



Project against Money Laundering and Terrorist Financing in Serbia MOLI Serbia

MONTHLY REPORT No. 16/2012

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 June – 30 June 2012
Reporting Date	4 July 2012
SUMMARY OF THE CURRENT STATUS OF THE PROJECT AGAINST INDICATORS	
Activity	Workshop on the Risks of Money Laundering and Terrorism Financing in the Non-Profit Organisations (NPO) Sector, 14 June 2012
Output Reference	2.3.3.
Aim	To provide guidance on control and regulation of the NPO sector in Serbia; to highlight the features and types of NPOs that are at risk of being misused for the purposes of money laundering and terrorist financing; and to provide international good practices in the field of NPO regulation.
Outcome	<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. 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 highlighting the need to develop effective counter terrorist finance measures in Serbia.</p>

Follow-up	As a direct follow-up to this event, a detailed research study into the subject of NPO abuse in Serbia will follow, led by a CoE expert and assisted by APML staff.
Activity	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
Output Reference	3.1.4.
Aim	To provide an overview of 'Combating Terrorism Financing, International Standards, International Cooperation and Experiences from EU Member States' to APML staff
Outcome	The need for this training was identified by LTC, as a result of a training needs assessment survey carried out with APML in accordance with Action 3.1.1. The training was 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. 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.
Follow-up	The absence of established training resources for APML will be reflected in the forthcoming National Risk Assessment as a particular vulnerability. In the meantime, the project will continue to support the APML by providing further training according to identified needs.
LIST OF SPECIFIC PROJECT DELIVERABLES (TECHNICAL PAPERS) AND OTHER DOCUMENTS	
<ul style="list-style-type: none"> ▪ Activity Report on the <i>Workshop on the Risks of Money Laundering and Terrorism Financing in the Non-Profit Organisations (NPO) Sector</i> (Activity 2.3.3.) ▪ Activity Report on the <i>Training for APML staff on combating terrorism financing and the financing of weapons of mass destruction followed by a discussion and Q&A session</i> (Activity 3.1.4.) 	
OTHER PROJECT RELATED DEVELOPMENTS	
<ul style="list-style-type: none"> ▪ On 7 June 2012, Ms Teodora Luković, LPO, and Mr Aleksandar Vujičić, Director of APML, held meetings with three short-listed PR agencies in order to jointly decide on the best candidate agency to elaborate and implement the media strategy on AML/CFT (see Monthly report for May 2012). Presentations were made by three short-listed agencies, selected out of six candidates who presented preliminary written offers. The Mosaic PR agency was unanimously agreed on as the most suitable agency, as it provided the best offer in full accordance with ToR. (Activity 2.1. and 2.2.) ▪ On 19 June 2012, Mr Steve Maslen, IT Officer from the Department of Information Technology in Strasbourg, held meetings in Belgrade with two IT companies which submitted their bids for the MOI Serbia Tender to procure new IT equipment for APML. His conclusions were submitted to the Tenders Board on 28 June 2012. The official result of the Tender will be announced within a week of the Tenders Board meeting. (Activity 7.2.1.) 	
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 two-day Workshop will be organised on 9-10 July 2012 in cooperation with the National Bank of Serbia on supervision of the insurance sector, pension funds and leasing companies 	

with the assistance of experts from the French and Italian central banks (Activity 5.2.1.)

- A Communication Training will be organised for 10-15 APML staff members and an in-depth Media Training will be organised for two selected APML spokespersons during July and August. (Activity 2.1.3)
- The Legal Review will continue during the Summer. APML will provide copies of most urgent legislation to be analysed (Activity 1.1.3.)

CONCLUSIONS

During the month of June 2012, MOLI Serbia activities mainly focused on delivering Activity 2.3.3. (Workshop on the Risks of ML/TF in the NPO Sector) and Activity 3.1.4. (Training on Combating Terrorism Financing for APML staff members), as well as a continuation of planning of Activities 2.1. and 2.2. on raising public awareness and media relations. MOLI Serbia project continues without any major obstacles or delays.