

COUNCIL OF EUROPE



CONSEIL DE L'EUROPE

COMMITTEE OF EXPERTS ON
THE EVALUATION OF ANTI-MONEY
LAUNDERING MEASURES AND
THE FINANCING OF TERRORISM
(MONEYVAL)

MONEYVAL(2013)20

Bosnia and Herzegovina

7th Compliance report

18 September 2013

Bosnia and Herzegovina is a member of MONEYVAL. This compliance report was adopted at MONEYVAL's 42nd Plenary Meeting (Strasbourg, 16 – 20 September 2013). For further information, please refer to MONEYVAL website: <http://www.coe.int/moneyval>.

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I. SECRETARIAT ANALYSIS

SEVENTH COMPLIANCE REPORT

1. Introduction

Evaluation of Bosnia and Herzegovina under the third round (December 2009)

1. MONEYVAL adopted the mutual evaluation report (MER) of Bosnia and Herzegovina (BiH) under the third round of evaluations at its 31st plenary meeting (7 – 11 December 2009). As a result of the evaluation process, BiH was rated Non-compliant (NC) on 13 Recommendations and Partially compliant (PC) on 18 Recommendations¹, including on several core and key recommendations, as indicated in the table below:

Partially compliant (PC)	Non-compliant (NC)
Core Recommendations² R.1 - Money laundering offence SR.II - Criminalisation of terrorist financing	Core Recommendations R.5 - Customer due diligence
Key Recommendations³ R.3 - Confiscation and provisional measures R.23 - Regulation, supervision and monitoring R.26 - The FIU R.35 - Conventions SR.I - Implementation of United Nations instruments	Key Recommendations SR.III - Freezing and confiscating terrorist assets
Other Recommendations R.6 - Politically exposed persons R.7 - Correspondent banking R.15 - Internal controls, compliance & audit R.17 - Sanctions R.22 - Foreign branches & subsidiaries R. 25 - Guidelines & Feedback R.29 - Supervisors R.31 - National co-operation R.33 - Legal persons SR.VI - AML requirements for money/value transfer services SR.VII - Wire transfer rules	Other Recommendations R.8 - New technologies & non face-to-face business R.9 - Third parties and introducers R.11 - Unusual transactions R.12 - DNFBP (R.5, 6, 8-11) R.16 - DNFBP (R.13-15 & 21) R.21 - Special attention for higher risk countries R.24 - DNFBP (regulation, supervision and monitoring) R.30 - Resources, integrity and training R.32 - Statistics SR.VIII - Non-profit organisations SR.IX - Cross Border Declaration & Disclosure

Background information of the Compliance Enhancing Procedures

2. At its 34th plenary (7-10 December 2010), in view of the result of the discussions on the first 3rd round written progress report (PR) of Bosnia and Herzegovina, the Committee concluded that the report raised significant concerns about the extent of progress or speed of progress overall to rectify

¹ It should be pointed out that the FATF Recommendations were revised in 2012 and that there have been various changes, including their numbering. Therefore, all references to the FATF Recommendations in the present report concern the version of these standards before their revision in 2012.

² The core Recommendations as defined in the FATF procedures are R.1, SR.II, R.5, R.10, R.13 and SR.IV

³ The key Recommendations as defined in the FATF procedures are R.3, R.4, R.26, R.23, R.35, R.36, R.40, SR.I, SR.III and SR.V

deficiencies identified in the 3rd round mutual evaluation report. It took note of the progress report and the analysis of the progress on the core Recommendations and pursuant to Rule 43 of the Rules of Procedure, invited Bosnia and Herzegovina to provide a fuller report to the 35th plenary. MONEYVAL, therefore, opened Compliance Enhancing Procedures (CEPs) in respect of the first 3rd round progress report for Bosnia and Herzegovina at step (i), which requires a non-complying member to provide a report or regular reports on its progress in implementing the reference documents.

3. At the 35th plenary meeting (11-14 April 2011), MONEYVAL decided to adopt and publish the first compliance report prepared by the Secretariat. The Committee noted in the first CEPs report: *“Since the adoption of the third round report in December 2009 BiH authorities have taken a number of steps especially on the legislative front to comply with the FATF Recommendations assessed above. Although this progress report covers actions taken within last 16 months since the adoption of the report, it appears that BiH has made slow or very little progress to deal with the majority of the deficiencies related to those Recommendations.”*

4. It concluded that *“BiH has not taken sufficient action implementing any of the Recommendations assessed in this report at the level of or at a level essentially equivalent to a C or LC. In addition, with regard to the Compliance Enhancing Procedures opened at the 33rd plenary (September 2010) in respect of important deficiencies in Recommendations rated NC or PC in the mutual evaluation report and merged these Compliance Enhancing Procedures, BiH has hardly made any progress on any of the important deficiencies identified at the 33rd Plenary. There appear to be some initiatives commenced; however, all these initiatives should be expedited through a concrete action plan with clear milestones and time scales to achieve quick and tangible results.”*

5. As a result it decided to maintain step (i) in the procedures, which requires a member concerned to provide a report or regular reports on its progress in implementing the reference documents. It further reiterated its decision made at the 34th plenary that the report to be submitted before the 36th plenary of the MONEYVAL Committee (26-30 September 2011) should be a merged one that will contain replies to the important deficiencies, which were identified at the 33rd plenary, under some core and key recommendations (R.1, R.5, R.26, SR.II and SR.III), and also under other Recommendations (SR.VIII and SR.IX).

6. In addition, the Committee invited Bosnia and Herzegovina to develop a clear action plan in response to MONEYVAL’s third round mutual evaluation report. To this end, the Committee gave a mandate to the Chairman to correspond with Bosnia and Herzegovina with a view to agreeing within two months a satisfactory and practicable action plan with realistic timescales for remedying the major deficiencies identified. MONEYVAL underlined that if the Bureau is not satisfied with the action plan produced between the plenaries, the Chairman is mandated to implement step (ii) between plenaries. The Committee emphasised that in order to show a firm political commitment the agreed action plan should be approved at Government level.

7. In the meantime, BiH authorities prepared an action plan and submitted it to the Bureau on time. The Bureau examined the Action Plan, and noting the comprehensive work that had been put into it, was satisfied with the Action Plan in its revised form. The Chairman in his letter dated 13 September 2011 invited the authorities to obtain governmental endorsement of the draft Action Plan prior to the discussions of Step (i) of the CEPs at the 36th Plenary.

8. At the 36th plenary meeting (26-30 September 2011), Bosnia and Herzegovina presented its second compliance report. The Committee decided to adopt and publish the compliance report prepared by the Secretariat, and to maintain step (i) in the procedures. It further reiterated its decision made at the 34th plenary that the report to be submitted to the 37th plenary should be a merged one that will contain replies to the important deficiencies, which were identified at the 33rd Plenary, under some core and key Recommendations (R.1, R.5, R.26, SR II and SR III), and also under other Recommendations (SR.VIII and SR IX).

9. The Committee also reiterated its decision at the previous plenary (35th) that in order to show a firm political commitment, the agreed action plan should be approved at Government level. MONEYVAL invited the Bosnian authorities to obtain governmental endorsement of the draft action plan, in its present form, before the end of October 2011. In a press release dated 10 October 2011, the

Council of Ministers of Bosnia and Herzegovina announced that, at a meeting held that day, they had considered and adopted an action plan to remedy deficiencies which had been identified in MONEYVAL's 3rd round evaluation report on Bosnia and Herzegovina.

10. At the 37th plenary meeting (13-16 December 2011) the Committee noted that the Council of Ministers of Bosnia and Herzegovina had considered and adopted the action plan on 10 October 2011. It was noted that the action plan contained short term, medium term and long term deadlines for taking corrective measures. It was determined at this meeting that the timetable for meeting the deadlines should commence on 10 October 2011, thus the relevant deadlines were:-

- Short term (up to six months): 10 April 2012
- Medium term (up to one year): 10 October 2012
- Long term (up to two years): 10 October 2013

11. The Committee decided to adopt and publish the compliance report prepared by the Secretariat. As the short term issues in the Action Plan, on which steps are required, were due to be completed by 10 April 2012, the Committee agreed to retain step (i) until the 38th plenary in July 2012 and to ask the authorities to present a full report to the Secretariat as soon as possible after 10 April. However, it was agreed that an interim report should be provided to the Secretariat in advance of the 38th plenary in March 2012 and a brief report, prepared by the Secretariat, would be submitted to the 38th plenary.

12. At the 38th plenary meeting (5-9 March 2012) the Committee examined under step (i) of the Compliance Enhancing Procedures (CEPs) the interim report of B. It was noted that overall the Bosnian authorities appear to have made progress against most of the short term objectives. In particular, a number of awareness raising and training initiatives had been undertaken and were continuing throughout 2012 and revised guidance was being produced. Furthermore, amendments to legislation were under consideration. The Committee stated that the authorities should submit a full report to the Secretariat in advance of the 39th plenary in July 2012 that would be presented at the plenary.

13. At the 39th plenary meeting (2-6 July 2012) the Committee agreed that overall the BiH authorities appeared to have broadly addressed the short term objectives. In particular, a number of awareness raising and training initiatives had been undertaken and were continuing throughout 2012 and revised guidance was being produced. Furthermore, amendments to legislation were under active consideration. However, it was noted that although the deadline for addressing the short-term action points was April 2012, not all of the action points had been fully dealt with.

14. At the 40th plenary meeting (3-7 December 2012) it was noted that the BiH authorities had requested technical assistance from the Council of Europe to review proposed amendments to the AML Law and the Criminal Code. At the time of the plenary meeting the Bosnian authorities were still awaiting the opinion from the Council of Europe. As a consequence of this a number of the medium term objectives had not been fully addressed. Nonetheless the Committee recognised that this represented a positive development and accepted that, in the circumstances a delay was inevitable. It was noted that a number of other steps had been taken, including measures to address the deficiencies related to Special Recommendation III. The Committee stated that the authorities should report back under step (i) in advance of the 41st plenary in April 2013 on the medium term objectives that had not been fully addressed in the Action Plan.

15. The Committee, at its 41st Plenary meeting (9-12 April 2013), welcomed the progress that had been achieved by the BiH authorities in respect of the short and medium-term action points. It was however noted that, due to inevitable delays in enacting the revised laws and consequential amendments to laws, guidance, procedures and trainings, very few of the medium-term action points were fully met. It was anticipated that the authorities would now take action to expedite the enactment of the draft laws after receiving the expert opinion from the Council of Europe. Following the Committee's consideration of the report submitted, the Committee took note of the report in respect of short and medium-term objectives and asked Bosnia and Herzegovina to report back under step (i) of CEPS at the 42nd plenary in September 2013 on the short and medium-term objectives that had not yet been addressed.

16. A summary of progress to date against the objectives is set out in Annex 1.

2. Short description of BiH legal and institutional framework

17. For a better understanding and evaluation of the progress achieved by BiH since the adoption of the 3rd round report, please see the short description of the BiH state system, legal and institutional system which was described in the first CEPs report.

3. Overview of BiH's progress and review of the measures taken to address identified deficiencies

Progress since the 41st plenary meeting

18. As was reported at the 41st plenary, the BiH authorities have made some progress in preparing draft amendments to the AML/CFT Law and the Criminal Code. In the margins of the 41st Plenary meeting, the BiH delegation held a meeting with a CoE expert where certain issues were discussed and clarified. Following this meeting the Ministry of Justice of BiH defined relevant legislative amendments to the Criminal Code of BiH which are intended to address a number of the identified deficiencies. These draft amendments will also include and address some other additional issues such as: international and organised trafficking in persons, international procuring in prostitution, smuggling of migrants, torture and other cruel, inhuman or degrading treatment, criminal offences of corruption and criminal offences against official duty or other responsible duty etc. This has caused inevitable delays in the procedure of adoption of these amendments. On 3rd September 2013, the Council of Ministers of Bosnia and Herzegovina adopted a Proposal for a Law on Amendments and Supplements to the Criminal Code of Bosnia and Herzegovina. This is in the process of being forwarded to the Parliament of Bosnia and Herzegovina for consideration and adoption. No timetable for final adoption and coming into force and effect has been presented.

19. The proposed amendments to the AML/CFT Law are likely to have an impact on more than half the law. Such a material change means that an entirely new law is required to be prepared. Consequently, it has been decided to review the entire law. The intention is to solve practical problems arising, more clearly define certain provisions, clearly define the responsibilities of the supervisory authorities and introduce control mechanisms. On 26 July 2013 the Ministry of Security submitted the draft Law to the relevant authorities who to receive their opinions on it. Upon receipt of all relevant opinions, the draft Law will be submitted to the Council of Ministers of BiH. The BiH authorities anticipate that the draft Law to be considered and adopted by the Council of Ministers in September this year, after which it will be submitted to the parliamentary procedure. It is expected that the new AML/CFT Law will be adopted by the Parliamentary Assembly, at the end of 2013.

20. Additionally, the Ministry of Justice of Bosnia and Herzegovina has prepared a draft Law on the Establishment of a Joint Registry of Non-Governmental Organisations in Bosnia and Herzegovina, which was submitted to the parliamentary procedure. Because of some objections received it was returned back to the Ministry. After implementing some of the changes, the new draft Law on the Establishment of a Joint Registry of Non-Governmental Organizations in Bosnia and Herzegovina has been resubmitted to the parliamentary procedure and the outcome is awaited.

Recommendation 1

21. As the amendments to the Criminal Code have yet to be adopted and brought into force and effect, they are not being considered in this analysis.

22. One action point recommended that the authorities of the Republic of Srpska should review the policy reasons whether and why it was considered expedient and proportionate to impose higher penalties for self-laundering than money laundering by third parties.

23. The Republic of Srpska authorities explained that during the previous period a large number of criminal offences of financial - economic and organised crime has been related to tax evasion and tax laundering within some other criminal offences, and through fictive, unknown or unreachable

companies (till the establishment of the Indirect Taxation Authority). Consequently, the Republic of Srpska Budget suffered very significant financial damage, which affected both socio-economic prosperity and fiscal business. Since the Criminal Code set out that the criminal offence of tax evasion carried a higher penalty than the money laundering offence, which asked for perpetration of some other (predicate) criminal offence (trafficking in human beings, drug production and trafficking, terrorism etc.), while tax evasion, as a predicate crime was put under question, in the context of protection and sustainability of fiscal system and socio-economic prosperity, the law-makers considered that it was expedient to punish self-laundering within the Criminal Code with a higher penalty than money laundering by third parties in order to influence on somebody who has already committed a crime (special prevention), as well as potential perpetrators (general prevention).

24. It appears that the explanation provided by the Republic of Srpska authorities clearly shows the reasons why self-laundering has higher penalties than third party money laundering. However, it should be noted that higher penalties for self-laundering might force criminals to launder their money using third parties. Considering that a conviction for third party money laundering is a difficult and complex task for law enforcement and the courts and sometimes taking years to achieve a final conviction, this approach could potentially reduce the number of final convictions for self-laundering without increasing the number of convictions for third party money laundering. Additionally, it should be noted that the approach (criminal sanctions for self-laundering and third party ML) used by BiH cannot be considered dissuasive.

25. In a further letter from the Ministry of Justice in Republic Srpska, the authorities state that they are in the process of harmonising the Criminal Code of the Republic Srpska with the provisions of the Warsaw Convention.

Recommendation 3

26. As the amendments to the Criminal Code have yet to be adopted and brought into force and effect, they are not being considered in this analysis.

27. One action point recommended that the provisions on confiscation in the Criminal Code of the Republic Srpska should be amended to enable the confiscation of income or other benefits. Equally, confiscation of proceeds commingled with legitimate assets should also be provided for. The BiH authorities have subsequently stated that the Criminal Code of Republic Srpska, as well as other criminal codes in BiH, prescribe confiscation of income commingled with legitimate assets, as follows:

When, during a criminal procedure (in compliance with the RS Criminal Procedure Code – Articles 403 – 407), is sentenced a measure of confiscation of proceeds of crime, the procedure for implementation of this measure is conducted in compliance with the Law on Enforcement Procedure (which is a civil procedure). In case the perpetrator has spent the proceeds of crime, his legitimate assets are seized.

28. The Criminal Code of Republic Srpska prescribes seizure and confiscation of proceeds of crime (for proceeds of crime resulting directly from a criminal offence). Therefore, in accordance with the RS Criminal Code, proceeds of crime are seized regardless of the amount and its seizure is obligatory. According to paragraph 2 of Article 2 of the Law on Seizure and Confiscation of Proceeds of Crime provisions of this Law shall be applicable to certain defined predicate offences which represent the majority of predicate offences to ML, regardless of the value of the crime. The provisions are applied to the remaining criminal offences if the asset, that are the value of items that have been used or were aimed to or are a result of a criminal offence exceeds the amount of 50,000 BAM (approximately €25,000).

29. In a side letter supporting the current report, the Ministry of Justice of Republic Srpska state that the National Assembly of the Republic of Srpska adopted the ‘Law on Seizure and Confiscation of Proceeds of Crime’ on 25 January 2010, as a *lex specialis* regulating the conditions, procedures and bodies competent for detection, confiscation and administration of illegally obtained assets. The Law on Seizure and Confiscation of Proceeds of Crime entered into force on 1 September 2010. The Secretariat has not been provided with a copy of the law but the authorities state that the law is

harmonised with international conventions and, in particular, the Warsaw Convention. It is stated that the competent courts made have decisions on the temporary seizure of movable and immovable property of the total value of about 45,000,000 BAM (€25,000,000); the value of the property seized by the competent courts through financial investigation which is currently in the process of applying to be permanently seized amounts to 21,000,000 BAM (€10,500,000) while the property permanently seized amounts to 538,000 BAM (€270,000).

30. The authorities have also reported that a representative of the Department for Financial Investigations and Prevention of Money Laundering of the Ministry of Interior of Republic Srpska, has attended the General Assembly of CARIN (Camden Assets Recovery Inter-Agency Network) in Dublin, after which, in August 2013, Bosnia and Herzegovina – Republic of Srpska has been accepted as an associate member to CARIN. The contact point is the Head of Department for Financial Investigations of the Ministry of Interior of Republic of Srpska. This is considered as representing a significant step for Bosnia and Herzegovina, as well as for Republic Srpska. It is reported that appropriate and significant work has resulted regarding seizure and confiscation of assets, and financial investigations and money laundering have been facilitated by the decision to accept the membership to CARIN.

Recommendations 5, 6, 7, 8, 9, 11, 12, 15, 16, 17, 21 and 22

31. The medium term action points to address the deficiencies in Recommendations 5, 6, 7, 8, 9, 11, 12, 15, 16, 17, 21 and 22 all required amendments to the AML/CFT Law and consequential actions thereafter are still outstanding. As the amendments to the AML/CFT Law have yet to be adopted and brought into force and effect, they are not being considered in this analysis.

Recommendation 23

32. An action point recommended that efficient, sufficiently frequent, risk-based supervision of financial institutions needs to be developed and implemented. Following this recommendation the Insurance Supervisory Agency of the FBiH, the Insurance Agency of the Republic of Srpska, the Securities Commission of the FBiH and the Securities Commission of the Republic of Srpska adopted guidelines to assist the relevant financial sectors in implementing their AML/CFT obligations and raising awareness in these sectors. Additionally these guidelines provide for lists of STR indicators. However, it should be noted that the recommended action points refers to establishment of efficient, sufficiently frequent, risk-based supervision of financial institutions carried out by the supervisory authorities and the necessity to develop internal guidance for the supervisors on the application of the risk-based approach. This recommendation has not been fully addressed by BiH.

Recommendation 24

FBiH

33. Following the recommendation of the 3rd round report to prohibit individuals with criminal background from acquiring or becoming the beneficial owner of a significant or controlling interest, holding management functions in or being/becoming an operator of a casino, the FBiH Ministry of Finance prepared and submitted to the parliament the new Law on Games of Chance.

