

# **LAW ON THE PREVENTION OF MONEY LAUNDERING AND THE FINANCING OF TERRORISM**

## **I BASIC PROVISIONS**

### **Subject matter Article 1**

(1) This Law lays down actions and measures for preventing and detecting money laundering and terrorism financing.

(2) This Law governs the competence of the Administration for the Prevention of Money Laundering (hereinafter referred to as: the APML) and the competence of other bodies in the implementation of the provisions of this Law.

### **Money laundering and terrorism financing Article 2**

(1) For the purposes of this Law, money laundering means the following:

1) conversion or transfer of property acquired through the commission of a criminal offence;

2) concealment or misrepresentation of the true nature, source, location, movement, disposition, ownership of or rights with respect to the property acquired through the commission of a criminal offence;

3) acquisition, possession, or use of property acquired through the commission of a criminal offence;

(2) For the purposes of this law, terrorism financing means the providing or collecting of funds or property, or an attempt to do so, with the intention of using them, or in the knowledge that they may be used, in full or in part:

1) in order to carry out a terrorist act;

2) by terrorists;

3) by terrorist organizations.

The financing of terrorism means inciting and aiding and abetting in the provision or collection of property, regardless of whether a terrorist act was committed or whether property was used for the commission of a terrorist act.

(3) For the purposes of this Law, a terrorist act means the criminal offence specified in the treaties listed in the annex to the International Convention for the Suppression of the Financing of Terrorism, as well as any other act intended to cause death or a serious bodily injury to a civilian or any other person not taking an active part in the hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

(4) For the purposes of this Law, a terrorist means a person who individually or together with other persons wilfully:

- 1) attempts or commits an act of terrorism in any way, directly or indirectly;
- 2) aids and abets in the commission of a terrorist act;
- 3) has knowledge of an intention of a group of terrorists to commit an act of terrorism, contribute to the commission, or assist in the continuation of the commission of a terrorist act to a group acting with a common purpose.

(5) For the purposes of this Law, a terrorist organization means a group of terrorists which:

- 1) attempts or commits an act of terrorism in any way, directly or indirectly;
- 2) incites and aids and abets in the commission of a terrorist act;
- 3) has knowledge of an intention of a group of terrorists to commit an act of terrorism, contribute to the commission, or assist in the continuation of the commission of a terrorist act to a group acting with a common purpose.

### **Terms** **Article 3**

(1) Certain terms used in this Law have the following meanings:

1) *Property* means assets, money, rights, securities, and other documents in any form which can be used as evidence of ownership or other rights;

2) *Money* means cash (domestic or foreign), funds in accounts (RSD or foreign currency), as well as other instruments of payment;

3) *Bearer negotiable instruments* means cash, cheques, promissory notes, and other bearer negotiable instruments that are in bearer form.

4) *Customer* means a natural person, entrepreneur, legal person, or a person under civil law that carries out a transaction or establishes a business relation with the obligor.

5) *Transaction* means the acceptance, provision, conversion, keeping, disposal of or other dealing with property in the obligor.

6) *Cash transaction* means the physical acceptance or provision of cash to a customer.

8) *Money remitters* means persons performing the following money transfer services by: receiving cash, cheques, or other instruments of payment in one location and then, by networking, informing, transferring, or using a network in order to transfer money or value, paying the appropriate amount in cash or in other form to a recipient in another place, irrespective of whether the provision of such service involve one or more than one intermediary until the final payment.

10) *Persons under civil law* means associations of individuals that join or will join money or any other property for a certain purpose.

11) *Beneficial owner of a customer* means a natural person who owns or controls a customer.

12) *Beneficial owner of a company or any other legal person* shall include the following:

- natural person who owns, directly or indirectly, 25% or more of the business share, shares, voting right or other rights, based on which they participate in the management of the legal person, or who participates in the capital of the legal person with 25% or more of the share, or has a dominant position in managing the assets of the legal person;

- natural person who has provided or provides funds to a company in an indirect manner, which entitles him to influence significantly the decisions made by the managing bodies of the company concerning its financing and business operations.

13) *Beneficial owner of a person under foreign law, which receives, manages, or allocates assets for a specific purpose*, shall include the following:

- a natural person using, indirectly or directly, 25% or more of the assets that are the subject matter of management, provided that the future users have been designated;

- a natural person or group of persons for the furtherance of whose interests a person under foreign law is established or operates, provided that such natural person or group of persons are identifiable;

- a natural person who, indirectly or directly, unrestrictedly manages 25% or more of the property of the person under foreign law.

14) *Business relationship* means the relationship between a customer and the obligor based on a contract regarding the business activity of the obligor that is expected, at the time when such relationship is established, to have an element of duration.

15) *Loro correspondent relationship* means relationship between a domestic bank and a foreign bank or any other similar institution, which commences by the opening of an account by a foreign bank or another similar institution with a domestic bank in order to carry out international payment operations.

16) *Nostro correspondent relationship* means relationship between a domestic and a foreign bank which commences by the opening of an account by a domestic bank with a foreign bank in order to carry out international payment operations.

17) *Shell bank* means a foreign bank or another institution performing the same business, which is registered in a state where it does not carry out its business and which is not part of any organised financial group.

18) *Personal document* means a valid document with a photo issued by the competent State body.

19) *Official document* means a document issued by an official or responsible person within their authorities, whereas such persons shall be considered as those defined in the provisions of the Criminal Code.

20) *Information on the activity of a customer who is a natural person* means information on the personal, professional, or similar capacity of the customer (employed, retired, student, unemployed, etc), or data on the activities of the customer (e.g. in the area of sports, culture and art, science and research, education, etc) which serve as the basis to establish a business relationship.

21) *Information on the activities of a customer who is an entrepreneur or legal person* means information on the type of business activities of a customer, its business relations and business partners, business results, and similar information.

22) *Off-shore legal person* means a foreign legal person which does not operate or may not operate any production or trade business activities in the State of its registration.

23) *Anonymous company* means a foreign legal person with unknown owners or managers.

24) *Foreign official* means a natural person who holds or who held in the past year a public office in a foreign country or international organisation, including

- heads of State and/or heads of government, members of government and their deputies or assistants;
- elected representatives of legislative bodies;
- judges of the supreme and the constitutional courts or of other high-level judicial bodies whose judgments are not subject to further regular or extraordinary legal remedies, save in exceptional cases;
- members of courts of auditors or of the boards of central banks;
- ambassadors, *chargés d'affaires* and high-ranking officers in the armed forces;
- members of the managing or supervisory bodies of legal entities whose majority owner is the State;

25) *Close family members of the foreign official* shall include the spouse or extra-marital partner, the parents, the brothers and sisters, the children and their spouses or extra-marital partners (hereinafter referred to as: foreign official);

26) *Close associate* of the foreign official shall include any natural person who has benefit from a joint ownership or from business relations or who has any other close business relations with a foreign official (hereinafter referred to as: foreign official).

28) *Top management* means

- Executive Board - if the obligor is organised as an open joint-stock company;
- Governing Board - if the obligor is organised as a closed joint-stock company the term;
- Director or Governing Board – if the obligor is organised as a limited liability company

- Person designated in the Articles of Association – if the obligor is organised as limited partnership or partnership (*komanditno Ili ortačko društvo*)

29) *Wire transfer* means a transaction carried out by a payment and collection service provider, on behalf of the originator of the wire transfer, which is carried out electronically, in order to make the funds available to the beneficiary of the wire transfer at another payment and collection service provider, irrespective of whether the originator and the beneficiary is one and the same person.

30) *Payment and collection service provider* means a legal or natural person which is registered for providing payment operation services, as well as the money transfer services referred to in item 8) of this Article.

31) *Originator of the wire transfer* means a legal or natural person holding an account with the payment and collection service provider and ordering the transfer of funds from the account, or a legal or a natural person ordering the transfer of funds at the person referred to in item 8) of this Article.

32) *Beneficiary of the wire transfer* means a legal or natural person to whom the transferred funds are addressed.

33) *Payment chain intermediary* means payment and collection service provider who is not engaged by the originator or the beneficiary of the wire transfer, while participating in the execution of the wire transfer.

34) *Unique identifier* means a combination of letters, numbers and signs determined by the payment and collection service provider in accordance with the payment and collection system protocols or system of messages used in money transfers.

#### **Obligors**

#### **Article 4**

(1) For the purposes of this Law, obligors shall include the following:

- 1) Banks;
- 2) Licensed bureaux de change;
- 3) Investment fund management companies;
- 4) Voluntary pension fund management companies;
- 5) Financial leasing providers;
- 6) Insurance companies, insurance brokerage companies, insurance agency companies and insurance agents with a licence to perform life insurance business;
- 7) Persons dealing with postal communications;
- 8) Broker-dealer companies;
- 9) Organisers of special games of chance in casinos;
- 10) Organisers of games of chance operated on the Internet, by telephone, or in any other manner using telecommunication networks;
- 11) Auditing companies;
- 12) Licensed auditors.

(2) ‘Obligors’ shall include both entrepreneurs and legal persons exercising the following professional activities:

- 1) Intermediation in real-estate transactions;
- 2) Provision of accounting services;
- 3) Tax advising;
- 4) Intermediation in credit transactions and provision of loans;
- 5) Factoring and forfeiting;
- 6) Provision of guarantees;
- 7) Provision of money transfer services.

(3) Legal or natural persons referred to in paragraphs 1 and 2 of this Article, which perform a business activity only occasionally or to a limited extent and which represent low-risk with respect to money laundering or terrorism financing, shall not be required to carry out the actions and measures laid down in this Law, if they meet specially stipulated requirements.

(4) The minister competent for finance (hereinafter referred to as: the Minister), based on the proposal of the APML, may specify the conditions referred to in paragraph 3 above, as provided in the technical criteria specified by the recognized international standards and in the opinion of the body referred to in Article 82 of this Law which is competent to supervise the implementation of this Law by such legal or natural person.

### **Lawyers and lawyer partnerships**

#### **Article 5**

(1) Measures for the prevention and detection of money laundering and terrorism financing laid down in this Law shall also be implemented by lawyers and lawyer partnerships (hereinafter referred to as: the lawyer).

## **II ACTIONS AND MEASURES TAKEN BY OBLIGORS**

### **2.1. General provisions**

#### **Actions and measures taken by obligors**

##### **Article 6**

(1) Actions and measures for the prevention and detection of money laundering and terrorism financing shall be taken before, during the course of, and following the execution of a transaction or establishment of a business relationship.

(2) The actions and measures referred to in paragraph 1 of this Article shall include the following:

- 1) Knowing the customer and monitoring of their business transactions (hereinafter referred to as: ‘customer due diligence’);
- 2) Sending information, data, and documentation to the APML;

3) Designating persons responsible to apply the obligations laid down in this Law (hereinafter referred to as: a compliance officer) and their deputies, as well as providing conditions for their work;

4) Regular professional education, training and improvement of employees;

5) Providing for a regular internal control of the implementation of the obligations laid down in this Law;

6) Developing the list of indicators for the identification of persons and transactions with respect to which there are reasons for suspicion of money laundering or terrorism financing;

7) Record keeping, protection and keeping of data from such records;

8) implementation of the measures laid down in this Law in obligor branches and majority-owned subsidiaries located in foreign countries;

9) implementing other actions and measures based on this Law.

## **Risk analysis**

### **Article 7**

(1) The obligor shall conduct an analysis of the money laundering and terrorism financing risk in accordance with the guidelines adopted by the body competent for the supervision of the implementation of this Law.

(2) The analysis referred to in paragraph 1 of this Article shall contain a risk assessment for each group or type of customer, business relationship, service offered by the obligor within its business, or transaction.

