



Project against Money Laundering and Terrorist Financing in Serbia

A European Union funded project implemented by the Council of Europe



MONTHLY REPORT No. 4/2011

Project title	Project against Money Laundering and Terrorist Financing in Serbia (MOLI Serbia)
Project duration	36 months (15 November 2010 – 15 November 2013)
Implementation	Economic Crime Division, Department of Information Society and Action against Crime, Directorate of Co-operation (Directorate General of Human Rights and Legal Affairs, Council of Europe)
Project budget	EUR 2 200 000
Reporting Period	1 June – 30 June 2011
Reporting Date	5 July 2011
SUMMARY OF THE CURRENT STATUS OF THE PROJECT AGAINST INDICATORS	
Activity	<i>Ad Hoc Steering Committee Meeting, 1 June 2011</i>
Output Reference	All activities
Aim	To present and adopt the final version of the Inception Report.
Outcome	The Inception Report was unanimously approved by all Steering Committee members and signed by Mr Aleksandar Vujicic, Director of Administration for the Prevention of Money Laundering, Mr Vladan Petrovic, Project Manager at EUD, and Ms Ilknur Yuksek, Project Manager at the Council of Europe. The Steering Committee members were also briefed on the past and forthcoming project activities. Mr Vladan Petrovic noted that he had excellent impressions regarding project implementation thus far, especially with regard to good cooperation between partners and the planning of upcoming activities.
Follow-up	The next regular meeting of the Steering Committee shall take place in September 2011. Exact date is to be confirmed.
Activity	<i>Workshop on Insurance Supervision, 21 June 2011</i>
Output Reference	Activity 5.2.1
Aim	To provide an introduction to insurance supervisors at the National Bank of Serbia concerning AML/CTF issues and to provide guidelines on supervision methods through an interactive case study.
Outcome	The workshop was moderated by Ms Lone Mørup, a Danish expert with a long-standing experience in insurance sector supervision. Mr Simon Goddard, the Project's Consultant, gave a presentation on AML/CTF issues in supervision practice, which is still very much a new area within the insurance sector in Serbia. The CoE experts highlighted the possible ways that the insurance market can be abused by criminals

	and terrorists. They emphasised that it is not good practice to utilise the risk based approach to supervision if the threats and vulnerabilities of the sector have not been assessed in the first instance. At the end of the workshop the participants understood the importance of the prevention of ML and TF in the insurance sector and their role as supervisors in this regard.
Follow-up	The participants expressed their wish to receive information about how to conduct a risk assessment of their sector so that they can be better informed of the threats and vulnerabilities inherent within it.
Activity	Meetings with Customs Administration, 1 and 22 June 2011
Output Reference	Activity 3.2.3
Aim	To follow up on the first bilateral meeting with Customs Administration which took place on 5 May 2011 and to determine the ways in which MOLI-Serbia project could assist Customs in improving its capacities, especially regarding the setting up a canine unit.
Outcome	MOLI project team met together with Mr Aleksandar Vulovic, Assistant Director of Customs, Mr Nenad Manic, Customs Officer, soon to take over Mr Vulovic's post, and Mr Louis-Marie Elie, French Customs Attaché for the Balkans region. The purpose of this meeting was to discuss the arrangements and the content of the study visit to the French Customs for three Serbian Customs officials. The three officials, selected from three different units (Enforcement, Finance and someone with specific knowledge on the subject of canine units) will learn about the best practices in setting up and running a canine unit. Once this visit has been undertaken, the Customs will be equipped to set up a canine unit and develop it accordingly, at which point it will become possible to organise training for the dog handlers, specifically in how to train dogs in cash detection.
Follow-up	Mr Elie put forward a draft study visit programme for 5-days planned for the last week of September 2011. Mr Elie will make all necessary arrangements with French Customs once the proposal for a study visit under Activity 3.2.3 has been approved by the project team.
LIST OF SPECIFIC PROJECT DELIVERABLES (TECHNICAL PAPERS) AND OTHER DOCUMENTS	
<ul style="list-style-type: none"> ▪ Inception Report ▪ Steering Committee minutes ▪ Report and presentations on Insurance Supervision Workshop by Ms Lone Mørup 	
OTHER PROJECT AND ANTI-CORRUPTION RELATED DEVELOPMENTS	
<ul style="list-style-type: none"> ▪ Ms Teodora Lukovic, LPO, and representatives of APML attended a two-day Regional Workshop on Countering Terrorist Financing. The Workshop was organised by the UN (UNODC, UNCTED), the Regional Cooperation Council and the SECI Centre and was held at IN Hotel in Belgrade. The purpose of the Workshop was to bring together law enforcement agencies and financial intelligence units of South-Eastern Europe and provide a forum for discussion on CFT issues. 	
CURRENT AND ANTICIPATED PROBLEMS, INCLUDING PLANNED REMEDIAL ACTIONS	
None at the time of reporting.	
PLANNED ACTIVITIES FOR THE NEXT PERIOD	
<ul style="list-style-type: none"> ▪ Study visit to the Serious Organised Crime Agency (SOCA), Financial Services Authority (FSA), and the Gambling Commission, in London, UK, from 11-14 July 2011. ▪ Organise a meeting on IT with APML and select a consultant to draft technical specifications under Activity 7.1 	
CONCLUSIONS	
The MOLI Serbia project continues without any major obstacles or delays.	