

Project against Money Laundering and Terrorist Financing in Serbia MOLI Serbia

MONTHLY REPORT No. 21/2012

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 November – 30 November 2012
Reporting Date	10 December 2012
SUMMARY OF THE CURRENT STATUS OF THE PROJECT AGAINST INDICATORS	
Activity	Training on Investigation and Prosecution of Money Laundering Offences and the Seizure of the Proceeds of Crime, Novi Sad, 19-20 November 2012
Output Reference	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.
Aim	To provide practical training on European AML/CFT standards, implementation aspects of the Warsaw Convention (CETS 198) and their application in the national Serbian legislation and AML system.
Outcome	MOLI Serbia Project organised a two-day training in Novi Sad on Investigation and Prosecution of Money Laundering Offences and Seizure of the Proceeds of Crime. The training was aimed at representatives of the police, prosecutors and the judiciary from Vojvodina region. The LPO opened the seminar by outlining the main parts of CETS 198 and in particular highlighted the difference with CETS 141. The guest expert from The Netherlands, Ms Nicole Voorhuis, Public Prosecutor from Amsterdam, presented the role and practices of prosecutors in money laundering investigations and prosecutions and the seizure of the proceeds of crime. Mr Geert Delrue, Police Detective Commissioner at the Belgian Federal Criminal Police, spoke on structure and reporting methods of investigations of money laundering offences and the seizure of the proceeds of crime. The higher public prosecutor from Sombor, Mr Miroslav Krkelić, and Mr Branko Stanković, APML, both gave presentations about the challenges and opportunities existing in the fight against money laundering and forfeiture of the proceeds of crime. The objective of providing practical training in CETS 198 provisions was achieved and the participants gained an understanding of how it should be incorporated into Serbian legislation and applied effectively in practice.
Follow-up	The 3 rd Training on CETS 198 will be organised in February/March 2013.

Activity	Training of Trainers event, 29-30 November 2012
Output Reference	3.1.3. - Organise 1 Training Event on training techniques.
Aim	To present good practices and provide basic training skills for trainers at the Administration for the Prevention of Money Laundering (APML).
Outcome	MOLI Serbia organised a two-day "Training of Trainers" event for 15 APML staff members. The purpose of the training was to provide project beneficiaries with necessary capacities to transfer their knowledge on AML/CFT issues to junior colleagues and other government agencies responsible for preventing money laundering and terrorism financing. The training was opened by LTC who gave a presentation on Training Functions and Role of APML in training other authorities. Ms Iskra Maksimović, CoE Expert, facilitated the training and provided detailed information on training skills, including the principles, methodology, motivation, communication skills and techniques. The training consisted of several simulations and practical exercises. All participants took an active part in the training and the feedback received was extremely positive, both from the presenters and the participants.
Follow-up	Participants of this training will continue to apply acquired skills in their presentations and trainings to all relevant stakeholders in the AML/CFT system.
Activity	Legal review and analysis on the existing legislation concerning AML/CFT laws and bylaws (October - November 2012)
Output Reference	1.1.3. – Review and Analyse the existing legislation, and where appropriate, recommend changes or introduction of new policies or legislation
Aim	To assess and identify areas for improvement and propose recommendations to bring the laws, bylaws and guidance into conformity with the relevant international standards in the area of AML/CFT.
Outcome	MOLI Serbia expert Mr Herbert Laferla carry out a comprehensive legal review during October/November 2012, in order to assess Serbia's compliance with international AML/CFT standards, particularly taking into account the new FATF recommendations. The Technical Paper presents a review of the Law on the Prevention of Money Laundering and the Financing of Terrorism with recommendations and draft text proposals for amendments following an evaluation and assessment against the relevant FATF Recommendations and the relevant legislative recommendations in the MONEYVAL Third Round Mutual Evaluation Report. The Paper also assesses other relevant financial legislation and provides recommendations and draft amending text, as appropriate. The Paper also reviews various bylaws and guidance issued by the National Bank of Serbia and the Securities Commission within their supervisory responsibilities remit under the Law on the Prevention of Money Laundering and the Financing of Terrorism. The Paper finally provides recommendations and draft amending text, as necessary, including some overall recommendations to the Authorities of the Republic of Serbia.
Follow-up	APML has been sent a copy of the Technical Paper for review. The paper will also be shared with the Legal Review Working Group members for comments and possible further action.
LIST OF SPECIFIC PROJECT DELIVERABLES (TECHNICAL PAPERS) AND OTHER DOCUMENTS	
<ul style="list-style-type: none"> • Activity Report on the Training on Investigation and Prosecution of Money Laundering Offences and the Seizure of the Proceeds of Crime, 19-20 November 2012. • Activity Report on the Training of Trainers event, 29-30 November 2012. • Technical Paper: Expert opinion on various AML/CFT Laws, bylaws and guidance papers in the 	

<p>Republic of Serbia as listed overleaf and including an assessment, identification of any shortcomings in areas for improvement and the proposal of concrete recommendations to bring the Laws, bylaws and guidance into conformity with the relevant international standards in the area of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), and in particular with the 40 Recommendations under the FATF Standards of February 2012 (Herbert Laferla, November 2012).</p> <ul style="list-style-type: none"> • Report: 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 (Grahame Barker, November 2012).
OTHER PROJECT RELATED DEVELOPMENTS
<ul style="list-style-type: none"> • On 23 November 2012, Project Team held a follow-up meeting with members of the Mock Trial Working Group to discuss next steps and putting together a case file to be used as a basis for the mock trial. Special Prosecutor's Office for Organised Crime has assigned a Deputy Prosecutor to take part in the work of the group. The deadline for completing the case file, including all accompanying documents, has been set for 18 January 2013. The Mock Trial exercise is planned for 18-22 February 2013.
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"> ▪ MOLI Serbia has engaged expert 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 (Activity 2.3.2.). ▪ MOLI Serbia expert Ms Maud Bokkerink has been engaged 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 (Activity 5.1.1.) ▪ On 14 December 2012, LTC will provide a training session on Capital Markets to all APML staff members (Activity 3.1.4.).
CONCLUSIONS
<p>During the month of November 2012, MOLI Serbia activities focused on delivering Activity 1.2.2. (2nd Training on implementation of the Warsaw Convention) and Activity 3.1.3. (Training of Trainers Event), while continuing its preparation work on Activity 4.1.1.(Mock Trial). MOLI Serbia project continues without any major obstacles.</p>