(3) The Minister, at a proposal of the APML, shall specify the criteria based on which the obligor shall classify a customer, business relationship, service provided within its business activity or a transaction into a low-risk group in terms of money laundering and terrorism financing, and based on which they shall carry out simplified customer due diligence actions and measures, save in the cases specified in this Law, in accordance with the technical criteria specified in the recognized international standards and with the opinion of the body referred to in Article 82 of this Law which is competent for supervision of the implementation of this Law in the obligor assessing the risk posed by the client, business relation, service provided within its business activity, or transaction

## **2.2. Customer due diligence**

### **2.2.1. General provisions**

#### **Customer due diligence actions and measures**

### **Article 8**

(1) Unless otherwise stipulated in this Law, the obligor shall be obliged to:

1) Identify the customer;

2) Verify the identity of the customer based on documents, data, or information obtained from reliable and credible sources;

3) Identify the beneficial owner and verify the identity in the cases specified in this Law;

- 4) Obtain information on the purpose and intended nature of a business relationship or transaction, and other data in accordance with this Law;
- 5) Regularly monitor business transactions of the customer and check the consistency of the customer's activities with the nature of the business relationship and the usual scope and type of the customer's business transactions.

(2) Where the obligor is unable to apply the actions and measures referred to in paragraph 1, items 1 to 4, paragraph 1 of this Article, it shall refuse the offer to establish a business relationship, as well as the carrying-out of a transaction, and it shall terminate the business relationship if a business relationship has already been established.

(3) In the cases referred to in paragraph 2 of this Article, the obligor shall make an official note in writing, and consider whether there are reasons for suspicion on money laundering or financing of terrorism. The obligor shall keep such a note in accordance with the law.

### **Application of due diligence actions and measures**

#### **Article 9**

(1) The obligor shall apply the actions and measures referred to in Article 8 of this Law in the following cases:

- 1) When establishing a business relationship with a customer;
- 2) When carrying out a transaction amounting to the RSD equivalent of EUR 15,000 or more, calculated by the National Bank of Serbia median rate on the date of execution of the transaction (hereinafter referred to as: RSD equivalent), irrespective of whether the transaction is carried out in one or more than one connected operations;
- 3) When there are reasons for suspicion of money laundering or terrorism financing with respect to a customer or transaction;
- 4) When there are doubts about the veracity or credibility of previously obtained data about a customer or beneficial owner.

(2) If the transactions referred to in paragraph 1, item 2 of this Article are carried out based on a previously established business relationship, the obligor shall collect the data referred to in Article 21, paragraph 2 of this Law which are missing.

(3) Notwithstanding the provisions of paragraphs 1 and 2 of this Article, the obligor operating a money exchange business shall carry out the actions and measures referred to in Article 8 of this Law in case of a transaction amounting to the RSD equivalent of EUR 5,000 or more, irrespective of whether such transaction is carried out in a single or more than one connected operations;

### **Customer due diligence during the establishment of a business relationship**

#### **Article 10**



(1) The obligor shall apply the actions and measures referred to in Article 8, paragraph 1, item 1 to 4 of this Law before the establishment of a business relationship with a customer.

(2) In relation to life insurance business, the identity of the beneficiary of an insurance policy may also be verified after the conclusion of the insurance contract, but prior to the time of payout of the benefits under the contract at the latest.

### **Customer due diligence when carrying-out a transaction**

#### **Article 11**

(1) In the case referred to in Article 9, paragraph 1, item 2 and Article 9, paragraph 3 of this Law, the obligor shall take the actions and measures referred to in Article 8, paragraph 1, items 1 to 4 of this Law, before the execution of a transaction.

### **Exemption from customer due diligence in relation to certain services**

#### **Article 12**

(1) Insurance companies, insurance brokerage companies, insurance agency companies and insurance agents licensed to perform the life insurance business, as well as voluntary pension fund management companies and their founders shall not be required to apply customer due diligence when:

1) Concluding life insurance contracts where an individual premium instalment or several premium instalments that are to be paid in one calendar year do not exceed the RSD equivalent of EUR 1,000 or if the single premium does not exceed the RSD equivalent of EUR 2,500;

2) When concluding contracts on the membership in voluntary pension funds or contracts on pension plans under the condition that assignment of the rights contained under the contracts to a third party, or the use of such rights as a collateral for credits or loans, are not permitted.

(2) Provisions of paragraph 1 of this Article and of a regulation made in accordance with Article 4, paragraph 3 of this Law, shall not be applied if there are reasons for suspicion of money laundering or terrorism financing.

#### **Article 12A**

(1) Payment and collection service provider shall collect accurate and complete data on the originator and include it in the form or message accompanying the incoming or outgoing wire transfer, regardless of the currency. Such data shall accompany the wire transfer throughout the entire payment chain, regardless of whether intermediaries participate in the payment chain and regardless of their number.

(2) Data referred to in paragraph 1 of this Article include:

- name and surname of the wire transfer originator
- address of the wire transfer originator

- account number of the wire transfer originator or the unique identifier

(3) If obtaining the data concerning the address of the wire transfer originator is impossible, the payment and collection service provider shall obtain, instead of the address, some of the following data:

- unique identifier;
- place and date of birth of the wire transfer originator;
- national ID number of the wire transfer originator

### **Article 12B**

(1) The payment and collection service provider shall identify and verify the identity of the wire transfer originator before such transfer in the manner provided for in Articles 13 to 18 of this Law.

(2) If the wire transfer is carried out without opening an account, the obligations stipulated in paragraph 1 of this Article shall be carried out only in case of transfer of the RSD equivalent of the amount of EUR 1000 or more.

(3) The payment and collection service provider shall fulfil the requirements referred to in Article 12A, paragraph 1 of this Law always when there are reasons for suspicion on money laundering or financing of terrorism, regardless of the amount of the wire transfer.

(4) If the wire transfer does not contain accurate and complete data on the wire transfer originator, the payment and collection service provider shall obtain, within three days from the date of transfer receipt, the missing data or refuse to execute such transfer.

(5) Payment and collection service provider shall consider terminating the business relation with the other payment and collection service provider which frequently fails to fulfil the requirements from Article 12A, paragraph 1, of this Law, of which the latter shall be previously warned. The payment and collection service provider shall inform the APMML about the termination of such relation.

(6) Payment and collection service provider shall consider whether the lack of accurate and complete data on the wire transfer originator constitutes reasons for suspicion on money laundering or financing of terrorism, of which it shall make an official note to be kept in line with the law.

(7) The provisions of Article 12A and of this Article shall be applied irrespective of whether the wire transfer is domestic or international.

### **Exemptions from the requirement to obtain data on the wire transfer originator Article 12C**

(1) Payment and collection service provider is not required to obtain wire transfer originator data in the following cases:

- 1) when the wire transfer is carried out from an account opened with the payment and collection service provider and if the customer due diligence actions and measures have already been performed in line with this law.
- 3) when using credit and debit cards, if
  - the wire transfer originator has a contract with the payment and collection service provider under which it can carry out payment for goods and services;
  - the money transfers are carried out using the unique identifier based on which the wire transfer originator can be identified;
- 3) when paying taxes, fines, and other public payment;
- 4) when both the originator and beneficiary of wire the wire transfer are payment and collection service providers acting for their own account and on their own behalf;
- 5) when the wire transfer originator withdraws money from their own account.

## **2.2.2. Application of customer due diligence actions and measures**

### **2.2.2.1. Customer identification and verification of identity**

#### **Identification and verification of identity of a natural person, legal representative and empowered representative, and entrepreneur**

##### **Article 13**

(1) Where the customer is a natural person, legal representative of the customer, or entrepreneur, the obligor shall identify and verify the identity of the customer by obtaining the data specified in Article 81, paragraph 1, item 3 and 4 of this Law.

(2) Data referred to in paragraph 1 of this Article shall be obtained by inspecting a personal identity document with the mandatory presence of the identified person. If it is not possible to obtain all the specified data from such a document, the missing data shall be obtained from another official document. The data that cannot be obtained for objective reasons in such manner shall be obtained directly from the customer.

(3) Notwithstanding the provisions of paragraph 2 of this Article, the customer who is a natural person may carry out a transaction or establish a business relationship through an empowered representative.

(4) If a transaction is carried out or a business relationship established on behalf of a customer by an empowered representative or legal representative who is a natural person, the obligor shall, apart from identifying and verifying the identity of

the customer, identify and verify the identity of the empowered representative and legal representative, obtain the data referred to in Article 81, paragraph 1, item 3, in the manner specified in paragraph 2 of this Article, and request a written authorisation (Power of Attorney) whose copy it shall keep in accordance with the Law. In the above event, the obligor shall apply the measures specified in Article 31 of this Law.

(5) If the obligor, during the identification and verification of identity of the customer in accordance with this Article, has any doubts about the veracity of the obtained data or the credibility of the documents from which the data was obtained, it shall obtain from the customer a written statement on the veracity and credibility of the data and documents.

(6) During the identification of a natural person, the obligor shall obtain a photocopy of a personal document of such person. The obligor shall indicate on the copy the date, time and name of the person who inspected the document. The photocopy referred to in this paragraph shall be kept by the obligor in accordance with the Law.

**Identifying and verifying the identity of a natural person using a qualified  
electronic certificate  
Article 14**

(1) Notwithstanding the provisions of Article 13, paragraph 2 of this Law, the obligor, under the conditions set out by the Minister, may also identify and verify the identity of the customer who is a natural person, or its legal representative, based on a qualified electronic certificate of the customer issued by a certification body in the Republic of Serbia, or based on a foreign electronic certificate which is equal to the domestic, in accordance with the law governing electronic operations and electronic signature.

(2) In establishing and verifying the identity of a customer, the obligor shall, based on paragraph 1 of this Article, obtain the customer data specified in Article 81, paragraph 1, item 3 of this Law from a qualified electronic certificate. Data that cannot be obtained from such certificate shall be obtained from a photocopy of a personal document, which shall be sent by the customer to the obligor in a printed form or electronically. If it is not possible to obtain all the specified data as described, the missing data shall be obtained directly from the customer.

(3) The certification body which has issued a qualified electronic certificate to a customer shall, without delay, send to the obligor, at its request, the data about how it identified and verified the identity of the customer who is the bearer of a certificate.

(4) Notwithstanding the provisions of paragraphs 1 and 2 of this Article, the identification and verification of identity of a customer based on a qualified electronic certificate shall not be permitted if there is suspicion that the qualified electronic certificate is misused, or if the obligor establishes that the circumstances substantially affecting the validity of the certificate have changed, while the certification body has not revoked the certificate.

(5) If the obligor, during the identification and verification of a customer in accordance with this Article, has any doubts as to the veracity of the obtained data or credibility of the documents from which the data was obtained, it shall obtain from the customer a written statement on the veracity and credibility of the data and documents.

(6) If the obligor identifies and verifies the identity of a customer during the establishment of a business relationship, in the manner set out in this Article, it shall ensure that the first customer's transaction be carried out from the account opened by the customer in his own name with a bank or similar institution in accordance with Article 13, paragraphs 1 and 2 of this Law.

### **Identifying and verifying the identity of a legal person**

#### **Article 15**

(1) Where a customer is a legal person, the obligor shall establish and verify its identity by obtaining the data specified in Article 81, paragraph 1, item 1 of this Law.

(2) The obligor shall obtain the data referred to in paragraph 1 of this Article by inspecting the original or certified copy of documentation from a register maintained by the competent body of the country where the legal person has a registered seat, a copy of which it shall keep in accordance with the Law. The obligor shall indicate, on the copy, the date, time, and the name of the person who inspected the original or certified copy thereof.

(3) The documentation referred to in paragraph 2 of this Article shall be issued no earlier than three months before its submission to the obligor.

(4) The obligor may obtain the data referred to in paragraph 1 of this Article by directly accessing the Register of business entities, or any other official public register. The obligor shall indicate on a printed copy of the register entry the date, time and name of the person who inspected the document. The printed copy of the register entry referred to in this paragraph shall be kept by the obligor in accordance with the Law.

(5) If it is not possible to obtain all the data from an official public register, the obligor shall obtain the missing data from an original or certified copy of a document or other business documentation submitted by the customer. If the missing data cannot be obtained in the prescribed manner for objective reasons, the obligor shall establish such data by obtaining a written statement from the customer.

(6) If the obligor has doubts as to the veracity of the obtained data or the credibility of the presented documentation, it shall obtain a written statement from the customer.

(7) If a customer is a foreign legal person carrying out its business operations in the Republic of Serbia through its branch, the obligor shall identify and verify the identity of the foreign legal person and its branch.

