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Project against Money Laundering and Terrorist Financing in Serbia MOLI Serbia

Second Progress Report (December 2012)

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| Project title | Project against Money Laundering and Terrorist Financing in Serbia (MOLI Serbia) |
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| Implementation | Economic Crime Cooperation Unit, Action against Crime Department, Directorate of Information Society and Action against Crime, (DGI), Council of Europe |
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Table of Contents

| | | |
|------------|---|-----------|
| 1. | DESCRIPTION | 4 |
| 1.1 | CONTACT PERSON | 4 |
| 1.2 | NAME OF PARTNERS IN THE ACTION..... | 4 |
| 1.3 | TARGET COUNTRY/ TITLE OF THE ACTION..... | 4 |
| 1.4 | CONTRACT NUMBER..... | 4 |
| 1.5 | START DATE AND END DATE OF THE REPORTING PERIOD | 4 |
| 1.6 | FINAL BENEFICIARIES | 4 |
| 1.7 | PROJECT OBJECTIVES | 4 |
| 1.8 | EXPECTED RESULTS | 4 |
| 2. | EXECUTIVE SUMMARY..... | 6 |
| 3. | CURRENT STATUS: COUNTRY SITUATION | 8 |
| 3.1 | SITUATION IN THE SECTOR | 9 |
| 3.2 | GOVERNMENT/SECTOR POLICY..... | 10 |
| 4. | 15 NOVEMBER 2011 - 15 NOVEMBER 2012: ACTIVITIES, ACTIONS, INDICATORS AND PROGRESS | 11 |
| 5. | 15 NOVEMBER 2011 - 15 NOVEMBER 2013: PLANNED ACTIVITIES, ACTIONS, INPUTS AND DELIVERABLES..... | 27 |
| 6. | COOPERATION WITH STAKEHOLDERS..... | 35 |
| 6.1 | COUNTERPART AND BENEFICIARIES..... | 35 |
| 6.2 | THIRD PARTIES..... | 37 |
| 7. | VISIBILITY..... | 38 |
| 8. | PROJECT ACHIEVEMENTS AND CONCLUSIONS..... | 38 |
| | LIST OF ANNEXES | 40 |

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Abbreviations

AGC Administration of Game and Chance
APML Administration for the Prevention of Money Laundering
BI Business Intelligence
AML/CFT Anti-Money Laundering and Counter Financing of Terrorism
CARDS Community Assistance for Reconstruction, Development and Stabilisation
CARPO CARDS Regional Police Project
CETS 198 Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism
CoE Council of Europe
CoM Council of Ministers
CMLU Corruption and Money Laundering Unit
CMS Case and Document Management System
EC European Commission
EUD European Union Delegation
EU European Union
FATF Financial Action Task Force
FEI Foreign Exchange Inspectorate
FIU Financial Investigation Unit
GRECO The Council of Europe's Group of States against Corruption
JA Judicial Academy
LTC Long Term Consultant
LPO Local project Officer
LPA Local Project Assistant
MoJ Ministry of Justice
MoI Ministry of Interior
MoF Ministry of Finance
MoU Memorandum of Understanding
MOLI-Serbia Project against Money Laundering and Terrorist Financing in Serbia
MONEYVAL The Council of Europe's Committee of Experts on the Evaluation of Anti-money laundering Measures and the Financing of Terrorism.
NBS National Bank of Serbia
NRA National Risk Assessment
OC Organised Crime
OCG Organised Crime Group
PA Police Academy
PACO-Serbia Project against Economic Crime in the Republic of Serbia
PEPs Politically Exposed Persons
SCG Standing Coordination Group
STA Short Term Adviser
TA Tax Administration
TL Team Leader
TMIS Technical Management Information System
TNA Training Needs Analysis

1. DESCRIPTION

1.1 Contact person

Ivan Koedjnikov, Head of the Action against Crime Department, Directorate of Information Society and Action against Crime, DGI, Council of Europe.

1.2 Name of Partners in the Action

Council of Europe and European Union.

1.3 Target country/ Title of the Action

Serbia - The Project against Money Laundering and Terrorist Financing in Serbia (MOLI-Serbia).

1.4 Contract number

2010/252-978

1.5 Start Date and End Date of the Reporting Period

15 November 2011 – 15 November 2012

1.6 Final Beneficiaries

Main Beneficiary Institution: The Administration for the Prevention of Money Laundering (APML), Ministry of Finance. Other Beneficiaries: Ministry of Interior; Public Prosecutor's Office of the Republic of Serbia; Ministry of Justice; Supreme Court of Cassation; Judicial Academy; Police Academy; National Bank of Serbia; Securities Commission; Professional Associations; Journalists' Associations and NGOs.

1.7 Project Objectives

The overall objective of the Project against Money Laundering and Terrorist Financing in Serbia (MOLI Serbia) is to contribute to democracy and the rule of law through the prevention and control of money laundering, terrorism financing, and other forms of economic and financial crime in Serbia in accordance with European and other international standards. Its purpose is to enhance the capacity of the anti- money laundering and counter-terrorist financing system in Serbia in terms of legislation, skills and operational capacities.

1.8 Expected Results

It is expected that by the end of the project:

- The Serbian AML/CFT legislation is in greater compliance with the relevant international standards. All existing gaps in the legislation, both from the point of view of

international compliance and internal consistency are identified and prioritised, and measures defined to address these priorities. Relevant legislative and/or regulatory instruments are drafted and approved by relevant ministries and submitted to the Parliament/Government. Guidelines for the implementation of these instruments and their monitoring have been prepared and accepted by relevant state institutions.

- Public awareness of the threat of economic crime to society and the everyday life of the citizens as well as of the necessity for the state to take effective measures to minimise these threats is increased. Public support for the efforts of the state and the international community to prevent and repress economic crime are strengthened
- The APML, law enforcement agencies, prosecutors, judges, financial institutions and other relevant professionals and institutions are performing their duties more efficiently with regard to the prevention and control of economic crime, money laundering and terrorist financing in line with professional standards and best international practices.
- Effective and efficient interagency co-operation and co-ordination mechanisms are in place.
- Increased efficiency of the AML/CTF system is supported by strengthened IT services and tools to collect and analyse financial data by the APML.

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| Expected Results | <p>Result 1 - Legislative proposals are available to make Serbian legislation compliant with the applicable European and international standards;</p> <p>Result 2 - Public support to efforts to prevent and control economic crime is increased;</p> <p>Result 3 - The capacity of the APML to carry out its duty in line with the AML/CTF legislation and Moneyval recommendations is increased;</p> <p>Result 4 - The capacity of law enforcement agencies, relevant service of MoF and judiciary to detect, investigate, prosecute and adjudicate in money-laundering, terrorist financing and economic crime cases (including tracing criminal money on the internet) is increased;</p> <p>Result 5 - The capacity of regulators, supervisors and obliged institutions to fulfil their obligations under the AML/CTF legislation, to implement the Moneyval recommendations and take measures based on risk analysis is increased;</p> <p>Result 6 - Mechanisms and procedures are reinforced for interagency cooperation and information exchange within the relevant bodies of the AML/CTF system in Serbia, including between public and private sector;</p> <p>Result 7 - The technical infrastructure to collect, analyse and exchange information necessary to prevent and control money laundering, terrorist financing and predicate financial crimes is improved.</p> |
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2. EXECUTIVE SUMMARY

This report summarizes the project activities implemented from 15 November 2011 to 15 November 2012 and provides information and recommendations relating to the outputs, impact and future deliveries of the project. It is clear that the MOLI Serbia has been very active undertaking 20 separate activities during the past 12 months, with 668 participants in total. 600 of these participants took part in one of MOLI Serbia training activities during the reporting year. Women made up 48 % of all participants, which implies an excellent gender balance.

During the implementation period, MOLI Project was focused on undertaking a comprehensive effort to identify and assess money-laundering/terrorism financing risks as well as gaps in the Serbian regulatory framework and elaborating proposals and measures to improve effectiveness and compliance based on earlier evaluations of Serbia and the requirements of newly adopted international AML/CFT standards.

For this purpose key legal reviews of Serbian AML/CFT legislation have been undertaken to ensure conformity and effective implementation of the 2012 FATF Recommendations, particularly in the area of financial legislation, where 35 various laws, by-laws and guidance papers related to the Serbian financial sector were reviewed and recommendations to amend the legislation were proposed¹. The legal review will be considered by and interagency Legal Review Working Group, established under the MOLI project for this purpose. Further activities are planned to discuss the proposed amendments jointly with representatives of the Serbian financial regulators. A review, workshop, and public consultation with regard to a draft law on the freezing of terrorist assets were also undertaken during the reported period.

Another component of this process has been the national Money Laundering (ML) risk assessment exercise initiated by the MOLI Project with a key coordinating role of the APML and methodological support of the World Bank. The assessment was carried out during January-October 2012 with significant interagency involvement in the 5 specialized working groups organized to research and identify ML threats, risks and vulnerabilities in various sectors and levels in Serbia. Their research was presented at the final NRA Workshop held in October 2012 and will form the basis of the NRA Report currently being drafted and set to be finalized in the beginning of 2013 with support of the MOLI Serbia Project.

As a parallel exercise the MOLI Project initiated two separate risk assessments in priority sectors, namely non-profit organizations and money/value transfer services in order to assess their susceptibility to ML/TF risks, evaluate the adequacy of the current regulatory framework and propose recommendations for risk-mitigation.

The MOLI Project has further initiated activities to facilitate the establishment of a risk-based supervisory framework through a series of seminars for the Securities Commission, the National Bank of Serbia Supervisors Department on adoption of the risk-based approach. A scoping exercise to review existing supervisory guidelines has been initiated by the Project with the aim to produce recommendations on the application of the risk-based approach.

¹ See Annex V for the list of reviewed legislation.

The comprehensive set of measures outlined above will upon completion provide Serbia with a necessary across-the-board analysis, recommendations, mechanisms and policies to effectively prevent money laundering and terrorism financing risks through the adoption of the most effective countermeasures and efficient allocation of resources available to government.

