Assembly. ACAS has a wide scope of competences and powers related to the anti-corruption policy and cooperation with other state bodies in this field, conflict of interest, control of public officials' assets, integrity plans, financing of political parties and election campaigns, drafting of anti-corruption legislation, training, research, analyses and international cooperation. ACAS has been established as a state authority with a strong anti-corruption preventive role and its main objective is to improve the situation in the area in coordination with other public authorities, civil sector, media and the wider public.

ACAS, among other things, maintains a register of public officials, register of property of public officials, inventory of gifts, it conducts control of the financing of political parties and control of public officials' property and income declarations. Information that ACAS holds about

public officials are important for detecting corruption crimes, and for following flows of money generated by the crimes of corruption, i.e. the money laundering crime. In addition, the ACAS imposes measures over violation of the Anti-Corruption Agency Law, submits proposals to institute minor-offence proceedings and files criminal referrals for failing to report property or providing false information about the property.

**The Judicial Academy and Criminal Police Academy** – The Judicial Academy became operational on January 1, 2010, whereby the creation of a modern system for training of judges and prosecutors was completed. The start of the Judicial Academy marked the end of transformation of the Judicial Training Centre which, in the period 2002 – 2009, implemented continuous training programmes for judges and prosecutors. The founders of the Judicial Academy were the Serbian Government and the Judges’ Association of Serbia with a major support by the Council of Europe. The Judicial Academy is naturally an important partner in the development of AML/CTF study programmes and providing of professional training courses.

To meet the current requirements and needs of professionals, Serbian Government decided on 7 July 2006, to set up a Criminal Police Academy (the CPA) as an autonomous higher-education institution to deliver academic and professional study programmes for all police education levels, as well as for other forms of professional education and training in the criminal-police and security areas. The Criminal Police Academy resulted from a merger of the Police High School and the Police Academy and it is their legal successor. In 2014, the Government passed a decision (Official Gazette No 28/14) establishing a Criminal Police University.

**Association of Serbian Banks** gathers together all the banks in Serbia. In January 2005, the Association of Serbian Banks formed a compliance task force, which was transformed into the Board for the Compliance function in banks. The Board is in charge of monitoring and participating in adoption of legislative regulations that defines and regulates the functioning of the Compliance function in banks. It analyzes proposed solutions, gives its remarks, suggestions, and forwards them to sponsors of legislative regulations, takes initiatives for amendments of adopted laws and bylaws and proposes drafting of special materials in the form of Recommendations for the purpose of uniform pursuing of banking practice.

**Bar Association** consists of 8 regional bar associations (the biggest one being in Belgrade, gathering around 6200 professionals and 16 law firms).

Journalists and non-governmental organisations play an important role in raising awareness among the wider public about financial crime and money laundering.

# Serbian AML/CFT System




**Administration for the Prevention of Money Laundering**

Administration for the Prevention of Money Laundering collects financial disclosures from the obliged entities, analyses them and, when there are reasons to suspect money laundering or terrorism financing, disseminates such information to the competent state authorities, primarily the Police and the Prosecutor's Office.



Funded by the European Union  EUROPEAN UNION

COUNCIL OF EUROPE  Implemented by the Council of Europe  
CONSEIL DE L'EUROPE

This infographic was designed with the support of the Project against Money Laundering and Terrorist Financing in Serbia (MOLI Serbia)

#### **4. IMPLEMENTATION OF THE NATIONAL STRATEGY**

An Action Plan shall be adopted for the purpose of implementing this National Strategy and shall be its integral part. The Action Plan specifies specific activities, timeframes, responsible institutions, and resources required.

The Standing Coordination Group (SCG) will be in charge of monitoring the implementation of this National Strategy. The first-indicated state authority under the *Responsible Authority* column shall have the initiative to start the implementation process or implement the relevant activities in this Action Plan.

In measuring and assessing the success of the National Strategy, the SCG will pay particular attention to the effectiveness of the activities and measures intended to achieve the relevant objectives. Therefore a special technical monitoring mechanism will be provided to check if the envisaged activities achieve the related measures and if the measures themselves attain the objectives of the National Strategy. For this reason, a review of the Action Plan implementation and efficiency will be carried out.

#### **5. FINAL PROVISION**

This National Strategy shall be published in the *Official Gazette of the Republic of Serbia*.