**Identifying and verifying the identity of the representative of a legal person**  
**Article 16**

(1) The obligor shall establish and verify the identity of the representative and obtain the data referred to in Article 81, paragraph 1, item 2 of this Law by inspecting a personal document of the representative in his presence. If it is not possible to obtain the specified data from such a document, the missing data shall be obtained from another official document submitted by the representative.

(2) If the obligor doubts the veracity of the obtained data when identifying and verifying the representative, it shall also obtain the representative's written statement thereon.

**Identifying and verifying the identity of a procura holder and empowered representative of a legal person**  
**Article 17**

(1) If a business relationship is established or a transaction performed by a procura holder or empowered representative on behalf of a legal person, the obligor shall identify and verify their identity and obtain the data referred to in Article 81, paragraph 1, item 2 of this Law, by inspecting their personal documents in their presence. If it is not possible to obtain all the specified data from such a document, the missing data shall be obtained from another official document submitted by the procura holder or empowered representative, or directly from the procura holder or empowered representative.

(2) In the event referred to in paragraph 1 of this Article, the obligor shall also obtain the data referred to in Article 81, paragraph 1, item 2 of this Law about the representative of a legal person, from the written authorisation issued to the procura holder or empowered representative by the representative.

(3) If the obligor, when identifying and verifying the identity of the procura holder or empowered representative, doubts the veracity of the obtained data, it shall obtain their written statement thereon.

**Establishing and verifying the identity of other persons under civil law**  
**Article 18**

(1) If a customer is another person referred to in Article 3, paragraph 1, item 10 of this Law, the obligor shall:

- 1) establish and verify the identity of the authorised representative;
- 2) obtain a written authorisation for representation;
- 3) obtain the data referred to Article 81, paragraph 1, items 2 and 15 of this Law.

(2) The obligor shall identify and verify the identity of the representative referred to in paragraph 1 of this Article and obtain the data referred to in Article 81, paragraph 1, item 2 of this Law, by inspecting a personal document of the authorized

representative in his presence. If it is not possible to obtain the specified data from such a document, the missing data shall be obtained from another official document.

(3) The obligor shall obtain the data in Article 81, paragraph 1, item 15 of this Law from the written authorisation submitted by the authorised representative. If it is not possible to obtain the data referred to in Article 81, paragraph 1, item 15 of this Law from such written authorization, the missing data shall be obtained directly from the representative.

(4) If the obligor doubts the veracity of the obtained data or the credibility of the presented documentation, he shall obtain a written statement from the representative.

### **Special cases of identifying and verifying the identity of a customer**

#### **Article 19**

(1) Whenever a customer enters a casino or whenever a customer or his legal representative or empowered representative has access to a safe-deposit box, the organizer of a special game of chance in a casino, or an obligor that provides safe deposit box services, shall establish and verify the identity of the customer and obtain, from the customer or its legal representative or empowered representative, the data referred to in Article 81, paragraph 1, items 5 and 7 of this Law.

#### **2.2.2.2. Identifying the beneficial owner of a customer**

#### **Identification of the beneficial owner of a legal person and person under foreign law**

#### **Article 20**

(1) The obligor shall identify the beneficial owner of a legal person or person under foreign law by obtaining the data in Article 81, paragraph 1, item 14 of this Law.

(2) The obligor shall obtain the data referred to in paragraph 1 of this Article by inspecting the original or certified copy of the documentation from the official public register, which may not be issued earlier than three months before its submission to the obligor. The data may be also obtained by directly inspecting the official public register in accordance with the provisions of Article 15, paragraphs 4 and 6 of this Law.

(3) If it is not possible to obtain all the data on the beneficial owner of the customer from the official public register, the obligor shall obtain the missing data by inspecting the original or certified copy of a document and other business documentation submitted by a representative, procura holder, or empowered representative of the customer. If, for objective reasons, the data cannot be obtained as specified in this Article the obligor shall obtain it from a written statement given by a representative, procura holder or empowered representative of the customer.

(4) The obligor shall, based on a money laundering and terrorism financing risk assessment, identify the beneficial owner of a legal person or person under foreign law in such a manner as to know the ownership and management structures of the customer and to know the beneficial owners of the customer.

**2.2.2.3. Obtaining data about the purpose and intended nature of a business relationship or transaction, and other data under the provisions of this Law**

**Data to be obtained  
Article 21**

(1) Within the customer due diligence laid down in Article 9 paragraph 1, item 1 of this Law, the obligor shall obtain the data referred to in Article 81, paragraph 1, items 1 to 4, and items 6, 14 and 15 of this Law.

(2) Within the customer due diligence laid down in Article 9 paragraph 1, item 2 and Article 9, paragraph 3 of this Law, the obligor shall obtain the data referred to in Article 81, paragraph 1, items 1 to 4, items 8 to 11 and items 14 and 15 of this Law.

(3) Within the customer due diligence laid down in Article 9, paragraph 1, items 3 and 4 of this Law, the obligor shall obtain the data referred to in Article 81, paragraph 1 of this Law.

**2.2.2.4. Monitoring customer business transactions**

**Monitoring customer business transactions with special care  
Article 22**

(1) The obligor shall monitor business transactions of the customer with special care, including by collecting information on the source of property that is involved in the business transactions of the customer.

(2) Monitoring of business transactions of the customer referred to in paragraph 1 of this Article shall also include the following:

1) ensuring that the business transactions of a customer are consistent with the assumed purpose and intended nature of the business relationship that the customer established with the obligor;

2) conducting monitoring and ensuring that the business transactions of a customer are consistent with its normal scope of business;

3) conducting monitoring and ensuring that the documents and data held about a customer are up-to-date.

(3) The obligor shall apply the actions and measures referred to in paragraph 2 of this Article to the extent and as frequently as required by the level of risk established in an analysis referred to in Article 7 of this Law.



### **2.2.3. Conducting customer due diligence actions and measures through third parties**

#### **Relying on a third party to perform certain customer due diligence actions and measures Article 23**

(1) When establishing a business relationship, the obligor may, under the conditions laid down in this Law, rely on a third party to apply the actions and measures set out in Article 8, paragraph 1, items 1 to 4 of this Law.

(2) A ‘third party’ may include:

1) the obligor referred to in Article 4, paragraph 1, items 1, 3, 4 and 8 of this Law;

2) insurance companies licensed to perform life insurance business;

3) the person referred to in Article 4, paragraph 1, items 1, 3, 4 and 8 of this Law and the insurance company licensed to perform business of life insurance in a foreign country if it is subject to a statutory requirement to register its business, if it applies customer due diligence actions and measures, keeps records in an equal or similar manner as specified in this Law, and if it is supervised in the execution of its business in an adequate manner.

(3) The obligor shall ensure beforehand that the third party referred to in paragraph 1 of this Article meets all the conditions laid down in this Law.

(4) The obligor may not accept relying on a third party to perform certain customer due diligence actions and measures if such person has identified and verified the identity of a customer without the customer’s presence.

(5) By relying on a third party in applying certain customer due diligence actions and measures, the obligor shall not be exempt from responsibility for a proper application of customer due diligence actions and measures in accordance with this Law.

(6) The third party shall be responsible for meeting the requirements laid down in this Law, including the keeping of data and documentation.

#### **Prohibition of relying Article 24**

(1) The obligor shall not rely on a third party to perform certain customer due diligence actions and measures if the customer is an off-shore legal person or an anonymous company.

(2) The obligor may not rely on a third party to perform certain customer due diligence actions and measures if the third party is from a country which is on a list of countries that do not apply standards against money laundering and terrorism financing. This list shall be established by the Minister, at the proposal of the APMML and based on the data held by international organisations.

(3) Under no circumstances shall the third party be an off-shore legal person or a shell bank.

### **Obtaining data and documentation from a third party** **Article 25**

(1) A third party relied upon by the obligor to perform certain customer due diligence actions and measures specified in the provisions of this Law, shall submit to the obligor the data held about the customer that the obligor requires in order to establish a business relationship under this Law.

(2) A third party shall, at the request of the obligor, deliver without delay copies of identity papers and other documentation based on which it applied the customer due diligence actions and measures and obtained the requested data about a customer. The obtained copies of the identity papers and documentation shall be kept by the obligor in accordance with this Law.

(3) If the obligor doubts the credibility of the applied customer due diligence or of the identification documentation, or the veracity of data obtained about a customer, it shall request from the third party to submit a written statement on the credibility of the applied customer due diligence action or measure and the veracity of the data held about a customer.

### **Prohibition of establishing a business relationship** **Article 26**

(1) The obligor may not establish a business relationship if:

- 1) the customer due diligence was applied by a person other than the third party referred to in Article 23, paragraph 2 of this Law;
- 2) if the third party identified and verified the identity of the customer in its absence;
- 3) if it has not previously obtained the data referred to in Article 25, paragraph 1 of this Law from the third party;
- 4) if it has not previously obtained the copies of identification documents and other documentation about the customer from the third party;
- 5) if it doubted the credibility of the conducted customer due diligence or the veracity of the obtained customer data, and has not obtained the required written statement referred to in Article 25, paragraph 3 of this Law.

### **2.2.4. Special forms of customer due diligence actions and measures** **Article 27**

(1) Apart from the general customer due diligence actions and measures applied in accordance with the provisions of Article 8, paragraph 1 of this Law, the following special forms of customer due diligence shall be applied in the circumstances specified in this Law:

- 1) enhanced customer due diligence actions and measures;
- 2) simplified customer due diligence actions and measures;

### **2.2.4.1. Enhanced customer due diligence actions and measures**

#### **General provision**

#### **Article 28**

(1) Enhanced customer due diligence actions and measures, besides the actions and measures laid down in Article 8, paragraph 1 of this Law, shall also include additional actions and measures laid down in this Law and shall be applied by the obligor in the following circumstances:

1) when establishing a loro correspondent relationship with a bank or a similar institution having its seat in a foreign country which is not on the list of countries that apply the international standards against money laundering and terrorism financing at the level of European Union standards or higher. This list shall be established by the Minister, at the proposal of the APML and based on the data held by international organisations;

2) when establishing a business relationship or carrying out a transaction referred to in Article 9, paragraph 1, item 2 of this Law with a customer who is a foreign official;

3) when the customer is not physically present at the identification and verification of the identity.

(2) In addition to the cases specified in paragraph 1 of this Article, the obligor shall apply enhanced customer due diligence actions and measures laid down in Article 29 to 31 of this Law also in circumstances when, in accordance with the provisions of Article 7 of this Law, it assesses that due to the nature of the business relationship, form or manner of execution of a transaction, customer's business profile or other circumstances related to a customer there exist or there may exist a high level of money laundering or terrorism financing risk.

#### **Loro correspondent relationship with banks and other similar institutions from foreign countries**

#### **Article 29**

(1) When establishing a loro correspondent relationship with a bank or any other similar institution having its seat in a foreign country which is not on the list of countries that apply the international standards against money laundering and terrorism financing at the European Union level or higher, the obligor shall also obtain, apart from the actions and measures laid down in Article 8, paragraph 1 of this Law, the following data, information and/or documentation:

1) date of issue and period of validity of the banking licence as well as the name and seat of the competent body of the foreign country which issued the licence;

2) description of internal procedures concerning the prevention and detection of money laundering and terrorism financing, and particularly the procedures regarding customer due diligence, sending of data on suspicious transactions and persons to the competent bodies, record keeping, internal control, and other procedures adopted by the bank or any other similar institution in relation to the prevention and detection of money laundering and terrorism financing;

3) description of the system for the prevention and detection of money laundering and terrorism financing in the country of the seat is located, or where the bank or other similar institution has been registered;

4) a written statement of the responsible person in a bank stating that the bank or other similar institution does not operate as a shell bank;

5) a written statement of the responsible person in a bank stating that a bank or a similar institution does not have any business relationships and or transactions with a shell bank;

6) a written statement of the responsible person in a bank stating that the bank or other similar institution in the state of seat or in the state of registration is under supervision of the competent state body and that it is required to apply the regulations of such state concerning the prevention and detection of money laundering and terrorism financing;

(2) The employed person in the obligor who is responsible for establishing the loro correspondent relationship referred to in paragraph 1 of this Article and for the related enhanced customer due diligence actions and measures shall obtain, before establishing such relationship, a written authorisation from the obligor's top management, whereas if such relationship has already been established, it may not be continued without a written authorisation from the obligor's top management.