Capacity-building of the APML and other key participants of the national AML/CFT system continued to be a priority of the MOLI Project. An APML training needs assessment was carried out, producing a program of activities on a range of topics, including terrorism financing and new payment systems, which were subsequently delivered in the form of seminars. The remaining topics, including capital markets, financial analysis, and international cooperation will be covered in the next reporting period. The development of long term sustainable training programmes has been initiated for the APML, as well as other key law enforcement authorities, such as the Ministry of Interior.

Study visits for an interagency group of analysts was organised to Estonia and Lithuania to gain an insight into analytical capabilities and tools; and to EUROPOL, The Netherlands and to the headquarters of the Belgian Federal Police in Brussels, Belgium with the objective of sharing skills and knowledge of producing strategic analysis products.

The procurement of IT equipment for the main beneficiary was planned to be concluded at the beginning of 2012, as stated in the Workplan. However, the reviewing and finalising of the technical specifications and their approval by APML could only be completed in November 2011. This was followed by two CoE tendering procedures, through what is technically a long and complex process. A second tendering procedure was necessary, as there were not enough offers (only one) made in the first round, which would have made the competition unfair. Nevertheless, the contracts have been signed with the winning companies before the end of 2012, and the preparation for implementation process has started, including training sessions for all staff on the use of new software. This completed the work related to the IT component of the project.

In addition, some of the deliverables (specifically research studies and Technical papers) were postponed to the second half of 2012, despite the fact that they were planned for the first half of 2012. This was due to the fact that the management of preparatory activities, including production of ToRs, identification and testing of suitable consultants, etc. took longer than expected given the multitude of parallel activities. In addition the compilation of relevant legislation to be reviewed took the beneficiaries longer than anticipated. By the end of the calendar year all delayed activities were initiated, which will result in a range of technical papers and research studies in the first quarter of 2013.

It should also be noted that 2012 was an election year in Serbia. As indicated in the Inception Report, this is seen as a potential risk for delayed implementation of certain activities. This was indeed the case, as it took months after the election held in May 2012 to form a coalition and appoint new government staff. Therefore, during the period between May and September 2012, it was more difficult to implement activities than originally planned, as they

relied heavily on the input by partner institutions, which understandably had higher priorities at that time.

As far as the **remaining implementation period (last 12 months of the project term)**, MOLI-Serbia Project will continue with the existing Workplan which will include further adjustments as per needs of the beneficiaries and a revised calendar of activities, will be submitted for approval by the members of the Steering Committee in February 2013. As agreed with the beneficiary and EUD at the Steering Committee meeting in September 2012, the project will allow for flexibility of delivery in line with changing circumstances and needs in the AML/CFT area in the Republic of Serbia.

The finalization of the full range of activities focusing on risk-assessment and development of the risk-based approach will enable the authorities to better prioritise their response and thereby becoming more effective and efficient in the allocation of resources. The Project will provide comprehensive support in designing guidance and mechanisms to improve the functioning of the AML/CFT system as per the identified risks and vulnerabilities and particularly in the areas of data collection and analysis, information exchange and feedback between authorities, as well as private sector. MOLI will also support the process of drafting the new AML/CFT National Strategy, which will include recommendations and findings resulting from the abovementioned activities.

The full review of Serbian legislation, as envisaged under the Expected Result 1. has now been finalized. Subject to the beneficiaries' needs and request, MOLI Project will discuss further amendments to the draft laws, as well as assist in further developing by-laws, specifically for the legislation concerning the freezing of terrorist funds.

The project will further engage key authorities to ensure that project training materials can be incorporated into local training curricula where possible in order to ensure the sustainability and impact of project activities. Specific training activities designed to promote interagency cooperation will also be a continual theme with preparation already underway for conducting a specialized Mock Trial exercise in February 2013.

The project will continue to ensure that all project activities support the addressing of issues raised as concerns by the Moneyval evaluators thus demonstrating the connectivity of the 3-Pillar approach of the Council of Europe, namely, standard setting, monitoring, and technical assistance.

3. CURRENT STATUS: COUNTRY SITUATION

Presidential, parliamentary and local elections were held on 6 May 2012. The second round of presidential elections was held on 20 May. According to the final results of the elections, the Serbian Progressive Party (SNS) won the majority of parliamentary seats, followed by the Democratic Party (DS) and the coalition around Socialist Party of Serbia (SPS-PUPS-JS). The newly elected President Nikolic mandated Socialist Party leader Ivica Dacic to form a coalition government with the Serbian Progressive Party on 28 June 2012. The Socialist Party coalition of Dacic finished third in elections and initially agreed to form a coalition with the

Democratic Party of Boris Tadic, yet, the lengthy negotiations were not successful. The coalition agreement between seven parties was signed on 10 July 2012, where special emphasis is placed on the EU integration process. Strengthening the rule of law and the fight against corruption and organised crime were listed as top priorities for the new government.²

Regarding the government changes most relevant to the project, Mr Mladjan Dinkic, of the United Regions of Serbia (URS) party, was appointed Minister of Finance and Economy. Mr Dinkic has held the ministerial post on two previous occasions, from 2004-2006 and from 2007-2011.

3.1 Situation in the sector

Economic and organized crime continues to be a serious threat for the national economy of Serbia. Organised Criminal Groups (OCGs) are involved in a range of activities that cost the Serbia state substantially. According to the Administration for the Prevention of Money Laundering (APML) OCGs are active in securities fraud, false use of non-existent front offices and transactions with offshore companies. Money laundering alone costs the Serbian economy between 3%-5% of GDP every year, where the majority of cases is linked to real estate investments and recently also to ownership of football players and the transfer market, as well as privatisation and operation of big retail outlets. OCGs have a corrupting influence in state institutions undermining the public trust for democracy.

The European Council of March 2012 granted Serbia the status of candidate country. The recent EC Progress Report for 2012 has noted the progress made in fighting organised crime. "In the fight against organised crime, the legal framework is generally adequate and continues to be implemented. Improved inter-agency coordination and regional and international cooperation has led to concrete results against organised crime groups. Organised crime remains a serious concern in Serbia, in particular regarding money laundering and drug smuggling. The track record of investigations and convictions needs to be built up further. [...] Serbia is actively involved in international police and judicial cooperation and law enforcement agencies generally have sufficient capacity to carry out standard investigations. Additional efforts are needed to increase capacities to carry out complex investigations and to strengthen coordination between law enforcement agencies and the judiciary. A track record of proactive investigations and final convictions in organised crime cases needs to be built up. Overall, preparations in this area are moderately advanced."³

With regard to money laundering the Progress Report states the following:

"There was some progress in the **fight against money laundering**. The Administration for Prevention of Money Laundering (APML) takes part in the Egmont Group and Moneyval meetings on a regular basis. It signed a cooperation agreement in December 2011 with the Securities Commission on the exchange of information in the fight against money laundering

² http://setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2012/07/12/feature-02

³ Conclusions on Serbia, Serbia 2012 Progress Report accompanying the Communication from the Commission to the European Parliament and the Council: Enlargement Strategy and Main Challenges 2012-2013, October 2012

and terrorist financing. It also signed memoranda of understanding with the financial intelligence units of Hungary and Estonia in November and December 2011 respectively, and with those of Australia, Belarus, Finland and Columbia in July 2012. The APML adopted guidelines for assessing the risk of money laundering and terrorist financing. It introduced a new internal organisation to optimise its analytical and supervisory capacities in March 2012. However, its capacity has not been reinforced. Its staff numbers are stagnating, no adequate business premises have been provided and the plan to set up a training centre has not yet been implemented.”

Regarding terrorist financing, “Serbia has made little progress regarding the **fight against terrorism**. Within the Security Information Agency, a unit was created for combating international organised crime, including money laundering and terrorist financing. However, a national database and more efficient information exchange procedures need to be established and inter-agency cooperation improved. Overall, Serbia is moderately advanced in fighting terrorism.”⁴

Serbia’s compliance with international AML/CFT standards has been assessed by MONEYVAL within its 3rd evaluation round. Serbia subsequently reported on the progress of implementing the recommendations December 2010 (see overview in Inception and 1st Annual MOLI Progress Report). The latest progress report on Serbia was submitted to MONEYVAL in December 2012.

Project activities with the counterpart institutions that took place during the reporting period, confirmed once more that several recommendations that derive from the EU Progress Report and MONEYVAL evaluation will continue to be addressed during the implementation of the relevant project activities.

3.2 Government/Sector policy

The fight against money laundering and financing of terrorism continues to be considered by the Serbian government as an important dimension of the fight against organised crime which remains from the outset an absolute priority of the democratic reform process in Serbia.

The National Strategy for the Prevention of Money Laundering and Financing of Terrorism⁵ continues to provide a policy framework for further development of the AML/CFT system in Serbia. The current Action Plan for the implementation of the National Strategy covers the period from 2009 to 2013. MOLI will assist APML in drafting the new National Strategy and Action Plan during the course of 2013.

The Administration for the Prevention of Money Laundering (APML), as the main beneficiary and counterpart of this project, has carried out a series of training events for its staff as well as awareness-raising activities for reporting entities. Efforts to improve national

⁴ Serbia 2012 Progress Report accompanying the Communication from the Commission to the European Parliament and the Council: Enlargement Strategy and Main Challenges 2012-2013, October 2012

⁵ Adopted in September 2008: www.apml.org.rs

and international cooperation in the investigation and processing of offences also continue to be increased. However, cooperation between competent authorities still shows shortcomings, which is mainly because the APML still lacks capacities to systematically identify suspicious cases. This is partly due to the limited human resources and the need for highly specialised training for its officers.

Reporting of suspicious transactions remains low, in particular outside the banking sector, with the real estate sector and currency exchange offices being of most concern. An effective system for monitoring and analysing cash transactions needs to be in place and operational. The judiciary and law enforcement services lack expertise in handling money laundering cases and financial investigations. Final convictions in money laundering cases still remain rare.

Concerning relevant legislative changes, the Law on Capital Markets came into force on 17 May 2011. The application of the Law began on 17 November 2011. The provisions of the Law on the Capital Market encompass all the recommendations and requirements defined by the MONEYVAL, and stipulate two crimes as predicate offences: market manipulation and insider trading. Together with offences concerning the abuse of capital markets, the scope of crimes designated by international standards is now fully covered.