34. According to the text of the draft Law an organiser of gambling when applying for authorisation is obliged to submit a proof that the responsible person has not been convicted of crimes against the economy and payments transactions, that there are no on-going criminal proceedings against them for these acts, and that they have not been convicted for a criminal offence of tax evasion. Furthermore, if there are any changes in the ownership structure of a company which has been allowed to work in the field of gambling, there is a provision allowing the authorities to conduct proceedings to decide on retaining rights to organise games of chance. During this process, the organiser is required to submit a bank certificate on conducted verification of origin of funds paid for the purchase of a share. In addition, the provisions of the proposed text of the draft Law establish the obligation of the organiser to notify the Ministry of any changes in circumstances or information concerning:

- Members of the management and supervisory board of the organiser,
- Other persons authorised to represent and administration of the organisational activities,

- Other circumstances relevant to business and organiser's work.

35. In a separate chapter of the draft Law, the obligation is set out for all organisers of games of chance to act in accordance with the regulations to prevent money laundering, terrorist financing and other illegal activities, especially in the case of suspicious transactions.

36. It appears that the authorities of the FBiH are taking steps to amend the shortcoming identified in the 3rd round, however there are some issues that raise concerns. First of all, according to criterion 2 of Recommendation 24, there should be legal and regulatory measures to prevent criminals or their associates from holding or being the beneficial owner of a significant or controlling interest, holding a management functions in, or being an operator of a casino. That requirement should be understood that if a person was convicted for any criminal offence, he/she should not be allowed to hold or be the beneficial owner of a significant or controlling interest, hold a management functions in, or be an operator of a casino, not just for criminal offences against the economy and payments transactions.

37. Secondly, it is unclear what the definition of “*organiser*” means and whether it covers all possible ways of controlling directly or indirectly a casino.

38. Thirdly, it appears that if a person wants to buy a share of the existing casino, only his funds will be checked without checking his background. There is also no requirement to prevent criminals or their associates from becoming the beneficial owner of a significant or controlling interest or becoming an operator of an existing casino.

39. Although progress is being made, it is still concluded that the recommendation is not fully addressed.

Republic of Srpska

40. The Act on games of chance was adopted in the Republic of Srpska in November 2012 and came into force on 7 December 2012. According to paragraph 1 of Article 15 of the Act on games of chance in “*Organising games of chance can be performed by a legal persons established in the territory of the Republic, whose founders, or the person responsible have not been convicted of criminal offences, except for criminal offences related to traffic and if they meet the conditions set by this law*”.

41. It appears that in the Republic of Srpska there is a requirement to prevent criminals from controlling a casino and that this requirement covers all crimes. The authorities have confirmed that as this encompasses all criminal offences criminal association is included and that this would bring criminal associates within its scope. However it is not clear whether the definitions of “*founders*” and “*person responsible*” cover all possible ways of controlling directly or indirectly a casino.

Recommendation 25, 26, 29 and 33

42. The medium term action points to address the deficiencies in Recommendations 25, 26, 29 and 33 all required amendments to the AML/CFT Law and consequential actions thereafter are still outstanding. As the draft amendments to the AML/CFT Law have yet to be adopted and brought into force and effect, they are not being considered in this analysis.

Recommendation 35 and Special Recommendation I

43. As the draft amendments to the Criminal Code have yet to be adopted and brought into force and effect, they are not being considered in this analysis.

Special Recommendations VI and VII

44. The medium term action points to address the deficiencies in Special Recommendations VI and VII all required amendments to the AML/CFT Law and consequential actions thereafter are still outstanding. As the draft amendments to the AML/CFT Law have yet to be adopted and brought into force and effect, they are not being considered in this analysis

Special Recommendations VIII and IX

45. A number of the medium term action points to address the deficiencies in Special Recommendations VIII and IX required amendments to the AML/CFT Law and consequential actions

thereafter are still outstanding. As the draft amendments to the AML/CFT Law have yet to be adopted and brought into force and effect, they are not being considered in this analysis. The Bosnian authorities do, however point out that significant training initiatives, as set out in Annex III, have been undertaken with the customs authorities and border police.

4. Overall conclusion and next steps

46. The BiH authorities have made some progress in addressing recommendations of the Action plan, in particular through developing draft amendments to different pieces of legislation and organised a number of trainings and seminars. Once the draft amendments to the AML/CFT Law and the Criminal Code are adopted and brought into effect there will be consequential amendments to laws in FBiH, RS and BD as well as revised guidance and training. It is anticipated that these revised laws will be in place before the next plenary in December 2013.

47. The Amendments to the AML/CFT Law will also introduce a significant realignment of responsibilities for AML/CFT supervision and training. This realignment of responsibilities is to be welcomed although it is noted that, as a consequence of this there will be a delay in implementing sector specific training and guidance as well as disruption in supervisory activities.

48. It is noted that there are still certain matters that appear not to have been addressed and these are noted in the foregoing analysis. Most notable of these are:-

- **Recommendation 3:** Provisions on confiscation in the Criminal Code of the Republic Srpska should be amended to enable the confiscation of income or other benefits. Equally, confiscation of proceeds commingled with legitimate assets should also be provided for. It does appear that certain changes have been introduced, however, until the text of the legislation is provided it is not possible to provide a definitive decision;
- **Recommendation 23:** Efficient, sufficiently frequent, risk-based supervision of financial institutions needs to be developed and implemented;
- **Recommendation 24:** The Prohibition on individuals with criminal background from acquiring or becoming the beneficial owner of a significant or controlling interest, holding management functions in or being/becoming an operator of a casino still needs to be refined to reflect the requirements of this Recommendation.

49. Overall the MONEYVAL Secretariat welcomes the progress that has been achieved by the BiH authorities in respect of the short and medium-term action points. Of the 22 short term measures that were originally established only 7 remain unfulfilled and most of these relate to training that has been delayed awaiting the adoption of the revised AML Law. However, of the 78 medium term measures which were intended to be in place by 10 October 2012, only 13 have been fully dealt with. It is noted that, due to delays in enacting the revised laws and consequential amendments to laws, guidance, procedures and trainings, 65 of the medium-term action points are still outstanding. This report does not deal with the 10 long term action points, which are due to be met by 10 October 2013.

50. It was initially accepted by the Committee that resolution of a number of the medium term action points would be delayed due to seeking advice from the Council of Europe. This advice was delivered on 15 February 2013. It is therefore of concern that although draft laws are currently in the parliamentary process any further delays could mean that the relevant laws will not be in force and effect in time for the 4th round evaluation of Bosnia and Herzegovina which is scheduled for 2014.

51. The Committee has decided to apply step (ii) and (iii) in sequence in respect of Bosnia and Herzegovina. The country is also requested to report back at the 43rd plenary in December 2013 on all the action points and recommendations that have not yet been addressed.

MONEYVAL Secretariat

II. BOSNIA AND HERZEGOVINA SUMMARY OF PROGRESS AGAINST ACTION PLAN

3rd Round Report adopted December 2009

Placed into step (i) of CEPS September 2010

1st Progress report presented December 2010 (Adopted April 2011)

Action Plan adopted September 2011

Step 1 Deadline (10 April 2012) Considered at 39th plenary, July 2012

Step 2 Deadline (10 October 2012⁴)

Recommendation	Short Term*		Medium Term		Long Term	
	Original Measures	Outstanding at 09/13	Original Measures	Outstanding at 09/13	Original Measures	Outstanding at 09/13
1	3	0	10	9		
3	2	0	10	6		
5	2	1	8	7		
6	2	2	1	1		
7			1	1		
8	1	0	1	1		
9			1	1		
11			1	1		
12	3	2	3	3		
15	1	1	2	1		
16			4	4		
17			3	3	1	1
21			1	1		
22			1	1		
23	4	1	1	0		
24			3	2		
25			3	2		
26			3	3		
29			2	2		
30			2	2		
31	3	0				
32	1	0			1	1
33			1	1	3	3
35/SR.I			1	1		
SR.II			5	5		
SR.III			3	0	1	1
SR.IV			1	1		
SR.VII			1	1		
SR.VIII			3	3	1	1
SR.IX			2	2	3	3
Total	22	7	78	65	10	10

* Most of the outstanding short term objectives relate to on-going training some of which has been deferred until the revised AML Law has been adopted.

⁴ Deferred to the September 2013 plenary due to production of technical assistance by the Council of Europe.

III. BOSNIA AND HERZEGOVINA PROGRESS AGAINST SHORT AND MEDIUM TERM OBJECTIVES IN THE ACTION PLAN

16 August 2013 (IN ADVANCE OF 42nd Plenary)

Note:

Short term refers to a time period up to six months from 10 October 2011

Medium term refers to a time period up to one year from 10 October 2011

Long Term refers to a time period up to two years from 10 October 2011

***refers important activities**

Column 1	Column 2	Column 3	Column 4	Column 5
Content of the Recommendation	Planned Corrective measures	Deadline for implementation of corrective measures: short/medium term	Owner of activity	Corrective measure(s) taken by the authorities to address the identified concern
R.1				
Ensure full compliance with Article 3 of the Vienna Convention and Article 6 of the Palermo Convention by clearly incriminating the “transfer of property” in all Criminal Codes;*	Annual agenda of the Ministry of Justice of BiH has provided drafting of the Law on amendments to the Criminal Code of BiH, where will be made also amendments to Article 209 hereof governing money laundering in compliance with Article 3 of the Vienna Convention and Article 6 of the Palermo Convention Abovementioned law shall contain a provision under which the competent authorities of the Federation of Bosnia and Herzegovina, Republic of Srpska and the Brcko District of Bosnia and Herzegovina shall harmonize criminal laws with this law within a specified period from the date of enactment of this law.	Adoption of Criminal Codes - medium term)	Ministry of BiH, Ministry of Justice of Federation Bosnia and Herzegovina, Ministry of Justice of RS and Brcko District	Please see cover letter. The same applies for R.3, 35 and SR II.
Please provide details of when the Law on amendments to the Criminal Code of BiH was adopted and came into effect. Please provide an English translation of the amended text of Article 209 of the Criminal Code as adopted and in force.				

<p>The Bosnian authorities should address the lack of clear demarcation between the scopes of the money laundering offences in the different Criminal Codes. It is recommended that consideration should be given as to whether it would be more effective to restrict all money laundering cases to the State Court, and abolishes the Entity and Brcko District jurisdictions.*</p>	<p>The possibility of criminalization of money laundering only at the state level shall be discussed, and if the criminal offense of money laundering remains in Criminal Codes at all levels there will be made amendments to all Criminal Codes in order to clear delimitation of competencies between the State and Entities.</p> <p>Abovementioned law shall contain a provision under which the competent authorities of the Federation of Bosnia and Herzegovina, Republic of Srpska and the Brcko District of Bosnia and Herzegovina shall harmonize criminal laws with this law within a specified period from the date of enactment of this law.</p>	<p>Adoption of Criminal Codes - medium term)</p>	<p>Ministry of BiH, Ministry of Justice of Federation Bosnia and Herzegovina, Ministry of Justice of RS and Brcko District</p>	
<p>Please set out the conclusions of the discussions on the possibility of criminalization of money laundering only at the state level.</p> <p>Please provide information on whether the lack of clear demarcation between the scopes of the money laundering offences in the different Criminal Codes has been addressed.</p> <p>Please provide an English translation of any appropriate legislation as adopted and in force in this respect.</p>				
<p>If money laundering is not criminalized exclusively at state level, the conditions in CC-BiH Article 209(1) should be reviewed; especially those not related to value thresholds as, in the view of the evaluators, the existing conditions are</p>	<p>Annual agenda of the Ministry of Justice of BiH has provided drafting of the Law on amendments to the Criminal Code of BiH, where will be made also amendments to Article 209 hereof governing money laundering. To make clear demarcation between state and entity level, and introduce specific value instead of larger value.</p>	<p>Adoption of Criminal Codes - medium term)</p>	<p>Ministry of Justice of Bosnia and Herzegovina</p>	

<p>overly ambiguous and thus very unlikely to be adequately proven in a criminal procedure. These should, therefore, either be replaced by more precise criteria (like the involvement of organized criminality in the predicates, the fact that the offence was committed on the territory of more than one non-state level jurisdiction etc.) or substituted merely by the application of value limitations.</p>				
<p>Please provide information on whether Article 209 has been reviewed if money laundering is not criminalized exclusively at state level. Please provide an English translation of the amended text of Article 209 of the Criminal Code as adopted and in force.</p>				
<p>As a minimum requirement, definitions of value thresholds should be publicly known and should be provided for by the legislation (such as the Criminal Code). At the State level, steps need to be taken to fill the gap between positive criminal law and actual judicial practice by finding an</p>	<p>Ministry of Justice of BiH has provided drafting of the Law on amendments to the Criminal Code of BiH, where will be made also amendments to Article 209 hereof governing money laundering. To make clear demarcation between state and entity level, and introduce specific value instead of larger value, and also to find adequate legislative solution instead of current <i>contra legem</i> interpretation of the law.</p>	<p>Adoption of Criminal Codes - medium term)</p>	<p>Ministry of Justice of Bosnia and Herzegovina</p>	

adequate legislative solution instead of the current <i>contra legem</i> interpretation of the law.				
<p>Please set out the steps BiH has taken to introduce the definitions of value thresholds that are publicly known. Please set out the steps, if any, that have been taken to fill the gap between positive criminal law and actual judicial practice. Please provide an English translation of the amended text of Article 209 of the Criminal Code as adopted and in force.</p>				
State-level incrimination as well as those in the Federation and Brcko District should expressly include “own proceeds” laundering or, at least, appropriate guidance should be given to practitioners in this respect in all the three jurisdictions where self-laundering is not explicitly covered by law (especially in the Federation and Brcko District where there is no relevant judicial practice either).	Amendments to the Criminal Codes of Federation and Brcko District will provide including “own proceeds” laundering	Medium term	Ministry of Justice of Federation of Bosnia and Herzegovina and Brcko District.	
<p>Please set out the steps taken to incriminate “self-laundering” or “own proceeds” laundering at state-level as well as in FBiH and Brcko District Please provide an English translation of any relevant legislation as adopted and in force at state-level and in FBiH and BD in this respect.</p>				
Authorities of Republic of	Authorities of Republic of Srpska will review	Medium term	Ministry of Justice of	Please see Annex I.

<p>Srpska should review the policy reasons whether and why it was considered expedient and proportionate to threaten self-laundering with higher penalty than money laundering by third parties</p>	<p>the policy reasons whether and why it was considered expedient and proportionate to threaten self-laundering with higher penalty than money laundering by third parties</p>		<p>RS</p>	
<p>Please set out the reasons why the authorities of the Republic of Srpska considered that it was expedient and proportionate to threaten self-laundering with higher penalty than money laundering by third parties.</p> <p>The reasons stated by the Republic of Srpska authorities for being justifiable to consider expedient and proportionate to threaten self-laundering with higher penalty than money laundering by third parties are the following:</p> <ul style="list-style-type: none"> - In the previous period a large number of criminal offences of financial- economic and organized crime has been related to tax evasion and tax laundering within some other criminal offences, and through fictive, unknown or unreachable companies (till the change of doing business, or introduction of tax duties as well as the establishment of Indirect Taxation Authority, tax and other duties were transferred to fictive companies, thus inflicting damage to the budget). In this way Republic of Srpska Budget suffered very significant financial damage, which affected socio-economic prosperity and fiscal business. Since Criminal Code stated that the criminal offence of tax evasion was threatened with higher penalty than money laundering, which asked for perpetration of some other (predicative) criminal offence (trafficking in human beings, drug production and trafficking, terrorism etc.), while tax evasion, as a predicative crime was put under question, in the context of protection and sustainability of fiscal system and socio-economic prosperity, the law-makers considered expedient to threaten self-laundering within Criminal Code with higher penalty than money laundering by third parties in order to influence somebody who has already committed crime (special prevention), as well as potential perpetrators (general prevention). <p>Please provide an English translation of any appropriate legislation as adopted and in force.</p>				
<p>The language of money laundering incrimination and penalties should be harmonized across the State level, the Entities, and Brcko District.</p>	<p>The language of money laundering incrimination and penalties will be harmonized across the State level, the Entities, and Brcko District.</p>	<p>Medium term</p>	<p>Ministry of Justice of Federation Bosnia and Herzegovina, Ministry of Justice of RS and Brcko District.</p>	

Please set out the steps taken to harmonise the language of money laundering incrimination and penalties in BiH, the Entities, and Brcko District. Please provide an English translation of any appropriate legislation as adopted and in force.				
The uncertainty over whether the intentional element of ML may be inferred from objective factual circumstances should be addressed by appropriate guidance from the judiciary at the level of the Entities and Brcko District.	Proper guidance from the judiciary at the level of entities and Brcko District will remove the uncertainty whether the intent element of money laundering may be inferred from objective factual circumstances	Medium term	Competent courts at levels of entities and Brcko District level	
Please provide details of when guidance from the judiciary at the level of the Entities and Brcko District was adopted. Please provide an English translation of any guidance provided.				
Legislation should be introduced at all levels to allow the prosecuting and convicting of defendants in absentia	BiH Authorities shall consider the possibility of prosecuting and convicting of defendants in absentia	Medium term	Ministry of Justice of BiH, Ministry of Justice of Federation Bosnia and Herzegovina, Ministry of Justice of RS and Brcko District.	
Please provide details of any legislation introduced to allow the prosecuting and convicting of defendants in absentia. Please provide details of any prosecutions and convictions of defendants in absentia. Please provide an English translation of any appropriate legislation as adopted and in force.				

R.3				
The provisions on confiscation in the Criminal Code of Republic Srpska should be amended to enable the confiscation of income or other benefits. Equally, confiscation of proceeds commingled with legitimate assets should also be provided for.	Amend the provisions in the Criminal Code of the Republic of Srpska to enable confiscation of proceeds or other benefits. Also, confiscation of proceeds commingled with legitimate assets shall be prescribed.	Medium term	Ministry of Justice of RS	Please see Annex I and Annex II.
<p>Please provide details of amendments to the Criminal Code of Republic Srpska to enable the confiscation of income or other benefits.</p> <p>Please provide details of any steps taken to allow confiscation of proceeds commingled with legitimate assets.</p> <p>Please provide an English translation of any appropriate legislation as adopted and in force.</p> <p>With regard to the confiscation of income or other benefits and proceeds commingled with legitimate assets in Republic of Srpska Criminal Code, please note the following:</p> <p>- on January 25, 2010, Republic of Srpska National Assembly adopted <i>lex specialis</i> “Law on Seizure and Confiscation of Proceeds of Crime” which in Article 3 provides certain terms used in the Law (assets means...)</p> <p>“a) assets means collection of property rights and obligations of the holders of those rights over the real estate and chattels. A property is also considered to be the profit or any other gain that has been either direct or indirect result of the criminal offence, as well as any assets that it had been turned into or merged with.”</p> <p>From the above cited it’s clear that the <i>lex specialis</i> “Law on Seizure and Confiscation of Proceeds of Crime” provides definition of assets consistent to the recommendation 3 and thus, there is no need to make suggested correction within Republic of Srpska Criminal Code. Therefore Republic of Srpska considers all requirements fulfilled entirely in accordance with the above mentioned recommendation of MONEYVAL Secretariat.</p>				
Competent authorities at State level and also in the Federation of Bosnia and Herzegovina and Brcko	Competent authorities at State level and also in the Federation of Bosnia and Herzegovina and Brcko District should review the articles in the respective Criminal Codes that provide	Medium term	Ministry of Justice of BiH and Ministry of Justice at Entity level and District Brcko.	