(3) The obligor shall obtain the data referred to in paragraph 1 of this Article by inspecting public or other accessible registers, or by inspecting the identity documents and business documentation submitted to the obligor by a bank or similar institution with the seat in a foreign country.

(4) The obligor shall not establish or continue a loro correspondent relationship with a bank or similar institution whose seat is located in a foreign country in the following cases:

1) if it has not previously obtained the data referred to in paragraph 1, item 1 and items 3 to 5 of this Article;

2) if the employed person in the obligor who is responsible for establishing a loro correspondent relationship has not previously obtained a written authorization from the obligor's top management;

3) if a bank or any other similar institution with the seat located in a foreign country has not established a system for the prevention and detection of money laundering and terrorism financing or is not required to apply the regulations in the area of prevention and detection of money laundering and terrorism financing in accordance with the regulations of the foreign country in which it has its seat, or where it is registered;

4) if a bank or any other similar institution with its seat located in a foreign country operates as a shell bank, or if it establishes correspondent or other business relationships, or if it carries out transactions with shell banks.

(5) The obligor shall specifically provide and document, in the contract based on which loro correspondent relationship is established, the money laundering and terrorism financing related obligations for each contracting party. The obligor shall keep the contract in accordance with the law.

(6) The obligor cannot establish a loro 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.

### **New Technologies Article 29A**

(1) The obligor shall pay special attention to the money laundering or terrorism financing risk arising from the application of new technologies which may allow for client anonymity (e.g. e-banking, use of ATMs, telephone banking, etc.).

(2) The obligor shall introduce procedures and take additional measures to eliminate the risks posed by and prevent the misuse of new technologies for the purposes of money laundering or financing of terrorism.

### **Unusual transactions Article 29B**

(1) The obligor shall pay special attention to the transactions characterised by their complexity and unusually high amount, unusual manner in which they are carried out, the value or the mutual relation of transactions with no economically or legally justifiable purpose, or which are not consistent with or which are disproportionate to the usual, i.e. expected, business operations of the customer, as well as to other circumstances related to the status or other characteristics of the customer.

(2) The obligor shall establish the basis and purpose of the transactions referred to in paragraph 1 of this Article, and make a written official note thereof. The obligor shall keep the official note referred to in this Article in accordance with the law.

### **Foreign official Article 30**

(1) The obligor shall establish a procedure for determining whether a customer or beneficial owner of a customer is a foreign official. Such procedure shall be laid down in an internal document of the obligor, in line with the guidelines adopted by the body referred to in Article 82 of this Law that is competent for the supervision of the implementation of this Law in the obligor.

(2) If a customer or beneficial owner of a customer is a foreign official, the obligor shall, apart from the actions and measures referred to in Article 8, paragraph 1 of this Law:

1) obtain data on the origin of property which is or which will be the subject matter of the business relationship or transaction from the documents and other documentation which shall be submitted by the customer. If it is not possible to obtain such data as described, the obligor shall obtain a written statement on its origin directly from the customer;

2) ensure that the employee in the obligor who carries out the procedure for establishing business relationship with a foreign official shall, before establishing such relationship, obtain written consent from the top management;

3) monitor with special attention transactions and other business activities of a foreign official for the period of duration of the business relationship.

If the obligor establishes that a customer or a beneficial owner of a customer became a foreign official during the business relationship it shall apply the actions and measures referred to in paragraph 2, items 1 and 3 of this Article, whereas for the continuation of the business relationship with such person a written consent shall be obtained from the top management.

### **Identification and verification of identity without the customer's physical presence (non-face-to-face customer)**

#### **Article 31**

(1) If, in the course of identification and verification of identity, a customer is not physically present in the obligor, the obligor shall, apart from the actions and measures referred to in Article 8, paragraph 1 of this Law, apply one or more of the following additional measures:

1) obtaining additional documents, data, or information based on which it shall identify a customer;

2) conducting additional inspection of submitted identity documents or additional verification of customer data;

3) ensuring that, before the execution of other customer transactions in the obligor, the first payment shall be carried out from an account opened by the customer in its own name or which the customer holds with a bank or a similar institution in accordance with Article 13, paragraphs 1 and 2 of this Law;

4) other measures laid down by the body referred to in Article 82 of this Law.

#### **2.2.4.2. Simplified customer due diligence actions and measures**

#### **General provisions**

#### **Article 32**

(1) The obligor may apply simplified customer due diligence measures in the circumstances referred to in Article 9, paragraph 1, items 1 and 2 of this Law, except where there are reasons for suspicion of money laundering or terrorism financing with respect to a customer or transaction, if a customer is:

1) The obligor referred to in Article 4, paragraph 1, items 1 to 8 of this Law, except for insurance brokers and insurance agents;

2) Person from Article 4, paragraph 1, items 1 to 8 of this Law, except for insurance brokers and agents from a foreign country on the list of countries that apply international standards against money laundering and terrorism financing at the European Union level or higher;

3) A State body, body of an autonomous province or body of a local self-government unit, a public agency, public service, public fund, public institute or chamber;

4) A company whose issued securities are included in an organized securities market located in the Republic of Serbia or in the state where the international standards applied regarding the submission of reports and delivery of data to the competent regulatory body are at the European Union level or higher.

5) A person representing a low risk of money laundering or terrorism financing as established in a regulation adopted on the basis of Article 7, paragraph 3 of this Law.

(2) Notwithstanding the provisions laid down in Article 8 of this Law, an auditing company or licensed auditor, when establishing a business relationship regarding the obligatory auditing of the annual financial statements of a legal person, may apply simplified customer due diligence actions and measures, unless there are reasons for suspicion of money laundering or terrorism financing with respect to a customer or the auditing circumstances.

(3) Except in the cases specified under paragraphs 1 and 2 of this Article, the obligor may apply simplified customer due diligence actions and measures also in the cases when they assess, in accordance with the provisions of Article 7 of this Law, that the nature of the business relationship, form or manner of the transaction, customer business profile, or other circumstances related to the client, poses slight or low level of the money laundering or terrorism financing risk.

### **Customer data obtained and verified** **Article 33**

(1) In cases where, based on this Law, simplified customer due diligence actions and measures are applied, the obligor shall obtain the following data:

1) when establishing the business relationship:

- business name, address and seat of the legal person establishing the business relationship, or a legal person for which the business relationship is being established;
- personal name of a legal representative, procura holder, or empowered representative, who establishes the business relationship for a legal person;
- purpose and intended nature of the business relationship and the date of the establishment of the business relationship;

2) when carrying out a transaction referred to in Article 9, paragraph 1, item 2 of this Law:

- business name, address and seat of the legal person for which the transaction is being carried out;
- personal name of a legal representative, procura holder or empowered representative, who carries out the transaction for a legal person;
- date and time of the transaction;
- transaction amount and currency and the manner of execution of the transaction;

- purpose of the transaction, personal name and residence, or business name and seat of the person to whom the transaction is intended.

(2) The obligor shall obtain the data referred to in paragraph 1 of this Article by inspecting the original or certified copy of the documentation from an official public register submitted by the customer, or by inspecting the official public register directly.

(3) If it is not possible to obtain the data in the manner specified in paragraph 2 of this Article, the missing data shall be obtained from the original or certified copies of documents and other business documentation submitted by the customer. If the data cannot be so obtained, the obligor shall obtain a written statement directly from a representative, procura holder or empowered representative.

(4) The documentation referred to in paragraphs 2 and 3 of this Article shall be issued no earlier than three months before the date of its submission to the obligor.

#### **2.2.5. Restriction of business transactions with customers**

##### **Prohibition of provision of services allowing for concealment of the customer's identity Article 34**

(1) The obligor shall not open or maintain anonymous accounts for customers, or issue coded or bearer savings books, or provide any other services that directly or indirectly allow for concealing the customer identity.

##### **Prohibition of business transactions with shell banks Article 35**

(1) The obligor may not enter into or continue a correspondent relationship with a bank which operates or which may operate as a shell bank, or with any other similar institution which can reasonably be assumed that it may allow a shell bank to use its accounts.

##### **Restriction of cash transactions Article 36**

(1) A person selling goods or providing a service in the Republic of Serbia may not accept cash payments from a customer or third party in the amount of EUR 15,000 or more in its RSD equivalent.

(2) The restriction laid down in paragraph 1 shall also apply if the payment of goods or a service is carried out in more than one connected cash transactions which total the RSD equivalent of EUR 15,000 or more.

#### **2.3 Sending of information, data, and documentation to the APML**

##### **Reporting obligation and deadlines**



## **Article 37**

(1) The obligor shall furnish the APML with the data laid down in Article 81, paragraph 1, items 1 to 4 and 8 to 11 of this Law in case of any cash transaction amounting to the RSD equivalent of EUR 15,000 or more, immediately after such transaction has been carried out and no later than three business days following the transaction.

(2) The obligor shall furnish the APML with the data laid down in Article 81, paragraph 1 of this Law whenever there are reasons for suspicion of money laundering or terrorism financing with respect to a transaction or customer, before the transaction, and shall indicate, in the report, the time when the transaction is to be carried out. In a case of urgency, such report may be delivered also by telephone, in which case it shall subsequently be sent to the APML in writing, but no later than the next business day.

(3) The reporting obligation for transactions referred to in paragraph 2 of this Article shall also apply to a planned transaction, irrespective of whether or not it has been carried out.

(4) An auditing company, licensed auditor or a legal or natural person providing accounting or tax services shall, whenever a customer seeks advice concerning money laundering or terrorism financing, inform the APML promptly, and no later than three days following the day when the customer requested such advice.

(5) If, in cases referred to in paragraphs 2 and 3 of this Article, the obligor is unable act in accordance with paragraph 2 of this Article, either due to the nature of a transaction, or because a transaction has not been carried out, or for any other justified reason, it shall send the data to the APML as soon as possible but not later than immediately after it has learned of the reasons for suspicion of money laundering or terrorism financing. The obligor shall make a written statement of the reasons why it did not act as prescribed.

(6) The obligor shall send the data referred to in paragraphs 1 to 4 of this Article in a procedure prescribed by the Minister.

(7) The Minister shall lay down the conditions under which the obligor shall not be required to report cash transactions referred to in paragraph 1 of this Article.

### **2.4. Application of actions and measures in obligor's branches and majority-owned subsidiaries located in foreign countries**

#### **Obligation to apply actions and measures in foreign countries**

## **Article 38**

(1) The obligor shall ensure that the actions and measures for the prevention and detection of money laundering and terrorism financing laid down in this Law are applied to the same extent in its branches and majority-owned subsidiaries having their seat located in a foreign country, unless this is explicitly contrary to the regulations of such country.

(2) If the regulations of a foreign country do not permit the application of actions and measures for the prevention and detection of money laundering or terrorism financing to the extent laid down in this Law, the obligor shall immediately inform the APML thereof, and adopt appropriate measures to eliminate the risk of money laundering or terrorism financing.

(3) The obligor shall send to its branches or majority-owned subsidiaries in a foreign country updated information on the procedures concerning the prevention and detection of money laundering and terrorism financing, and particularly concerning customer due diligence, reporting to the APM, record keeping, internal control, and other circumstances related to the prevention and detection of money laundering or terrorism financing.

## **2.5. Compliance officer, training and internal control**

### **2.5.1. Compliance officer**

#### **Appointment of the compliance officer and his deputy**

##### **Article 39**

(1) The obligor shall appoint a compliance officer and his deputy to carry out certain actions and measures for the prevention and detection of money laundering and terrorism financing, in accordance with this Law and regulations enacted based on this Law.

#### **Requirements to be fulfilled by the compliance officer**

##### **Article 40**

(1) The obligor shall ensure that the tasks of the compliance officer referred to in Article 39 of this Law shall be carried out by a person who shall:

1) be employed in the obligor in a position with powers allowing for an effective, efficient and quality performance of all tasks laid down in this Law;

2) not to have been sentenced by a final court decision, or recorded in the expunged sentences records, or subject to any criminal proceedings for criminal offences prosecuted ex officio or criminal offences against economy, against official duty, or criminal offences of terrorism financing.