The Law On Amendments and Supplements to the Law on Financial Leasing, adopted in 2011, prescribes prohibition for natural persons with criminal background to participate in ownership of financial leasing companies

The Law on Amendments and Supplements of Law on Tax Procedure and Tax Administration came into legal force on 6 October 2012 and prescribes that The Tax Administration shall carry out the state administration business in area of games of chance.

The Law on Prevention of Money Laundering and the Financing of Terrorism⁶ remains of particular importance to this project as it provides the current institutional framework and is the basis for any further legislative improvements, as is the National Strategy for the Prevention of Money Laundering and Financing of Terrorism linked to the expected results of this project. It is expected that in the next reporting period, there will be amendments made to Law on the Prevention of Money Laundering and Terrorism Financing, which was last amended in 2010. The MOLI Project has assisted Serbia in the elaboration of these amendments. The project will continue to address those recommendations and their implementation through the Expected Results.

4. 15 NOVEMBER 2011 - 15 NOVEMBER 2012: ACTIVITIES, ACTIONS, INDICATORS AND PROGRESS

During the reporting period, the following activities were conducted in order to fulfil the Workplan:

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⁶Entry into force on 27 March, 2009 repealing the Law on Prevention of Money Laundering (2005)

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| Activity | 3rd Steering committee meeting, 20 January 2012 |
| Actions | The project activities which took place since the last Steering Committee meeting in September 2011, as well as the upcoming project activities, such as the continuation of National Risk Assessment process were presented by the MOLI project team and further commented/elaborated by APML and other members of the Steering Committee. Mr Vladan Petrovic, Project Manager at EU Delegation, congratulated the team on very good marks the project had received from the EU monitoring mission (ROM). One of the recommendations was to create a more efficient monitoring tool, such as a table showing planned activities and progress made. The Steering Committee members unanimously approved the Annual Progress Report for the period covering 15 November 2010-15 November 2011. |
| Progress/ Deliverables | Steering Committee Meeting Minutes |

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| Activity | 4th Steering Committee Meeting, 4 September 2012 |
| Actions | <p>On 4 September 2012, MOLI Serbia project held its 4th Steering Committee meeting where the project team presented Project activities since January 2012 and planned activities until the end of the year. Some the key issues were identified by the SC in relation to Project implementation and management:</p> <ul style="list-style-type: none"> • It was agreed that Project activities and especially any legal review that takes place should take several new factors into consideration, such as the revised FATF recommendations which came out in February 2012 and 4th EU Directive on AML, which is expected to be published in October-November 2012. The results of the NRA process and new FATF standards should also be taken into consideration during this process. • The Tools used for Project monitoring should be updated and upgraded to ensure that all information about past and planned activities is included in a single document as well as a delineation of responsibilities between stakeholders. <p>All Project activities should be organized in observance of the Project Workplan, which could be also amended to accommodate emerging needs in accordance with the situation on the ground. This however, should be done in observance of the formal procedure through a request to EUD. If deemed necessary, it was suggested that the stakeholders should hold monthly meetings to discuss important issues, deliverables and amendments to the Workplan, before Steering Committee meetings</p> |

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| | take place. |
| Progress/ Deliverables | Steering Committee Meeting Minutes |

Output 1.1 Analyse Serbian legislation and practice and provide support in the preparation of the necessary legislative drafts as indicated by the National AML Strategy.

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| Activity 1.1.2 | Review of the existing legal framework and make recommendations related to improvement of the legislation and of drafting new provisions in the areas of: Financing of terrorism; Insider trading; Market manipulations; and Relevant provisions on CC and CPC Codes. |
| Actions | <p>Legal review of the Serbian draft Law on the Freezing of Terrorist Assets, as requested by the APML</p> <p>In accordance with the Workplan, the MOLI project team commissioned a legal expert to carry out a review and provide recommendations on the working text of the Draft Law on Restriction on Disposal of Property with the Aim of Preventing Terrorism, in order to ensure that the Law complies with relevant European and international standards. The legal opinion was completed in mid-January 2012.</p> <p>Working group retreat to complete the Draft Law on Restrictions on Disposal of Property with the Aim of Preventing Terrorism in Serbia (Ecka, 23-24 February 2012)</p> <p>From 23-24 February 2012, MOLI project organised a workshop in Ecka to carry out a Review of the Provisions of the Draft Law on Restrictions on Disposal of Property with the Aim of Preventing Terrorism in Serbia. The participants of the Working Group responsible for drafting the law are representatives from the APML, Ministry of Justice, Ministry of Interior and State Public Prosecutor's Office, as well as two experts of the Council of Europe.</p> <p>Public Discussion to analyse and review the Draft Law on Restrictions on Disposal of Property with the Aim of Preventing Terrorism in Serbia, 22 May 2012</p> <p>On 22 May 2012, MOLI Serbia project organised a Public Discussion on the <i>Draft Law on Restrictions on Disposal of Property with the Aim of Preventing Terrorism in Serbia</i>. The discussion was chaired jointly by Ms Lorna Harris, CoE Expert, and Mr Aleksandar Vujicic, Director of the Administration for the Prevention of Money Laundering. Representatives of Serbian government, judiciary, security services,</p> |

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| | <p>financial sector, as well as the representatives of other international organisations and embassies, had an opportunity to express their views and comment on the Draft Law. Ms Harris provided guidance on compliance with existing international legal standards. The discussions centred around the procedures and standards for designating persons and entities for further inclusion in the national terrorist lists; links with criminal procedure and other legislation, including that related to asset management; proper delisting procedures, etc. There were seven key areas identified by participants (including those from ministries, agencies and financial sector in Serbia) in the draft law which required further work.</p> <p>Technical Paper: Expert opinion on various AML/CFT laws, bylaws and guidance papers in the Republic of Serbia including an assessment, identification of areas for improvement and recommendations (Herbert Laferla, November 2012).</p> <p>In October 2012, the Project engaged CoE expert Mr Herbert LaFerla to prepare an expert opinion, in the format of a Technical Paper, to assess and identify any short comings of areas for improvement and propose concrete recommendations to bring the Laws, bylaws and guidance related to the Serbian financial sector into conformity with the relevant international standards in the area of anti-money laundering and combating the financing of terrorism (AML/CFT), and particularly the FATF 40 Recommendations of 2012. This review produced a comprehensive legal assessment, compliance matrix as well proposed draft amendments to 35 laws, by-laws and other legal documents. Further activities are planned, to discuss the proposed amendments jointly with representatives of the Serbian financial regulators.</p> |
| Indicators | <p>Assessment report and compliance matrix on status of Serbian Legislation against relevant international standards;</p> <p>Legal opinions including concrete recommendations on improvement on existent laws and by laws or draft legislation are available;</p> <p>Draft legislation/regulations.</p> |
| Progress/ Deliverables | <p>Technical Paper: Review of the Draft Law on Restrictions on Disposal of Property with the Aim of Preventing Terrorism in Serbia;</p> <p>Public Discussion on Amendments of the Draft Law on Restrictions on Disposal of Property with the Aim of Preventing Terrorism in Serbia;</p> <p>Draft Law on Restrictions on Disposal of Property with the Aim of Preventing Terrorism in Serbia is Produced;</p> <p>Technical Paper on 46 on various AML/CFT Laws, bylaws and guidance papers relating to the financial sector in the Republic of Serbia;</p> <p>Assessment/compliance matrix is available AML/CFT Laws, bylaws and guidance papers relating to the financial sector in the Republic of Serbia;</p> <p>Draft amendments are produced for 35 AML/CFT Laws, bylaws and guidance papers relating to the financial sector in the Republic of Serbia.</p> |

Outputs 2.1 Ensure and enhance the visibility and transparency of the AML/CFT system and in particular that of APML through distribution of information materials and through training the staff in relevant public agencies in media relations and in the provision of information to the public

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| Activity 2.1.1-2.1.3 | Ensure and enhance the visibility and transparency of the AML/CFT system and in particular that of APML through training the staff in relevant public agencies in media relations and in the provision of information to the public |
| Actions | <p>Development of comprehensive media strategy for APML and training for APML staff in media relations and awareness-raising on AML/CFT issues (Actions 2.1.1; 2.2.2; 3.1.1)</p> <p>In order to apply a unified approach for a number of interrelated Project activities dealing with public relations issues, the MOLI Serbia project team drafted a ToR, which included a comprehensive set of tasks to be implemented by a public relations service provider, including: producing a communication strategy for APML, training for up to ten APML employees in communication skills and media relations, organisation of an information session for government public relations officers on how to present AML/CFT issues, organisation of an awareness raising event for newly elected MPs and members of relevant parliamentary committees, briefing for journalists, media negotiations, coordination with editors, publication of articles in the press on AML/CFT system in Serbia. A suitable PR agency was selected by the Project following a competitive bidding procedure.</p> <p>Communication Skills Training for APML staff members, 30 August 2012 (Action 2.1.3)</p> <p>The Communication Skills Training was delivered to ten staff members of the APML by the Public Relations Agency, Mosaic B.C.A., selected by and based on ToRs developed by MOLI. The topics covered by the training included the importance of communication, verbal and non-verbal communication, appropriate ways to react, differences between media, how to communicate with journalists, how to prepare for a meeting with journalists, how to handle delicate questions and the overall importance of the public relations sector. The trainees also presented the way the media communication was handled by the APML in the past and discussed with the trainers how the situation could be improved. As a result of the training, the Public Relations Agency has created Guidelines for Media Communication and Communication in Sensitive Situations, which will assist APML staff in dealing with media relations and communication with journalists.</p> |

