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Project against Money Laundering and Terrorist Financing in Serbia MOLI Serbia

Project against Money Laundering and Terrorist Financing in Serbia (MOLI Serbia)

Activity Report – 22

SYNOPSIS OF THE PROJECT ACTIVITY

Field of activity:

Economic Crime Cooperation Unit, Action against Crime Department, Information Society and Action against Crime Directorate, DGI – Human Rights and Rule of Law

Type of activity:

National Money Laundering Risk Assessment Final Workshop

Programme:

Joint EU/ CoE Project against Money Laundering and Terrorist Financing in Serbia (MOLI Serbia)

Country/Region:

Serbia

Date and place:

Belgrade, 23-24 October 2012

Budgetary reference:

2.3.1.

Council of Europe experts:

Mr Simon Goddard, Long Term Consultant

Council of Europe Secretariat:

Mr Igor Nebyvaev, Administrator, Economic Crime Cooperation Unit

Ms Teodora Lukovic, Local Project Officer

Mr Dario Stukelja, Local Project Assistant

Participants:

APML, Ministry of Interior – Service for Combating Organised Crime, State Public Prosecutor's Office, Special Prosecutor's Office for Organised Crime, Appellate Court in Belgrade, Customs Administration, Tax Administration, Securities Commission, Administration of the Games of Chance, Foreign-Currency Inspectorate, National Bank of Serbia, Ministry of Agriculture, Serbian Business Registers Agency, Office for Cooperation with Civil Society, Security-Information

Agency, Military Security Agency, Military Intelligence Agency, Statistics Institute, World Bank, OSCE.

Total number of participants:

78: 28 female, 50 male

Partner institutions/organisations:

APML, Ministry of Interior – Service for Combating Organised Crime, State Public Prosecutor’s Office, Customs Administration, Tax Administration, Foreign-Currency Inspectorate, Securities Commission, Administration of the Games of Chance, National Bank of Serbia, World Bank, OSCE.

Origin/reference to other activities:

N/A

Objectives:

- A final review and discussion of the risk assessment results in order to further improve, refine and calibrate the findings;
- A final review of the risk based draft action plans, discussion of implementation issues, challenges and generating realistic solutions;
- Facilitating the exchange of views by senior officials and discussing the strategies for the effective implementation of action plans;
- Discussing the NRA strategy for the following years and ways to further improve the quality of the NRA process and underlying information, data, and statistics for the next rounds of the NRA.

General Assessment:

The Council of Europe, World Bank and OSCE facilitated the 5 working groups and their discussions. The leaders of the 5 working groups made presentations of their research between January 2012 – October 2012 and the conclusions they had drawn. Further work was then undertaken for them to develop an action plan for each group and this was also presented. At the conclusion, the APML coordinator gave a presentation to the workshop on the work further needed for the creation of the final NRA documents, and how it would influence their creation of a future National AML/CFT Strategy.

Results/conclusions:

It was evident that the working groups had followed the NRA methodology and templates provided by the WB and had where possible completed them. There was an indication that much individual and multi-agency work had gone into the NRA process by the working group, its leaders, and the NRA coordinator. However, there is still a great deal of work to be undertaken before a viable final report can be prepared. The WB methodology for the NRA is clearly focused on the work of the financial sector in preventative actions and was useful in highlighting the vulnerabilities that there are. It does not however really address the issue of threats of AML/CFT and there is a need to do so to make any report balanced. For example the data available in the Financial Intelligence Unit (the APML) with regard to various money-laundering treats and trends was factually absent from the report. As another example, the issue of tax evasion was highlighted as being the most prevalent offence, followed by narcotics and abuse of office. There was no

indication of the impact of organised crime groups in Serbia or the region or their field and extent of activity. The Europol OCTA and the EU clearly state the growth, spread, alliances, activities and impact of organised crime in the region yet this issue was not addressed. Although the NRA was originally intended to cover only money laundering, the WB representatives indicated that they have developed a template for terrorism financing that they will forward to Serbia. The World Bank has indicated their inability to continue with the NRA exercise in Serbia due to budget cuts. At this point the NRA process has entered its most important final stage.

Follow-up

The Council of Europe will be providing the necessary assistance to Serbian authorities to ensure a high-quality and balanced outcome and final NRA Report.

Agenda:

See attached.

List of Participants:

See attached.