3) be professionally qualified for the tasks of prevention and detection of money laundering and terrorism financing;

4) be familiar with the nature of the obligor business in the areas vulnerable to money laundering or terrorism financing.

5) be licensed to perform the duties of compliance officer

(2) Deputy compliance officer shall meet the same requirements as the person referred to in paragraph 1 of this Article.

(3) The APML shall verify the fulfilment of requirements laid down in this Article and licence the compliance officer and deputy compliance officer. The licence shall be issued based on the results of a professional examination. The content and manner of taking the professional examination shall be established by the Minister, based on a proposal by the director of the APML.

**Responsibilities of the compliance officer**  
**Article 41**

(1) The compliance officer shall carry out the following tasks in preventing and detecting money laundering and terrorism financing:

- 1) ensures that a system for the prevention and detection of money laundering and terrorism financing is established, functioning and further developed, and initiates and recommends to the management appropriate measures for its improvement;
- 2) ensures an appropriate and timely delivery of data to the APML under this Law;
- 3) participates in the development of internal documents;
- 4) participates in the development of internal control guidelines;
- 5) participates in the setting up and development of the IT support;
- 6) participates in the development of professional education, training and improvement programmes for employees in the obligor;

(2) Deputy compliance officer shall replace the compliance officer in his absence and shall perform other tasks in accordance with the internal regulations of the obligor.

(3) The compliance officer shall be independent in carrying out his tasks and shall be directly responsible to the top management.

**Responsibilities of the obligor**  
**Article 42**

(1) The obligor shall provide the compliance officer with the following:

- 1) unrestricted access to data, information, and documentation required to perform his tasks;
- 2) appropriate human, material, IT, and other work resources;
- 3) adequate office space and technical conditions for an appropriate level of protection of confidential data accessible to the compliance officer;
- 4) ongoing professional training;
- 5) replacement during absence;
- 6) protection with respect to disclosure of data about him to unauthorised persons, as well as protection of other procedures which may affect an uninterrupted performance of his duties;

(2) Internal organizational units, including the highest management in the obligor, shall provide assistance and support to the compliance officer in the carrying-out of his tasks, as well as to advise him regularly about facts which are, or which may be, linked to money laundering or terrorism financing. The obligor shall set out a cooperation procedure between the compliance officer and other organizational units.

(3) The obligor shall send to the APML the data concerning the name and position of the compliance officer and his deputy, including any changes of such data, no later than 15 days from the date of the appointment.

### **2.5.2. Education, training and specialisation**

#### **Regular training obligation Article 43**

(1) The obligor shall provide for a regular professional education, training and specialisation of employees carrying out the tasks of prevention and detection of money laundering and terrorism financing.

(2) Professional education, training and specialisation shall include familiarising with the provisions of the Law, regulations drafted based on the Law, and internal documents, reference books on the prevention and detection of money laundering and terrorism financing, including the list of indicators for identifying customers and transactions in relation to which there are reasons for suspicion of money laundering or terrorism financing.

(3) The obligor shall develop annual professional education, training and specialisation programmes for the employees in the area of prevention and detection of money laundering and terrorism financing, no later than until March for the current year.

### **2.5.3. Internal control and integrity of employees**

#### **Obligation of regular internal controls Article 44**

(1) The obligor shall provide for a regular internal control of execution of tasks for the prevention and detection of money laundering and terrorism financing.

#### **Integrity of employees Article 44A**

(1) The obligor shall establish the procedure under which, at the time of recruitment for the job involving the application of the provisions of this Law and the regulations passed under this Law, the candidate for such job is checked in order to establish whether they have been convicted for any of the criminal offences through which illegal proceeds are acquired or any of the criminal offences linked to terrorism.

(2) Other criteria shall be evaluated too in the procedure referred to in paragraph 1 of this Article based on which it is established whether the candidate for the job referred to in paragraph 1 of this Article meets the high professional and moral qualities.

## **2.5.4 By-laws for performing certain tasks by obligors**

### **Methodology for the execution of tasks by the obligor Article 45**

(1) The Minister shall, at APML's proposal, specify the procedure for executing internal controls, data keeping and protection, record keeping and professional education, training and improvement of employees in the obligor and lawyer under this Law.

## **III ACTIONS AND MEASURES TAKEN BY LAWYERS**

### **Actions and measures taken by lawyers Article 46**

(1) Lawyers shall apply actions and measures for the prevention and detection of money laundering and terrorism financing in the following cases:

1) when assisting in planning or execution of transactions for a customer concerning:

- buying or selling of real estate or a company,
- managing of customer assets;
- opening or disposing of an account with a bank (bank, savings or securities accounts);
- collection of contributions necessary for the creation, operation or management of companies;
- creation, operation or management of a person under foreign law.

2) when carrying out, on behalf of or for a customer, any financial or real estate transaction.

### **Customer due diligence Article 47**

(1) When identifying and verifying the identity of a customer in the event referred to in Article 9, paragraph 1, item 1 of this Law, the lawyer shall obtain the data referred to in Article 81, paragraph 3, items 1 to 5 and 10 of this Law.

(2) When identifying and verifying the identity of a customer in the event referred to in Article 9, paragraph 1, item 2 of this Law, the lawyer shall obtain the data referred to in Article 81, paragraphs 3, items 1 to 3 and items 6 to 9 of this Law.

(3) When identifying and verifying the identity of a customer in the event referred to in Article 9, paragraph 1, items 3 and 4 of this Law, the lawyer shall obtain the data referred to in Article 81, paragraph 3 of this Law.

(4) The obligor shall identify and verify the identity of a customer or its representative, procura holder or empowered representative and obtain the data referred to in Article 81, paragraph 3, items 1 to 2 of this Law by inspecting a

personal identity document of such persons in their presence, or the original or certified copy of the documentation from an official public register, which shall be issued no earlier than three months before its submission to the lawyer, or by directly accessing an official public register.

(5) The lawyer shall identify and verify the identity of a beneficial owner of a customer that is a legal person or person under foreign law, or any other legal arrangement, by obtaining the data referred to in Article 81, paragraph 3, item 3 of this Law, by means of inspecting the original or certified copy of the documentation from an official public register which shall be issued no earlier than three months before its submission to the lawyer. If it is not possible to obtain the required data from such sources, the data shall be obtained by inspecting the original or certified copy of a document or other business documentation submitted by a representative, procura holder or empowered representative of the legal person.

(6) The lawyer shall obtain other data referred to in Article 81, paragraph 3 of this Law by inspecting the original or certified copy of an identity document or other business documentation.

(7) The lawyer shall obtain a written statement from the customer concerning any missing data, other than the data referred to in Article 81, paragraph 3, items 11 to 13.

**Reporting to the APML on persons and transactions with respect to which there are reasons for suspicion of money laundering or terrorism financing**  
**Article 48**

(1) If the lawyer, when carrying out tasks referred to in Article 46 of this Law, establishes that there are reasons for suspicion of money laundering or terrorism financing regarding a person or transaction, he shall inform the APML accordingly, before the carrying out of the transaction, and indicate in the report the time when the transaction should be executed. In a case of urgency, such report may be delivered also by telephone, in which case it shall consequently be sent to the APML in writing, but no later than the next business day.

(2) The reporting obligation referred to in paragraph 1 of this Article shall also apply to a planned transaction, irrespective of whether or not the transaction was later carried out.

(3) If the lawyer is unable act in accordance with paragraph 1 and 2 of this Article, either due to the nature of a transaction, or because a transaction has not been carried out, or for any other justified reasons, he shall send the data to the APML as soon as possible but no later than immediately after he has learned of the reasons for suspicion of money laundering or terrorism financing. The lawyer shall make a written statement explaining the reasons why he did not act as prescribed.

(4) Where a customer requests advice from the lawyer concerning money laundering or terrorism financing, the lawyer shall report it to the APML promptly and no later than three days after the day when the customer requested the advice.

(5) The lawyer shall send the data referred to in Article 81, paragraph 3 of this Law to the APML in the manner set out by the Minister.

### **Exemptions Article 49**

(1) The lawyer shall not be required to act as laid down in the provisions of Article 48, paragraph 1 and 2 of this Law, in relation to any data which he obtains from a customer or about a customer when ascertaining its legal position or when representing it in court proceedings, or in relation to court proceedings, including any advice provided concerning the initiation or evasion of such proceedings, irrespective of whether such data has been obtained before, during, or after the court proceedings.

(2) Under the conditions specified in paragraph 1 of this Article the lawyer shall not be obliged to send data, information or documentation at the APML request referred to in Article 54 of this Law. In this case he shall send a written report to the APML stating the reasons why he did not act according to the APML request, without delay and no later than within 15 days of the date of receipt of such request.

(3) The lawyer shall not be obliged to send the data on cash transactions referred to in Article 37, paragraph 1 of this Law to the APML, unless there are reasons for suspicion of money laundering or terrorism financing with respect to a person or transaction.

## **IV INDICATORS TO RECOGNIZE REASONS FOR SUSPICION**

### **Obligation to develop and apply a list of indicators Article 50**

(1) The obligor and lawyer shall develop a list of indicators to recognize persons and transactions with respect to which there are reasons for suspicion of money laundering or terrorism financing.

(2) When developing the list referred to in paragraph 1 of this Article, the obligor and lawyer shall take into account the complexity and extent of executed transactions, unusual transaction execution patterns, value of or links between transactions which have no justifiable purpose in economic or legal terms, or transactions which are inconsistent or disproportionate to a normal, or expected, business operations of the customer, as well as other circumstances linked to the status or any other characteristics of the customer.

(3) When determining whether there are reasons for suspicion of money laundering and terrorism financing and other related circumstances, the obligor and lawyer shall apply the list of indicators referred to in paragraph 1 of this Article.

(4) The Minister may specify a requirement to include certain indicators to the list referred to in paragraph 1 of this Article.

### **Cooperation in the development of a list of indicators Article 51**

(1) Bodies referred to in Article 82 of this Law shall take part in the development of a list of indicators.

(2) Other persons may participate in the development of a list of indicators if requested.

## **V ADMINISTRATION FOR THE PREVENTION OF MONEY LAUNDERING**

### **5.1. General provisions**

#### **Article 52**

(1) The Administration for the Prevention of Money Laundering shall be established as an administrative body within the ministry competent for finance.

(2) The APML shall perform the following financial-intelligence tasks: collect, process, analyse and disseminate to the competent bodies the information, data and documentation obtained as provided for in this Law and shall carry out other tasks relating to the prevention and detection of money laundering and terrorism financing in accordance with the Law.

### **5.2. Detection of money laundering and terrorism financing**

#### **Requesting data from the obligor**

#### **Article 53**

(1) If the APML assesses that there are reasons to suspect money laundering or terrorism financing in certain transactions or persons, it may request the following from the obligor:

- 1) data from the customer and transaction records kept by the obligor based on Article 81, paragraph 1 of this Law;
- 2) data about money and property of a customer in the obligor;
- 3) data about transactions of money and property of a customer in the obligor;
- 4) data about other business relations of a customer established in the obligor;
- 5) other data and information needed in order to detect and prove money laundering or terrorism financing.

(2) The APML may also request from the obligor data and information referred to in paragraph 1 of this Article concerning the persons that have participated or cooperated in transactions or business activities of a person with respect to which there are reasons for suspicion of money laundering or terrorism financing.

(3) In the cases referred to in paragraphs 1 and 2 of this Article, the obligor shall send all the required documentation to the APML at its request.

(4) The obligor shall send the data, information and documentation referred to in this Article to the APML without delay, and no later than eight days from the date of receipt of the request, or provide the APML with a direct electronic access to such data, information or documentation, without any fees. The APML may also set in its



request a shorter deadline for sending data, information and documentation if that is necessary in order to decide on a temporary suspension of a transaction or in other urgent cases.

(5) The APML may, due to an extensive size of documentation or for any other justified reasons, set a longer period for sending the documentation, or inspect the documentation at the obligor. The employee of the APML inspecting such documentation shall identify himself using an official identity card and official badge containing the identification number.

(6) The form of the official identity card and design of the official badge shall be prescribed by the minister.