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| | An additional training was provided on 27-28 September 2012 for two APML staff members, who have been appointed as the main spokespersons for APML (Mr Aleksandar Vujicic, Director, and Ms Milunka Milanovic, Head of Supervision Department). The theoretical 3-hour training focused on the following topics: Professional Communication; Public Speaking and Media Appearance; and Developing confidence and overcoming stage fright. The practical part of the training took place in a TV studio, where the trainees took part in a simulation of a TV appearance. The trainees have also been provided with written guidelines and personal recommendations on how to behave in an interview situation. |
| Indicators | 10 APML employees have been trained on Media relations with journalists in sensitive situations on 30 August 2012 Communication Strategy for the Administration for the Prevention of Money Laundering. |
| Progress/ Deliverables | As a result of the training, the Public Relations Agency Mosaic B.C.A. created Guidelines for the Media Communication and Crisis Communication Guidelines, which will help the general staff of APML in dealing with media relations and communication with journalists. Communication Strategy for the Administration for the Prevention of Money Laundering |

Output 2.3 Undertake a National Risk Assessment of money laundering and terrorist financing in the Republic of Serbia and conduct two separate research studies relating to the Money Transfer and the Non Profit Organisations sectors, and publicise the results

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| Activity 2.3.1 | Organise, carry out and present two National Risk Assessments on the risks of money laundering and terrorist financing in the Republic of Serbia |
| Actions | Initial Workshop on the National Risk Assessment From 18-20 January 2012, the MOLI project, in cooperation with the World Bank (WB), OSCE, and the Administration for the Prevention of Money Laundering (APML), held a three-day <i>Initial Workshop on the National Money Laundering Risk Assessment</i> . This activity also marked the start of the National Risk Assessment (NRA) process on the risks of Money Laundering and Terrorist Financing in the Republic of Serbia. The objectives of the Workshop were to introduce the WB's national Risk Assessment Methodology and NRA tools; to start the assessment process and complete the model templates as much as possible; to identify the needs for further information and data collection to fully complete the NRA and to contribute to the cooperation and coordination in the AML field, by exchange of views among state agencies on ML risks and |

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| | <p>relevant topics.</p> <p>Follow-up meeting on National Risk Assessment, 26 April 2012</p> <p>On 26 April 2012, the institutions involved in data collection for the purposes of carrying out the National Risk Assessment held a meeting at the Ministry of Finance to discuss progress. The leaders of Working Groups, consisting of representatives from the APML, National Bank of Serbia and State Public Prosecutor's office showed a high level of dedication to the process. Mutual coordination of data collection was evident, under leadership of the APML and their NRA coordinator. Group leaders assessed their progress to date and asked others for assistance where necessary to obtain information from remaining state institutions involved.</p> <p>Final National Risk Assessment (NRA) Workshop, Belgrade, 23-24 October 2012</p> <p>The Council of Europe organized the final NRA Workshop and facilitated together with representatives of the World Bank and OSCE the 5 working groups and their discussions. The leaders of the 5 working groups made presentations of their research between January 2012 – October 2012 and the conclusions they had drawn. Further work was then undertaken for them to develop an action plan for each group and this was also presented. At the conclusion, the NRA Coordinator at the Administration for the Prevention of Money Laundering (APML) gave a presentation on the work further needed for the creation of the NRA report, and how it would influence their creation of a future National AML/CFT Strategy and Action Plan. There was an indication that much individual and multi-agency work had gone into the NRA process by the working groups, its leaders, and the NRA coordinator. The principal recommendation of the CoE in relation to the content and further drafting of the final NRA Report has been to include more strategic and typological analysis by the FIU as a means to supplement and/or reinforce the findings in each of the 5 working groups.</p> |
| Indicators | The publication in Serbian and English languages of a National Risk Assessment of ML and TF in the Republic of Serbia. |
| Progress/ Deliverables | <p>The 5 NRA subgroups have finalized their reports, concerning the following areas: Proceeds of Crime; National Vulnerability, The Vulnerability of Banking Sector; Security, Insurance and Other Financial Sector Vulnerability, Designated Non-financial Business and Professions Vulnerability.</p> <p>The Final NRA Report is being finalized by the APML with support from the MOLI Project.</p> |
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| Activity 2.3.2 | Organise, carry out and present a research study regarding risks of money laundering and terrorist financing in the formal and informal money transfers sector |
| Actions | MOLI Serbia has contracted Mr Simon Davis to carry out a scoping mission to Serbia on 10-12 December 2012, to collect information and commence a study into informal and informal money transfers. |
| Indicators | The publication of a report on the risks of ML and TF in the formal and informal money transfers sector. |
| Progress/Deliverables | CoE Short-term expert has been selected to draft the research study which will be available by the end of March 2013. |
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| Activity 2.3.3 | Organise, carry out and present a research study regarding risks of abuse of the Non-Profit Organisations for money laundering and terrorist financing purposes |
| Actions | <p>Workshop on the Risks of Money Laundering and Terrorism Financing in the Non-Profit Organisations (NPO) Sector, 14 June 2012</p> <p>On 14 June 2012, MOLI Serbia project organised a <i>Workshop on the Risks of Money Laundering and Terrorism Financing in the Non-Profit Organisations (NPO) Sector</i>. Representatives from the NPO sector in Serbia, Administration for the Prevention of Money Laundering, Ministry of Interior, Serbian security agencies, as well as other institutions that have a role in preventing money laundering and terrorist financing were present. Presentations were given by two Council of Europe experts, Mr Grahame Barker and Dr Shima Keene, which were then followed by an interactive case study session.</p> <p>The case studies in particular highlighted three key concerns with regard to NPO activities. First, that no mechanisms currently existed to identify the threat, second, that there was an over reliance on the formal banking system to identify possible threats, and third, that there is an inadequate understanding of the subject matter in general. The over-reliance on the formal banking sector was of particular concern especially bearing in mind that it is almost impossible for the banking sector to detect suspicious finances relating to terrorism funding through NPOs highlighting the need to develop effective counter terrorist finance measures in Serbia.</p> <p>Scoping Mission for the purposes of producing a study into the risks of abuse of the Non-Profit Organisations (NPOs) for money laundering and terrorist financing purposes in Serbia, 18-19 October 2012</p> <p>CoE short term expert, Grahame Barker was invited to participate in this research study as a Short-Term Expert. The scoping mission took place on 18 and 19 October 2012, during which Mr Barker attended preliminary meetings with the MOLI Serbia project team and representatives of the Administration for the Prevention of Money Laundering (APML) in order</p> |

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| | <p>to determine the timeframe, research methods and key partners necessary to carry out a more comprehensive risk assessment on the issue of money laundering and terrorist financing in the Non Profit Organisations (NPO) sector in Serbia. Mr Barker also met with the Office for Cooperation with Civil Society, Centre for Development of the Non-Profit Organisations Sector, and the Serbian Business Registers Agency.</p> <p>The scoping exercise identified significant constraints in terms of data available in Serbia on NPOs, which is sparse in nature and widely spread given the absence of any systemic and meaningful policy and institutional framework to assess, monitor and mitigate ML/TF risks posed by NPOs. The MOLI Project will follow up with a comprehensive assessment of the NPO sector as envisaged under Item 2.3.3 of the Project Workplan.</p> |
| Indicators | The publication of a report on the risks of abuse of NPOs for ML and TF purposes. |
| Progress/ Deliverables | <p>A workshop on the abuse of NPOs was organised on 14 June 2012 as a kick-off activity which will be followed by a detailed a study;</p> <p>An expert has been engaged to conduct the research study. He carried out a mission to Belgrade on 18-19 October and met with counterparts;</p> <p>Report on preliminary findings of the Scoping mission to Serbia for the purpose of undertaking a research study on the risks of abuse of the Non Profit Organisations for money laundering and terrorist financing purposes, 18-19 October 2012..</p> |

Output 3.1 Support the APML in preparing further training plans for their staff, train selected APML staff as trainers and assist them in delivering training courses for the staff of other AML/CFT system participants

| Activity 3.1.1 | Assessment of training capacities, needs, plans and development of training plans (outcome of this action to serve also to (Action 4.2.1) |
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| Actions | <p>APML training requirements were assessed as a consequence of a training needs analysis (TNA) questionnaire circulated among all APML staff. The individual responses have indicated several recurring topics:</p> <p>Terrorism Financing (including the proliferation of weapons of mass destruction); New Payment Methods; Capital Markets; Analysis; Supervision. These topics are the subject of training presentations that are or will be delivered to the APML staff by the LTC or other requisite experts. They are undertaken during the monthly Friday afternoon training session held for all staff at the premises of the APML.</p> |
| Indicators | APML Training Plan is available. |
| Progress/ Deliverables | <p>Assessment of APML training needs has been carried out and is available.</p> <p>LTC drafted the Training Plan, to be further discussed with beneficiaries.</p> |

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| Activity 3.1.2-3.1.4 | <p>3.1.2. Development of training curricula based on the Need Assessment with focus on specific topics such as: Risk based approach (PEPs etc), Cross border issues, Evidence gathering and presentation</p> <p>3.1.3 Organise 1 Training of Trainers Event. (Trainers/trainees to be identified during the Need Assessment)</p> <p>3.1.4. Organise 2-3 Training Events for APML's employees in cooperation with the Ministry of the Interior, Judicial Academy, Police Academy and Prosecutors.</p> |
| Actions | <p>Capacity-Building Workshop for APML Veliko Gradiste, 31 August – 1 September 2012</p> <p>The main objective of this workshop was to develop the curricula for a training course for new members of staff, in other words, an 'Induction Course'. This curricula would contain all the essential elements required to train a new member of staff in APML and AML/CFT matters. Once developed it will be transferred onto a disc in a computer-based training (CBT) format that can be distributed to new members of staff when required. This will be a sustainable deliverable provided by the MOLI Serbia project resources. The trainees will then be able to view the material and undertake the course as they require it, obviating the need for senior members of the APML to take part. The training course outline contains, inter alia: Organisation and Function of the APML and other actors in the AML/CFT system; AML/CFT Legislation; International Standards; International Cooperation; Domestic Cooperation; Supervision and the STR system; Risk-Based Approach; Politically Exposed Persons. A working group was created to further develop the training documents. In addition to the Induction Course, the participants also discussed international standards applicable to AML/CFT, and the role and function of the Financial Intelligence Unit. Each department of the APML made a presentation of their major role and responsibilities.</p> |
| Indicators | <p>APML Induction Report</p> <p>25 persons trained</p> |
| Progress/Deliverables | <p>APML has submitted an Induction Report paper, produced as a result of the Training workshop, which took place in Srebrno Jezero on 31/08-01/09/2012.</p> |
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| Activity 3.1.4 | <p>Organise 2-3 Training Events for APML's employees in cooperation with the Ministry of the Interior, Judicial Academy, Police Academy and Prosecutors. Training for APML staff on combating terrorism financing and the financing of weapons of mass destruction followed by a discussion and Q&A session, 29 June 2012</p> |
| Actions | <p>Training for APML staff on combating terrorism financing and the financing of weapons of mass destruction (29 June 2012) and Training</p> |

