

Project against Money Laundering and Terrorist Financing in Serbia MOLI Serbia

MONTHLY REPORT No. 27/2012

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 Cooperation Unit, Action against Crime Department (DGI-Human Rights and Rule of Law)
Project budget	EUR 2 200 000
Reporting Period	1 May – 31 May 2013
Reporting Date	5 June 2013
SUMMARY OF THE CURRENT STATUS OF THE PROJECT AGAINST INDICATORS	
Activity	Seminar for Prosecutors and Police on the Investigation and Prosecution of Money Laundering Offences and the Seizure of the Proceeds of Crime (9-10 May, Nis and 23-24 May, Kragujevac)
Output Reference	Activity 4.1.2. - Organisation and provision (by FIU and other international experts) of 1 training (3-5 events), including all relevant Prosecutors in the country on topics Forensic Accounting, Risk based approach, Evidence gathering and presentation, Cross border issues
Aim	To increase the capacity of law enforcement agencies, prosecutors and judiciary to detect, investigate and prosecute money laundering and terrorist financing cases
Outcome	The two trainings met their basic objective, which is to point out the issues in investigation and processing of money laundering offences and criminal assets recovery. Better cooperation is required between all stakeholders in combating money laundering. The establishment of regional task force groups (to serve the Appellate Courts) is recommended. These groups should include representatives of Prosecutor's Office, Police, Tax police and APML. They would meet on a monthly basis to discuss issues and agree on future actions. It is necessary to organise the trainings for judges and Judicial Academy members aimed at better understanding of money laundering process and necessity of timely action when it comes to confiscation and seizure of assets.
Follow-up	Two further regional trainings will be organised in Novi Sad and Belgrade.
Activity	Scoping mission to Serbia by Mr Terence Donovan, CoE expert, to collect information for the purposes of conducting a research study into informal and informal money transfers, 22-24 May 2013
Output Reference	Activity 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 conduct a wide range of focused interviews with government agencies, private sector and other relevant stakeholders for the purposes of completing a research study

	into formal and informal money transfers sector.
Outcome	Mr Donovan completed the first of three planned visits in order to collect information for the purposes of the study on formal and informal money transfers. On his first visit, he met with representatives of APML, National Bank of Serbia, Ministry of Interior, Customs Administration, Tax Administration (Foreign Currency Inspectorate), Association of Serbian Banks and private sector representatives. All stakeholders showed a high level of commitment and willingness to provide information. A full report of the mission will be delivered in a Technical Paper by mid-July 2013, after a second scoping mission takes place.
Follow-up	CoE expert will carry out the second scoping mission from 12-19 June 2013.
Activity	Scoping mission by Mr David Artingstall, CoE expert, to meet relevant stakeholders in drafting a new National AML/CFT Strategy, 20-22 May 2013
Output Reference	Activity 6.1.3 - Support the APML in drafting a new AML/TF national strategy
Aim	To provide assistance to APML in drafting the National AML/CFT strategy
Outcome	This was the first mission to provide assistance to the Serbian authorities in designing and preparing the National Anti-money Laundering /Combating the Financing of Terrorism (AML/CFT) Strategy and Action Plan for the period of 2014-2018. The mission took place from 20-23 May 2013 and consisted of a series of fact-finding meetings, primarily with members of the AML/CFT Standing Coordination Group (SCG) and representatives of the Association of Serbian Banks. Views and facts collected during these meetings will be incorporated into a Guidance Paper and used during future assistance in drafting the new Strategy.
Follow-up	CoE expert to provide Guidance Document focusing on strategic goals and framework for Strategy and Action Plan in June 2013. Second mission is planned in early July to begin the drafting process with Working Group tasked with working on the strategy.
Activity	Intelligence Development Workshop for APML Analytical Department, 27-31 May 2013
Output Reference	Activity 3.3.2. - Provision of 1 Training Event for training 5-8 Trainers of the analysts on carrying out analysis and exchange of financial information.
Aim	To provide APML analysts with knowledge on how to apply the correct methodology in their work and to get basic I2 training before going onto more advanced courses (i.e. I2 Analyst Notebook software).
Outcome	The learning objectives were achieved by tasking the participants throughout the course (as individuals and latterly in groups) with problem solving exercises, which were then consolidated into an interactive scenario that incorporated all the elements of the subjects presented. A total of eleven members of the APML completed the course and returned the feedback forms. The experts were of the opinion that the course content was received more positively and enthusiastically by the more junior and less experienced members of the group and this was reflected in the evaluation results.
Follow-up	Course participants will be provided with copies of the training material. The participants also expressed an interest to be trained further in the use of offshore entities, trusts and international movements of funds.
Activity	Meeting of the Working Group on Statistics, 29 May 2013
Output Reference	6.1.4. - Set up a working group to develop the forms for providing data on economic