<p>District should review the articles in the respective Criminal Codes that provide for the confiscation of instrumentalities and other objects with the aim of removing or, at least, concretising the overly vague conditions under which this security measure can be applied (absolute necessity based on public safety or moral reasons etc.) so that the confiscation of such objects can actually be mandatory</p>	<p>for the confiscation of instrumentalities and other objects with the aim of removing or, at least, concretising the overly vague conditions under which this security measure can be applied (absolute necessity based on public safety or moral reasons etc.) so that the confiscation of such objects can actually be mandatory</p>			
<p>Please set out details of any changes adopted in the Criminal Codes of BiH, FBiH and BD that clarify the conditions for the confiscation of instrumentalities and other objects. Please provide an English translation of the amended text of relevant Articles of the Criminal Codes as adopted and in force.</p>				
<p>The authorities of Republic of Srpska should consider introducing compulsory confiscation of such objects instead of the current, discretionary provision in the Criminal Code of Republic Srpska Article 62(1).</p>	<p>Republic of Srpska has to introducing compulsory confiscation of such objects instead of the current, discretionary provision in the Criminal Code of Republic of Srpska Article 62(1).</p>	<p>Medium term</p>	<p>Ministry of Justice of RS</p>	
<p>Please provide details of measures taken to introduce compulsory confiscation to the Criminal Code of Republic Srpska Article 62(1).</p>				

Please provide an English translation of the amended text of the relevant Article of the Criminal Code as adopted and in force.				
Removal of overly insubstantial preconditions of <i>in rem</i> confiscation of instrumentalities and other objects (“interests of general security” etc.) should take place at all levels	Remove overly insubstantial preconditions of <i>in rem</i> confiscation of instrumentalities and other objects (“interests of general security” etc.) should take place at all levels	Medium term	Ministry of Justice of BiH and Ministry of Justice at Entity level and District Brcko.	
Please provide details of steps taken to remove overly insubstantial preconditions of <i>in rem</i> confiscation of instrumentalities and other objects at all levels. Please provide an English translation of any appropriate legislation as adopted and in force.				
Consideration should be given to provisions in the criminal procedure which would enable the confiscation of proceeds where the criminal procedure cannot be concluded because the death or absconding of the perpetrator or for any other reason, on condition that there is a proof that the assets derive from criminal offences.	Introduce provisions in the criminal procedure which would enable the confiscation of proceeds where the criminal procedure cannot be concluded because the death or absconding of the perpetrator or for any other reason, on condition that there is a proof that the assets derive from criminal offences.	Medium term	Ministry of Justice of BiH, and Ministry of Justice at Entity level and District Brcko	
Please provide information on any provisions that have been introduced in the criminal procedure which would enable the confiscation of proceeds				

<p>where the criminal procedure cannot be concluded because of the death or absconding of the perpetrator or for any other reason, on condition that there is a proof that the assets derive from criminal offences. Please provide an English translation of any appropriate legislation as adopted and in force.</p>				
<p>Domestic authorities should review the specific confiscation rule in CC-BiH Article 209(4) and identical non-state rules either in themselves or in combination with Article 74 to consider whether these provisions allow for the mandatory confiscation of instrumentalities used in or intended for use in the commission of a money laundering offence as far as such objects are not owned by the perpetrator and introduce legislation to for remedy to this apparent weakness of the system.</p>				
<p>Domestic authorities should review the specific confiscation rule in CC-BiH Article 209(4) and identical non-state rules either in themselves or in combination with Article 74 to consider whether these provisions allow for the mandatory confiscation of instrumentalities used in or intended for use in the commission of a money laundering offence as far as such objects are not owned by the perpetrator and introduce legislation to for remedy to this apparent weakness of the system.</p>	<p>Revise the specific confiscation rule in CC-BiH Article 209(4) and identical non-state rules either in themselves or in combination with Article 74</p>	<p>Medium term</p>	<p>Ministry of Justice of BiH, and Ministry of Justice at Entity level and District Brcko</p>	
<p>Please set out the steps taken to review and revise the specific confiscation rule in CC-BiH Article 209(4) and identical non-state rules either in themselves or in combination with Article 74. Please provide an English translation of the amended text of relevant articles of the Criminal Code of BiH as adopted and in force.</p>				
<p>R.5</p>				
<p>include an obligation to apply the CDD measures</p>	<p>The new amendments to AML/CFT Law will be amended to Article</p>	<p>Adoption of amendments on AML</p>	<p>Council of Ministers of BiH</p>	<p>Please see cover letter. The same applies for</p>

when carrying out occasional transactions that are wire transfers;	26 which will include periodic electronic transfers.	Law - medium term)		R.6, 7, 8, 9, 11, 12, 15, 16, 17, 21, 22, 23, 26, 29, , 30, 33, SR.VI, VII
Please provide an English translation of those clauses of the revised Article 26 of the AML/CFT Law as adopted and in force.				
Review the definition of “transactions” in the new AML/CFT Law	Working Group of the Council of Ministers prepared a draft of amendments to the AML/CFT Law that includes this remark, and eliminates the definition of cash transactions to avoid all doubt in the application of CDD measures.	Adoption of amendments on AML Law - medium term)	Working Group and Council of Ministers of BiH	
Please provide details of revision of the definition of “transactions” in the new AML/CFT Law. Please provide an English translation of amendments to the AML/CFT Law as adopted and in force.				
Article 15 of the new AML Law should be considered*		Short term	Regulatory agencies at all levels in BiH and FIU	
Please provide an English translation of those clauses of the revised Article 15 of the AML/CFT Law as adopted and in force.				
introduce a legal obligation to apply CDD measures to existing customers beyond what is currently provided for banks under the relevant Decisions on Minimum Standards;	Working Group of the Council of Ministers will prepare a draft of amendments to the AML/CFT Law that will include recommendation of evaluators’ remark.	Adoption of amendments on AML Law - medium term)	Working Group and Council of Ministers of BiH	

Please provide details of the legal obligations to apply CDD measures to existing customers. Please provide an English translation of the relevant articles of the AML/CFT Law as adopted and in force.				
introduce an obligation for all obliged entities and persons to identify the 'mind and management' of a legal person beyond the requirements for banks under the relevant Decisions on Minimum Standards of the respective Banking Agencies	Working Group of the Council of Ministers will prepare a draft of amendments to the AML/CFT Law that will include recommendation of evaluators' remark.	Adoption of amendments on AML Law - medium term)	Working Group and Council of Ministers of BiH	
Please provide details of the obligation for all obliged entities and persons to identify the 'mind and management' of a legal person beyond the requirements for banks. Please provide an English translation of relevant articles of the AML/CFT Law as adopted and in force.				
establish clear requirements for financial institutions to conduct on-going due diligence on the business relationship	Working Group of the Council of Ministers will prepare a draft of amendments to the AML/CFT Law that will include recommendation of evaluators' remark.	Adoption of amendments on AML Law - medium term)	Working Group and Council of Ministers of BiH	
Please details of any clear requirements for financial institutions to conduct on-going due diligence on the business relationship. Please provide an English translation of relevant articles of the AML/CFT Law as adopted and in force.				
require obliged entities to	The new amendments to AML/CFT Law will	Adoption	of	Council of Ministers of

consider filing a suspicious report where the identification process cannot be completed	be amended. After Article 7, new 7a is added which will include this objection.	amendments on AML Law - medium term)	BiH	
<p>Please provide information on requirements for obliged entities to consider filing a suspicious report where the identification process cannot be completed.</p> <p>Please provide an English translation of those clauses of the revised Article 7 of the AML/CFT Law as adopted and in force.</p>				
require obliged entities to consider the termination of business where a business relationship is established but the identification process cannot be completed	The new amendments to AML/CFT Law will be amended. After Article 7, new 7a is added which will include this objection.	Adoption of amendments on AML Law - medium term)	Council of Ministers of BiH	
<p>Please provide information on requirements for obliged entities to consider the termination of business where a business relationship is established but the identification process cannot be completed.</p> <p>Please provide an English translation of those clauses of the revised Article 7 of the AML/CFT Law as adopted and in force.</p>				
R.6				
At the time of the on-site visit PEPs were only partially and limitedly addressed and only for the banking sector. However even these provisions did not entirely cover the requirements for Recommendation 6. There	Make amendments to the AML/CFT Law and harmonize it with the essential criteria of Recommendation 6.	Adoption of amendments on AML Law - medium term.	Working Group and Council of Ministers of BiH	
	Amend a guidebook in order to introduce a requirement for financial institutions to obtain senior management approval to continue the business relationship where a customer has been accepted and the customer or beneficial	Short term	Regulatory agencies at state and entities levels	

<p>did not appear to be any similar provisions for the whole financial sector. Although the new law now provides for the treatment of PEPs, still there is a need to create awareness and provide guidance on the identification process, including where the beneficial owner is a PEP.*</p>	<p>owner is subsequently found to be, or subsequently becomes a PEP.</p>			
	<p>Create a training plan for all participants from the financial sector in order to raise awareness</p>	<p>Short term</p>	<p>Regulatory agencies at state and entities levels</p>	<p>Four one day long educations in organisation of FID in cooperation of ICITAP, earlier planned for May, has been delayed for last week of September and first week of October. Main target of this educations are obliged entities from DNFBP Sector.</p> <p>Plan will be created after adoption of new AML/CFT Law</p> <p>Also FID has practice to work directly with particular obliged entities on awareness rising. In recent time it works mostly with DNFBP.</p>
<p>Please provide information on amendments to the AML/CFT Law in order to harmonize it with the essential criteria of Recommendation 6. Please provide an English translation of relevant articles of the AML/CFT Law as adopted and in force.</p>				
<p>Please provide details of amendments to a guidebook in order to introduce a requirement for financial institutions to obtain senior management approval to continue the business relationship where a customer has been accepted and the customer or beneficial owner is subsequently found to be, or subsequently becomes a PEP.</p>				

Please provide details of awareness raising seminars and trainings conducted since June 2012.				
Seminars conducted since June 2012				
	BiH	FBiH	Republic Srpska	Brcko District
Financial institutions: Banks Securities Insurance Other				
<p>On 26 and 27 March 2013 – in organisation of Auditing house REVICON DOO Sarajevo was held AML/CFT awareness rising seminar, with around 130 participants from banks, securities, insurance, micro credits, leasing and post offices. The presented themes where Revised FATF Standards, process of amending AML/CFT Law and CC of B&H and its expected implications, different aspects of risk assessment in presented sectors and number of presentations of practical examples.</p> <p>Since June of 2012, FID officials held number of awareness rising educations for banks (top and middle management).</p>				
R.7				
<p>The coverage of correspondent banking is not comprehensive and does not appear to specifically cover correspondent bank's relationships. Although correspondent banking is now included under the new AML Law, the issue of 'payable through' accounts is not addressed. It is advisable that correspondent banking relationships be reviewed accordingly.</p>	<p>Working Group of the Council of Ministers has prepared amendments to the law that eliminates this objection as follows:</p> <p>In Article 21 after paragraph (4) add new paragraph (5) that shall read:</p> <p>(Correspondent Relationship with Foreign Loan Institutions)</p> <p>(5) The obligor cannot establish a loan correspondent relationship with a foreign bank or any other similar institution based on which such foreign institution may use the account with the obligor to operate directly with its clients.</p>	<p>Adoption of amendments on AML Law - medium term</p>	<p>Working Group and Council of Ministers of BiH</p>	

	Introduce a requirement that banks shall document the AML/CFT responsibility of correspondent banks.			
Please provide an English translation of those clauses of the revised Article 21 of the AML/CFT Law as adopted and in force. Please provide an English translation of any requirements that banks shall document the AML/CFT responsibility of correspondent banks.				
R.8				
Although it appears that electronic business in the financial sector is low, there are no obligations for financial institutions to have policies in place to prevent the misuse of technological developments. This should be provided for in the new AML Law which to date does not address this issue.	Working Group of the Council of Ministers will prepare a draft of amendments to the AML/CFT Law and eliminate this objection.	Adoption of amendments on AML Law - medium term	Working Group and Council of Ministers of BiH	
Please provide details of any obligations that have been introduced for financial institutions to have policies in place to prevent the misuse of technological developments. Please provide an English translation of relevant articles of the AML/CFT Law as adopted and in force.				
Following the introduction of the new AML Law, a revised Book of Rules, providing guidance on its implementation and more awareness on the part of				

<p>'persons' under obligation', albeit to different degrees, on the concepts and the philosophy of the law and their obligations, needs to be adopted.</p>				
<p>Please provide details of any guidance issued on implementation and more awareness of the Book of Rules on the part of 'persons' under obligation. Please provide an English translation of amendments to the Book of Rules.</p>				
<p>R.9</p>				
<p>Although the old LPML does not specifically prohibit or allow third party reliance or introduced business, likewise it does not specifically allow it. However there are provisions that appear to indirectly allow such procedures. This is particularly so in relation to the use of companies specialised in customer due diligence. The absence of such companies, though recognised, impacts on procedures to licence and regulate them. This creates an uncertainty as to whether third party</p>	<p>Articles 10, 11 and 12 of the draft of amendments to the AML/CFT Law address remaining deficiencies when enacted as they currently stand.</p>	<p>Adoption of amendments to the AML Law - medium term</p>	<p>Working Group and Council of Ministers of BiH</p>	

<p>reliance is allowed or not. Notwithstanding the fact that the new AML Law has now clarified this doubt in that it specifically allows ‘persons’ under obligation’ to rely on third parties, as defined by the new AML Law, yet the new provisions do not fully cover the FATF criteria for Recommendation 9. In the circumstances it is recommended that the legislative and other relevant provisions be revised such that the obligations and requirements should be harmonised with Recommendation 9.</p>				
<p>Please provide information on the revised legislative and other relevant provisions so that the obligations and requirements be harmonised with Recommendation 9. Please provide an English translation of Articles 10, 11 and 12 of amendments to the AML/CFT Law as adopted and in force.</p>				
<p>R.11</p>				
<p>It is recommended that Recommendation 11 be specifically addressed through a revision of the new AML legislation and</p>	<p>Working Group of the Council of Ministers will prepare amendments to the AML/CFT Law and eliminate objection of 3rd round of evaluation relating to the supervision of large and unusual transactions and verify the</p>	<p>Adoption of amendments on AML Law - medium term)</p>	<p>Working Group and Council of Ministers of BiH</p>	

an eventual consequent revision of the Banking Decisions for Minimum Standards.	background and purpose of these transactions and written statement on such knowledge.			
	In accordance with the new legal solutions perform eventual consequent revision of the Banking Decisions for Minimum Standards		Regulatory Banking Agencies of FBiH and RS	
<p>Please provide information on whether the AML/CFT Law and the Banking Decisions for Minimum Standards were reviewed in order to meet requirements of Rec.11.</p> <p>Please provide an English translation of amendments to the AML/CFT Law and the Banking Decisions for Minimum Standards as adopted and in force.</p>				
R.12				
<p>Although the concept of PEPs under intensified identification procedures is addressed through legal provisions and hence also for DNFBPs, in practice the issue of PEPs is not addressed by DNFBPs as there is a complete lack of awareness of the risks involved. It is therefore recommended to introduce the awareness and understanding training campaign accordingly throughout the whole sector of DNFBPs as is also required for some elements of the financial sector.*</p>	<p>The authorities will take the opportunity from the introduction of the new guidance as issued to continue to develop and implement the sector wide awareness and understanding campaign through training programmes.</p>	<p>Short term</p>	<p>FIU</p>	<p>Four one day long educations in organisation of FID in cooperation of ICITAP, earlier planned for May, has been delayed for last week of September and first week of October. Main target of this educations are obliged entities from DNFBP Sector.</p> <p>Additional educations will be organized after adoption of new AML/CFT Law</p> <p>Also FID has practice</p>

to work directly with particular obliged entities on awareness rising. In recent time it works mostly with DNFBP.

Please provide details on awareness raising seminars and trainings conducted for DNFBP since June 2012.

Seminars conducted for DNFBP

Please provide details of :

- **Dates**
- **Topics covered**
- **Number of delegates from each DNFBP sector**

	BiH	FBiH	Republic Srpska	Brcko District
DNFBPs: Casinos Real estate agents Dealers in precious metals and stoned Lawyers, notaries, other independent legal professionals Accountants and auditors				

Since June of 2012, FID officials held number of awareness rising educations for gold dealers.

There is a need for increased awareness of threats from new or developing technologies among DNFBPs, although, as claimed, their activities are mostly related to a one-to-one customer	Working Group of the Council of Ministers will prepare amendments to the AML/CFT Law and eliminate objection concerning new technology.	Adoption of amendments on AML Law - medium term)	Working Group and Council of Ministers of BiH	
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relationship. Developments in technology on the way of carrying out certain activities could however pose certain threats														
<p>Please provide details of when the Law on amendments to the AML/CFT was adopted and came into effect. Please provide an English translation of amendments to the AML/CFT Law as adopted and in force. Please provide details on awareness raising seminars and trainings conducted since June 2012.</p> <p>Seminars conducted for DNFBPs Please provide details of :</p> <ul style="list-style-type: none"> • Dates • Topics covered • Number of delegates from each DNFBP sector <table border="1" data-bbox="185 738 2045 1082"> <thead> <tr> <th data-bbox="185 738 560 778"></th> <th data-bbox="560 738 934 778">BiH</th> <th data-bbox="934 738 1303 778">FBiH</th> <th data-bbox="1303 738 1675 778">Republic Srpska</th> <th data-bbox="1675 738 2045 778">Brcko District</th> </tr> </thead> <tbody> <tr> <td data-bbox="185 778 560 1082"> DNFBPs: Casinos Real estate agents Dealers in precious metals and stoned Lawyers, notaries, other independent legal professionals Accountants and auditors </td> <td data-bbox="560 778 934 1082"></td> <td data-bbox="934 778 1303 1082"></td> <td data-bbox="1303 778 1675 1082"></td> <td data-bbox="1675 778 2045 1082"></td> </tr> </tbody> </table>						BiH	FBiH	Republic Srpska	Brcko District	DNFBPs: Casinos Real estate agents Dealers in precious metals and stoned Lawyers, notaries, other independent legal professionals Accountants and auditors				
	BiH	FBiH	Republic Srpska	Brcko District										
DNFBPs: Casinos Real estate agents Dealers in precious metals and stoned Lawyers, notaries, other independent legal professionals Accountants and auditors														
Although DNFBPs met by the evaluators claim that they do not undertake non-face-to-face business, the enhanced obligations	The authorities will take the opportunity from the introduction of the new guidance as issued to continue to develop and implement the sector wide awareness and understanding campaign through training programmes.	Short term	FIU											

<p>under the new AML Law call for more awareness of the procedures to be applied in such circumstances throughout the whole sector. It is therefore recommended that the need to conduct proper due diligence of non-face-to-face customers is included in any awareness raising exercise.*</p>				
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Please provide details on awareness raising seminars and trainings conducted since June 2012.

Seminars conducted for DNFBP

Please provide details of :

- **Dates**
- **Topics covered**
- **Number of delegates from each DNFBP sector**

	BiH	FBiH	Republic Srpska	Brcko District
<p>DNFBP: Casinos Real estate agents Dealers in precious metals and stoned Lawyers, notaries, other independent legal professionals Accountants and auditors</p>				

<p>There is a need for the DNFBPs to be made more aware of the threats to money laundering and the financing of terrorism arising out of large complex transactions that may not have economic reasons. The need to analyse and understand such transactions cannot be over emphasised. It is recommended to statutory obligations to this effect are introduced for all obligors.</p>	<p>Working Group of the Council of Ministers will prepare amendments to the AML/CFT Law and eliminate objection of 3rd round of evaluation relating to the supervision of large and unusual transactions and verify the background and purpose of these transactions and written statement on such knowledge</p>	<p>Adoption of amendments on AML Law - medium term)</p>	<p>Working Group and Council of Ministers of BiH</p>	
<p>Please provide details of any statutory obligations introduced requiring DNFBP to supervise large and unusual transactions and verify the background and purpose of these transactions and written statement on such knowledge. Please provide an English translation of amendments to the AML/CFT Law in this respect as adopted and in force.</p>				
<p>Record keeping procedures in the AML LAW need to be revisited and clarified in accordance with the requirements under Recommendation 10.</p>	<p>Working Group of the Council of Ministers prepared a draft of amendments to the AML/CFT Law that includes this remark</p>	<p>Adoption of amendments on AML Law - medium term</p>	<p>Working Group and Council of Ministers of BiH</p>	
<p>Please details of the amendment to the AML/CFT Law which brings record keeping procedures in the AML Law in line with the requirements of Rec. 10. Please provide an English translation of relevant text of amendments to the AML/CFT Law as adopted and in force.</p>				

R.15				
Article 32(2) of the new AML Law should be reviewed in relation to full exemptions from appointing an authorised person and from maintaining internal control by obliged entities (persons under obligation) with four or less employees – and interpretatively, obliged natural persons.	In Article 32 AML/CFT Law, paragraph (2) shall be amended.	Adoption of amendments on AML Law - medium term	Working Group and Council of Ministers of BiH	
Please provide an English translation of those clauses of the revised Article 32 of the AML/CFT Law as adopted and in force.				
Competent authorities, and in particular the FID, need to be more receptive to requests for training by the industry.*	Strengthen trainings in the industry	Short term	Relevant ministries of entities, regulatory agencies of financial sector, FIU	Four one day long educations in organisation of FID in cooperation of ICITAP, earlier planned for May, has been delayed for last week of September and first week of October. Main target of this educations are obliged entities from DNFBP Sector. Additional educations

				<p>will be organized after adoption of new AML/CFT Law</p> <p>Also FID has practice to work directly with particular obliged entities on awareness rising. In recent time it works mostly with DNFBP.</p>
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Please provide details on awareness raising seminars and trainings conducted since June 2012.