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| | <p>session for APML staff members on the subject of New Payment Systems (14 September 2012)</p> <p>The need for these trainings was identified by LTC, as a result of a training need assessment survey carried out with APML in accordance with Action 3.1.1. The trainings were well received by the participants and was followed by general discussion and a question and answer session. Specific issues relating to terrorism in Serbia were discussed and in particular the need for awareness raising within and about the vulnerabilities of the NPO sector as well as risks and vulnerabilities posed by new payment methods in Serbia were discussed. The need for awareness raising within the APML and law enforcement about the technological advances and use of such systems was highlighted. There was also substantial agreement that cooperation between the APML, Intelligence Agencies, and Ministry of Interior was paramount to successful combating of the issue, and a wider acknowledgment of the role and potential further development of the role, of financial intelligence.</p> |
| Indicators | 30 employees of APML trained |
| Progress/ Deliverables | Activity Report and presentations on the Training for APML staff on combating terrorism financing and the financing of weapons of mass destruction followed by a discussion and Q&A session. Activity report and presentation on New Payment systems training. |

Output 3.2 Organise up to 5 multi-agency study visits to the CoE Member States to provide first-hand experience to overcoming difficulties in the implementation of international AML/CFT standards

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| Activity 3.2.1 | Identify Countries and Structures in order to organise and carry out up to 3 study visits for APML's purposes which would be aimed at resulting in MOU initiation/launching/signature with other FIUs. |
| Actions | <p>Study visit to Estonia and Lithuania (21-26 November 2011)</p> <p>On 21-26 November 2011, the MOLI Serbia organised a Study Visit "AML/CFT Standards in the Baltics: Institutions, Legislation, Cooperation, Coordination" for the selected officials of the Serbian institutions responsible for the AML/CFT issues, namely, the APML, the Ministry of Interior, the National Bank of Serbia, the Customs Administration and the Higher Prosecutor's Office. The objective of this study visit was to improve the capacities of Serbian authorities by gaining an insight into the particularities of the AML/CFT systems in Estonia and Lithuania and by drawing on their experiences in countering the financing of terrorism (CFT), as well as carrying out comprehensive risk assessments,</p> |

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| | improving inter-institutional cooperation and supervising non-financial businesses and professions (NFBPs). |
| Indicators | Report on the Study Visit 10 persons undertake study visit |
| Progress/ Deliverables | The second of three study visits has been completed. Report on study visit has been produced. The Republic of Serbia subsequently signed the Memorandum of Understanding with Estonia. |

Output 3.3 Train the analytical staff of the FIUs on analysis and exchange of financial information and provide translated and published compilation of FATF typologies into Serbian language

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| Activity 3.3.1 | Review and analyse existing capacities and identify needs of and for the analytical staff of the FIU when conducting analysis and exchange of information |
| Actions | LTC has commenced a review of APML's needs assessment and capacities. Analytical staff and senior management of the APML were interviewed to identify analytical capability deficiencies. Currently, the APML has no strategic analysis capability and with the new FATF Recommendations, they will need it. They have created two posts specifically for Strategic Analysis and these will be within the main Financial Analysis Dept. They have not yet recruited these two extra staff. The NRA process requires some strategic analysis skills and specific training and mentoring will be provided to the two staff who are directly responsible for the NRA. This will be provided by the Belgian Federal Police. Basic analysis training is also required particularly in the use of link charting tools and relationship matrices (ANACAPA) for the general analysis department members. In addition greater knowledge of the various EU and international mechanisms for the analysis and exchange of financial information is required on a general level e.g, Egmont Secure Web, SUSTRANS, and FIU Net. |
| Indicators | Technical paper is available. |
| Progress/ Deliverables | The review of APML's analytical capacities is underway. LTC will produce a technical paper providing an analysis and recommendations on analytical capacities of APML by December 2012. |
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| Activity 3.3.3 | Deliver 2 Training Events for analysts, one in Serbia and one to a foreign FIU aimed at improving international cooperation on exchange of financial information |

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| Actions | <p>Study visit to EUROPOL headquarters in The Hague and Belgian Federal Police in Brussels, 2-6 April 2012</p> <p>From 2-6 April 2012, MOLI Serbia project organised a Study Visit to EUROPOL headquarters in the Hague and to the Belgian Federal Police in Brussels, in order to train eight analysts from APML and from the Ministry of Interior on strategic analysis reporting skills. The objective of the Study Visit was to expose Serbian analysts responsible for coordinating the National Risk Assessment to best practices in areas such as the Serious Organised Crime Threat Assessment (SOCTA) carried out in EUROPOL and the methodology used in Strategic Planning by Belgian Federal Police, who are considered leaders in this field. The delegation also visited the Belgian FIU and exchanged experiences in intelligence-gathering and analysis thereof.</p> |
| Indicators | <p>Report on the Study Visit</p> <p>Ten analysts from APML and Ministry of Interior trained on strategic analysis with an emphasis on improving their strategic analysis skills.</p> |
| Progress/ Deliverables | <p>Ten analysts from APML and Ministry of Interior trained on strategic analysis with an emphasis on improving their reporting skills</p> <p>Translations into Serbian of the MONEYVAL Typology Research: <i>Criminal money flows on the Internet: methods, trends and multi-stakeholder counteraction</i> (9 March 2012) and Case Studies (Chapter 7.) from the APG Yearly Typologies Report 2011 (22 July 2011).</p> |

Output 4.1 In co-operation with the specialised training institutions in Serbia, support the preparation of training programmes/curricula and training materials on AML/CFT for the law enforcement agencies and judiciary indicated by Moneyval recommendations

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| Activity 4.1.3 | Adaptation and Publication of the 2 training programmes that are delivered from (Action 4.1.1) and (Action 4.1.2) and delivering it to the Judicial and Police Academies |
| Actions | <p>Meetings with the Police Academy and the Ministry of Interior's Directorate for Police Education, Professional Training, Development and Science, 6 and 8 May 2012</p> <p>On 6 and 8 May 2012, MOLI Serbia project team met with Mr Goran Boskovic, Vice Dean of Undergraduate Education at the Police Academy, Ms Snezana Novovic, and Mr Zeljko Brkic, Advisers the Directorate for Police Education, Professional Training, Development and Science at the Ministry of Interior, to discuss a draft course outline on financial investigations with a clear AML/CFT component, which is to be included in basic police training curriculum. The Police Academy and the Directorate for Police Education representatives agreed with the project team's suggestion that the key to producing a new curriculum is sustainability and ensuring that Serbian authorities will be able to</p> |

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| | continue implementing the training curriculum beyond the lifetime of the project. |
| Indicators | Training Concept is produced with a timeline of implementation of the new basic training course on Economic Crime aimed for law enforcement officers. |
| Progress/ Deliverables | Meeting with the MoI representatives to present the training course outline and seek support for amendments and additions to the police training programme. Concept note produced by LTC is still awaiting approval. |

Output 5.1 Assist the supervisors and regulators in the determination of national standards of compliance with relevant legislation and international standards, producing guidelines and indicators for obliged institutions and implementing the relevant Moneyval recommendations

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| Activity 5.1.1 | Scoping paper on all identified institutions reviewing, assessing and compiling all national existing standards for supervisors and regulators with an emphasis on risk-based supervision |
| Actions | Ms Maud Bokkerink has been contracted as short-term expert to produce a scoping paper on all identified institutions reviewing, assessing and compiling all national existing standards for supervisors and regulators with an emphasis on risk-based supervision. |
| Indicators | Scoping paper produced |
| Progress/ Deliverables | Ms Maud Bokkerink has started the scoping exercise of existing guidelines for supervisors and regulators. The scoping paper will be available in December 2012. |

Output 5.2 Provide 3 workshops for the regulators/supervisors on best practices available in other European countries, on the application of the risk-based approach in the internal AML/CFT policies, and on Training Plan Modules for curricula of obliged institutions.

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| Activity 5.2.1 | Organise and carry out 1st/3 Workshop using the existing compilation of the guidelines and of the European good practices for all representatives of the regulators and supervisors |
| Actions | <p>Workshop on the Practical Application of the Risk Based Approach (RBA) in On-site and Off-site Supervision, National Bank of Serbia (NBS), 9-10 July 2012</p> <p>On 9-10 July 2012, MOLI Serbia project organised a <i>Workshop on the Practical Application of the Risk Based Approach (RBA) in On-site and Off-site Supervision</i>, which took place at the National Bank of Serbia. The participants consisted of representatives from the Supervision Department of the National Bank of Serbia (NBS), Administration for the</p> |