	and criminal offences related to ML and TF (APML, Prosecutors' Office, Supreme Court of Cassation)
Aim	To discuss existing data collected by participating institutions and develop forms for providing data on economic and criminal offences related to money laundering and terrorism financing.
Outcome	Members of the working group were selected from the APML, State Public Prosecutor's Office, Ministry of Justice, Ministry of Interior, Supreme Court of Cassation, National Bank of Serbia and the Securities Commission. All members of the Working Group gave a brief overview of the data collection procedure in their respective institutions. One of the representatives of the APML indicated the wish for a data base within the APML to collect all the necessary data and that, with the correct IT infrastructure, it should provide access to all the information that was required. Whilst expressing support for the IT data base concept and the APML being the coordinator of the collection of such data, it was generally felt that more fundamental issues remained that should be dealt with in the first instance. In particular there was a recognition that similar data on an incident or individual is collected by two or more agencies and that sometimes this data differs due to confusion over definitions.
Follow-up	All members of the Working Group will compile a list of all the data they are required by legislation and to whom they disseminate it. Consideration will be given in terms of ensuring synergies with activities of the PACS Project which are aimed at streamlining the statistical regime.
LIST OF SPECIFIC PROJECT DELIVERABLES (TECHNICAL PAPERS) AND OTHER DOCUMENTS	
<ul style="list-style-type: none"> • Activity Report on the Seminars for Prosecutors and Police on the Investigation and Prosecution of Money Laundering Offences and the Seizure of the Proceeds of Crime (9-10 May 2013, Nis and 23-24 May 2013, Kragujevac). • Report on scoping mission regarding new National AML/CFT Strategy, Belgrade 20-22 May 2013 (Mr David Artingstall, May 2013). • Report on the delivery of an Intelligence Development Course for the APML, 27-31 May 2013 (Mr Lawrence Day, May 2013). • Activity Report on the meeting of the Working Group on Statistics, 29 May 2013. 	
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"> • Follow-up visit to Serbia to collect information for the purposes of conducting a research study into informal and informal money transfers, 12-19 June 2013 (Activity 2.3.2). • Ms Maud Bokkerink, CoE expert, will prepare a compilation of guidelines for supervisors and regulators with an emphasis on risk-based approach and present it to stakeholders at a roundtable meeting in Belgrade on 28 June 2013 (Activity 5.1.2.). • 2nd scoping mission by Mr David Artingstall, CoE expert, to provide assistance to APML in drafting the National AML/CFT strategy in early July (Activity 6.1.3). • Printing and publishing of the National Risk Assessment report in late June/early July 2013, followed by an event for journalists (Activity 2.3.1.) • Finalising the CBT induction course (Activity 3.1.2). 	
CONCLUSIONS	
During the month of May 2013, MOLI Serbia activities focused on delivering two training seminars for prosecutors and police (Activity 4.1.2.), two expert scoping missions to Serbia (Activities 2.3.2. and 6.1.3.), an Intelligence Development Course for analysts (Activity 3.3.2.) and the initial meeting of the Working Group on Statistics (Activity 6.1.4.). MOLI Serbia project continues without any major obstacles.	