



Project against Money Laundering and
Terrorist Financing in Serbia

A European Union funded project implemented by the Council of Europe



Minutes of the Start-up Workshop
Hotel Moskva, Belgrade, 24 March 2011

1. The Start-up Workshop was opened by keynote speakers: Ms Nadia Cuk, Deputy Special Representative of the Secretary General in Serbia; Mr Vladan Petrovic, Project Manager (Operations) at the Delegation of the European Union to the Republic of Serbia; Mr Aleksandar Vujcic, Director of the Administration for the Prevention of Money Laundering; Ms Ilknur Yuksek, Project Manager, CoE. All keynote speakers referred to the aim of the project, which is to enhance the human and institutional capacity in Serbia to fight against money laundering and terrorist financing.
2. Mr Simon Goddard, Project Advisor, emphasized that the purpose of the start-up workshop was to take project planning one step further. He mentioned that many of the participants were involved in earlier discussions in January 2011, where the project outline was discussed and different comments were considered as to what the project should achieve in its delivery. In the meantime, a proposed workplan had been drafted and various activities in support of the project objectives and the overall project purpose have been itemised. The participants were invited to go through the proposed listed activities and comment on them. Mr Goddard stressed that the overall objective of this project was to contribute to democracy and the rule of law through prevention and control of money laundering and terrorist financing, and in particular to enhance the capacities of the institutions that are involved in anti-money laundering work in Serbia in terms of legislation, skills and operational capacities. Mr Goddard stressed that the objective of the project team was to work with the relevant institutions and to facilitate the achievement of the activities.
3. The activities are split into seven expected results that support the overall objective and purpose of the project. They address all elements of the system, from reporting to analysis, investigation and prosecution. In addition to prosecution, there is the legal framework, which is the cornerstone of any system.
4. The aim of the *Expected Result 1* is to bring Serbian legislation in accordance with the EU and international standards. The first type of activity to serve this purpose is to create a permanent working group of 6-8 members, which will exist throughout the project and which will look into deficiencies, will identify any further gaps and will make recommendations for improvement. The participating institutions will be the Ministry of Justice, the Court of Cassation and the Prosecutor's Office. Mr Milovanovic added that one of the participants should be the Agency for Business Registers, which was included in the workplan. Mr Dusan Aleksic, Adviser for Payment Systems at the National Bank of Serbia, stated that his institution should also be included. Mr Goran Kupresanin, Officer at the Securities Commission also added that his institution would make contributions to the implementation of this activity. Mr Aleksandar Cudan, Professor from the Police Academy, noted that the Police Academy should participate in the project independently from the Ministry of Interior, given that the Academy has developed master courses on money laundering and that any further training would be beneficial. The second type of activity relates to the implementation of the Convention on Seizure of the Proceeds of Crime and Financing of

Terrorism (Warsaw Convention). There will be four training events in Belgrade, Nis, Novi Sad and Kragujevac throughout the project.

5. *Expected Result 2* aims at increasing public support to prevent and control economic crime. The project targets to raise awareness through a number of activities (leaflets, websites, and public relations offices of a number of institutions to include National Parliament). It is important that the public understands that money laundering is not a highly specialised or complex matter and be aware of the links to organised crime. When it comes to undertaking research studies and typologies, Mr Milovanovic said that these activities could be launched as early as May 2011.
6. *Expected Result 3* relates to the training and enhancement of capacities, primarily the APML's. The project aims to carry out activities whose impact is sustainable and to have a structured system in place that is a direct result of the project. Activities will be carried out towards a multi-agency approach, namely study visits to other Council of Europe member states and learning from other good examples and practices. As for the development of training curricula on special topics such as risk based approach, Mr Milovan Milovanovic added that special attention should be paid to address the politically exposed persons (PEPs), including evidence gathering and presentation.
7. *Expected Result 4* is focused on the advancement of the law enforcement agencies and the prosecution services to detect, investigate, prosecute and adjudicate the money laundering and terrorist financing cases. It will result in MOCK trial trainings and the whole process may last for six months. It will also focus on training of prosecutors and police. Mr Milovan Milovanovic said that the focus of MOCK trials should also include reporting entities and their associations. They were included in the workplan.
8. Activities under *Expected Result 5* will assist regulators and supervisors to adopt national standards in order for their institutions to comply with relevant legislation and international standards. One of the deliverables of the activities under this expected result is to produce guidelines and indicators for institutions. Mr Dusan Aleksic from the National Bank of Serbia mentioned that another project was launched in February 2011 under the auspices of the European Central Bank, the aim of which is to enhance capacities of the National Bank of Serbia. He stated that MOLI Serbia could benefit from some of the outcomes of this project.
9. *Expected Result 6* is focused on interagency cooperation, which is the cornerstone of any AML system. The activities pertaining to this expected result should improve the exchange of information between relevant bodies, not only between state institutions, but also between the state institutions and private and public sector. Therefore, within this activity, three regional typology meetings will be organised. Mr Milovan Milovanovic added that responsible institutions should also be reporting institutions and individual sector supervisors. They were included in the workplan.
10. *Expected Result 7* aims, in particular, at improving the IT capacities of the APML. The current system is good, but there are some areas where it can be improved. The project will assist the APML with drafting the technical specifications and with the procurement of specific and necessary software.
11. Ms Nevenka Vazic of the Supreme Court of Cassation highlighted the importance of training the staff for the Judicial Academy and the Bar Association. Mr. Aleksandar Vujicic agreed with the suggestion and noted that there has been a certain improvement in prosecution of money laundering crimes which is reflected in increased number of court rulings.

12. Mr Aleksandar Vujcic and Mr Milovan Milovanovic called on representatives of all institutions to communicate all issues and suggestions to the APML.
13. At the end of the workshop, the Steering Committee members from the Serbian Institutions (approved by the Government of Serbia), the EUD, and the CoE were presented to the participants and the workplan of activities of the MOLI-Serbia project was approved. As a closing remark, Ms Ilknur Yuksek expressed her gratitude to the participants for their participation and contributions.