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| | <p>Prevention of Money Laundering, Securities Commission, Market Inspection and Postal Services, totalling 40 people (17/23 females). Mr Antonio Marrone, CoE expert and Officer at Banca d'Italia, gave several presentations on practical experience in on-site and off-site supervision. Mr Simon Goddard, Long-Term Consultant made the observation that there was no composite set of guidelines on AML/CFT and there should be a central repository created.</p> <p>The MOLI Project is taking into account the results of this activity in context of the comprehensive review currently being undertaken on risk-based approach guidelines for supervisors (Activity 5.1.2.)</p> |
| Indicators | 90 persons trained |
| Progress/ Deliverables | <p>40 persons are trained</p> <p>Activity Report on <i>Workshop on the Practical Application of the Risk Based Approach (RBA) in On-site and Off-site Supervision</i></p> |
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| Activity 5.2.2 | Organise and carry out 2nd/3 Workshop on application of risk-based approach in the internal AML/CFT policies |
| Actions | <p>Conference on Combating Money Laundering and Terrorism Financing in the Securities Markets, Arandjelovac, 28-30 March 2012</p> <p>On 28-30 March 2012, MOLI Serbia project team organised a <i>Conference on Combating Money Laundering and Terrorism Financing in the Securities Market</i>. The conference took place in Arandjelovac and was co-organised by the Securities Commission and the Administration for the Prevention of Money Laundering. The objective of the conference was to increase the knowledge of AML/CFT issues for regulators, investment funds professionals, brokerage houses and bank compliance officers. Presentations were held by local and international experts on subjects such as Risks & Responses to Money Laundering, Supervision & Reporting and Practical Risk Management</p> |
| Indicators | 60 people trained |
| Progress/ Deliverables | The conference participants started an initiative to form a professional association of compliance officers, under the leadership of one of the main commercial banks in Serbia. |
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| Activity 5.2.3 | Organise and carry out 3rd/3 Workshop on assisting the obliged institutions in designing and elaborating a compilation and training plan for the curricula developments for the obliged institutions. |
| Actions | <p>Workshop on AML/CFT Standards for Accountants, Belgrade, 30 October 2012</p> <p>The current problems in practical application of the Law on Prevention</p> |

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| | <p>of Money Laundering and Terrorism Financing were discussed with accountants and auditors during the Workshop. Mr Milan Negovanovic, Short-Term Expert, emphasized the most important difficulties and obstacles for accountants, and pointed out the importance of professional skepticism and risk based approach. The participants were also informed about how to make a distinction between tax evasion and other forms of financial crime and money laundering. In order to familiarize the participants with the abuse of accounting sector for money laundering, the presentation emphasized the reasoning, methodology, techniques and forms of creative accounting and forgery of financial reports as instruments for committing money laundering crimes. The presentation was well received by the accountants and auditors who attended the workshop and their questions were adequately answered, especially regarding licensing issues and practical information regarding the licensing exams. Accountants and auditors, as a part of DNFBPs, have become aware of the necessity for their active inclusion in the system for combating money laundering and terrorist financing, as well as the importance of zero tolerance to criminal activities. They were explained the most common dilemmas, issues and prejudices about the implementation of the Law, which otherwise could have resulted in incorrect procedural steps.</p> |
| Indicators | 90 persons trained |
| Progress/ Deliverables | <p>90 persons trained</p> <p>Compilation of guidelines on AML/CFT standards for supervisors and regulators with an emphasis on Risk-Based Approach, will also be made available to the DNFBP sector, once completed under activity 5.1.1. and 5.1.2.</p> |

Output 6.1 Prepare and make available Situation Report on the Typologies, data collection, analysis and exchange of information including both public and private sector in Serbia

| Activity 6.1.1 | Organise 3 regional typology meetings with law enforcement and regulatory authorities |
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| Actions | <p>1st Regional Typologies Meeting, Belgrade, 25 October 2012</p> <p>The workshop was platform for the APML to present the work they have done recently on producing a series of AML typologies based on information provided by STRs and from each of the 'obliged' sectors. The MOLI Serbia LTC gave a presentation on the importance of trade based money laundering and took part in the final round table activity. After APML had given their presentation, the representatives of the regional FIUs provided a series of presentations with each of the presentations containing least two typologies from each of the region's FIUs. It was clear that all FIUs are active in identifying and preventing money</p> |

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| | laundering, but there was an absence in many cases demonstrated of the identification of the predicate offence. In the case of all FIUs, as they are administrative in nature, there appeared to be a disconnect with the requirements or wishes of the police/prosecutors, and unilateral investigations being undertaken by them with no clear idea of an end user. |
| Indicators | Activity report and presentations available |
| Progress/ Deliverables | Activity report and presentations available The second regional typologies meeting is planned for March 2012. |

5. 15 NOVEMBER 2011 - 15 NOVEMBER 2013: PLANNED ACTIVITIES, ACTIONS, INPUTS AND DELIVERABLES

During the next reporting period, the following activities are planned in order to fulfil the Workplan for 2012:

Output 1.2 Organise a series of training events on practical implementation of new European AML/CFT standards, Convention CETS 198 and application of new standards and procedures for a core group of staff and of the Legal Review Working Groups (LRG).

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| Activity 1.2.2 | Training Event No. 2 for up to 30 Participants on: European AML/CFT standards, Implementation aspects of the Convention CETS 198 and their application in the national Serbian legislation and AML System (19-20 November 2012, Novi Sad) |
| Expected Progress/ Deliverables | 30 people trained; Report of the training and materials used; The training scheduled for November 2012 involving three foreign experts, will ensure that investigators and prosecutors in Novi Sad have an opportunity to be trained in the EU and international standards and their practical implementation. |
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| Activity 1.2.3 | Training Event No. 3 for up to 30 Participants on: European AML/CFT standards, Implementation aspects of the Convention CETS 198 and their application in the national Serbian legislation and AML System |
| Expected Progress/ Deliverables | Seminar Reports ; 30 persons are trained; Report of the training and materials used; The training scheduled for March 2013 involving three foreign experts, will ensure that investigators and prosecutors in Nis have an opportunity to be trained in the EU and international standards and their practical implementation. |

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| Activity 1.2.4 | Training Event No. 4 for up to 30 Participants on: European AML/CFT standards, Implementation aspects of the Convention CETS 198 and their application in the national Serbian legislation and AML System |
| Expected Progress/Deliverables | Seminar Reports; 30 persons are trained; Report of the training and materials; The training scheduled for September 2013 involving three foreign experts, will ensure that investigators and prosecutors Kragujevac have an opportunity to be trained in the EU and international standards and their practical implementation. |

Output 2.1 Ensure and enhance the visibility and transparency of the AML/CFT system and in particular that of APML through distribution of information materials and through training the staff in relevant public agencies in media relations and in the provision of information to the public.

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| Activity 2.1.1 | Design media cooperation guide on AML/ CFT system and APML relevance for State central and local Institutions |
| Expected Progress/Deliverables | The project team will assist the APML in the design and distribution of information leaflets in accordance with the agreed media strategy that will inform the public and their operational partners of relevant and topical matters; Information leaflets distributed. |

Output 2.2 Organise awareness raising activities for politicians and public to publicise the efforts undertaken by the state to increase the effectiveness of the fight against economic crime, money-laundering and terrorist financing

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| Activity 2.2.1 | Organise 1 Awareness Raising Event for the media on AML/CFT activities and the functioning of relevant institutions in the AML /CFT system. |
| Expected Progress/Deliverables | A working breakfast will be organised at the end of January 2013 between the APML senior management and selected journalists; 12 members of media are informed about AML/CFT issues/institutions and therefore able to report positively on the subject if required to do so. |
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| Activity 2.2.2 | Organisation of 2 media reports regarding best practices in the work of the AML/CFT system and publication of AML/CFT publicity material in one print and one internet media outlet |

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| Expected Progress/Deliverables | In consideration of the adopted media strategy, material will be published for the benefit of civil society informing them of AML/CFT issues and of the reporting of suspicious activity. This will improve the general awareness of the public and lead to a greater quantity of suspicious transaction reports being sent to the APML; 2 different forms of media coverage ensured.(print, Internet) |
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| Activity 2.2.3 | Organise 1 Awareness Raising Event for Members of Parliament on aspects of the fight against AML/CFT and on the functioning of the AML/CFT institutions. |
| Expected Progress/Deliverables | In cooperation with the Council of Europe Office in Belgrade the project team will explore opportunities to engage with the Parliament of the Republic of Serbia in order to raise awareness of the links between organised crime and money laundering and of the measures being taken to combat money laundering and the financing of terrorism. 30 members of parliament involved in important committees on security matters informed about AML/CFT issues. |

Output 2.3 Undertake a National Risk Assessment of money laundering and terrorist financing in the Republic of Serbia and conduct two separate research studies relating to the Money Transfer and the Non Profit Organisations sectors, and publicise the results

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| Activity 2.3.1 | Organise, carry out and present two National Risk Assessments on the risks of money laundering and terrorist financing in the Republic of Serbia |
| Expected Progress/Deliverables | The NRA report produced by the APML with project assistance is due by the end of December 2012 ; The publication in Serbian and English languages of a National Risk Assessment of ML and TF in the Republic of Serbia. One version restricted to state's authorities, the other for the public or produced as a strategic summary only. |
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| Activity 2.3.2 | Organise, carry out and present a research study regarding risks of money laundering and terrorist financing in the formal and informal money transfers sector |
| Expected Progress/Deliverables | In December 2012 an external expert will conduct a 3 day scoping study to Belgrade to meet with all interested parties and this will be followed in January 2013 with a plan of action which will result in the publication of a report on the risks in the MVTs. The publication of a report on the risks of ML and TF in the formal and informal money transfers sector. |
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| Activity 2.3.3 | Organise, carry out and present a research study regarding risks of abuse of the Non-Profit Organisations for money laundering and terrorist financing purposes |
| Expected Progress/ Deliverables | In January 2013 an external expert will undertake an analysis of this sector in the field and as a result produce a report of the money laundering and terrorist financing threat in the sector. The publication of a report on the risks of abuse of NPOs for ML and TF purposes. |
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| Activity 2.3.4 | Compilation and translation (Serbian-English-Serbian), and publication and dissemination of not less than 600 copies of those 4 Studies |
| Expected Progress/ Deliverables | 120 copies of each of the 3 reports (total 600) are disseminated. |

Output 3.1 Support the APML in preparing further training plans for their staff, train selected APML staff as trainers and assist them in delivering training courses for the staff of other AML/CFT system participants

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| Activity 3.1.2 | Development of a computer-based training course based on the Need Assessment |
| Expected Progress/ Deliverables | A computer based training course on AML/CFT issues designed for new APML staff that can also be used in other institutions will be delivered in early 2013; Computer-based induction course produced |
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| Activity 3.1.3 | Organise 1 Training Event on training techniques. (Trainers/trainees to be identified during the Need Assessment) |
| Expected Progress/ Deliverables | The APML will receive this training in early December 2012 provided by an external training consultant; 15 persons trained in training techniques |

Output 3.2 Organise up to 5 multi-agency study visits to the CoE Member States to provide first-hand experience to overcoming difficulties in the implementation of international AML/CFT standards

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| Activity 3.2.2 | Identify Structures and good practices for 1 Study visit for the Police / Judicial Academy to an academic institution/university that offers postgraduate study in economic crime |

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| Expected Progress/ Deliverables | The study visit is scheduled for March 2013 and the respective institutions have been provided with two options (Switzerland or UK) from which to choose; Report of Study Visit; 10 persons undertake multi-agency study visit and gain an understanding of what is required for them to produce their own post-graduate study course. |
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Output 3.3 Train the analytical staff of the FIUs on analysis and exchange of financial information and provide translated and published compilation of FATF typologies into Serbian language.

