

Project against Money Laundering and Terrorist Financing in Serbia MOLI Serbia

MONTHLY REPORT No. 22/2012

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 December – 31 December 2012
Reporting Date	11 January 2013
SUMMARY OF THE CURRENT STATUS OF THE PROJECT AGAINST INDICATORS	
Activity	Scoping mission to Serbia on formal and informal money transfers, 10-12 December 2012
Output Reference	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.
Aim	To collect information and commence a study into informal and informal money transfers.
Outcome	From 10-12 December 2012, MOLI Serbia project organised a three-day scoping mission for the CoE short-term expert, Mr Simon Davis. Mr Davis met with relevant Serbian institutions, such as the Administration for the Prevention of Money Laundering, Ministry of the Interior, National Bank of Serbia, Customs Administration, Association of Serbian Banks, Tax Administration, Public Prosecutor's Office, Post Office and local representatives of Europol and Interpol. As a result of this visit, Mr Davis has produced a scoping mission report to present initial findings, following the meetings with key stakeholders drawn from regulatory and governmental departments and a representative sample drawn from the regulated financial sector.
Follow-up	MOLI Project team currently working with CoE expert finalize mission report to include a detailed research plan on risks posed by formal and informal MTVS providers. Research study to commence in January-February based on the research plan.
Activity	Produce a scoping paper to review, assess and compile all national standards for supervisors and regulators with an emphasis on risk-based supervision

Output Reference	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.
Aim	To assist the supervisors and regulators in the determination of national standards of compliance with the relevant legislation and international standards, producing guidelines and indicators for obliged institutions and implementing the relevant MONEYVAL Recommendations.
Outcome	<p>Several of the 2012 FATF 40 Recommendations and Interpretive Notes (IN) require supervisors, financial institutions or designated non-financial businesses and professions (DNFBPs) to apply the Recommendations on a risk-based manner. These mainly concern Recommendations 1 (risk assessment), 10 (customer due diligence), 26 and 28 (supervision).</p> <p>The MOLI Project team engaged CoE expert Maud Bokkerink to produce a scoping paper, including an analysis of the existing laws and guidelines for their commitment to and explanation of the Risk-Based Approach in accordance with the FATF Recommendations. The scoping paper has been produced and gives an overview of existing laws and guidelines of all relevant supervisors with respect to risk-based implementation of the AML/CFT requirements. Based on this scoping exercise, the paper provides recommendations on the compilation and drafting of guidelines in implementing the national AML/CFT standards with respect to the RBA. The paper also provides recommendations for the relevant authorities and well as an outline of actions needed to compile and systematize the various requirements of existing supervisory guidelines in the area of AML/CFT.</p>
Follow-up	CoE expert, Ms Maud Bokkerink, will carry out a fact-finding mission to Serbia in order to prepare compilation of guidelines in implementing the national existing standards for supervisors and regulators with an emphasis on risk-based supervision with a view of completing Activity 5.1.2 of the Workplan.
LIST OF SPECIFIC PROJECT DELIVERABLES (TECHNICAL PAPERS) AND OTHER DOCUMENTS	
<ul style="list-style-type: none"> Scoping paper on existing guidelines on an AML/CFT risk-based approach (Maud Bokkerink, December 2012) 	
OTHER PROJECT RELATED DEVELOPMENTS	
None at the time of reporting.	
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"> 2nd 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 will take place from 14-17 January 2013 (Activity 2.3.3) Ms Maud Bokkerink will visit Serbia from 28-30 January 2013 to carry out interviews with relevant Serbian institutions in order to prepare compilation of guidelines in implementing the national existing standards for supervisors and regulators with an emphasis on risk-based supervision (Activity 5.1.2) Mr Simon Davis will carry out a follow-up visit to Serbia in February 2013 to collect information for the purposes of conducting a research study into informal and informal money transfers (Activity 2.3.2) Mock Trial exercise will take place from 18-22 February 2013 (Activity 4.1.1) 	

CONCLUSIONS

During the month of December 2012, MOLI Serbia activities focused on delivering Activity 2.3.2. (Research Study into the risks of ML/TF in formal and informal money transfers) and Activity 5.1.1. (Scoping paper on existing guidelines on an AML/CFT risk-based approach), while continuing its preparation work on Activity 4.1.1.(Mock Trial). MOLI Serbia project continues without any major obstacles.