### **Requesting data from the lawyer Article 54**

(1) If the APML assesses that there are reasons for suspicion of money laundering or terrorism financing in relation to certain transactions or persons, it may request from the lawyer data, information and documentation required for detecting and proving money laundering and terrorism financing.

(2) The APML may also request from the lawyer data and information referred to in paragraph 1 of this Article concerning the persons that have participated or cooperated in transactions or business activities of a person with respect to which there are reasons for suspicion of money laundering or terrorism financing.

(3) The lawyer shall send the data, information and documentation to the APML within the deadlines specified in Article 53, paragraphs 4 and 5 of this Law.

### **Requesting data from the competent State bodies and public authority holders Article 55**

(1) In order to assess whether there are reasons for suspicion of money laundering or terrorism financing in relation to certain transactions or certain persons, the APML may request data, information and documentation required to detect and prove money laundering or terrorism financing from the State bodies, organizations and legal persons entrusted with public authorities.

(2) The APML may request from the bodies and organizations referred to in paragraph 1 of this Article to send data, information, and documentation required to detect and prove money laundering and terrorism financing in relation to persons that have participated or cooperated in transactions or business operations of persons in relation to which there are reasons for suspicion of money laundering or terrorism financing.

(3) The bodies and organizations referred to in paragraph 1 of this Article shall send the requested data to the APML in writing, within eight days of the date of receipt of the request or provide to the APML a direct electronic access to the data and information, without fees.

(4) In urgent cases, the APML may request the data to be sent within a time shorter than the time referred to in paragraph 3 of this Article.

### **Temporary suspension of transaction** **Article 56**

(1) The APML may issue a written order to the obligor for a temporary suspension of a transaction if it assesses that there are reasonable grounds for suspicion of money laundering or terrorism financing with respect to a transaction or person carrying out the transaction, of which it shall inform the competent bodies in order to take measures within their competence.

(2) APML director or a person he authorises may, in urgent cases, issue an oral order temporarily suspending a transaction, which shall be confirmed in writing no later than the next business day.

(3) A temporary suspension of transaction pursuant to paragraphs 1 and 2 of this Article may last for a maximum of 72 hours following the moment of the temporary suspension of transaction. If the time limit referred to in this paragraph occurs during non-working days, the APML may issue an order to extend such time limit for additional 48 hours.

(4) During the course of the temporary suspension of transaction the obligor shall abide by APML orders concerning such transaction or person that carries out such transaction.

(5) The competent bodies referred to in paragraph 1 of this Article shall undertake without delay the measures within their competence of which they shall inform the APML promptly.

(6) If the APML establishes within the time referred to in paragraph 3 of this Article that there are no reasonable grounds to suspect money laundering or terrorism financing, it shall inform the obligor that it may carry out the transaction.

(7) If the APML does not inform the obligor on the results of its actions, within the time referred to in paragraph 3 of this Article, the obligor shall be considered to have the permission to execute the transaction.

(8) The obligor may temporarily suspend a transaction for a maximum of 72 hours if it has reasonable grounds to suspect money laundering or terrorism financing in a transaction or person which carries out the transaction or for which the transaction is being carried out, and if that is required for a timely execution of obligations laid down in this Law.

### **Monitoring of customer financial transactions** **Article 57**

(1) If the APML assesses that there are reasons for suspicion of money laundering or terrorism financing with respect to certain transactions or persons, it

may issue a written order to the obligor to monitor all transactions and business operations of such persons carried out in the obligor.

(2) The APML may issue the order referred to in paragraph 1 of this Article in relation to persons that have participated or cooperated in transactions or business activities of a person with respect to which there are reasons for suspicion of money laundering or terrorism financing.

(3) The obligor shall inform the APML each transaction or business operation within the timeline specified in the order referred to in paragraph 1 of this Article.

(4) Unless otherwise provided in the order, the obligor shall report each transaction or business operation to the APML before the execution of the transaction or business operation, as well as indicate the time when the transaction or business is to be carried out.

(5) If the obligor, either due to the nature of a transaction or business or for any other justified reasons, cannot act as laid down in paragraph 4 of this Article, it shall inform the APML of the transaction or business immediately after their execution but no later than the next business day. The obligor shall state the reasons in the report as to why it did not act as laid down in paragraph 4 of this Article.

(6) The measure referred to in paragraph 1 of this Article shall last for three months from the day when the order was issued. This measure may be extended by one month for a maximum of six months from the date when the order was issued.

#### **The initiative to commence procedure in the APML Article 58**

(1) If there are reasons for suspicion on money laundering or terrorism financing in relation to certain transactions or persons, the APML may initiate a procedure to collect data, information and documentation as provided for in this Law, as well as carry out other actions and measures within its competence also at a written and grounded initiative by a court, public prosecutor, police, Security Information Agency, Military Intelligence Agency, Military Security Agency, Tax Administration, Customs Administration, National Bank of Serbia, Securities Commission, Privatization Agency, competent inspectorates and State bodies competent for state auditing and fight against corruption.

(2) The APML shall refuse to initiate the procedure based on the initiative referred to in paragraph 1 of this Article if it does not contain reasons for suspicion of money laundering or terrorism financing, as well as in circumstances when it is obvious that such reasons for suspicion do not exist.

(3) In the event referred to in paragraph 2 of this Article, the APML shall inform the initiator in writing of the reasons why it did not commence a procedure based on such initiative.

#### **Dissemination of data to competent bodies Article 59**

(1) If the APML assesses, based on the obtained data, information and documentation, that there are reasons for suspicion of money laundering or terrorism financing in relation to a transaction or person, it shall inform the competent State bodies thereof in writing, in order that they may undertake measures within their competence, and send them the obtained documentation.

### **Feedback Article 60**

(1) The APML shall inform the obligor, lawyer and the State body referred to in Article 58, paragraph 1 of this Law, that reported to the APML a person or transaction with respect to which there are reasons for suspicion of money laundering or terrorism financing, of the results brought about by their reporting.

(2) The reporting referred to in paragraph 1 of this Article shall apply to:

- 1) data on the number of the sent reports on transactions or persons in relation to which there are reasons for suspicion of money laundering or terrorism financing;
- 2) results brought about by such reporting;
- 3) information held by APML on money laundering and terrorism financing techniques and trends in the area;
- 4) description of cases from the practice of the APML and other competent state bodies.

## **5.3. International cooperation**

### **Requesting data from foreign countries Article 61**

(1) The APML may request data, information and documentation required for the prevention and detection of money laundering or terrorism financing from the competent bodies of foreign countries.

(2) The APML may use the data, information and documentation, obtained based on paragraph 1 of this Article, only for the purposes set out in this Law.

(3) The APML may not disseminate the data, information and documentation obtained based on paragraph 1 of this Article to other State bodies without a prior consent of the State body of the foreign country that is competent for the prevention and detection of money laundering and terrorism financing, which has sent this data to the APML.

(4) The APML may not use the data, information and documentation, obtained based on paragraph 1 of this Article, in contravention to the conditions and restrictions imposed by the State body of the foreign country that has sent such data to the APML.

### **Dissemination of data to the competent State bodies of foreign countries Article 62**

(1) The APML may send data, information and documentation regarding transactions or persons with respect to which there are reasons for suspicion of money laundering or terrorism financing to State bodies of foreign countries competent for the prevention and detection of money laundering and terrorism financing at their written and grounded request or on its own initiative, under the condition of reciprocity.

(2) The APML may refuse to respond to the request referred to in paragraph 1 of this Article if it assesses, based on the facts and circumstances specified in the request, that there are no reasons for suspicion of money laundering or terrorism financing or if the sending of such data would jeopardize or may jeopardize the course of criminal proceedings in the Republic of Serbia.

(3) The APML shall inform in writing the State body of the foreign country that requested data, information or documentation of the refusal of the request, and shall indicate in the notification the reasons why it refused the request.

(4) The APML may set conditions and restrictions under which a body of a foreign country may use the data, information and documentation referred to in paragraph 1 of this Article.

**Temporary suspension of a transaction at the request of the competent body of a foreign country**  
**Article 63**

(1) The APML may issue a written order temporarily suspending the execution of a transaction, under the conditions laid down in this Law and under conditions of reciprocity, also on the basis of a written and grounded request of a State body of a foreign country competent for the prevention and detection of money laundering and terrorism financing.

(2) The provisions of Article 56 of this Law shall apply, as appropriate, to the temporary suspension of execution of transaction referred to in paragraph 1 of this Article.

(3) The APML may refuse to carry out the request referred to in paragraph 1 of this Article if it assesses, on the basis of facts and circumstances stated in the request, that there are no reasons for suspicion of money laundering or terrorism financing, of which it shall inform in writing the competent requesting body of the foreign country, stating the reasons for the refusal.

**Requesting a temporary suspension of a transaction from the competent body of a foreign country**  
**Article 64**

(1) The APML may request from the body of a foreign country that is competent for the prevention and detection of money laundering and terrorism financing to order a temporary suspension of a transaction if there are reasonable

grounds for suspicion of money laundering or terrorism financing in relation to a transaction or person.

#### **5.4. Prevention of money laundering and terrorism financing**

##### **Prevention of money laundering and terrorism financing**

###### **Article 65**

(1) The APML shall undertake the following tasks in the prevention of money laundering and terrorism financing:

1) conduct the supervision of the implementation of the provisions of this Law and take actions and measures within its competence in order to remove observed irregularities;

2) submit recommendations to the Minister for amending this Law and other regulations governing the prevention and detection of money laundering and terrorism financing;

3) take part in the development of the list of indicators for the identification of transactions and persons with respect to which there are reasons for suspicion of money laundering or terrorism financing;

4) make drafts and give opinions on the application of this Law and regulations adopted based on this Law;

5) make drafts and issue recommendations for a uniform application of this Law and regulations made under this Law in the obligor and lawyer;

6) develop plans and implement training of APML's employees and cooperates in matters of professional education, training and improvement of employees in the obligor and lawyer in relation to the implementation of regulations in the area of the prevention of money laundering and terrorism financing;

7) initiate procedures to conclude cooperation agreements with the State bodies, competent bodies of foreign countries and international organizations;

8) participate in international cooperation in the area of detection and prevention of money laundering and terrorism financing;

9) publish statistical data in relation to money laundering and terrorism financing;

10) provide information to the public on the money laundering and terrorism financing manifestations;

11) perform other tasks in accordance with the law.

#### **5.5. Other responsibilities**

##### **Work reports**

###### **Article 66**

(1) The APML shall submit a work report to the Government, no later than until 31 March of the current year for the previous year.

(2) The report referred to in paragraph 1 of this Article shall include statistical data on money laundering or terrorism financing manifestations, money laundering or terrorism financing trends, as well as data on APML's activities.

## **VI CONTROL OF CROSS-BORDER TRANSPORTATION OF BEARER NEGOTIABLE INSTRUMENTS**

### **Declaring bearer negotiable instruments Article 67**

(1) Any natural person crossing the state border carrying bearer negotiable instruments amounting to EUR 10,000 or more either in RSD or foreign currency, shall declare it to the competent customs body.

(2) The declaration referred to in paragraph 1 of this Article shall contain the data referred to in Article 81, paragraph 5 of this Law.

(3) The Minister shall prescribe the form and content of the declaration, procedure to file and fill out the declaration as well as the manner to inform natural persons crossing the state border of this obligation.

### **Customs control Article 68**

(1) The competent customs body, when conducting customs control in accordance with law, shall control the fulfilling of the requirement referred to in Article 67 of this Law.

### **Reasons for suspicion of money laundering or terrorism financing Article 69**

(1) If the competent customs body establishes that a natural person is transferring, across the state border, bearer negotiable instruments in the amount lower than the amount referred to in Article 67, paragraph 1 of this Law, and there are reasons for suspicion of money laundering or terrorism financing, it shall obtain the data referred to in Article 81, paragraph 6 of this Law.

(2) The competent customs body shall temporarily detain non-declared bearer negotiable instruments and shall deposit them into the account of the body competent for conducting minor offence proceedings, held with the National Bank of Serbia. The competent customs body shall temporarily detain funds also when it assesses that there is grounded suspicion that such funds, regardless of their amount, are related to money laundering or the financing of terrorism. A certificate shall be issued on any bearer negotiable instruments detained.