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| Activity 3.3.1 | Review and analyse existing capacities and identity needs of and for the analytical staff of the FIU when carrying out their tasks and more specifically when conducting analysis and exchange of information |
| Expected Progress/ Deliverables | The LTC will conduct the review in December 2012 and publish the results recommending training as necessary; Institutional and personal needs report produced |
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| Activity 3.3.2 | Provision of 1 Training Event for training 5-8 Trainers of the analysts on carrying out analysis and exchange of financial information |
| Expected Progress/ Deliverables | The contents of this training will be identified under 3.3.1.above and analysts will be trained to deliver training to their peers. 5-8 trainers trained |

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| Activity 3.3.3 | Deliver 2 Training Events for analysts, one in Serbia and one to a foreign FIU aimed at improving international cooperation on exchange of financial information |
| Expected Progress/ Deliverables | 10 persons are trained in analytical skills aimed at improving international cooperation and exchange of financial information. Study Visit report is available |
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| Activity 3.3.4 | Translate, publish (electronically and hard copy), FATF/Moneyval/EAG typologies into Serbian language. |
| Expected Progress/ Deliverables | FATF-MONEYVAL-EAG-APG typology reports have been translated into Serbian and distributed to the main beneficiary. |

Output 4.1 In co-operation with the specialised training institutions in Serbia, support the preparation of training programmes/curricula and training materials on AML/CFT for the law enforcement agencies and judiciary indicated by Moneyval recommendations

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| Activity 4.1.1 | Organisation and provision of 1 MOCK TRIAL training for multi-agency staff (Reporting institutions, Regulators/supervisors, FIU, Law Enforcement, Prosecutors, and Judiciary). |
| Expected Progress/Deliverables | The Mock Trial is scheduled for February 2013 involving local and foreign experts. A working group of Serbian beneficiaries (APML, Police, and Prosecutors) has begun a case file and it should be completed in January 2013; 30 persons receive training; Training curricula and materials produced |
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| Activity 4.1.2 | Organisation, design and provision of a training curricula and course in financial crime for Ministry of Interior (police) |
| Expected Progress/Deliverables | The outline for the provision of a training course for police officers will be again submitted to the Ministry of Interior in December for a decision on acceptance for implementation; Training course for MoI produced and delivered; Training Concept is produced and supplied to the Ministry of Interior with a timeline of implementation of the new basic training course on Economic Crime aimed for law enforcement officers. |
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| Activity 4.1.3 | Adaptation and Publication of the 2 training programmes that are delivered from (Action 4.1.1) and (Action 4.1.2) and delivering it to the Judicial and Police Academies |
| Expected Progress/Deliverables | Training programme produced and delivered to the Judicial and Police Academies |

Output 4.2 Deliver specialised training for multidisciplinary professional groups in order to increase practical implementation aspect of AML/CFT issues

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| Activity 4.2.1 | Using Need Assessment under (Action 3.1.1) organise and carry out 2 Training Events for a multi-disciplinary group on issues of economic and financial crime, AML/CFT and related topics to prosecutors, judges, staff of the law enforcement and financial investigation units. |
| Expected Progress/Deliverables | As a result of a needs assessment in the APML the LTC has already provided two of five training periods. Further training events are scheduled for training in Capital Markets due in December 2012, FIU Supervision in March 2013, and Analysis in June 2013. |

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| | 50 persons are trained |
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Output 5.1 Assist the supervisors and regulators in the determination of national standards of compliance with relevant legislation and international standards, producing guidelines and indicators for obliged institutions and implementing the relevant Moneyval recommendations

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| Activity 5.1.1 | Scoping paper on all identified institutions reviewing, assessing and compiling all national existing standards for supervisors and regulators with an emphasis on risk-based supervision |
| Expected Progress/Deliverables | Scoping paper produced; A banking expert will be tasked in December with producing this scoping study and will report in January 2013; Scoping paper produced in January 2013. |
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| Activity 5.1.2 | Based on the identification of issues of concern through the scoping paper, prepare compilation of guidelines in implementing the national existing standards for supervisors and regulators with an emphasis on risk-based supervision |
| Expected Progress/Deliverables | As a direct consequence of the scoping paper produced in January 2013, a compilation of guidelines will be produced and published in February / March 2013; Compilation of guidelines is produced and available |

Output 6.1 Prepare and make available Situation Report on the Typologies, data collection, analysis and exchange of information including both public and private sector in Serbia

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| Activity 6.1.1 | Organise 3 regional typology meetings with law enforcement and regulatory authorities |
| Expected Progress/Deliverables | A regional typologies meeting between FIUs and police was held in Belgrade on 25 October 2012; A regional typologies meeting between FIUs, Regulators, and police of the region will be organised in April 2013; A regional meeting of all FIU analysts departments will be held in September 2013 to discuss regional typologies and exchange of information; Meeting reports available. |
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| Activity 6.1.2 | Undertake assessment and propose improvements by way of guidance papers followed by a workshop on the system of data collection and analysis, information exchange and feedback between relevant services and institutions (including private sector) |
| Expected Progress/Deliverables | This activity is scheduled to undertaken upon the results of the NRA being available and providing the information in data collection gaps required. It will be followed by a guidance paper on the collection, storage, and use of statistics; Guidance paper is available |
| | |
| Activity 6.1.3 | Support the APML in drafting a new AML/TF National Strategy (2012-2015) |
| Expected Progress/Deliverables | This activity is scheduled for 2013 and will be directed by the results of the NRA completed in December 2012 outlining the threats and vulnerabilities to the AML/CFT system in Serbia; National Strategy is published and available |
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| Activity 6.1.4 | Set up a working group to develop the forms for providing data on economic and criminal offences related to ML and TF (APML, Prosecutors' Office, Supreme Court of Cassation) |
| Expected Progress/Deliverables | This activity is scheduled to be undertaken upon the results of the NRA being available and providing the information in data transfer gaps identified. It will be followed by a working group on the creation of new forms for information exchange if the gap is identified; Working group meeting minutes and reports are available. |

Output 7.2 Procure necessary software and provide training on its use

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| Activity 7.2.1 | Carry out procurement of software and make any adjustments necessary for efficient use of procured equipment and software |
| Expected Progress/Deliverables | Equipment and Software procured; The APML's technical infrastructure is improved to collect, analyse and exchange information necessary to prevent and control money laundering and terrorist financing. |
| | |
| Activity 7.2.2 | Provide training for all users of the new Software |
| Expected Progress/Deliverables | 25 persons trained in use of software; The introductory training session will be carried out as soon as the contracts are signed with IT companies which is in mid-December 2012 |

During the next reporting period the project will continue to build upon the achievements delivered since the end of the last reporting period and in accordance with the agreed Workplan. The focus will continue to be on activities designed to improve the overall capacities of institutions and individuals involved in the anti-money laundering and counter terrorism financing system in Serbia and to enable greater compliance with the EU and international standards.

The finalization of the full range of activities focusing on risk-assessment and development of the risk-based approach will enable the authorities to better prioritise their response to ML/TF and thereby becoming more effective and efficient in the allocation of resources. The Project will provide comprehensive support in designing guidance and mechanisms to improve the functioning of the AML/CFT system as per the identified risks and vulnerabilities and particularly in the areas of data collection and analysis, information exchange and feedback between authorities, as well as private sector. MOLI will also support the process of drafting the new AML/CFT National Strategy, which will include recommendations and findings resulting from the abovementioned activities.

The project will further engage key authorities to ensure that project training materials can be incorporated into local training curricula where possible in order to ensure the sustainability and impact of project activities. Specific training activities designed to promote interagency cooperation will also be a continual theme with preparation already underway for conducting a specialized Mock Trial exercise in February 2013.

The MOLI Serbia project is committed to ensuring that duplicated efforts are avoided with other Council of Europe projects and with the international community.

6. COOPERATION WITH STAKEHOLDERS

The MOLI Serbia team has developed excellent cooperation with state authorities.

6.1 Counterpart and beneficiaries

Cooperation with the Administration for the Prevention of Money Laundering (APML)

Cooperation and communication between the MOLI-Serbia Project Team and its main counterpart, the APML has been excellent throughout the reporting period. The MOLI project team maintains almost daily communication with all APML departments, which has resulted in excellent working relations and has provided more efficiency in implementing project activities. APML has been very active in providing a strong presence and AML/CFT expertise at all MOLI project workshops, trainings and working groups. As main beneficiary, APML continues to act as a liaison between the project and other state institutions, which again facilitates the implementation of activities and shows a high level of cooperation.

Cooperation with the Ministry of Interior

Cooperation with the Ministry of Interior's Service for Combating Organised Crime has been excellent in 2012. Among others, the team has particularly good cooperation with the Anti-Money Laundering Unit, whose representative sits on the project's Steering Committee and has taken a very active role in the project by participating in conferences, workshops and study visits. Overall, the Ministry of Interior has maintained significant presence and strong input at all MOLI events.

The project continues to maintain good relations with the Financial Investigations Unit. As one of the two main beneficiaries of the Criminal Assets Recovery (CAR) project in Serbia, FIU staff members have nevertheless actively participated in numerous MOLI trainings, workshops and study visits.

Cooperation has also been very productive with the Police Academy and the Directorate for Police Education, Professional Training, Development and Science. MOLI has drafted a proposal for a basic police training course in Economic Crime and Financial investigations. The adoption of the new curriculum will be followed up by MOLI project team in 2013.