Please provide details of :

- **Dates**
- **AML/CFT Topics covered**
- **Number of delegates from each sector**

On 26 and 27 March 2013 – in organisation of Auditing house REVICON DOO Sarajevo was held AML/CFT awareness rising seminar, with around 130 participants from banks, securities, insurance, micro credits, leasing and post offices. The presented themes where Revised FATF Standards, process of amending AML/CFT Law and CC of B&H and its expected implications, different aspects of risk assessment in presented sectors and number of presentations of practical examples.

Since June of 2012, FID officials held number of awareness rising educations for particular banks in their premises (top and middle management).

	BiH	FBiH	Republic Srpska	Brcko District
Financial institutions: Banks Securities Insurance Other financial institutions				
DNFBPs: Casinos				

Real estate agents Dealers in precious metals and stoned Lawyers, notaries, other independent legal professionals Accountants and auditors				
R.16	<p>The authorities will take the opportunity from the introduction of the new guidance as issued to continue to develop and implement the sector wide awareness and understanding campaign through training programmes</p>	<p>Medium term</p>	<p>FIU</p>	<p>Four one day long educations in organisation of FID in cooperation of ICITAP, earlier planned for May, has been delayed for last week of September and first week of October. Main target of this educations are obliged entities from DNFBP Sector.</p> <p>Additional educations will be organized after adoption of new AML/CFT Law</p> <p>Also FID has practice to work directly with particular obliged entities on awareness rising. In recent time it works mostly with</p>

DNFBP.

Please provide details on awareness raising seminars and trainings conducted since June 2012.

Please provide details of :

- Dates
- Topics covered
- Number of delegates from each DNFBP sector

	BiH	FBiH	Republic Srpska	Brcko District
DNFBPs: Casinos Real estate agents Dealers in precious metals and stoned Lawyers, notaries, other independent legal professionals Accountants and auditors				

The evaluators express serious concerns on the position taken since certain professions, in particular the legal, notary and accountancy professions, are likely to encounter and handle transactions emerging from foreign countries that may not be applying the relevant AML standards to an acceptable degree.

Working Group of the Council of Ministers prepared a draft amendment Law AML/CFT that includes this remark i.e. will introduce a specific obligation to terminate or reject a business relationship or the execution of transactions with companies and individuals from countries that insufficiently apply AML/CFT measures.

Adoption of amendments on AML Law - medium term

Working Group and Council of Ministers of BiH

Please provide information on whether a specific obligation for DNFBP to terminate or reject a business relationship or the execution of transactions with companies and individuals from countries that insufficiently apply AML/CFT measures has been introduced. Please provide an English translation of amendments to the AML/CFT Law as adopted and in force.

<p>Competent authorities, and in particular the FID, need to be more receptive to request for training by the industry.</p>	<p>Strengthen trainings in the industry.</p>	<p>Medium term</p>	<p>FIU</p>	<p>Four one day long educations in organisation of FID in cooperation of ICITAP, earlier planned for May, has been delayed for last week of September and first week of October. Main target of this educations are obliged entities from DNFBP Sector.</p> <p>Additional educations will be organized after adoption of new AML/CFT Law</p> <p>Also FID has practice to work directly with particular obliged entities on awareness rising. In recent time it works mostly with DNFBP.</p>
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Please provide details on awareness raising seminars and trainings conducted since June 2012. Please provide details of :

- Dates**

- Topics covered
- Number of delegates from each sector

	BiH	FBiH	Republic Srpska	Breko District
Financial institutions: Banks Securities Insurance Other financial institutions				
DNFBPs: Casinos Real estate agents Dealers in precious metals and stoned Lawyers, notaries, other independent legal professionals Accountants and auditors				

On 26 and 27 March 2013 – in organisation of Auditing house REVICON DOO Sarajevo was held AML/CFT awareness rising seminar, with around 130 participants from banks, securities, insurance, micro credits, leasing and post offices. The presented themes where Revised FATF Standards, process of amending AML/CFT Law and CC of B&H and its expected implications, different aspects of risk assessment in presented sectors and number of presentations of practical examples.

Since June of 2012, FID officials held number of awareness rising educations for banks (top and middle management).

Adequate screening procedures need to be in place and effectively applied when hiring people, if need be through mandatory obligations.	The Guidelines for the non-financial sector issued by the FID in October 2010 do not address this issue. The FID will be reviewing the Guidelines accordingly to create this obligation for the non-financial sector.	Medium term	FIU	
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<p>Please provide details of any steps taken to introduce adequate screening procedures when hiring people in the DNFBPs sector. Please provide an English translation of any appropriate legislation or guidance adopted in respect of screening procedures.</p>				
<p>R.17</p>				
<p>Legislation to provide for the sanctioning powers of the respective supervisory bodies in the insurance market should be introduced</p>	<p>Insurance Agency of Bosnia and Herzegovina and Ministry of finance FBiH and RS will prepare a draft of amendments to the Law on intermediaries in insurance in order to ensure harmonization of the regimes of the applicable sanctions that are now different according to the laws on insurance intermediaries in Federation Bosnia and Herzegovina and in Republic of Srpska.</p>	<p>Medium term</p>	<p>Ministry of Finance of FBiH and RS, and Insurance Agency of Bosnia and Herzegovina</p>	
<p>Please provide details of amendments to the Law on intermediaries in insurance in order to provide sanctioning powers to the respective supervisory bodies in the insurance market. Please provide an English translation of amendments to this Law as adopted and in force.</p>				
<p>Steps need to be taken to ensure that all requirements of the new AML Law are enforceable (that is; sanctions are stipulated for non-compliance).</p>	<p>Working Group of the Council of Ministers will prepare a draft of amendments to the AML/CFT Law that will include this remark i.e. establish sanctions for non-compliance</p>	<p>Adoption of amendments on AML Law - medium term)</p>	<p>Working Group and Council of Ministers of BiH</p>	
<p>Please provide details of amendments to the AML/CFT Law to establish sanctions for non-compliance. Please set out the scope of sanctions for non-compliance with the AML Law. Please provide an English translation of amendments to the AML/CFT Law as adopted and in force.</p>				

Administrative sanctions to be applied to the participants of the insurance market for non-compliance with AML/CFT requirements need to be introduced.	Insurance Agency of Bosnia and Herzegovina and Ministry of finance FBiH and RS will prepare a draft of amendments to the Law on intermediaries in insurance in order to ensure harmonization of the regimes of the applicable sanctions	Medium term	Ministry of Finance of FBiH and RS, and Insurance Agency of Bosnia and Herzegovina.	
<p>Please provide details of administrative sanctions that could be applied to the participants of the insurance market for non-compliance with AML/CFT.</p> <p>Please provide an English translation of the relevant amendments to the Law on Intermediaries as adopted and in force.</p>				
R.21	Working Group of the Council of Ministers will prepare a draft of amendments to the AML/CFT Law that will include this remark i.e. will introduce a specific obligation to terminate or reject a business relationship or the execution of transactions with companies and individuals from countries that insufficiently apply AML/CFT measures and preservation of written statements on such findings and enabling access of authorities to those statements for all sectors.	Adoption of amendments on AML Law - medium term)	Working Group and Council of Ministers of BiH	
<p>Please provide details of the obligations that have been introduced for financial institutions to give special attention to business relationships and transactions with financial institutions and other legal/natural persons from countries that have inadequate AML/CFT measures in place.</p>				

Please provide an English translation of amendments to the AML/CFT Law as adopted and in force.				
R.22				
Requirements for Recommendation 22 are only partially addressed through the Banking Decisions on Minimum Standards – more specifically only to a minor extent through Article 2 – and through the new Article 8 of the new AML Law. However there are no provisions covering the main requisites of the Recommendation. It is recommended that this matter be addressed through the new legislation and through guidance issued by the relevant competent authorities.	The necessary changes for the banking and the securities sectors to fully meet the obligations under Recommendation 22 are under consideration and should be implemented in the near future.	Medium term	Ministry of Finance of FBiH and RS, and Regulatory bodies of banking and security sector.	
Please provide details of measures taken to meet the requirements of Rec.22. Please provide an English translation of any appropriate legislation as adopted and in force in this respect.				
R.23				
Steps need to be taken to harmonise the efficiency of monitoring activities in	Agency for Supervision of the Post Office Operation (which includes payment transfers), has now been established. The new agency	Short term	Banking Agencies and Agency for Supervision of the Post Office	

respect of persons involved in money transfer and exchange activities.	will eventually be recognized under the AML Law as the supervisory authority for AML purposes for the Post Office. Arrangements will be considered for the cooperation of the new Agency and the Agencies for Banks to ensure harmonisation and level playing field in the supervision of the payments sector.		Operation	
<p>Please advise when to provide an English translation of the Memorandum on cooperation between the Agency for Supervision of the Post Office at state level and the Banking Agencies of RS and FBiH.</p> <p>Please provide details of steps taken to recognise the Agency for Supervision of the Post Office Operation under the AML Law</p>				
Efficient, sufficiently frequent, risk-based supervision of financial institutions needs to be developed and implemented.	Establish guidelines for securities sector and insurance sector for effective, often and risk based supervision on financial institution	Medium term	Ministry of Finance of FBiH and RS, and Regulatory bodies of insurance and security sector	
<p>Please provide details of the steps taken to develop and implement efficient, sufficiently frequent, risk-based supervision of financial institutions.</p> <p>Please provide details of Guidelines for the securities and insurance sectors.</p> <p>By Decision on the list definition of indicators for recognizing suspicious transactions (Official Gazette of FBiH, 46/07), adopted by the Expert Council of Insurance Supervisory Agency of FBiH, it is established a list of indicators of suspicious transactions in the implementation of activities in the prevention of money laundering and terrorist financing. The subject and content of supervision in terms of the regulations include control of legality, the application of laws and regulations, the existence and application of laws and procedures in the supervised entity and the adequacy of procedures and internal controls to detect and prevent transactions involving criminal activity, money laundering or activities which support terrorism. In addition to the above all payments for policies/premiums and payments of fees for life insurance contracts are made through banks or post office, who are obliged to act in accordance with the law. Companies developed internal controls, educate employees and produce programs for professional education of persons authorized for information FID develop guidelines and procedures to prevent money laundering and enacted the Ordinance on Prevention of Money Laundering and Financing of Terrorist Activities.</p> <p>The Insurance Agency of RS is in the process of completing of the Guidelines for the implementation of the Law on prevention of money laundering and financing of terrorist activities, which will be, upon adoption by the Board, delivered to legal entities - insurance companies and other market participants on insurance market that the Agency monitors. The Agency carries out continuous monitoring of all participants in the insurance market, and the ordinary and</p>				

extraordinary control in accordance with the plan of control and appropriate need.

Securities Commission of the Federation of Bosnia and Herzegovina adopted the Guidance on the implementation of the Law on Prevention of Money Laundering and Terrorist Financing for users under the jurisdiction of the Securities Commission of FBiH, on 8 April 2010. These guidelines are provided to apply to all obligors in the sector of securities. Guidelines provides that obligors must align their business with this guidance and draw up/harmonize legislation with the provisions of the Law, the Regulations and this guidance, within one month from the date of entry into force of this guidance. Monitoring the application of these guidelines in the obligors brokerages is conducted by regular inspections at least annually or when extraordinary oversight.

Securities Commission RS in accordance with the responsibilities regulated by Article 260 of the Law on Securities Market (Official Gazette of RS, 91/06, 34/09, 30/12 and 59/13) and the Ordinance on the control of the participants in the securities market (Official Gazette of RS, 53/07, 118/08, 95/09 and 41/13) supervises the work of legal entities which are carrying out transactions with securities and have obtained authorization from the Commission (stock exchange brokers), the stock exchange, the Central Registry of Securities RS and management companies of investment funds. Participants in the securities market are monitored according to the control plan, which covers all of the participants in a given period of time and continuous monitoring to be carried out daily monitoring of the behaviour of market participants. In addition to the planned control, the emergency control is carried out if there are indications of violations of laws and regulations. Article 260, paragraph 1, of the Law on Securities Market provides that the Commission shall monitor and take the necessary measures in respect of the prevention of money laundering and financing of terrorist activities against persons to whom issues a license to conduct transactions. The Securities Commission RS apply Guidelines directly (guidelines for implementation of the law on the prevention of money laundering and financing of terrorist activities for the reporting entities falling within the competence of the securities commission).

R.24

Prohibit individuals with criminal background from acquiring or becoming the beneficial owner of a significant or controlling interest, holding management functions in or being/becoming an operator of a casino	Execute amendments to The Law draft on Gambling in the FBiH and RS, in the way as it has been done in Brcko District.	Medium term	Ministry of Finance of FBiH and RS	
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Please provide details of steps taken to prohibit individuals with criminal background from acquiring or becoming the beneficial owner of a significant or controlling interest, holding management functions in or being/becoming an operator of a casino.

Please provide an English Translation of the amendments to the Law on Gambling in the FBiH and the RS as adopted and in force.

FBiH Ministry of Finance has prepared and submitted to regular parliamentary procedure text of the new Law on games of chance in the Federation of Bosnia and Herzegovina. The present text of the law is established by the Federal Government in Draft form, and submitted for consideration to the Federation Parliament. The text of the law include the provisions on the basis of which is the obligation for the organizer of gambling when applying for authorization to submit a proof for the responsible person that has not been convicted of crimes against the economy and the payments transactions and that against them for these acts there are no on-going criminal proceedings, and that have not been convicted for a criminal offense of tax evasion. Furthermore, in the event of changes in the ownership structure of the company which has been granted the work in the field of organization of gambling, there is the provision prescribed to conduct the proceedings for deciding on retaining rights to organizing games of chance. During the implementation of the aforementioned process, the organizer is required to submit a bank certificate on conducted verification of origin of funds paid for the purchase of the stock. In addition to the foregoing, the provisions of the proposed text of the law established the obligation of the organizer to notify the Ministry of any change in circumstances or information concerning:

- Members of the management and supervisory board of the organizer,
- Other persons authorized to represent and administration of the organizational activities,
- Other circumstances relevant to business and organizer's work.

In a separate chapter of the proposed text of the law, the obligation for all organizers of games of chance to act in accordance with the regulations to prevent money laundering, terrorist financing and other illegal activities, especially in the case of suspicious transactions, is stipulated.

Act on games of chance was passed in the **Republic of Srpska** in November 2012, entered into force on 7 December 2012 and since then has been in force. This Act has been published in the "Official Gazette of RS", 111/12, has replaced the Act on Games of Chance ("Official Gazette of RS", 67/10 - consolidated text).

Article 15 of the Act on games of chance in force prescribes general requirements for gambling, and paragraph 1 under same article of the Act on games of chance provides:

"Organizing games of chance can be performed by a legal persons established in the territory of the Republic, whose founders, or the person responsible have not been convicted of criminal offenses, except for criminal offenses related to traffic and if they meet the conditions set by this law."

As for the employees at the casino or at the organizers who organize other types of gambling, this law does not address labour and employment issues.

Define the powers of the Chambers of Lawyers, the Chambers of Notaries, and	As stated earlier, the formation of a special department to monitor DNFBPs will create the preconditions for effective supervision of	Medium term	FIU, Council of Ministers of BiH	
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<p>the Associations of Accountants and Auditors at entity level to supervise implementation of the obligations set forth in the new AML Law; establish systems and mechanisms for them to ensure compliance of the respective obligors with the national AML/CFT requirements.</p>	<p>persons under obligation in order to provide a mechanism for effective implementation of obligations under the AML/CFT Laws</p>			
<p>Please provide information on whether the powers of the Chambers of Lawyers, the Chambers of Notaries, and the Associations of Accountants and Auditors at entity level were defined to supervise implementation of the obligations set forth in the new AML Law. Please provide details of established systems and mechanisms for the Chambers of Lawyers, the Chambers of Notaries, and the Associations of Accountants and Auditors at entity level to ensure compliance of the respective obligors with the national AML/CFT requirements Please provide an English translation of any appropriate legislation as adopted and in force.</p>				
<p>An authority should be designated to monitor and ensure compliance of real estate agencies and traders in precious metals and stones with the national AML/CFT requirements.</p>	<p>As stated earlier, the formation of a special department to monitor DNFBP will create the preconditions for effective supervision of persons under obligation in order to provide a mechanism for effective implementation of obligations under the AML/CFT Laws</p>	<p>Medium term</p>	<p>FIU, Council of Ministers of BiH</p>	
<p>Please provide details of the steps that have been taken to designate an authority to monitor and ensure compliance of real estate agencies and traders in precious metals and stones with the national AML/CFT requirements. Please provide an English translation of any appropriate legislation as adopted and in force.</p>				

R.25				
<p>FID and all other competent authorities need to introduce measures aimed at ensuring that obligor DNFBPs have a proper understanding of their obligations under the AML/CFT framework</p>	<p>Strengthen trainings in the industry</p>	<p>Medium term</p>	<p>FIU</p>	<p>Four one day long educations in organisation of FID in cooperation of ICITAP, earlier planned for May, has been delayed for last week of September and first week of October. Main target of this educations are obliged entities from DNFBP Sector.</p> <p>Additional educations will be organized after adoption of new AML/CFT Law</p> <p>Also FID has practice to work directly with particular obliged entities on awareness rising. In recent time it works mostly with DNFBP.</p>
<p>Please provide details on awareness raising seminars and trainings conducted since June 2012.</p>				
<p>Please provide details of :</p>				
<ul style="list-style-type: none"> • Dates • Topics covered • Number of delegates from each DNFBP sector 				
	BiH	FBiH	Republic Srpska	Breko District
DNFBPs:				

Casinos Real estate agents Dealers in precious metals and stoned Lawyers, notaries, other independent legal professionals Accountants and auditors				
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On 26 and 27 March 2013 – in organisation of Auditing house REVICON DOO Sarajevo was held AML/CFT awareness rising seminar, with around 130 participants from banks, securities, insurance, micro credits, leasing and post offices. The presented themes where Revised FATF Standards, process of amending AML/CFT Law and CC of B&H and its expected implications, different aspects of risk assessment in presented sectors and number of presentations of practical examples.

Since June of 2012, FID officials held number of awareness rising educations for banks (top and middle management).

FID should provide general and specific feedback to DNFBBs incorporating, inter alia, statistics on the number of STR-s, information on current ML techniques and trends, as well as information on the decisions and results of the analysis of STR-carried out by the FID.	Strengthen cooperation between FIU and DNFBBs to create feedback and statistics on the number of STR-s, information on current ML techniques and trends, as well as information on the decisions and results of the analysis of STR-carried out by the FID.	Medium term	FIU	
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Please provide details of any general and specific feedback provided to DNFBB incorporating, *inter alia*, statistics on the number of STR-s, information on current ML techniques and trends, as well as information on the decisions and results of the analysis of STR-carried out by the FID.