## **VII RESPONSIBILITIES OF STATE BODIES AND OTHER LEGAL PERSONS**

### **Competent customs bodies Article 70**

(1) The competent customs body shall send the data referred to in Article 81, paragraph 5 of this Law to the APML regarding each declared or non-declared cross-border transportation of bearer negotiable instruments within three days of the date of such transfer, and where there are reasons for suspicion of money laundering or terrorism financing it shall also state the reasons thereof.

(2) The competent customs body shall send the data referred to in Article 81, paragraph 6 of this Law to the APML within the time set in paragraph 1 of this Article in case of any cross-border transportation of bearer negotiable instruments in the amount lower than the amount referred to in Article 67, paragraph 1 of this Article, if there are reasons for suspicion of money laundering or terrorism financing.

**Securities market organizers and the securities Central Register, depository and clearing**  
**Article 71**

(1) The organizer of the market, pursuant to the law governing the securities market and the securities Central Register, securities depository and clearing shall inform the APML in writing where they establish or identify any facts, when performing tasks within their remit, that are or may be linked to money laundering or terrorism financing.

**Courts, public prosecutors' offices and other State bodies**  
**Article 72**

(1) Courts, public prosecutors' offices and other State bodies competent to submit reports shall regularly send to the APML, for the purposes of compilation and analysis, data and information on proceedings concerning minor offences, economic offences and criminal offences related to money laundering and terrorism financing, about the perpetrators, as well as about the confiscation of proceeds generated from a criminal offence (hereinafter referred to as: 'proceeds').

(2) State bodies competent to send reports shall regularly send to the APML the following data:

- 1) Reporting date;
- 2) Name, surname, date and place of birth, or the business name and seat of the reported person;
- 3) Legal qualification of the offence, as well as the place, time and manner of commission of the offence;
- 4) Legal qualification of the predicate offence, as well as the place, time and manner of commission of the offence;

(3) The State Public Prosecutor's Office and other competent prosecutors' offices shall annually as well as upon request of the APML, send the following data to the APML:

- 1) Date of indictment;
- 2) Name, surname, date and place of birth, or the business name and seat of the indicted person;



3) Legal qualification of the offence, as well as the place, time and manner of commission of the offence;

4) Legal qualification of the predicate offence, as well as the place, time and manner of commission of the offence;

(4) Courts shall annually, as well as upon request of the APML, send the following data to the APML:

1) Name, surname, date and place of birth, or the business name and seat of the person against which the proceedings have been initiated;

2) Legal qualification of the offence, type and amount of the seized or confiscated proceeds;

3) Type of punishment and sentence;

4) Latest court decision passed in the proceedings at the time of reporting;

5) Data on the letters rogatory received and sent in relation to the criminal offences referred to in paragraph 1 of this Article or predicate offences;

6) Data on all received and sent requests for seizure or confiscation of proceeds regardless of the type of criminal offence.

(6) The ministry competent for judiciary shall send to the APML annually as well as upon its request, data on the received and sent requests for extradition in relation to criminal offences referred to in paragraph 1 of this Article.

(7) The competent State bodies that received the information referred to in Article 59 of this Law from the APML shall send the data on the measures taken and decisions made, once a year, but no later than by the end of February of the current year for the previous year, as well as at its request.

## **VIII DATA PROTECTION AND KEEPING AND RECORD KEEPING**

### **8.1. Data protection**

#### **Prohibition of disclosure ('no tipping off')**

##### **Article 73**

(1) The obligor, lawyer and their employees, including the members of the governing, supervisory or other managing bodies, or any other person having access to the data referred to in Article 81 of this Law shall not disclose to the customer or any other person the following:

1) that the APML was sent, or is being sent, data, information and documentation on a customer or transaction with respect to which there is suspicion of money laundering or terrorism financing;

2) that the APML has issued, based on Articles 56 and 63 of this Law, an order for a temporary suspension of transaction;

3) that the APML has issued, based on Article 57 of this Law, an order to monitor financial operations of the customer;

4) that proceedings against a customer or a third party have been initiated or may be initiated in relation to money laundering or terrorism financing.

(2) The prohibition referred to in paragraph 1 of this Article shall not apply to the situations:

1) when the data, information and documentation obtained and maintained by the obligor or lawyer in accordance with this Law are required to establish facts in criminal proceedings and if such data is required by the competent court in accordance with law.

2) if the data referred to in item 1 of this Article is requested by the body referred to in Article 82 of this Law in the supervision of the implementation of the provisions of this Law;

3) if the lawyer, auditing company, licensed auditor, legal or natural person offering accounting services or the services of tax advising attempt to dissuade a customer from illegal activities.

### **Data confidentiality Article 74**

(1) Data, information and documentation obtained by the APML under this Law will be classified with an appropriate degree of confidentiality.

(2) Dissemination of data, information and documentation referred to in paragraph 1 of this Article to the competent State bodies and the foreign State bodies competent for the prevention and detection of money laundering and terrorism financing shall not be considered breach of data confidentiality.

(3) Sending of data, information and documentation by the obligor, lawyer or their employees to the APML, to a correspondent bank based on Article 29 of this Law, or a third party, based on Articles 23 to 26 of this Law, shall not be considered breach of obligation to keep a business, banking or professional secret.

### **Exemption from responsibility Article 75**

(1) The obligor, lawyer and their employees shall not be held liable for any damage done to customers or third parties unless it has been proven that such damage was caused intentionally or through gross negligence when, under this law, they:

1) obtain and process data, information and documentation about customers;

2) send to the APML data, information and documentation about their customers;

3) execute the order of the APML to temporarily suspend the execution of a transaction or to monitor the financial transactions of a customer;

4) temporarily suspend a transaction, under the provision of Article 56, paragraph 8 of this Law.

(2) The obligor, lawyer, and their employees shall not be held liable, either disciplinary or criminally, for any breach of the obligation to keep the business, banking or professional secrets, in the following circumstances:

1) when they send data, information and documentation to the APML in accordance with this Law;

2) when they process data, information and documentation in order to examine customers or transactions with respect to which there are reasons for suspicion of money laundering or terrorism financing.

**Use of data, information and documentation**  
**Article 76**

(1) The APML, other competent State body or holder of public authority as well as the obligor and lawyer and their employees may use the data, information and documentation, obtained under this Law, only for the purposes laid down in the law.

**8.2. Keeping of data**  
**Period for keeping the data in the obligor and lawyer**  
**Article 77**

(1) The obligor and lawyer shall keep the data and documentation that are obtained under this Law concerning a customer, established business relationships with a customer and executed transactions for a period of 10 years from the date of termination of the business relationship, executed transaction, or the latest access to a safe deposit box or entry into a casino.

(2) The obligor and lawyer shall keep the data and documentation about the compliance officer, deputy compliance officer, professional training of employees and executed internal controls for a period of at least five years from the date of termination of the duty of the compliance officer, implemented professional training or conducted internal control.

**Period for keeping data in the competent customs body**  
**Article 78**

(1) The competent customs body shall keep the data obtained in accordance with this Law for a period of at least 10 years from the date at which it was obtained.

**Period for keeping data in the APML**  
**Article 79**

(1) The APML shall keep the data from the records it maintains under this Law for a period of at least 10 years from the date at which it was obtained.

**7.3 Records**

**Record keeping**  
**Article 80**

(1) The obligor shall keep the following records of data:

- 1) Concerning the customers, as well as business relationships and transactions referred to in Article 9 of this Law;
- 2) That was sent to the APML pursuant to Article 37 of this Law.

(2) The lawyer shall keep the following records of data:

- 1) Concerning the customers, as well as business relationships and transactions referred to in Article 9 of this Law;
- 2) That was sent to the APML in pursuant to Article 48 of this Law.

(3) The competent customs body shall keep records on:

- 1) The declared and non-declared cross-border transportation of bearer negotiable instruments amounting to EUR 10,000 or more in RSD or foreign currency;
- 2) Cross-border transportation or an attempt at cross-border transportation of bearer negotiable instruments in the amount lower than EUR 10,000 in RSD or in foreign currency if there are reasons for suspicion of money laundering or terrorism financing.

(4) The APML shall keep the records of:

- 1) Data on persons and transactions referred to in Article 37 of this Law;
- 2) Data on persons and transactions referred to in Article 48 of this Law;
- 3) Issued orders for the temporary suspension of a transaction referred to in Article 56 and 63 of this Law;
- 4) Issued orders for the monitoring of financial transactions of a customer referred to in Article 57 of this Law;
- 5) Received initiatives referred to in Article 58 of this Law;
- 6) Data transferred to the competent State bodies in accordance with Article 59 of this Law;
- 7) Data received and sent in accordance with Articles 61 and 62 of this Law;
- 8) Data on minor offences, economic offences, and criminal offences referred to in Article 72 of this Law;
- 9) Deficiencies, illegitimate acts or imposed measures in the supervision referred to in Article 82 of this Law;
- 10) The reports referred to in Article 71 and 86 of this Law.

### **Content of records Article 81**

(1) Records of data on customers, business relationships and transactions referred to in Article 80, paragraph 1, item 1 of this Law shall contain:

- 1) Business name, address, seat, registry number, and tax identification number (hereinafter referred to as: TIN) of the legal person establishing a business relationship or carrying out a transaction, i.e. for which a business relationship is established or transaction executed;

2) Name and surname, date and place of birth, place of permanent or temporary residence, unique personal identity number (hereinafter referred to as: UPIN), of the representative, empowered representative or procura holder who establishes a business relationship or executes a transaction on behalf of and for the account of a customer which is a legal person or any other person under civil law referred to in Article 3, paragraph 1, item 10 of this Law, as well as the type and number of the personal document, date and place of issue;

3) Name and surname, date and place of birth, place of permanent or temporary residence and UPIN of the natural person, his legal representative and empowered representative, as well as of the entrepreneur establishing a business relationship or carrying out a transaction, i.e. for whom a business relationship is established or transaction executed, as well as the type and number of personal document, name of the issuer, and the date and place of issue.

4) Business name, address, seat, registry number and TIN of the entrepreneur;

5) Name and surname, date and place of birth and place of permanent or temporary residence of a natural person entering a casino or accessing a safe-deposit box;

6) Purpose and intended nature of a business relationship, as well as information on the type of business and business activities of a customer;

7) Date of establishing of a business relationship, i.e. date and time of entrance into a casino or access to a safe-deposit box;

8) Date and time of transaction;

9) Amount and currency of the transaction;

10) The intended purpose of the transaction, name and surname as well as the place of permanent residence, or the business name and seat of the intended recipient of the transaction;

11) Manner in which a transaction is executed;

12) Data and information on the origin of property which was the subject matter or which will be the subject matter of a business relationship or transaction;

13) Reasons for suspicion of money laundering or terrorism financing;

14) Name, surname, date and place of birth, and place of permanent or temporary residence of the beneficial owner of the customer, whereas in the case referred to in Article 3, paragraph 1, item 13, line 2 of this Law, data on the category of the person in whose interest the person under foreign law was founded or operates;

15) Name of the person under civil law referred to in Article 3, paragraph 1, item 10 of this Law, and name and surname, date and place of birth and place of permanent or temporary residence of each member of such person.

(2) The records of data sent to the APMML in accordance with Article 37 of this Law shall contain the data referred to in paragraph 1 of this Article.

(3) Records of data on customers, business relationships and transactions maintained by lawyers pursuant to Article 80, paragraph 2, item 1 of this Law shall contain:

1) Name and surname, date and place of birth, place of permanent or temporary residence, UPIN, type, number, place and date of issue of a personal identity document of the natural person and entrepreneur, or the business name, address, seat, registry number and TIN of the legal person and entrepreneur to whom the lawyer provides services;

2) Name and surname, date and place of birth, place of permanent or temporary residence, UPIN, type, number, place and date of issue of the personal document of the representative of the legal person or legal representative or empowered representative of the physical person who establishes a business relationship or carries out a transaction on behalf of and for the account of such legal or natural person;

3) Data referred to in paragraph 1, item 14 of this Article concerning the legal person to whom the lawyer provides a service;

4) Purpose and intended nature of a business relationship, as well as information on the type of business activities of a customer;

5) Date of establishing a business relationship;

6) Date of transaction;

7) Amount and currency of the transaction;

8) The intended purpose of the transaction, name and surname as well as the place of permanent residence, or the business name and seat of the intended recipient of the transaction;

9) Manner in which a transaction is executed;

10) Data and information on the origin of property which was the subject matter or which will be the subject matter of a business relationship or transaction;

11) Name and surname, date and place of birth, place of permanent or temporary residence and UPIN of the natural person and entrepreneur, or the business name, address and seat, registry number and TIN of the legal person and entrepreneur with respect to which there are reasons for suspicion of money laundering or terrorism financing;

12) Data on the transaction with respect to which there are reasons for suspicion of money laundering or terrorism financing (amount and currency of transaction, date and time of transaction);

13) Reasons for suspicion of money laundering or terrorism financing.