Cooperation with National Bank of Serbia

Cooperation with the National Bank of Serbia is excellent, and in particular with the Department for Banking Supervision. They are represented on the project Steering Committee and enthusiastically take part in all appropriate activities. The particular areas of cooperation are providing Anti-Money Laundering trainings in supervision and regulation of the insurance sector, pension funds and leasing companies, in other words, in non-banking financial institutions. There have been significant efforts made to continue to encourage all business areas of the National Bank to apply the Risk Based Approach in its supervisory activities.

State Public Prosecutor's Office

MOLI project team has stepped up its cooperation with the Public Prosecutor's Office in 2012⁷, by developing closer working relations in carrying out the National Risk Assessment, where a Public Prosecutor was nominated as one of the five working group leaders. State Public Prosecutor's Office also provided very valuable support during the Working Group retreat to complete the Draft Law on Restrictions on Disposal of Property with the Aim of Preventing Terrorism in Serbia and in the Public Discussion which followed.

Securities Commission

Securities Commission assisted the project by co-organising the Conference on Combating Money Laundering and Terrorism Financing in the Securities Markets, which took place in Arandjelovac on 28-30 March 2012. apart from offering their expertise in regulating the securities market in Serbia, the Commission also facilitated access to investment funds,

⁷ In the Result Oriented Monitoring (ROM) Report submitted on 9 December 2011, one of the recommendations made to the Project Team was to "ensure that representatives from involved institutions take part in the upcoming study visits (Ministry of Justice, judges and prosecutors)." The Project Team has made significant efforts to increase the participation of prosecutors, as well as judges, in all relevant project activities. As a result, there has been a noticeable increase in participation of members of the judiciary in MOLI project activities.

brokerage houses and bank compliance officers. This enabled the project to raise awareness on AML/CFT issue in the private sector.

Customs Administration

Cooperation with Customs Administration has remained at a very good level, where Customs officers continued to take an active part in all relevant trainings and study visits, and in particular the National Risk Assessment.

Cooperation with Association of Serbian Banks (ASB)

ASB has also provided constant support to the project by providing contacts in the banking industry in Serbia and by taking active part in MOLI's events, in particular the Conference on Combating Money Laundering and Terrorism Financing in the Securities Markets held in Arandjelovac on 28-30 March 2012 and co-organised with the Securities Commission.

6.2 Third parties

World Bank

Cooperation with the World Bank (WB) has been very productive in 2012, as was initiated over the National Risk Assessment on the risks of Money Laundering and Terrorist Financing. The World Bank continued to assist the project by providing a series of trainings on the methodology in order to provide Serbian authorities with necessary tools to carry out a National Risk Assessment. The first workshop organised jointly by MOLI Serbia project and the WB took place from 18-20 January 2012, while the final NRA Workshop took place on 23-24 October 2012. It should be noted, however, that despite the trainings provided by WB on the NRA methodology, neither MOLI Serbia nor the Serbian authorities were obliged to apply this particular methodology while undertaking the NRA in Serbia. APML has nevertheless chosen to complete the process using this particular methodology.

OSCE

Cooperation with the OSCE Secretariat and OSCE Mission to Serbia has been excellent. OSCE has continued its active participation in the NRA process by offering its expertise in both NRA Workshops held in 2012. OSCE also co-organised and co-funded the 1st Regional Typologies Meeting for all regional Heads of FIUs, which was held in October 2012.

UN

MOLI-Serbia has been particularly active in pursuing cooperation with other donors involved in anti-money laundering, counter terrorism financing, and anti-corruption related work. International Donor Group - Sub-Group on Anti-Corruption, coordinated by UNDP and EUD, organises regular meetings where all international stakeholders in Serbia discuss anti-corruption policy. MOLI ensures its presence, whenever possible, at these meetings in order to raise awareness of its activities among international counterparts.

7. VISIBILITY

Project news, upcoming events, and outputs/deliveries are reported on a section of the Council of Europe Economic Crime website (www.coe.int/economiccrime) and the section of the Council of Europe Office in Belgrade website which is exclusively dedicated to the projects (www.coe.org.rs). The website report on project activities and ongoing public events is regularly updated. Furthermore, as the Council of Europe's main counterpart in the MOLI Serbia Project, the Administration for the Prevention of Money Laundering has the link to the project web address on its webpage.

In addition, the MOLI Serbia has produced new visibility materials, which are handed to all beneficiaries and used during the events organised by the Project.

The project ensures the visibility of the EU's contribution at all stages of its activities. All reporting, printing materials and information used and disseminated acknowledge that actions as such have been carried out "with funding from the European Union" by also displaying in an appropriate way the European Union logo.

8. PROJECT ACHIEVEMENTS AND CONCLUSIONS

The MOLI-Serbia project team continue to have an excellent relationship with the APML and other beneficiaries, attempting to be flexible to their needs and requirements for additional assistance outside the project Workplan established some three years ago, whilst still maintaining the overall objective of the project..

The project has undertaken 20 specific activities this reporting period and is mainly on course to achieve the objectives as outlined in its Terms of Reference, Inception Report and Workplan as the project objectives are still relevant and achievable, and the overall project Workplan and methodology are sound. Good progress towards achieving the **overall objective** of contributing to the prevention and control of money laundering and terrorist financing in the Republic of Serbia in accordance with European and other international standards and best practices the project is being made. APML will be making a positive report on the progress of the AML/CFT system in Serbia to an upcoming MONEYVAL meeting which is in no little part due to the hard work of the project team. There is however still work to be done as international standards have altered significantly over the past 12 months, and continue to do so, requiring further adaptation of the project Workplan.

One of the project's **specific objectives** to enhance the human capacities of key institutions of the anti-money laundering system of the Republic of Serbia, (APML, judiciary, prosecution, law enforcement and financial sector) is also being met by the provision of training events. Some 265 public officials took part in the various trainings thus improving their knowledge of AML/CFT standards and strengthening their capacity to deal with ML threats.

Key achievements of the technical assistance provided by MOLI-Serbia Project over the reporting period:

- The MOLI Project delivered a comprehensive legislative analysis of the AML/CFT regulatory framework, including recommendations and draft proposed amendments necessary to comply with EU and international standards, including the new FATF Recommendations of 2012.
- The concept of the risk-based approach to regulation, supervision and compliance has been promoted to the Serbian authorities as a means to efficiently allocate resources and counter ML/TF risks and threats, the implementation of the risk-based framework will commence in 2013 with assistance of MOLI.
- The procedure for the procurement of IT infrastructure, which will be a major upgrade to the APML's IT system has come to the final stage in November 2012, by the time of drafting this report contacts were due to be signed with the winning companies of the Tender.
- Training sessions have been undertaken to cover a majority of APML needs identified through a MOLI training needs assessment in 2012.

The project team continued to undertake meetings with key stakeholder institutions to ensure that the project Workplan is still relevant and deliverable and to assess their current and future technical assistance needs. It is **recommended** that the project team continue to ensure that the content of activities reflect the needs of the beneficiary and to address those areas deemed deficient in the MONEYVAL Mutual Evaluation Report. This is particularly so in relation to those issues that is deemed a priority for action by the Serbian authorities in their national plan of action, including the delivery of training. It is incumbent on the main beneficiary to make the appropriate requests for assistance to the project team for the project to provide the necessary support.

Moreover, in order to ensure continued full cooperation and coordination with the beneficiaries the next Steering Committee meeting (scheduled for February 2013) will be presented with a detailed schedule on the implementation of remaining Project activities, as per the existing Workplan. In relation to this, the primary beneficiary should continue its commitment to actively co-operate with the project team and encourage other beneficiaries to do so as well to ensure a timely completion of the project Workplan.

Name of the contact person for the Action: Ivan Koedjиков

Signature:

Location:

Date report sent:

ANNEX

MOLI-Serbia Workplan of Activities (Monitoring Tool), 15 November 2011-15 November 2012

LIST OF OTHER ANNEXES

Annex I - 3rd Steering Committee Minutes 20 Jan 2012
Annex II - 4th Steering Committee Minutes 4 Sep 2012
Annex III - Review of the Provisions of the Draft Law on Disposal of Property with the Aim of Preventing Terrorism in Serbia
Annex IV - Draft Law on Disposal of Property with the Aim of Preventing Terrorism in Serbia
Annex V - Technical Paper on Various AML/CFT Laws
Annex VI - Communication Strategy August 2012
Annex VII - Activity Report NRA Workshop 18-20 Jan 2012
Annex VIII - NRA Workshop Agenda, 18-20 Jan 2012
Annex IX - NRA Workshop List of Participants - 18-20 Jan 2012
Annex X - NRA Workshop Media Advisory, 18-20 January 2012
Annex XI - NRA Workshop Design for Roll-up, Notebooks and folders
Annex XII - NPO Workshop Agenda, 14 Jun 2012
Annex XIII – Scoping Mission Report on the Risks of Non-profit Organisations for ML and TF, November 2012
Annex XIV - Activity Report City of London Police, Feb 2012
Annex XV - Training Workshop for the APML Agenda 31 August- 1 September 2012
Annex XVI - Induction Report - September 2012
Annex XVII - Combating the Financing of Terrorism, 29 Jun 2012
Annex XVIII - New Payment Methods, 14 September 2012
Annex XIX - Study Visit Report Baltics 22-25 Nov 2011
Annex XX - APML Training Needs Outline
Annex XXI – Study Visit Report The Netherland and Belgium, 1-6 April 2012
Annex XXII - Draft Training Concept Note, May 2012
Annex XXIII - NBS WS Agenda 9-10 Jul 2012
Annex XXIV - Activity Report NBS Workshop 9-10 July 2012
Annex XXV - Agenda of the Conference on Combating Money Laundering and Terrorism Financing in the Securities Markets, Arandjelovac, 28-30 March 2012
Annex XXVI - DNFBP Agenda 30 October 2012
Annex XXVII - Agenda Regional Typologies Meeting 25 October 2012
Annex XXVIII - Activity Report Regional Typologies Meeting 25 Oct 2012
Annex XXIX – Visibility materials