<p>Whilst the provision of comprehensive and exhaustive lists of indicators for identifying suspicious transactions and persons is commendable, supervisory authorities should ensure that such indicators are not interpreted as being conclusive such that the examination of transactions is only guided accordingly without any flexibility.</p>	<p>Insist that the DNFBPs in recognition of suspicious transactions be managed by risk-based approach</p>	<p>Medium term</p>	<p>FIU</p>	<p>Since the begging of 2013 FID received 25 STRs from DNFBP obliged entities. Also analysing reports submitted by notaries and casinos helped FID on many cases with specific typologies especially money laundering related to real estate.</p>
<p>Please provide details of measures taken to provide guidance DNFBP on the risk-based approach to identifying suspicious transactions. . Please details of any appropriate guidance provided.</p>				
<p>R.26</p>	<p>As instructed by the Minister of Security, in June 2010, the group of experts in money laundering and terrorism financing developed a draft new Law on prevention of money laundering and financing of terrorist activities, which has been forwarded to the BiH authorities for adoption. The new Law provides for establishment of a new Financial Intelligence Agency (FIA) within the Ministry of Security which will be able to forward independently information to national authorities and conduct investigations when</p>	<p>Adoption of amendments on AML Law - medium term</p>	<p>Working Group and Council of Ministers of BiH</p>	

	there is a grounded suspicion about money laundering and/or terrorism financing			
Please provide an English translation of those clauses of the revised Article 51 of the AML/CFT Law as adopted and in force.				
Staffing of the Investigation Department at FID is not in proportion to the commonly understood expectations of other law enforcement agencies regarding FID's role in initiating ML investigations in BiH. FID should make it a priority to attract suitably qualified staff to fill the current vacancies.				
Please provide details of staffing levels of FID.				
Category (please amend as appropriate)	Budgeted staff		Actual staff at	
Police	20		14	
Civil Servants	15		12	
Employees	4		4	
Other:				
Ensure that the FID does not operate in isolation from other law	Working Group of the Council of Ministers will prepare a draft of amendments to the AML/CFT Law that will include	Adoption of amendments on AML Law - medium term	Working Group and Council of Ministers of BiH	

<p>enforcement agencies and financial intelligence at the FID is requested by or disseminated to other law enforcement agencies at the level of entities and Brcko District when investigating predicate offences of money laundering</p>	<p>recommendation of evaluators' remark.</p>			
<p>Please provide details of the FID operation with law enforcement. Please provide information on whether the FID is requested by or disseminated to other law enforcement agencies at the level of entities and Brcko District when investigating predicate offences of money laundering.</p>				
<p>Remove the limitations to and unacceptable constraints of the power of the FID to disseminate information to domestic authorities, and demonstrate the effectiveness of dissemination of information to domestic authorities</p>	<p>Working Group of the Council of Ministers will prepare a draft of amendments to the AML/CFT Law that will include recommendation of evaluators' remark.</p>	<p>Adoption of amendments on AML Law - medium term</p>	<p>Working Group and Council of Ministers of BiH</p>	
<p>Please provide details of amendments to remove the limitations to and unacceptable constraints of the power of the FID to disseminate information to domestic authorities. Please provide statistics as an annex to the report in order to demonstrate the effectiveness of dissemination of information to domestic authorities Please provide an English translation of any appropriate legislation as adopted and in force.</p>				

R.29				
The supervisory processes of the FID and establish mechanisms for the enforcement of its decisions regarding removal of irregularities in the operations of persons under obligation should be clearly defined.	As stated earlier, the formation of a special department to monitor DNFBP will create the preconditions for effective supervision of persons under obligation in order to provide a mechanism for effective implementation of obligations under the AML/CFT Laws	Medium term	FIU	
<p>Please provide details of the special department of the FID established to monitor DNFBPs.</p> <p>Please provide details of established mechanisms for the enforcement of the special department of the FID decisions regarding removal of irregularities in the operations of persons under obligation.</p> <p>Please provide an English translation of any appropriate legislation as adopted and in force.</p>				
Adequate powers should be granted to supervisors in the insurance market to monitor and ensure compliance with AML/CFT requirements and to take enforcement measures and sanction both the institutions/businesses and their directors/senior management for non-compliance with AML/CFT requirements.	Provide adequate powers for the supervisors of the insurance market for the measures and ensure compliance with AML/CFT requirements and to take measures for the enforcement of sanctions for companies and their management, and directors for non-compliance with the AML/CFT requirements.	Medium term	Ministry of Finance of FBiH and RS, and Insurance Agency of Bosnia and Herzegovina and Insurance Agency for supervision at entity level	
<p>Please provide details of the powers granted to supervisors in the insurance market to monitor and ensure compliance with AML/CFT requirements.</p> <p>Please provide details of enforcement measures and sanction both the institutions/businesses and their directors/senior management for non-compliance</p>				

<p>with AML/CFT requirements. If available provide statistics on use of supervisory powers in an annex to this report. Please provide an English translation of any appropriate legislation as adopted and in force.</p>				
<p>R.30</p>				
<p>An adequate structure, funding, staffing, and technical resources should be made available for supervision of implementation of the national AML/CFT requirements by DNFBPs.</p>	<p>In the course of establishing the new FI Agency measures are being taken to set up a specialised internal unit which will be responsible for education and supervision of those entities (DNFBPs and other obligors) that do not fall under the remit of any other supervisory authority. In this regard the Agency will be seeking to employ specialised and experienced personnel for this job. It will also have to increase its budget and install technical and other resources such that the Agency is able to fulfil these new obligations effectively and efficiently.</p>	<p>Medium term</p>	<p>FIU, and Council of Ministers of BiH</p>	<p>Since Draft Law on Amendments of the AML/CFT Law which was prepared during 2011 was not adopted by House of Representatives of the Parliamentary Assembly of B&H, it was given up of establishing new FI Agency in the new Law on Amendments of the AML/CFT Law</p>
<p>Please provide details of the new FI agency including</p> <ul style="list-style-type: none"> • Level of staff • Technical resources • Budget • Scope of responsibilities • Date of establishment • Legislation setting out powers and responsibilities <p>Please provide an English translation of any appropriate legislation as adopted and in force.</p>				
<p>There is a need to define professional standards (including confidentiality and integrity</p>	<p>Establish the Team for training and supervision of DNFBPs</p>	<p>Medium term</p>	<p>FIU</p>	

requirements), and required expertise/skills of the staff of bodies implementing supervision of DNFbps.				
<p>Please provide details of professional standards (including confidentiality and integrity requirements), and required expertise/skills of the staff of bodies implementing supervision of DNFbps.</p> <p>Please provide an English translation of any appropriate legislation as adopted and in force.</p>				
R.33				
It is recommended that the obliged entities apply Articles 10 and 15 of the new AML Law better and verifies information through other public registers such as the Register of Securities	Ensure that the obliged entities apply Articles 10 and 15 of the new AML Law and verify information through other public registers such as the Register of Securities	Medium term	FIU	
<p>Please provide information on the measures taken to oblige reporting entities to apply Articles 10 and 15 of the new AML Law through other public registers such as the Register of Securities.</p> <p>Please provide an English translation of any appropriate legislation as adopted and in force.</p>				
R.35 and SR.I				
The same comments as are made on R. 31 in relation to implementation of the respective Conventions (especially the Terrorist Financing Convention) and the UN Security	Remove deficiencies for the efficient implementation of the Convention relating to the criminalization of crimes of money laundering and terrorism financing (especially the Convention on the Financing of terrorism) and UN Security Council Resolution	Medium term	Ministry of Justice of BiH and Ministry of Justice at Entity level and District Brcko	

Council Resolutions apply here.*				
<p>Please provide details of steps taken to apply UN Conventions. Please provide an English translation of any appropriate legislation as adopted and in force in this respect.</p>				
<p>SR.II</p>				
<p>The terrorist financing (“funding of terrorist activities”) offences need to be incriminated in all four Criminal Codes so as to clearly provide criminal sanctions concerning the collection and provision of funds with the unlawful intention that they are to be used, in full or in part, by a terrorist organisation or by an individual terrorist as required by SR.II.*</p>	<p>By annual agenda of the Ministry of Justice of BiH for 2011, it is envisaged the creation of the proposal of the Law on Amendments to the Criminal Code of BiH, where will be made the amendments of Article 202 of the same, which regulates the financing of terrorist activities. Abovementioned Law shall contain a provision under which the competent authorities of the Federation of Bosnia and Herzegovina, Republic of Srpska and Brcko District of Bosnia and Herzegovina shall harmonize their criminal laws with this law within a specified period from the date of enactment of this law.</p>	<p>Adoption of Criminal Codes - medium term)</p>	<p>Ministry of Justice of BiH, Ministry of Justice of Federation Bosnia and Herzegovina, Ministry of Justice of RS and Brcko District</p>	
<p>Please provide details of amendments to the terrorist financing (“funding of terrorist activities”) offences of all four Criminal Codes so as to clearly provide criminal sanctions concerning the collection and provision of funds with the unlawful intention that they are to be used, in full or in part, by a terrorist organisation or by an individual terrorist as required by SR.II. Please provide an English translation of amendments to the Criminal Codes as adopted and in force.</p>				
<p>Criminal laws should be amended to incorporate the funding of terrorist organizations and</p>	<p>By annual agenda of the Ministry of Justice of BiH for 2011, it is envisaged the creation of the proposal of the Law on Amendments to the Criminal Code of BiH, where will be made the</p>	<p>Adoption of Criminal Codes - medium term)</p>	<p>Ministry of Justice of BiH, Ministry of Justice of Federation Bosnia and Herzegovina,</p>	

individual terrorists, both at State level and that of the Entities and Brcko District.	amendments of Article 202 of the same, which regulates the financing of terrorist activities. Abovementioned Law shall contain a provision under which the competent authorities of the Federation of Bosnia and Herzegovina, Republic of Srpska and Brcko District of Bosnia and Herzegovina shall harmonize their criminal laws with this law within a specified period from the date of enactment of this law.		Ministry of Justice of RS and Brcko District.	
<p>Please details of amendments to the Criminal Codes to incorporate the funding of terrorist organisations and individual terrorists. Please provide an English translation of amendments to the Criminal Codes as adopted and in force.</p>				
Domestic authorities at all competent level should satisfy themselves that the full definition of "funds" according to Criterion II.1b is properly covered by the current terrorist financing offences.	Amendments to the Criminal Codes in BiH will provide a complete definition of funds in accordance with the criterion II.1b.	Medium term	Ministry of Justice of BiH, Ministry of Justice of Federation Bosnia and Herzegovina, Ministry of Justice of RS and Brcko District	
<p>Please provide details of measures taken to properly cover the definition of "funds" as required by Criterion II.1b. Please provide an English translation of amendments to the Criminal Code as adopted and in force.</p>				
Consideration should be given to whether the financing of terrorism should remain criminalized at all levels of legislation	The possibility of criminalization the financing of terrorism only at the state level shall be discussed.	Medium term	Ministry of Justice of BiH, Ministry of Justice of Federation Bosnia and Herzegovina, Ministry of Justice of	

in Bosnia and Herzegovina or be qualified among those exclusively dealt with at state level.			RS and Brcko District	
<p>Please provide details of the steps taken to consider whether the financing of terrorism should remain criminalised at all levels of legislation in Bosnia and Herzegovina or be dealt with exclusively at state level.</p> <p>Please provide an English translation of any appropriate legislation as adopted and in force in this respect.</p>				
Consideration should be given to abandoning the use of “double definitions” of legal terms pertaining to criminal substantive law in multiple legal sources.	Consideration will be given to abandoning the use of “double definitions” of legal terms pertaining to criminal substantive law in multiple legal sources	Medium term	Ministry of Justice of BiH, Ministry of Justice of Federation Bosnia and Herzegovina, Ministry of Justice of RS and Brcko District	
<p>Please provide details of the steps taken to consider whether to abandon the use of “double definitions” of legal terms pertaining to criminal substantive law in multiple legal sources.</p> <p>Please provide an English translation of any appropriate legislation as adopted and in force in this respect.</p>				
SR.VI				
The Bosnia and Herzegovina authorities should examine the operations of Tenfored.o.o within the context of the obligations of the obliged entities under Article 3 of the old LPML– now Article 4 under the new AML Law. Indeed,	Working Group of the Council of Ministers will prepare a draft of amendments to the AML/CFT Law that will include TENFORE as obligor.	Medium term	Working Group and Council of Ministers of BiH	

<p>through the 'Agent Compliance Manual', the company already seems to be imposing upon itself certain AML obligations, in particular in reporting and providing information to the FID. This is a positive initiative on the part of Tenfored.o.o., however if there is a need for Tenfored.o.o. to impose such obligations, this need should be officially formalised through the AML Law.</p>				
<p>Please provide details of relevant amendments to the AML/CFT to include Tenfored.o.o as an obligor. Please provide an English translation of amendments to the AML/CFT Law as adopted and in force.</p>				
<p>SR.VII</p>				
<p>Although wire transfers are covered by the Law on Payment Transactions of both Entities and Brcko District yet most of the criteria for SR VII are not met as the Law only covers the technical operational aspects. The new AML Law now addresses some of the missing aspects identified</p>	<p>Working Group of the Council of Ministers will prepare a draft of amendments to the AML/CFT Law that will include the specific provisions:</p> <ul style="list-style-type: none"> • to ensure that full originator information accompanies cross-border transfers; • to establish what information should accompany domestic transfers; • to ensure that the Post Office is 	<p>Medium term</p>	<p>Working Group and Council of Ministers of BiH</p>	

<p>at the on-site visit. The new law however does not differentiate between domestic and cross-border payments and hence it is difficult to identify compliance with the respective criteria. Notwithstanding, it is recommended that specific legal provisions be introduced:</p> <p>to ensure that full originator information accompanies cross-border transfers;</p> <p>to establish what information should accompany domestic transfers;</p> <p>to ensure that the Post Office is monitored on its compliance with such regulations as may be established;</p> <p>to ensure that appropriate sanctions can be and are applied for non-compliance.</p>	<p>monitored on its compliance with such regulations as may be established;</p> <ul style="list-style-type: none"> to ensure that appropriate sanctions can be and are applied for non-compliance. 			
<p>Please provide details of measures taken to ensure:</p> <ul style="list-style-type: none"> that full originator information accompanies cross-border transfers; what information should accompany domestic transfers; 				

- that the Post Office is monitored on its compliance with such regulations as may be established;
 - that appropriate sanctions can be and are applied for non-compliance.
- Please provide an English translation of relevant amendments to the AML/CFT Law as adopted and in force.

SR.VIII				
<p>The statistics on the number of the existing NPOs in BiH are not accurate enough, considering the lack of a clear mechanism on the reciprocal recognition of associations and foundation and the possibility that certain NPOs are registered, for example, at the entity and state level and counted twice. The authorities should undertake appropriate measures for avoiding double/triple registration and counting of NPOs and improving the mechanism of reciprocal recognition of associations and foundation.</p>	<p>The Ministry of Justice of Bosnia and Herzegovina made a draft of Framework Law on the Establishment of Joint Registry of Non-Governmental Organizations in Bosnia and Herzegovina, and Amendments on Law on Associations and Foundations of BiH, the further procedure is in the course.</p>	<p>Adoption of Framework Law - medium term</p>	<p>Ministry of Justice of Bosnia and Herzegovina</p>	<p>Please see Cover letter</p>

Please provide details of steps taken to ensure that all NPOs are clearly identified and registered. Please provide an English translation of amendments to the Law on the Establishment of Joint Registry of Non-Governmental Organizations in Bosnia and Herzegovina and to the Law on Associations and Foundations of BiH as adopted and in force.

<p>There is no single Register of non-profit organisations, as is the case with churches and religious communities, and the authorities should consider introducing such a centralised register for the above mentioned purposes. Also, considering the very limited number of NPOs that decide to be registered at the state level, measures should be undertaken in order to clarify the specific of state and entity registration, advantages of state registration, etc.</p>	<p>The Ministry of Justice of Bosnia and Herzegovina made a draft of Framework Law on the Establishment of Joint Registry of Non-Governmental Organizations in Bosnia and Herzegovina, and Amendments on Law on Associations and Foundations of BiH, the further procedure is in the course.</p>	<p>Adoption of Framework Law - medium term</p>	<p>Ministry of Justice of Bosnia and Herzegovina</p>	<p>Please see cover letter</p>
<p>Please provide details of steps taken to establish a centralised register for the Register of non-profit organisations. Please provide details of the Framework Law on the Establishment of Joint Registry of Non-Governmental Organizations in Bosnia and Herzegovina, indicating whether this law has been enacted and has come into effect. Please provide details of the Amendments on Law on Associations and Foundations of BiH as adopted and in force. Please provide an English translation of amendments to the Framework Law on the Establishment of Joint Registry of Non-Governmental Organizations, if enacted, and the Amendments on Law on Associations and Foundations of BiH as adopted and in force.</p>				
<p>Concrete steps need to be taken to address the essential criteria under the AML/CFT Methodology to</p>	<p>BiH authorities shall pass bylaws that will regulate supervision over non-profit organization financial operations in order to prevent their abuse for financing of terrorism</p>	<p>Medium term</p>	<p>Ministry of Justice of Bosnia and Herzegovina and Ministry of Security of</p>	<p>Please see cover letter</p>

ensure that non-profit organisations cannot be abused for financing of terrorism.			BiH	
Please provide details of steps taken to introduce bylaws that will regulate supervision over non-profit organization financial operations. Please provide an English translation of any appropriate legislation as adopted and in force in this respect.				
There should be express legal provisions requiring that the business records of the NPOs are kept for at least five years.				Please see paragraph 65 of 5th Compliance Report of Bosnia and Herzegovina – NPO’s are defined as “liable persons” and they fall under the record keeping requirements set out in the existing AML/CFT Law.
Please provide an English translation of any legislative provisions introduced requiring that the business records of the NPOs are kept for at least five years.				
SR.IX				
The Indirect Tax Authority of Bosnia and Herzegovina does not appear to be fully involved in implementing the current partial regime existing on the entity level in the context of AML CFT according to SR IX efficiently and effectively. In particular it lacks the	Review the whole framework of cross border declarations and disclosures against the essential criteria for SR IX.	Medium term	The Indirect Tax Authority of Bosnia and Herzegovina, Ministry of Finance of BiH	On the initiative of representatives of Indirect taxation Authority in sessions of Working group AML/CFT at the level of Institutions of Bosnia and Herzegovina there was continuous discussion on limitations

<p>appropriate powers and tools to do so. A significant number of essential criteria do not appear to be met and there is therefore a need to review the whole framework of cross border declarations and disclosures against the essential criteria for SR IX.</p>				<p>appearing while ITA Customs Sector works within framework of entities Laws on foreign currencies. Conclusions were adopted to make initiative for preparing and enacting of State level Law on foreign currencies, incorporating explicate mechanisms, basing on which ITA authorities will be able to make adequate monitoring on taking in and out currency (both foreign and domestic).</p>
<p>Please provide details of steps taken to review the whole framework of cross border declarations and disclosures against the essential criteria for SR IX and any action taken as a result of this review. Please provide an English translation of any appropriate legislation or regulations adopted and in force as a consequence of this review.</p>				
<p>Adequate funding and training is required for Customs and the financial sectors to implement and respect the customs and tax legislation.</p>	<p>Provide adequate funding and training is required for Customs and the financial sectors to implement and respect the customs and tax legislation.</p>	<p>Medium term</p>	<p>The Indirect Tax Authority of Bosnia and Herzegovina and Ministry of Finance of BiH</p>	<p>Please see ANEX III, which presents with specific details Budget and number of employees of ITA as well as seminars and trainings for ITA servants, all for 2011, 2012 and first 6 months of 2013, what shows</p>

				that adequate funding and trainings are provided.
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Please provide details of steps taken to have adequate funding and training is required for Customs and the financial sectors to implement and respect the customs and tax legislation.

Please provide details on awareness raising seminars and trainings conducted.

