

Project against Money Laundering and Terrorist Financing in Serbia MOLI Serbia

MONTHLY REPORT No. 17/2012

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 Unit, Action against Crime Department (DGI-Human Rights and Rule of Law)
Project budget	EUR 2 200 000
Reporting Period	1 July – 31 July 2012
Reporting Date	6 August 2012
SUMMARY OF THE CURRENT STATUS OF THE PROJECT AGAINST INDICATORS	
Activity	National Risk Assessment (NRA) Presentation at MONEYVAL session in Strasbourg, 6 July 2012
Output Reference	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
Aim	To present the progress Serbia has made on the NRA process in view of new FATF recommendations.
Outcome	On 6 July 2012, APML presented its progress on the National Risk Assessment at the 39 th MONEYVAL Plenary Session in Strasbourg/The World Bank (WB) (represented by Mr Klaudijo Stroligo) made a short presentation about the methodology of the WB and how it was being applied in Serbia. He also included the fact that the MOLI Serbia Project was an active partner in the initiative. Mr Aleksandar Vujičić, Director of the APML gave a presentation of the NRA Process and highlighted the role of the Council of Europe, which initiated the NRA process in Serbia and is assisting APML in collecting relevant data and drafting a final report. He also indicated that the NRA was not a one-off event and that it would assist the formulation of the new National Strategy against Money Laundering and the Countering of Terrorism of Serbia. He was also able to point out a number of positive developments brought about by the NRA process that were beneficial to other States, which are also considering to carry out an NRA. The representative from Montenegro indicated that they had initiated an NRA as a direct consequence of being involved in the MOLI-Serbia initial NRA workshop in January 2012.
Follow-up	APML is in the process of sending the collected data to the WB, with MOLI project's assistance in providing expert advice by the Long-term Consultant

	and translation of documents, with an aim to finalise the first draft of the NRA report in time for the 2 nd NRA Workshop scheduled for the last week of October 2012.
Activity	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
Output Reference	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
Aim	To introduce supervisors and regulators to good practices in the application of the Risk-Based Approach (RBA) and AML/CFT supervision, as applied by central bank supervisors in EU countries.
Outcome	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 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, after which a discussion took place. 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. This was accepted by the workshop and the APML suggested that it be promulgated from their website.
Follow-up	MOLI Serbia project will work with the NBS and the APML in producing a composite set of guidelines for all supervised entities that can be accessed on the APML website and will also be available in written format for reference. This will also cover the Non-financial Business and Professions (NFBP) sector who are not supervised by the NBS or other entities present.
LIST OF SPECIFIC PROJECT DELIVERABLES (TECHNICAL PAPERS) AND OTHER DOCUMENTS	
<ul style="list-style-type: none"> ▪ Activity Report on <i>Workshop on the Practical Application of the Risk Based Approach (RBA) in On-site and Off-site Supervision</i> (Activity 5.2.1.) ▪ Translations of NRA modules from Serbian into English (Activity 2.3.1.) 	
OTHER PROJECT RELATED DEVELOPMENTS	
<ul style="list-style-type: none"> ▪ On 5 July 2012, Council of Europe Tenders Board published the results of the Tender for IT procurement under MOLI Serbia for Lot 1. and Lot 2. Lot 1 has been awarded to ATOS IT Solutions and Services d.o.o, while Lot 2. has been awarded to Saga d.o.o. The project will also recruit a Consultant to act as a manager in implementation of the IT project component. (Activity 7.2.1.) ▪ On 13 July 2012, LPO met with Ms AnnaLou Tirol, United States Department of Justice (USDoJ), to discuss the possibility of USDoJ cooperating with the project in drafting a new legal opinion on the Draft Law on the Freezing of Terrorist Assets in view of the new FATF Recommendations. A US perspective on Freezing of Terrorist Assets is seen as an additional benefit and will complement the expertise, which will also be provided by CoE 	

experts, with an aim to draft a comprehensive and up-to-date Law. USDoJ expressed a strong interest to cooperate with the MOLI project team in this field.
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"> ▪ A Communication Skills Training will be organised for 10 APML staff members and an in-depth Media Training will be organised for two selected APML spokespersons during August 2012. (Activity 2.1.3). ▪ A two-day Capacity-Building Workshop for APML will take place in Veliko Gradiste on 31 August – 1 September 2012 (Activity 3.1.1.) ▪ The next Steering Committee Meeting will take place on Tuesday, 4 September 2012. ▪ The first of three planned regional typologies meetings will take place on 14 September 2012 in Belgrade, to coincide with APML's 10th Anniversary. Heads of all regional FIUs are expected to attend the meeting. (Activity 6.1.1.)
CONCLUSIONS
During the month of July 2012, MOLI Serbia activities mainly focused on delivering Activity 2.3.1. (Continuation of the NRA process) and Activity 5.2.1. (Workshop on the Application of the Risk-Based Approach in Supervision), as well as a continuation of Activities 1.1.2. and 7.2.1 on providing legal opinions and IT equipment procurement for APML. MOLI Serbia project continues without any major obstacles or delays.