Please provide details of :

- **Dates**
- **Topics covered**
- **Number of delegates**

	BiH	FBiH	Republic Srpska	Brcko District
Customs				

Please see ANEX III



MINISTARSTVO PRAVDE REPUBLIKE SRPSKE

Trg Republic of Srpska, broj 1, Banja Luka, tel: 051/339-535, fax: 051/33-650, E-mail: mpr@mpr.vladars.net

ANEX I

Number: 08.030-052-3449/13

Date: 9 September, 2013

STATE INVESTIGATION AND PROTECTION AGENCY

SUBJECT: Answers to recommendations of the MONEYVAL Secretariat

RECOMMENDATION 1

As you may know, in criminal legislation of Republic of Srpska, as well as criminal legislation of BiH, the verdict for criminal offence of Money Laundering is directly linked to the conducted predicate criminal offence, i.e. commission of a predicate criminal offence is a prerequisite for commission of a criminal offence of Money Laundering.

Article 9 of the Warsaw Convention introduces one important novelty – the circle of predicate criminal offences is extended, and paragraph 5 prescribes that a prior or simultaneous conviction for the predicate offence is not a prerequisite for a conviction for money laundering. This provision enables efficient implementation of the provision on extended confiscation as referred to in Article 9, paragraph 2, item c) (introduction of legal presumptions). Knowledge, intent or purpose required as an element of a criminal offence of money laundering or predicate criminal offence may be inferred from objective, factual circumstances.

Republic of Srpska is in process of harmonization of provisions of the Criminal Code with the provisions of the Warsaw Convention, including the abovementioned provision. We would like to mention that BiH has signed and ratified the Warsaw Convention which updates (in terms of money laundering and confiscation of the proceeds of crime) the previous international conventions – including the Vienna Convention and Palermo Convention, and in those terms we consider that the Action Plan for Fight against Money Laundering and Financing of Terrorist Activities in the Recommendation 1 should be based on harmonization of the abovementioned provision from Article 9 of the Warsaw Convention since only in that way «prior or simultaneous conviction for the predicate offence is not a prerequisite for a conviction for money laundering» may be the answer to Recommendation 1, having in mind the newly adopted provisions in the Law on Confiscation of Proceeds of Crime.

RECOMMENDATION 3

In terms of Recommendation 3 which refers to confiscation of proceeds commingled with legitimate assets in the Criminal Code of Republic of Srpska, the following is noted:

The international community has - in numerous convention, declarations, conclusions and recommendations - expressed the generally accepted opinion that efficient fight against organized and transnational crime, corruption, money laundering or terrorism cannot be carried out without an

adequate legal mechanism enabling control of suspicious money transfers, facilitated identification of origin of assets, efficient confiscation of illegally obtained assets as well as adequate administration of confiscated assets with the purpose of keeping its value.

For these reasons, in the beginning of 2007 the Government of the Republic of Srpska started the procedure of bringing the Law on Seizure and Confiscation of Proceeds of Crime for Republic of Srpska. The National Assembly of the Republic of Srpska brought the 'Law on Seizure and Confiscation of Proceeds of Crime' on 25 January 2010, as a *lex specialis* regulating the conditions, procedures and bodies competent for detection, confiscation and administration of illegally obtained assets. The Law on Seizure and Confiscation of Proceeds of Crime entered into force on 1 September 2010.

The reasons for adoption of this Law are a part of the demands of the European Union where one of the short-term priorities prescribes improvement of legislation and strengthening of capacities for confiscation of illegally obtained assets.

The Law is harmonized with international conventions and documents in the majority of provisions, i.e. internationally recognized legal standards in the area of confiscation of illegally obtained assets are 'built' in the abovementioned Law, including inverse burden of argumentation, i.e. shifting of burden of argumentation and extended seizure of property (*Convention on Laundering, Search, Seizure and Confiscation of Proceeds of Crime – Strasbourg Convention, UN Convention against Transnational Organized Crime – Palermo Convention, Convention on Laundering, Identification, Seizure and Confiscation of Proceeds of Crime and Financing of Terrorism – Warsaw Convention etc.*)

The bodies competent for detection, seizure and administration of proceeds of crime are the prosecutor, court, organizational unit of the Ministry of Interior (Department for Financial Investigations and Seizure of Proceeds of Crime) and organizational unit of the Ministry of Justice (Agency for Administration of Seized Assets).

The Law clearly enables seizure of material gains or assets for which legal origin has not been proved (obvious disproportion), disregarding any relevant time connection between a certain type of criminal offence in terms of which there is a final judgement and time in which assets have been obtained.

(1) The subject of the Law is prescribed in Article 1 and the Law on Seizure and Confiscation governs the requirements, the procedure and the authorities responsible for tracing, seizure/confiscation and administration of proceeds of crime. Article 2 shows itemized criminal offences prescribed by the Criminal Code of the Republic of Srpska to which the provisions are applied to, as it follows:

a) Against sexual integrity: Trafficking in Human Beings for the Purpose of Prostitution (Article 198); Abuse of a Child or Juvenile for Pornography (Article 199); Production and Screening Child Pornography (Article 200),

b) Against public health: Illegal Manufacturing and Trafficking in Narcotics (Article 224),

c) Against economy and payment system: Counterfeit and Abuse of Securities (Article 275); Counterfeiting of Credit Cards and Other Non-cash Payment Cards (Article 276); Counterfeiting of Representations of Value (Article 277); Money Laundering (Article 280); Illegal Commerce (Article 281); Tax and Contribution Evasion (Article 287),

d) Against Abuse of Official Duties: Abuse of Office or Official Authority (Article 347); Embezzlement (Article 348); Fraud in Office (Article 349); Accepting Bribe (Article 351); Giving Bribe (Article 352); Illegal Mediation (Article 353),

e) Organized Crime (Article 383a),

f) Against Public Peace and Order: Manufacturing and Purchasing of Weapons and Items for the Purpose of Committing a Criminal Offence (Article 398); Illegal Manufacturing and Trafficking in Weapons and Explosives (Article 399) and

g) Against humanity and other goods protected by international law.

The provisions of this Law are also applied to other criminal offences defined by the RS Criminal Code if the assets, i.e. the value of items that have been used or were aimed to or are a result of a criminal offence exceeds the amount of 50.000,00 BAM.

It is important to emphasize that the legislator has itemized the criminal offences to which the provisions of this Law are applied, regardless of the value of assets (for example, for criminal offences for which seizure and confiscation of assets can be expressed – the smallest prescribed punishment should be one year) or the value of items that have been used or were aimed to or are a result of a criminal offence. Also, based on the experiences from local and international court practice, criminal offences which easily bring enormous profit to the perpetrator are also listed. The value of material gain for these criminal offences, or the value of items that have been used or were aimed to or are a result of a criminal offence, does not have an important role and the provisions of the Law are applied regardless of the value of material gain.

Article 3 defines the terms used in this Law, and the definition of term property is particularly important – property is defined as ‘a group of property rights and obligations of the property owner over movable and immovable items’. Property is also considered as profit or any other gain that has been either direct or indirect result of a criminal offence, as well as any asset that it had been turned into or commingled with. Property obtained by commission of a criminal offence is property of the perpetrator of a criminal offence - property owner- obtained before the start of procedure for criminal offence referred to in Article 2 of this Law which is obviously disproportional to his/her lawful income. Lawful income refers to available financial resources of the property owner for which it is possible to determine the legality of obtaining.

This definition of property is in compliance with the definition of property from the abovementioned international conventions. The very definitions of property and property obtained from criminal offence show crucial difference in relation to the subject of material gain obtained by commission of a criminal offence. That is gain obtained directly or indirectly from a criminal offence and obtained before the start of procedure for predicate criminal offence and is obviously disproportional to his/her lawful income. This regulation enables seizure of material gains or assets for which legal origin has not been proved, disregarding any relevant time connection between a criminal offence and time in which assets have been obtained. Besides, it is important to emphasize that the implementation of the Law in terms of time is not limited, that is, the Law is implemented regardless of the time the criminal offence has been committed (in the beginning it was prescribed that the Law is implemented only for the criminal offences committed since 1997).

As we can see from the abovementioned, the provisions of the Law on Seizure and Confiscation of Proceeds of Crime define the matters of confiscation of illegal income and illegally obtained assets, as well as confiscation of illegal income commingled with legal assets. Therefore, there is no need to amend the Criminal Code of Republic of Srpska according to proposed corrections from Recommendation 3 of the MONEYVAL Secretariat. It is considered that Republic of Srpska has completely fulfilled its obligations from the mentioned recommendations.

According to the Law on Seizure and Confiscation of Proceeds of Crime and Criminal Code, and based on the financial reports filed to the competent prosecutor’s offices by the RS MoI Department for Financial Investigations and Seizure of Proceeds of Crime, and upon the motion filed by the competent prosecutor’s offices, the competent courts made decisions on temporary seizure of assets, that is decisions on temporary seizure of assets for the purpose of insurance, in accordance with the Article 138 of the RS CPC and Article 4 of the Law on Seizure and Confiscation of Proceeds of Crime (temporary seizure of assets for the purpose of insurance), which were utilized to impose necessary measures towards movable and immovable property of the total value of about 45.000.000,00 BAM.

The value of the property seized by the competent courts upon our report on financial investigation amounts 21.000.000,00 BAM in the procedure to become permanently seized, while the property permanently seized amounts 538.000,00 BAM.

For the purpose of comparison, let us state that in the last eight years, before the Law on Seizure and Confiscation of Proceeds of Crime was passed (2003-December 2011), the courts in Bosnia and Herzegovina (the whole BiH territory) forwarded 106 judgments to the Office of Attorney General. The total value of the property that should have been seized is 36.000.000,00 BAM. Only two reports were executed upon, in the value of 741.500,00BAM.

In addition, it is of great importance to emphasize that the Republic of Srpska Ministry of Internal Affairs Department for Financial Investigations and Seizure of Proceeds of Crime, in a period from October 2010 to August 2013, filed seven reports on money laundering to competent prosecutor's offices against twenty-five individuals, where the total value of "dirty-laundered" money is 39.479.684,00 BAM. The total value of the property blocked in these cases by the competent courts, that is, of the temporarily seized property amounts 28.000.000 BAM and the same is situated at the territory of the Republic of Srpska and Montenegro. Here one should mention the operation of code name "Machine", as one of the most significant and complex police actions against money laundering ever conducted in the region. This case was initiated and conducted in cooperation with Serbia MoI and Montenegro MoI, the criminal and financial investigations were carried out against C.Z., D.N. and Lj.M., and other individuals from the D.S. organized criminal group, and against other people related to them. Having obtained the evidence during the financial investigation, the report was filed against three individuals due to reasonable doubt that they have committed money laundering in the value of over 13.500.000 BAM, while temporarily seized property amounted 19.000.000 BAM. In the course of the case, there has been submitted another report against three individuals, citizens of Serbia, whose initials are D.K., D.M. and D.S, due to reasonable doubt that they have committed money laundering in the value of 4.500.000 BAM. Other activities related to this case are ongoing and have been conducted together with the Special Prosecutor's Office of the Republic of Srpska and Special Prosecutor's Office of Serbia.

RECCOMENDATION 3 – amendments of Article 62 of the RS Criminal Code

First of all, it is necessary to emphasize that the provisions of Article 62 of RS Criminal Code prescribe only seizure of items that were used or resulted from commission of a criminal offence, and that there are several other articles in the RS Criminal Code and Criminal Procedure Code where there are imperative provisions prescribing that no other individual may keep financial gain obtained from a criminal offence, as it follows:

Article 94

The basis of the seizure of the Property Gain

- 1) Nobody shall be allowed to retain property gain obtained by commission of criminal offense.
- 2) The property gain referred to in Paragraph 1 of this Article shall be seized by the court decision, which established the perpetration of a criminal offence, under the terms set forth under this Code.

Article 95

Manner of the Property Gain Seizure

- 1) The money, valuable items and every other type of property gain obtained by commission of criminal offense shall be seized from the perpetrator, and in case the seizure is not feasible – the perpetrator shall be obligated to pay an amount of money which corresponds to the obtained property gain.
- 2) Property gain obtained by commission of criminal offense may be seized from persons to whom that property gain has been transferred without compensation or with a compensation which does not correspond to the real value, if the persons in question knew or should have known that the property gain was obtained by commission of criminal offense.

Article 280

Money laundering

- 6) The money and property referred to in a preceding Paragraph shall be seized.

Article 402

Seizure of items

- 1) The items that need to be seized under the Criminal Code shall be seized also when the criminal procedure is not completed by a verdict which declares the accused guilty, if this is required in the interests of general security. A separate decision shall be issued on this.

- 2) The decision referred to in Paragraph 1 of this Article shall be issued by the court at the moment when the proceedings are concluded or dismissed.
- 3) The decision on seizure of items referred to in Paragraph 1 of this Article shall be issued by the court when the verdict, which declares the accused guilty, fails to contain such a decision.
- 4) A certified copy of the decision on seizure of items shall be delivered to the owner of the items concerned if the owner is known.
- 5) The owner of the items may appeal the decision from Paragraphs 1,2 and 3 of this Article on the grounds of non-existence of a legal basis for seizure of items.

Article 403

Seizure of Proceeds of Crime (Criminal Seizure)

- 1) The existence of proceeds of a criminal offense shall be established in a criminal procedure ex officio.
- 2) The prosecutor shall be obliged to collect evidence during the procedure and examine the circumstances that are important for the assessment of the proceeds of a criminal offense.
- 3) If the injured party submitted a claim for repossession of items obtained through a criminal offense, or the amount that is equivalent to the value of such items, the existence of proceeds of crime shall be established only in the part that is not included in the property claim.

Article 62 of the RS Criminal Code prescribes that 'Items used or destined for use in the perpetration of a criminal offence, or those items resulted from the perpetration of a criminal offence may be seized if those items are owned by the perpetrator.' It is our opinion that the legislator made the right decision leaving the discretionary provision 'may be seized' instead of obligatory confiscation, leaving the discretionary right to authorities to decide in which cases such items shall be seized.

First of all, items used or destined for use in the perpetration of a criminal offence, or those items resulted from the perpetration of a criminal offence represent evidence in a criminal procedure and are seized and used as such in the criminal procedure, and the majority of activities of police offices and prosecutors is aimed at gathering such evidence. However, introduction of obligatory confiscation of such items would certainly bring problems in the practical implementation of such provision, leading to breach of **human right to peaceful enjoyment of property**. For example, in case of obligatory seizure, the perpetrator of a criminal offence of Endangering public transport from Article 401 if the RS Criminal Code should be seized his/her motor vehicle etc., or in case of a conscientious owner, those items should be brought back to him. Referral to restore the offender would not be in accordance with the principles of fairness, because in most cases a conscientious owner cannot be compensated by the perpetrator.

MINISTER
Gorana Zlatkovic

("Official Gazette Republic of Srpska", No. 12/10)

**REPUBLIKA SRPSKA
GOVERNMENT**

Law on Seizure and Confiscation of Proceeds of Crime

Banja Luka, August 2009

Law on Seizure and Confiscation of Proceeds of Crime

I GENERAL PROVISIONS

Article 1

This Act defines conditions, procedures and institutions authorized to detect, recover and manage the criminal assets.

Article 2

1 Provisions of this Act are being applied to criminal offences defined in the Republic of Srpska Penal Code (, Republika Srpska Official Gazette “,no 49/03, 108/04, 37/06 and 70/06):

a) crimes against sexual integrity (human trafficking for prostitution Article 198, Abuse of a child or juvenile for pornography Article 199 and Production and Broadcasting Child Pornography Article 200);

b) Crimes against public health: Illegal Production and Trafficking with Drugs, Article 224;

c) Crimes against economy and payment system (Counterfeiting or Destroying Business or Commercial Books or Documents, Article 275, Counterfeiting of Credit Cards and Other Non-cash Payment Cards Article 276, Counterfeiting Representations of Value Article 277, Money Laundering ,Article 280, Illegal Trade Article 281, Tax and Contribution Evasion Article 287);

d) Crimes Against Authority (abuse of powers or vested authorities Article 347, Embezzlement Article 348, Fraud Article 349, Receiving Bribe Article 351, Offering Bribe Article 352 and Illegal Mediation Article 353);

e) Organized crime (Article 383a)

f) crimes against public order (Manufacturing and Purchasing Weapons and Items to Commit Criminal Offence, Article 398 and Illegal Production and Trafficking with Weapons and Explosive Devices Article 399);

g) Crimes against Humanity and Values Protected by the International Law.

2 Provisions of this Act shall be applicable to all criminal offences defined in the part 1 of this Article, as well as to other criminal offences defined in Republic of Srpska Penal Code, and if the assets, that is the value of items that have been used or were aimed to or are a result to a criminal offence exceeds the amount of 50.000,00 convertible marks.

Article 3

1 Certain terms used in this act have the following meaning:

a) Assets are collection of property rights and obligations of the holder of those rights over the real estate and chattels. A property is also considered to be the profit or any other gain that has been either direct or indirect result of the criminal offence, as well as any assets that it had been turned into or merged with.

b) The criminal assets are the assets of the offender, property owner, obtained prior to initiation of criminal proceedings defined in the Article 2 of this Act, that are in obvious discrepancy with his reported incomes. Reported incomes are all the available financial resources of the property owner that may provide its legal background.

c) Decedent is a person who has not been subject to criminal proceedings due to his death, or proceedings against that person have been discontinued, whereas the criminal proceedings against other individuals have established that the assets of the decedent have been proceeds of the criminal offence.

d) Legal successor is the heir of the convicted individual, decedent or their heirs.

e) A third person is a natural or legal entity to whom the criminal assets have been passed on.

f) Owner of the property is an offender or associated persons, decedent, legal successor or a third person.

g) Associated persons are: Family members: spouse, cousin once removed, siblings, adopted children and their descendants sharing the same household and cousins up to three times removed degree; Trustee or trustees, owning at least 50% of the property value or at least 50% of share in the shareholding company, directly or through one of more natural or legal entities and: Other natural and legal entities: offenders, accomplices, **organizers** in a **criminal conspiracy**, instigators and accomplices (hereinafter referred as: property owner).

e) The forfeiture is a temporary or permanent seizure of proceeds of crime.

Article 4

Unless provisions of this Act stipulate otherwise, the detection and forfeiture of criminal assets procedure will apply the provisions of the Republic of Srpska Criminal Proceedings Code (RS Official Gazette, 50/03, 115/04, 29/07, 68/07 and 119/08).

2 RELEVANT INSTITUTIONS

Article 5

- 1 Institutions relevant to detect, forfeit and manage the criminal assets are prosecutor's offices, the court, the Republic of Srpska Ministry of Interior (hereinafter referred to as: RS MoI) and an Asset Management Agency (hereinafter referred to as: the Agency).
- 2 Responsibilities of the prosecutor and the ruling court as stipulated in the paragraph 1 of this Article are to be derived according to the jurisdiction of the court over the proceeds of crime.
1. Ministry of Interior

Article 6

- 1 Ministry of Interior shall establish a special unit (hereinafter referred to as: the Unit) authorized to detect proceeds of crime and perform other tasks in accordance with this Act.
- 2 Activities stipulated in the paragraph 1 of this Article are to be carried out by the Unit in the line of duty or upon the order issued by respective court or prosecutor's office.
- 3 All republic bodies, organizations and services are obliged to assist the Unit.

Article 7

The Rulebook on Internal Organization and Systematization of positions within the RS MoI will establish the Unit defined in the Article 6 of this Act.

2. Asset Management Agency

Article 8

- 1 The tasks foreseen by this Act are to be carried out by the Asset Management Agency, an administrative unit within the Ministry of Justice of Republic of Srpska (hereinafter referred to as: the Ministry).
- 2 The Agency is to carry out its tasks in the line of duty or upon the order issued by prosecutor's office or the court.
- 3 All the republic and other bodies, organizations and public services are obliged to assist the Agency.

Article 9

- 1 The Agency:

a) Manages the criminal assets, proceeds of crime defined by the Article 62 of the RS Penal Code), proceeds of criminal offence defined by Articles 94 throughout 96 of the RS Penal Code and property provided as a guarantee in criminal proceedings;

b) Provides a professional assessment of proceeds of crime;

c) Stores, preserves and sells the seized criminal assets and manages funds obtained in such a manner;

- e) Keeps records of property that it manages in terms of item a of this paragraph and of court proceedings deciding upon such assets;
 - f) Assists in providing legal aid;
 - g) Assists in training civil servants in relation to forfeiting of criminal assets and;
 - h) Performs other tasks in accordance with this Act.
- 2 The Agency also performs the tasks defined in paragraph 1 of this Article pertaining to assets that are proceeds of violation.

Article 10

- 1 The Agency holds the role of a legal entity.
- 2 Agency's Home Office is in Banja Luka.
- 3 The Agency may have separated filed offices, located out of the home office.

Article 11

- 1 The Agency is fronted by the Director appointed by the government to a five year mandate in accordance with the Law on Civil Servants (The RS Official Gazette, number 118/08);
- 2 The Director is responsible for his work and the work of the Agency and responds to the Minister.

Article 12

- 1 The work, the internal organization and systematization of the Agency are defined by the regulations on civil service.
- 2 The rights and obligations of the Agency's employees are subject to regulations on civil servants and employees.

Article 13

Agency's funds are secured from the Republic Srpska budget as well as from other funds, in accordance with the law.

Article 14

The work of the Agency is being supervised by the Ministry.

3 PROCEDURE

1 Financial Investigation

Article 15

- 1 Financial investigation is to be motioned against the property owner once there are grounds for suspecting one is in possession of significant assets that are proceeds of crime.
- 2 Financial investigation collects evidence on assets and legal incomes acquired by the property owner, that is, attained before the motion of criminal proceedings for criminal offence pursuant to the Article 2 of this Act, evidence of property inherited by a legal successor and evidence on property and fees of transfer of property to a third person.

Article 16

- 1 It is the obligation of all bodies and individuals involved in financial investigation to act with utmost urgency.
- 2 Information regarding the financial investigation is secret and represents an official secret. Besides the authorized personnel, other individuals that get an access to that information are not authorized to release them. An authorized official is obliged to inform another person that such information is considered secret.

Article 17

- 1 Financial investigation is motioned upon the order issued by the prosecutor.
- 2 Financial investigation is handled by the prosecutor.
- 3 The evidence is collected Pursuant to the Article 15, paragraph 2 by the Unit and upon the prosecutor's request or upon the line of duty authorization.

Article 18

- 1 An apartment search and search of other premises of the owner or other individuals may take place in case there are grounds for suspecting that it will result in obtaining evidence pursuant to the Article 15, paragraph 2 of this Act.
- 2 A search of the owner of the property or other individuals may take place in case there are grounds for suspecting that it will result in obtaining evidence defined in the paragraph 1 of this Article.

Article 19

- 1 Items that may be used as evidence pursuant to the Article 15 paragraph 2 of this Act, will be temporarily forfeited in accordance with regulations of the Republic of Srpska Criminal Procedure, based on the court order and upon the proposal of the prosecutor.
- 2 Items defined in the paragraph 1 of this Article may, in accordance with Republic of Srpska Criminal Procedure Code, be temporarily confiscated regardless the court order, if there is a risk of postponement.
- 3 RS institutions, and other relevant bodies, organizations and public services are obliged to enable the Unit to have the insight into information, documents and other items pursuant to the paragraph 1 of this Article.
- 4 The insight and the delivery defined in the paragraph 3 of this Article may not be restrained by appealing to the necessity of keeping the business, official, state, or military secret.

Article 20

- 1 Upon the prosecutor's elaborate request, the court may issue an order to banking or other financial organization to deliver to the Unit the information regarding the business and private accounts and safety deposit boxes of the property owners, as well as enable the Unit to inspect the safe deposit boxes.
 - 2 Issuing an order defined in the paragraph 1 of this Article the court may grant the Unit the permission to perform automatic processing of the balance sheets of business and personal accounts and safe deposit boxes of the property owner.
2. Temporary assets forfeiture

Article 21

- 1 The prosecutor may submit a proposal on temporary assets forfeiture if postponed forfeiture proceedings create the risk of hindering execution warrant.
- 2 The proposal defined in the paragraph 1 of this Article contains information over property owner, description and legal definition of the criminal offence, identification of forfeiture assets, property-tracking document, circumstances that resulted in grounds of suspicion that the property has been acquired as a result of serious crime related activity and reasons that justify the necessity of temporary assets forfeiture.
- 3 The proposal defined in the paragraph 1 of this Article is to be decided upon by respective court based on the subject matter jurisdiction.

Article 22

- 1 The prosecutor may issue a restraining order if there is a risk that the owner is to administer illegally acquired property, prior to the court's decision over the proposal defined in the Article 21 paragraph 1 of this Act. (The RS Official Gazette, number 58/03, 85/03 and 74/05)

- 2 The decision on the restrain order is to be brought by the respective court in the line of duty and delivered to respective institution for registry.
- 3 The measure proposed by the paragraph 1 of this Article, is effective until the court rules the decision over proposal of the prosecutor.
- 4 The prosecutor will deliver the order defined in the paragraph 1 of this Article to the owner, the court and the Agency.

Article 23

- 1 Prior to the decision on proposal of temporary assets forfeiture, the court will schedule the hearing and summon up the owner, his defence lawyer, that is, legal representative, if there's one, and the prosecutor.
 - 3 The summons is to be delivered to a known address that is, the location of the individual from paragraph 1 of this Article with a remark that the hearing will be held regardless the potential failure to attend.

Article 24

- 1 The hearing defined in the Article 23 paragraph 1 of this Act is to be held not later than five days as of the date of submission of proposal on temporary asset forfeiture. Once commenced, the hearing will be finalized without interruptions.
- 2 It is at the hearing that the prosecutor will provide evidence on the assets of the owner, circumstances regarding grounds of suspicion that assets have been the result of criminal activity and circumstances regarding the potential jeopardy of hindering execution warrant in case of postponed forfeiture proceedings. The owner and his defence lawyer, that is, legal representative are to present evidence on ungrounded allegations made by the prosecutor that is the legal background of property in question.

Article 25

- 1 Upon completion of the hearing, the court is to issue the decision that agrees with or rejects the proposal on temporary assets forfeiture.
- 2 The decision on temporary assets forfeiture should provide the following: information on the property owner, description and legal definition of the criminal offence, the identification of the property subject to forfeiture, evidence on grounds of suspicion implying that the property had been acquired by criminal activity, reasons that justify the necessity of temporary assets forfeiture and length of confiscation period.
- 3 The court may by decision defined in the paragraph 2 of this Article leave to the owner a part of his property if his incomes or the support of persons one is obliged to maintain in accordance to the Law on Executive Procedures (Republic of Srpska Official Gazette number 59/03, 85/03, 64/05 i 118/07) .
- 5 The court is to deliver the decision defined in paragraph 1 of this Article to the owner, his defence lawyer, that is, legal representative, prosecutor and the Agency.

Article 26

- 1 The appeal against the decision defined in the Article 25 paragraph 1 of this Act shall be lodged not later than eight days since the day of its delivery.
- 2 The appeal should not delay the execution of decision defined in the Article 25 paragraph 2 of this Act.
- 3 The appeal against the decision is to be decided upon by the relevant court.

Article 27

- 1 Temporary assets forfeiture should take no longer than the deadline prescribed for the completion of the proposed procedure. Every three months, the court would revise the justness of further prolonging of temporary assets forfeiture.

- 2 Unless the decision on proposal of permanent assets forfeiture is being brought within the deadline prescribed in the paragraph 1 of this Article the court, within its powers, is to cancel the temporary assets forfeiture decision and the property, in that case, is to be returned to the owner.
3. Permanent Assets Forfeiture

Article 28

1 After indictment coming into effect, and not later than one year after final completion of criminal proceedings, the prosecutor shall submit proposal on permanent assets forfeiture of proceeds of crime.

2 The proposal from the paragraph 1 of this Article should provide: information on the inductee, description and legal definition of the criminal offence, the identification of the property subject to forfeiture, evidence on property in possession of inductee and legal assets, evidence that the property had been acquired prior to initiation of criminal proceedings, circumstances pointing out obvious discrepancy between the assets and incomes and reasons that justify the necessity of permanent assets forfeiture. The proposal against the legal successor shall provide evidence that the proceeds of crime have been inherited, and the proposal against the third person should provide evidence that criminal assets have been transferred without any compensation or with the compensation that does not reflect its real value in order to hinder the execution of forfeiture process.

- 3 The proposal defined in the paragraph 1 of this Article is to be decided upon by the relevant court

Article 29

- 1 If the proposal defined in the Article 28 paragraph 1 of this Act has been submitted in course of first instance proceedings, the court is to summon up the owner to the main hearing to clarify whether he shall contest the proposal. Shall the owner fail to attend the main hearing or plead over the proposal it will be considered that the proposal is not being contested.
- 2 Provided that the owner does not contest the proposal, the decision will be given in the verdict. The decision over the proposal may be pleaded against.
- 3 Shall the owner contest the proposal, the decision is to be brought in separate proceedings. These proceedings are to be completed no later than two years since finding the defendant guilty, or, in terms of the Article 3, point 3 of this Act, it has been established that the decedent is the owner of criminal assets.
- 4 Shall the court reject the indictment or drop the charges against the defendant it is to deliver the Republic of Srpska Taxation Office the information on defendant's property for further action.

Article 30

- 1 Once the owner contests the proposal stipulated by the Article 28 paragraph 1 of this Act, that is, if the owner did not respond in accordance with the Article 29, paragraph 3 of this Act or if the request has been filed upon the final completion of criminal proceedings, the court is to hold a separate hearing to decide upon the request. The hearing is to be scheduled not later than thirty days since reaching the final decision stipulated by the Article 29, paragraph 3 of this Act, that is, since the day the prosecutor filed his request.
- 2 The court is to summon the owner, his legal representative, if there is one, the prosecutor and other persons whose attendance is necessary for the course of the hearing as defined in the paragraph 1 of this Article. The summons are to be delivered to a valid address, that is, the office of the person summoned up with a warning that the hearing is going to take place, regardless the potential failure to attend.
- 3 The owner is to be delivered the summons, provided that there is at least fifteen days pause between the date of delivery and date of the scheduled hearing.
- 4 If the owner fails to attend the hearing, and has no legal representative to speak on his behalf, the court will designate one to represent him.

- 5 Shall the prosecutor fail to attend the hearing is to be postponed. The court is obliged to inform the respective prosecutor on such decision.

Article 31

- 1 The hearing shall begin with presentation of contents of the prosecutor's request. Once commenced, the hearing is to be finalized without interruptions, if possible.
- 2 Shall the request refer to assets of the convicted person the prosecutor is to present evidence on assets in convict's possession, legal incomes, evidence proving that assets have been acquired prior to initiation of criminal proceedings and circumstances pointing out obvious discrepancy between the assets and incomes of the convict. The convicted person and his legal representative shall provide evidence that either prosecutor's request is ungrounded or that assets have been legally acquired.
- 3 Shall the request consider the property of legal successor or a third person, the prosecutor is to provide evidence that the legal success or inherited criminal assets, that is, that it had been transferred to the third person without any compensation or with the compensation that does not reflect its real value in order to hinder the execution of forfeiture process. The legal successor, or the third person and its legal representative shall provide evidence that either prosecutor's request is ungrounded or that assets of his legal successor have been acquired legally.

Article 32

- 1 Upon completion of the hearing, the court is to decide upon approving or rejecting the request for permanent assets forfeiture.
- 2 The decision on permanent assets forfeiture should provide: information on the owner, description and legal definition of criminal offence, identification of the property subject to forfeiture, that is, the value that is being taken away from the owner provided that the owner managed criminal assets in order to hinder the execution of forfeiture process and decision on costs of management of temporary forfeited assets.
- 3 Provided that the incomes of the owner or the support of persons one is obliged to maintain are under question the court may by decision defined in the paragraph 2 of this Article and in accordance to provisions of the Law on Executive Procedures leave to the owner a part of his property.
- 4 The court is to deliver the decision defined in paragraph 1 of this Article to the owner, his defence lawyer, that is, legal representative, prosecutor and the Agency.
- 5 Immediately upon the delivery of decision defined in the paragraph 2 of this Article the Agency is to undertake measures pertaining to keeping and maintaining of forfeited assets. The Agency is to manage the forfeited assets until the completion of assets forfeiture procedure.

Article 33

- 1 The appeal against the decision stipulated in the Article 32, paragraph 1 of this Act, may be lodged by legal representatives no later than eight days since delivery of decision in question, directly to a higher instance.
- 2 The appeal shall not hinder the activities of the Agency, as provided by the Article 32, paragraph 5 of this Act.

Article 34

- 1 Deciding upon the appeal, the court may reject the appeal as untimely or unlawful, reject the appeal as ungrounded or accept the appeal and alter or abolish the decision and send it back for renewed procedure.
- 2 The decision on permanent assets forfeiture shall come into effect once the court finds the appeal against that decision ungrounded and rejects it or once the appeal procedure is not allowed.

4MANAGING FORFEITED ASSETS

Article 35

- 1 The Agency is to act in accordance with the Article 9 of this Act and instantly upon receiving the decision on temporary, that is, permanent assets.
- 2 The Agency is to manage the forfeited assets acting as bonus pater families, that is, with all reasonable and usual care skill and forethought until the cancellation of the decision or finalization of the procedure on permanent assets forfeiture.

Article 36

- 3 Forfeited assets shall be supported by adequate records providing: the information on the owner, information of forfeited assets and condition of the assets when taken over, information on the value being forfeited as stipulated in the Article 32, paragraph 2 of this Act, reference stating whether assets are being forfeited temporarily or permanently, information on whether the temporary forfeited assets have been left with the owner or confined with physical or legal person as stipulated in the Article 37, paragraphs 3 and 4 of this Act, as well as other information.
- 4 The Director is to define brief contents of the records defined in the paragraph 1 of this Article and contents and business record keeping procedures that, in accordance with the Article 9, paragraph 1 of this Act, is to be managed by the Agency.

Article 37

- 5 Temporary assets forfeiture is to be undertaken in compliance with provisions of the Law on Executive Procedures, unless otherwise prescribed by this Act.
- 6 Maintenance and management costs of temporary forfeited assets are to be borne by the Agency.
- 7 The director may bring a decision whether the temporary forfeited assets are to be left with the owner taking the responsibility of managing the assets with all reasonable and usual care skill and forethought. The owner is to bear the costs of managing and maintaining the assets.
- 8 If justified, the director may entrust the management of temporary forfeited assets to a physical or legal person on grounds of a signed contract.

Article 38

- 1 Temporary forfeited assets that have the historical, artistic or scientific value shall be handed over by the Agency to institutions authorized to preserve and keep such items until expiration of the deadline given for finalization of the procedure upon the request on permanent assets forfeiture.
- 2 Temporary confiscated foreign banknotes and effective foreign money, precious metals, gems and semi-precious stones and pearls shall be handed over by the Management Agency to Republic of Srpska Treasury until expiration of the deadline defined in the paragraph 1 of this Article.

Article 39

Once the owner's real and chattel estates have been confiscated temporarily, the Agency may cover up for necessary costs and preservation of real estates from funds obtained by sale of chattel estates.

Article 40

- 1 In order to preserve the value of the temporary forfeited assets the Agency may, with no delays sell the chattel estates, that is, confine it with a specific physical person or legal entity to make the sale.
- 2 Unless provisions of this Act define otherwise, the sale of the assets defined in the paragraph 1 of this Article will be subject to provisions of the Law on Executive Procedures.

Article 41

- 1 Sale of the property stipulated in the Article 39, paragraph 1 and Article 40, paragraph 1 of this Act will be done at an auction, advertised in the Republic of Srpska Official Gazette or other public advertiser. Perishable goods and animals may be sold without auction.
- 2 Chattel estates are to be sold at identical or a price higher than that estimated, as defined by the Agency. Shall the property not be sold after two auctions; the sale may be made by reaching a bargain.
- 3 Real estates taken away upon final court verdict shall be registered in the land-registry books as property of Republic of Srpska and should be handled with in accordance with the regulations pertaining to handling procedures prescribed for the real estates in possession of Republic of Srpska.
- 4 Sale of securities and other valuable documents is to be made in accordance with regulations that define the transfer of securities procedure.
- 5 All the funds obtained by sale are considered to be the Republic of Srpska budget.

Article 42

- 1 Chattel estate not sold within one year period of time may be donated into humanitarian funds or destroyed.
- 2 The decision on donation of the property from paragraph 1 of this Article is to be reached by the Government.
- 3 The decision on destruction of the property from paragraph 1 of this Article is to be reached by the director due to health related, veterinarian, sanitary, safety or other reasons as prescribed by the law. The property is to be destroyed under the supervision of the Agency, and in accordance to specific regulations.
- 4 Costs of destruction are to be covered the Agency.

Article 43

- 1 The funds obtained by the sale stipulated by the Article 40, paragraph 1 of this Act are to be kept at Agency's separate bank account, until the abolishment of decision on temporary assets forfeiture, that is, until the expiration of the deadline given for finalization of the procedure upon the request on permanent assets forfeiture.
- 2 Funds defined in paragraph 1 of this Article are to be used for assets recovery procedure and compensation of the damage and costs as defined in the Article 42 paragraphs 3 and 4 of this Act. In case the funds are not substantive, the difference is to be paid from Republic of Srpska budget.

Article 44

- 1 Provided that in accordance with this Act it had been proven that the property in question had not been proceeds of crime, all the funds obtained by sale, increased by avista interest should be given back instantly.
- 2 Funds defined in the paragraph 1 of this Article shall be given back by the Agency in the official proceedings.

Article 45

- 1 The owner who has been given back the funds in accordance with the Article 44 paragraph 1 of this Act, may file with the Agency a request for compensation of the damage he suffered because of the temporary assets forfeiture, not later than thirty days as of the day of reimbursement.
- 2 Shall the damage compensation request not be adopted or the Agency does not reach a decision within 90 days as of the date of submission of the request, the owner may file a complaint to respective court requesting the damage compensation. Shall the request be only partly adopted the owner may lodge a complaint in reference with the rest of request.

Article 46

- 21 Once the decision on temporary assets forfeiture becomes final, the property and funds obtained by sale of assets become the property of Republic of Srpska.
- 22 Based upon the decision reached by respective ministry, permanently forfeited assets that have historical, artistic or scientific value, the Agency should hand over without compensation to institutions in charge of preservation of such items.

Article 47

Upon the deduction of costs assets management, the funds obtained by sale of permanently forfeited assets will be paid to Republic of Srpska budget and allocated in accordance with the decision reached by the Government.

5 INTERNATIONAL COOPERATION

Article 48

- 1 The international cooperation in criminal assets recovery procedures is to be established upon the internationally reached agreement.
- 2 Provided that there is no internationally reached agreement or that some of the issues had not been defined by international agreement, international cooperation is to be reached in accordance with the provisions presented by this Act.

Article 49

- 1 In terms of provisions of this Act, the international cooperation means providing assistance in criminal assets detection, restrain orders and temporary or permanent criminal assets forfeiture.
- 2 The authority of the local prosecutor's offices in international cooperation procedures as defined in the paragraph 1 of this Article shall be defined accordingly with application of adequate legal provisions on international legal aid and execution of international agreements on criminal matters.

Article 50

- 1 Presuppositions defining the assistance stipulated by the Article 49 of this act are as follows:
 - a) The requested measure should not be in conflict with basic principles of local legal system;
 - b) The execution of the request sent out by the international body should not jeopardize the sovereignty, public order and other interests of Bosnia and Herzegovina and Republic of Srpska;
 - c) The international procedure on permanent assets forfeiture should comply with standards of fair trial.

Article 51

1 In accordance with provisions of this Act, the assistance request sent out by the international body shall be delivered to respective prosecutor's office through Bosnia and Herzegovina Department of Justice, that is, Ministry. The request, that is, the order or the decision reached by the local prosecutor's office, that is, court shall be delivered to the international bodies following the same procedure.

- 2 In cases of urgency and under condition of mutuality of respect, the request for detection of property, restrain order, that is, the temporary assets forfeiture may be delivered by mediation of the RS MoI.

Article 52

- 1 In accordance with provisions of this Act, the assistance request shall contain:
 - a) name of institution that sends out the request;

b) information on the individual that the request refers to (name, date and place of birth, citizenship and residence details), and if the request refers to the legal entity, it should also contain the information pertaining to its main office;

c) information on the assets that are subject of assistance request and its connection to the person defined in the item b of this paragraph;

d) specific actions that shall be undertaken and list of legal provisions of the requesting country which represent the basis for application of specific restrain orders.

2 Besides the information provided in the paragraph 1 of this Article the request for detection of proceeds of crime shall also contain the description of circumstances that resulted in creating the grounds of suspicion that the property has been acquired as a result of criminal activity.

3 Besides the information defined in the paragraph 1 of this Article the restrain order, that is, the temporary assets forfeiture order should also contain the decision on initiation of financial investigation or prosecutor's order for temporary forfeiture of criminal assets acquired by individuals defined in the paragraph 1, item b of this Article.

4 Besides the information defined in the paragraph 1 of this Article, the permanent assets forfeiture order should also contain the decision of the court on permanent forfeiture of criminal assets acquired by individuals defined in the, paragraph 1 item b of this Article.

Article 53

Upon receiving the request defined in the Article 52 of this Act the prosecutor, that is, the court should examine whether the presuppositions from Article 50 of this Act have been complied with.

Article 54

1 Upon reaching a decision on taking into consideration the request on detection of criminal assets, the prosecutor shall send a request to the Unit to undertake necessary activities in order to detect and discover such property.

2 Acting upon the request defined in the paragraph 1 of this Article and in accordance with the provisions of the Article 15 throughout the Article 20 of his Act, the Unit undertakes measures in order to collect, provide and grant evidence on existence, location or movement, nature, legal status or the value of criminal assets.

Article 55

1 Provided that the restrain order, temporary or permanent assets forfeiture order contain all the elements as defined in the Article 52 of this Act, the decision shall be reached by respective court. The word on session shall be sent out to the prosecutor and allocated defence lawyer, that is, legal representative.

2 If there is jeopardy that a person defined in the Article 52 paragraph 1, item b of this Act will dispose with criminal assets prior to the decision on the request defined in the paragraph 1 of this Article, the court may issue a restrain order. This order shall be effective until the final decision of the court ruled over the appeal.

Article 56

1 The court may bring a decision to either comply with or reject request defined in the Article 55 of this Act.

2 The decision on temporary assets forfeiture contains information defined in the Article 25 paragraph 2 of this Act, and decision on permanent assets forfeiture contains information defined in the Article 32, paragraph 2 of this Act.

3 The court shall deliver the decision defined in the paragraph 2 of this Article to the assigned defence lawyer, that is, legal representative, the prosecutor and the Agency.

Article 57

- 1 The appeal against the decision defined in the Article 56 paragraph 1 of this Act may be filed and shall be decided upon by the respective court.
- 2 The appeal against the decision ruled on the request for temporary assets forfeiture shall be filed not later than three days as of date of its delivery, and the appeal against the decision on the request for permanent assets forfeiture shall be filed not later than eight days as of date of its delivery.
- 3 The appeal does not delay the execution of temporary assets forfeiture, that is, does not prevent the Agency to undertake measures regarding the management of permanently forfeited assets.

Article 58

- 1 Temporary assets forfeiture measure shall last until the finalization of criminal proceedings, that is, the proceedings initiated upon the request on permanent assets forfeiture conducted in the requesting country. Every 90 days the foreign institution shall deliver to the local court an update on the course of proceedings.
- 2 Shall the proceedings defined in the paragraph 1 of this Article not be finalized within the period of two years as of reaching decision on temporary assets forfeiture, the court will cancel the decision temporary assets forfeiture.

Article 59

- 1 The permanent assets forfeiture decision becomes effective once the court rejects as ungrounded the appeal filed against that decision or adopts the appeal filed against the decision that overruled the request for permanent assets forfeiture and reaches decision on permanent assets forfeiture.
- 2 Permanently forfeited criminal assets shall be managed in accordance with provisions of this Act, unless otherwise established by internationally reached agreement.

6 TRANSITIONAL AND FINAL PROVISIONS

Article 60

- (1) The Interior Minister shall harmonize the regulation on internal organization and systematization of positions within the RS MoI with the provisions of this Act within 60 days from the day of this Act entering into force.
- (2) The Minister of Justice shall enact the regulations referred to in Article 36 Paragraph 2 of this Act within 60 days from the day of this Act entering into force.
- (3) The Director of the Agency shall enact the regulation on internal organization and systematization of positions within the Agency within 60 days from the day of this Act entering into force.

Article 61

This Act shall be published in the “Official Gazette of the Republic of Srpska” and enter into force on July 01st 2010.

No:

S P E A K E R

of the NATIONAL ASSEMBLY

Date,

Igor Radojičić, M. Sc.

1. a) Data on the amount of the budget of the ITA

Number	Type of expenditure	Economic code	Approved budget in 2011. year (KM)	Approved budget for year 2012. year (KM)	Approved budget for the 2013th year (KM)
1	2	3	4	5	6
I	Current expenditure		82.822.032	79.045.000	79.395.000
First	Gross wages	6111	58.969.333	57.685.000	57.118.000
2nd	Allowances for employees	6112	10.768.859	8.953.000	8.475.000
3rd	Travel expenses	3131	418.171	316.000	290.000
4th	Telephone costs and postage	6132	1.969.013	1.744.000	1.829.000
5th	Energy expenditure and communal services	6133	1.898.469	1.732.000	2.026.000
6th	Procurement of materials	6134	842.394	771.000	1.775.000
7th	Expenses for transportation services and fuel	6135	869.322	787.000	885.000
8th	Renting property and equipment	6136	1.692.571	1.518.000	1.340.000
9th	Expenses for on-going maintenance	6137	974.064	1.000.000	1.020.000
10th	Insurance costs.	6138	188.337	219.000	179.000
11th	Contractual services and other business services	6139	4.231.499	4.320.000	4.458.000
II	Capital expenditure		1.378.519	20.160.000	18.218.000
First	Purchase of land	8211		519.000	3.400.000
2nd	Purchase of buildings	8212	1.323.010	18.581.000	11.900.000
3rd	Purchase of equipment	8213		1.060.000	2.918.000
4th	Reconstruction and investment maintenance	8216	55.509		
III	TOTAL (I + II)		84.200.551	99.205.000	97.613.000

b) Number of employees of the ITA by sector

<i>NUMBER OF EMPLOYEES PO basic organizational unit In 2011, 2012. and 2013</i>			
<i>The basic organizational unit</i>	2011th	2012th	2013th
<i>Office of the Director</i>	11	12	12
<i>Department of Internal Audit</i>	26	23	23
<i>Department of Communications</i>	2	3	4
<i>Department of Legal Affairs</i>	16	19	19
<i>Division of Business Services</i>	285	286	295
<i>Customs Sector</i>	1294	1308	1320
<i>Sector taxes</i>	607	582	580
<i>Sector for implementation and compliance with customs and tax legislation</i>	146	147	146
<i>Division of Information Technology</i>	50	44	45
TOTAL	2437	2424	2444

2. Information about the trainings attended by representatives of the ITA

2011th year

Red. no.	Number of participants	Topic Training	During the training (date)	Venue	Organizer
1	1	Money laundering and controls to prevent money laundering, the Financial Investigation - EU Twinning Project	January 17 to January 18, 2011.	Sarajevo hotel" Art"	State Investigation and Protection Agency
2	1	Capacity building in the field of management training in the institutions of Bosnia and Herzegovina - EU Twinning Project	25.01.2011.	Sarajevo	Civil Service Agency
3	8	Internet Customs - Tracking Website	08.03-10.03.2011.	RC Sarajevo	Customs Administration of France
4	18	Efficient application of customs and fiscal guidelines of the European Union	11.03.2011.	SU Banja Luka	Customs Administration of Italy (Agenzia Delle Dogan)
5	22	International Standards for the Professional Practice of Internal Auditing	14.03.2011.	Hotel" Bosnia" Banja Luka	TAIEX
6	1	Use of Program Analyst's Notebook"	22.03-24.03.2011.	SU Banja Luka	TAIEX
7	22	Economic impact and practical aspects of customs and market protection in the field of intellectual property	22.03.2011.	Hotel Vidovic"" Banja Luka	USAID
8	19	Regional TIR seminar	March 29 to March 30, 2011.	" Grand Hotel" Sarajevo	TIR secretariat of the Economic Commission for Europe of the United Nations
9	126	The application of the ATA Carnet in the customs procedure	04.04.2011.	SU Banja Luka	ITA BiH
10	1	Microbiological criteria for food and organization of official controls	13.04.-14.04.	Hotel" Bosnia" Banja Luka	TAIEX
11	31	Misdemeanour legislation	16.06.2011.	Room for training, SU	ITA BiH
12	7	Training on a mobile system to scan baggage	July 27 to July 28, 2011.	Practical training in Stup - warehouse company" move on", the theoretical part of Sarajevo	The U.S. Embassy in Sarajevo

				hotel""	
13	1	Training on a mobile system to scan baggage	July 27 to July 28, 2011.	Practical training in Stup - warehouse company" move on", the theoretical part of Sarajevo hotel""	The U.S. Embassy in Sarajevo
14	1	Programs of community EU 2007-2013, Options for BiH	30.05.2011. The	Sarajevo	Directorate for European Integration
15	1	Budget and EU funds - the experience of Slovakia	12.05.2011. The	Sarajevo	Directorate for European Integration
16	37	Budget accounting and financial and material management	27.10.2011. The	Central Office, Banja Luka	ITA BiH
17	34	Misdemeanour legislation	11.10.2011. The	Hotel "Royal", Tuzla	ITA BiH
18	1	Performance management in the institutions of Bosnia and Herzegovina-training for trainers	October 12 to October 13, 2011.	" hotel" Bosnia, Sarajevo	Civil Servant Agency
19	1	The Law on Public Procurement in BiH - Application	19.09.2011. The	Public Procurement Agency, Banja Luka	Public Procurement Agency
20	1	Training for newly employed civil servants	18.- 20.10.2011. The	Hotle "PALAS" Banja Luka	ADS
21	56	Misdemeanour legislation	18.10.2011.	RC Sarajevo	ITA BiH
22	24	Application catalogue price of motor vehicles EIB international	11.11.2011.	SU Banja Luka	ITA BiH
23	106	The use and application of business applications ITA - program to monitor other income - ACCOUNT - 2	23.11.2011.	RC Mostar	ITA BiH
24	1	Creating, testing, implementation and control of public relations strategy	27.04.2011.	Sarajevo, building friendship between Greece and Bosnia and Herzegovina	ADS
25	1	Aspects of translation and editing translations of EU legislation	September 21 to September	Vlasic	Directorate for European Integration

			23, 2011.		
26	1	EU legislation for interpreters	October 11 to October 13, 2011.	Sarajevo	Directorate for European Integration

2012th year

Red. no.	Number of participants	Topic Training	During the training (date)	Venue	Organizer
1	28	Experience and application of best practices in the field of forced collection in European Union countries	January 23 to January 27, 2012.	SU Banja Luka	TAIEX
2	137	Control of wooden packaging material imports in BiH	27.02.2012.	CR / GP Doljani	BiH Administration for Plant Health
3	98	Origin of goods	05.03.2012.	SU Banja Luka	ITA BiH
4	118	Local import clearance and authorized recipient	26.03.2012.	SU Banja Luka	ITA BiH
5	21	Uniformity in the conduct of business in the office and in the office of the SU regional centres ITA	29.03.2012.	SU Banja Luka	ITA BiH
6	93	Technical aspects of the regime of transfer of chemical weapons	03.04.2012.	SU Banja Luka	ITA BiH
7	83	Using a data base of misdemeanour	05.04.2012.	SU Banja Luka	ITA BiH
8	57	Protection of intellectual property rights	May 23 to May 24, 2012.	Vlasic Blanka" hotel"	American Chamber of Commerce in Bosnia and Herzegovina (BiH AmCham)
9	2	Challenges of European criminal law-obligation of the state in the field of criminal law	June 7 to June 9, 2012.	Hotel Neum, Neum	The association of judges and prosecutors in the Federation of BiH, RS, BiH, Centre for Training of Judges and Prosecutors ...
10	1	EU best practice in the field of financial investigations with special emphasis on advanced analysis techniques bank accounts offshore movement of bank accounts, tax fraud, the	16.-17.10.2012. The	Sarajevo	Ministry of Security

		case study			
11	8	Training of inspectors to work with devices that are part of the set CT-30	08.-12.10.2012. The	Banja Luka	U.S. Embassy in Sarajevo, BiH ITA
12	2	Application of the Law on Personal Data Protection	17.10.2012. The	Sarajevo	Civil Service Agency of BiH
13	25	The origin of the goods and the customs value	03.-04.10.2012. The	Banja Luka	EUTPP (IPA2008)
14	2	Tools and techniques for data mining in tax administration (Data Mining)	05.-07.12.2012. The	Budapest, Hungary	IOTA - Inter-organization of tax administration
15	1	Collection of debts through court proceedings	01.11.2012. The	Banja Luka	TAZ - Organization edikaciju scientific research, improvement of judicial administration authority
16	1	Combating smuggling vehicles	19.23.11.2012. The	Osijek	EXBS Program
17	1	Prevention of Corruption in Public Procurement	14.11.2012. The	Sarajevo	REC-Society for research and improvement of local and regional development
18	87	Non-commercial imports and transit of pets	11/19/2012. The	RC Sarajevo	SVO, ITA BiH
19	1	Technical requirements and control the market for personal protective equipment	05.-07.12.2012. The	London, UK	Regional Project Quality Infrastructure in the Western Balkans
20	1	Business ethics and code of conduct for civil servants	13.-14.12.2013. The	Vlasic, hotel "Snowflake"	Civil Service Agency of BiH
21	3	SQL Server 2008	08.11.2012. The	Sarajevo	Microsoft / Services
22	2	Exchange 2010 - Upgrading from 2003 or 2007	22.11.2012. The	Sarajevo	Microsoft / Services

2013th year

Red. no.	Number of participants	Topic of Training	Duration of the training (date)	Venue	Organizer
1	3	Improving capacity in the departments of human resources management and training in the field of customs in the candidate countries in Southeast Europe	30.-01.31.2013. The	Venice, Italy	The European Commission
2	1	Technical requirement and market surveillance for home appliances	12.-14.02.2013. The	Offenbach am Main, Germany	Ministry of Foreign Trade and Economic Relations
3	2	Combating smuggling vehicles	February 18 to March 1, 2013. The	Pula, Croatia	EXBS - program
4	1	Taking the analysis of samples of goods	11.-15.03.2013. The	Vienna, Austria	ITA BiH
5	108	Simplified customs procedures	04.03.2013. The	Central Office	TAIEX and ITA BiH
6	2	Current trends in international road transport	20.-21.04.2013.	Banja Fever	Foreign Trade Chamber of BiH, Ministry of Communications and Transport
7	43	Restrictions	15.-05.16.2013.	Central Office	ITA BiH
8	144	Office management	21.-05.22.2013.	RC Sarajevo	ITA BiH
9	1	Using the technological capacity to improve the regulatory framework in the countries of Europe and Central Asia	03.-07.06.2013.	Tbilisi, Georgia	The Ministry of Justice of Georgia IFC member of the World Bank
10	1	Security Policy	27.05. - 06.06.2013. The	Sarajevo	Ministartstvo Security
11	2	Strategy of electronic tax administration	27.-05.29.2013. The	Bruige, Belgium	IOTA, Tax Administration of Belgium
12	2	Future Electronic methods of tax administration	29.-31.05.2013. The	Brugge, Belgium	IOTA, Tax Administration of Belgium
13	1	The fight against counterfeit drugs	04.-06.06.2013. The	Zagreb, Croatia	International Institute for Research against counterfeit drugs
14	2	Preparation of joint customs operations	21.-05.22.2013.	Tirana, Albania	Customs Administration of Italy, the Agency for monopoly
15	1	Regional Workshop on Criminal Legal Protection of Intellectual Property	30.-31.05.2013.	Skopje, Macedonia	TAIEX

16	1	Issuance of foreign trade licenses in the field of military production	12.- 13.06.2013. The	Budapest, Hungary	EXBS - Bureau of International Security and prevent the spread of weapons
17	1	Way to reduce the cost of providing services to taxpayers	19.- 21.06.2013. The	Bucharest, Romania	IOTA, Tax Administration of Belgium
18	1	Security and border management	03.- 28.06.2013. The	Dushanbe, Tajikistan	OSCE Border Management Staff College (BMSC)
19	2	Suggestions for successful procurement	14.06.2013. The	Sarajevo	Eurocons Ltd.
20	1	Support the host country in international aid in the disaster - Challenges and Perspectives "	18.- 06.19.2013. The	Sarajevo	Ministry of Security
21	2	The fight against counterfeiting currency EURO	20 - 21.06.2013. The	Sarajevo	Ministry of Security
22	2	Financial investigations	12.- 13.06.2013. The	Brcko	District Police BD
23	229	Checklist of the control module, completion of orders	06/06/2013. The	RC Mostar	ITA BiH
24	1	Statistics on international trade in goods - IPA Workshop	05/21/2013. The	Luxembourg	IPA
25	1	SALW brokering controls	24.- 26.04.2013. The	Vienna, Austria	OSCE Border Management Staff College (BMSC)
26	1	Introduction and Implementation of the Authorized Economic Operator concept compatible with EU Authorized Economic Operator program in CEFTA Parties	03.-04.2013. The	Skopje, Macedonia	CEFTA
27	1	Combating illegal activities in connection with human organs, tissues, cells	08.- 10.04.2013. The	Paris, France	Research Institute regarding counterfeit drugs OCLAESP I INTERPOL
28	2	Specialized seminar for representatives of the Ministries of Finance and Indirect Tax	18.- 21.03.2013. The	Geneva, Switzerland	JTI - Japan Tobacco International
29	4	Challenges in the area of customs faced by the country on the path to enlargement of the EU	14.- 15.03.2013. The	Dubrovnik, Croatia	The program Customs 2013
30	1	The fight against cigarette smuggling	23.- 01.24.2013. The	Budva, Montenegro	The European Commission and the Customs Administration of Italy

31	1	The application of information technology in customs communication on e-governance, customs innovation	06.- 07.05.2013. The	Gabala, Azerbaijan	National Customs Committee of the Republic of Azerbaijan
32	1	Management and protection of intellectual property INTELEKTIV 2013	09.- 10.04.2013. YEAR	Zagreb, Croatia	American Chamber of Commerce
33	1	Study visit to the state institutions of Latvia	19.- 24.05.2013. The	Riga, Latvia	IPA 2009 Twining
34	1	Illegal smuggling of tobacco products in the Western Balkans, Turkey and Italy - the exchange of best practices	20.- 21.03.2013. The	Istanbul, Turkey	The European Commission and the Customs Administration of Italy
35	1	Challenges of Europe - the quest for new Competitiveness	08.- 10.05.2013. The	Split, Croatia	
36	1	Authorized economic operator, mutual trust - the key to improving the legal traffic	03.- 04.05.2013. The	Budapest, Hungary	World Customs Organization, the National Tax and Customs administration of Hungary
37	2	Monitoring the efficiency of tax control	06.- 08.05.2013. The	Budapest, Hungary	IOTA - Inter- organization of tax administration
38	2	Workshop Training Forum IOTA "Connect"	22.- 24.05.2013. The	Vienna, Austria	IOTA - Inter- organization of tax administration
39	2	Evaluation of risk management tools that are used for tax control	15.- 17.05.2013. The	Budapest, Hungary	IOTA - Inter- organization of tax administration
40	1	Protecting supply chain, reducing threats	25.- 03.27.2013. The	Brussels, Belgium	World Customs Organization
41	2	Seminar for customs administrations of the countries of Southeast Europe	19.- 21.03.2013. The	Rotterdam, The Netherlands	BAFA - The Federal Office of Economics and Export control, Customs Netherlands