(4) The records of data sent to the APMML in accordance with Article 48 of this Law shall contain the data referred to in paragraph 3 of this Article.

(5) Records of declared and non-declared cross-border transportation of bearer negotiable instruments amounting to EUR 10,000 or more in RSD or foreign currency shall contain:

1) Name and surname, place of residence, date and place of birth and citizenship of the person transferring the instruments, as well as the passport number including the date and place of issue;

2) Business name, address and seat of the legal person, i.e. name, surname, place of permanent or temporary residence, date and place of birth and citizenship of the owner if such instruments or the person for whom the cross-border transportation is being carried out, as well as the passport number, including the date and place of issue;

3) Business name, address and seat of the legal person, i.e. name, surname, place of permanent or temporary residence, date and place of birth and citizenship of the recipient of such instruments;

4) Type of the instruments;

5) Amount and currency of the bearer negotiable instruments transferred;

6) Origin of the bearer negotiable instruments transferred;

7) Purpose for which the instruments will be used;

- 8) Place, date and time of the crossing of the state border;
- 9) Means of transportation used to transfer the instruments;
- 10) Route (country of departure and date of departure, transit country, country of destination and date of arrival), transport company and reference number (e.g. flight number);
- 11) Data on whether or not the bearer negotiable instruments have been declared;

(6) Records on cross-border transportation of bearer negotiable instruments in the amount lower than EUR 10,000 in RSD or in foreign currency if there are reasons for suspicion of money laundering or terrorism financing shall contain:

- 1) Name, surname, place of permanent residence, date and place of birth and citizenship of the person declaring or not declaring such instruments;
- 2) Business name and seat of the legal person, i.e. name, surname, place of permanent residence and citizenship of the owner of such instruments, or of the person for which the cross-border transportation of such instruments is being carried out;
- 3) Business name, address and seat of the legal person, i.e. name, surname, place of permanent or temporary residence, date and place of birth and citizenship of the recipient of such instruments;
- 4) Type of the instruments;
- 5) Amount and currency of the bearer negotiable instruments transferred;
- 6) Origin of the bearer negotiable instruments transferred;
- 7) Purpose for which the instruments will be used;
- 8) Place, date and time of the crossing of the state border;
- 9) Means of transportation used to transfer the instruments;
- 10) Reasons for suspicion of money laundering or terrorism financing.

(7) The records of orders for a temporary suspension of execution of a transaction shall contain:

- 1) Business name of the obligor to which the order applies;
- 2) Date and time of issue of the order;
- 3) Amount and currency of the transaction whose execution is temporarily suspended;
- 4) Name and surname, place of permanent or temporary residence, date and place of birth and UPIN of the natural person requesting the transaction which has been temporarily suspended;
- 5) Name and surname, place of permanent or temporary residence, date and place of birth and UPIN of the natural person, or the business name, address and seat of the legal person which is the recipient of the instruments, or the data about the account to which such instruments are transferred;
- 6) Data about the State body which was informed on the temporary suspension of a transaction.

(8) The records of the issued orders for the monitoring of financial transactions of a customer shall contain:

- 1) Business name of the obligor to which the order applies;

- 2) Date and time of issue of the order;
- 3) Name and surname, place of permanent or temporary residence, date and place of birth and UPIN of the natural person, or the business name, address and seat of the legal person to which the order applies.

(9) Records on the initiatives referred to in Article 58 of this Law shall contain:

- 1) Name and surname, place of permanent or temporary residence and UPIN of the natural person, or the business name, seat, registry number and TIN of the legal person with respect to which there are reasons for suspicion of money laundering or terrorism financing;

- 2) The data on the transaction for which there are reasons for suspicion of money laundering or terrorism financing (amount, currency and date of transaction, or the period of the execution of transaction);

- 3) Reasons for suspicion of money laundering or terrorism financing.

(10) The records of data transferred to the competent State bodies in accordance with Article 59 of this Law shall contain:

- 1) Name and surname, date and place of birth, place of permanent or temporary residence and UPIN of the natural person, or the business name, seat, registry number and TIN of the legal person in with respect to which the APML has sent the data, information and documentation to the competent State body;

- 2) The data on the transaction for which there are reasons for suspicion of money laundering or terrorism financing (amount, currency and date of transaction, or the time of the execution of transaction);

- 3) Reasons for suspicion of money laundering or terrorism financing;

- 4) Data on the body to which the data were sent.

(11) The records of data received and sent in accordance with Articles 61 and 62 of this Law shall contain:

- 1) Name of the country or body to which the APML sends or from which it requests data, information and documentation;

- 2) Data on the transactions or persons concerning which the APML sends or requests the data referred to in paragraph 1 of this Article.

(12) The records of data on minor offences, economic offences, and criminal offences referred to in Article 72 of this Law shall contain:

- 1) Date of report, indictment, or institution of proceedings;

- 2) Name, surname, date and place of birth, or the business name and seat of the reported or charged person, or the person against whom the proceedings have been instituted;

- 3) Legal qualification of the offence, as well as the place, time and manner of commission of the offence;

- 4) Legal qualification of the predicate offence, as well as the place, time and manner of commission of such offence;

- 5) Type and amount of the seized or confiscated proceeds from a criminal offence, economic offence or minor offence;



- 6) Type of punishment and sentence;
- 7) Latest court decision passed in the proceedings at the time of reporting;
- 8) Data on the rogatory letters received and sent in relation to the criminal offences of money laundering and terrorism financing or predicate offences;
- 9) Data on the received and sent requests for seizure or confiscation of illegal proceeds regardless of the type of criminal offence, economic offence, or minor offence.
- 10) Data on the received and sent extradition requests in relation to the criminal offences of money laundering or terrorism financing.

(13) Records of minor offences and measures imposed in the supervision referred to in Article 82 of this Law shall contain:

- 1) Name, surname, date and place of birth, place of permanent or temporary residence, citizenship and UPIN of the natural person, as well as, with respect to the responsible person and compliance officer in a legal person, work position and tasks performed;
- 2) Business name, address, seat, registry number and TIN of the legal person;
- 3) Description of the minor offence or deficiency;
- 4) Data on the imposed measures.

(14) The records of the reports referred to in Article 71 and 86 of this Law shall contain:

- 1) Name and surname, date and place of birth, place of permanent or temporary residence and UPIN of the natural person, or the business name, seat, registry number and TIN of the legal person to which the facts, which are linked or which might be linked with money laundering or terrorism financing, apply;
- 2) Data on the transaction to which the facts which are linked or which may be linked to money laundering or terrorism financing apply (amount, currency, date, or the time of the execution of transaction);
- 3) Description of the facts which are linked or which may be linked to money laundering or terrorism financing.

## **IX SUPERVISION**

### **9.1. Bodies competent for supervision**

#### **Bodies competent for supervision and their powers Article 82**

(1) The supervision of the implementation of this Law by the obligor and lawyer shall be conducted by the following bodies, within their respective competences:

- 1) APML;
- 2) National Bank of Serbia;
- 3) Securities Commission
- 4) Tax Administration;
- 5) Ministry competent for supervisory inspection in the area of trade;

- 6) Foreign Currency Inspectorate;
- 7) Administration for Games of Chance;
- 8) Ministry competent for finance;
- 9) Ministry competent for postal communication;
- 10) Bar Association;
- 11) Chamber of Licensed Auditors.

(2) If the body referred to in paragraph 1 of this Article, when conducting supervision, establishes irregularities or illegal acts in the implementation of this Law, it shall, in accordance with the law governing its supervising powers, act as follows:

- 1) Demand that the irregularities and deficiencies be remedied in the period which it sets itself;
- 2) Lodge a request to the competent body for the institution of an adequate procedure;
- 3) Take other measures and actions for which it is authorized in the law.

### **APML competence in supervision** **Article 83**

(1) The APML shall conduct supervision of the implementation of this Law by the obligors and lawyers by collecting, processing, and analysing data, information, and documentation sent to the APML under this Law.

(2) The APML shall supervise the implementation of this Law by obligors specified in Article 4, paragraph 1, item 7), and Article 4, paragraph 2, item 5) and 7) of this Law in case of domestic payment operations, as well as Article 4, paragraph 1, item 11) and 12), and Article 4, paragraph 2, items 2) to 4) and item 6) of this Law.

(3) When conducting supervision the APML's employee shall identify themselves using the official ID card and badge

(4) The obligor and lawyer shall send the APML data, information, and documentation required for the supervision immediately, and no later than 15 days from the date of request.

(5) The APML may request from the state bodies and public authority holders all data, information, and documentation that are required for supervision under this Law.

### **Other bodies competent for supervision** **Article 84**

(1) The National Bank of Serbia shall supervise the implementation of this Law by the obligors referred to in Article 4, paragraph 1, items 1 and 2, and items 4 to 6 of this Law.

(2) The Securities Commission shall supervise the implementation of this Law by the obligors referred to in Article 4, paragraph 1, item 1 with respect to custody and broker-dealer business, and Article 4, paragraph 1, items 3 and 8 of this Law.

(3) The Administration for Games of Chance shall supervise the implementation of this Law by the obligors referred to in Article 4, paragraph 1, items 9 and 10 of this Law.

(5) The ministry competent for postal communication shall supervise the implementation of this Law by the obligors referred to in Article 4, paragraph 1, item 7 of this Law with respect to valuable mail.

(6) The ministry competent for supervisory inspection in the area of trade shall supervise the implementation of this Law by the obligors referred to in Article 4, paragraph 2, item 1 of this Law.

(8) The Bar Association shall supervise the implementation of this Law by the lawyer.

(10) The Tax Administration and the ministry competent for supervisory inspection in the area of trade shall supervise the implementation of the provision of Article 36 of this Law.

(11) The Foreign Currency Inspectorate shall supervise the implementation of this Law by the obligors referred to in Article 4, paragraph 1, items 2 and 7, and Article 4, paragraph 2, items 5 and 7 of this Law with respect to international payment operations.

(12) The bodies referred to in this Article shall send each other, upon request, all data and information required for supervision of the implementation of this Law.

(13) The obligor and lawyer shall send data, information and documentation required for supervision to the bodies referred in this Article promptly and no later than 15 days from the date of receipt of a request.

## **9.2. Informing the APML concerning supervision**

### **Information on the supervision measures taken Article 85**

(1) The bodies referred to in Article 84 of this Law shall promptly inform the APML in writing of all the measures taken in the implemented supervision, any irregularities or illegal acts found as well as any other relevant facts in relation to the supervision, and shall send a copy of the document that they enact.

(2) The report referred to in paragraph 1 of this Article shall contain the data referred to in Article 81, paragraph 13 of this Article.

(3) The body that has found irregularities and illegal acts shall also inform other bodies referred to in Article 84 thereof, if that is relevant for their work.

### **Informing APML of the facts linked to money laundering and terrorism financing Article 86**

(1) The bodies referred to in Article 84 of this Law shall inform the APML in writing where they establish or identify, while executing tasks within their competence, facts that are or may be linked to money laundering or terrorism financing.

### **9.3. Issuing recommendations and guidelines**

#### **Article 87**

(1) The body referred to in Article 84 of this Law may, independently or in cooperation with other bodies, issue recommendations and/or guidelines for the implementation of the provisions of this Law.

## **X PENAL PROVISIONS**

### **Economic offences**

#### **Article 88**

(1) A legal person shall be punished for an economic offence with a fine amounting from RSD 500,000 to RSD 3,000,000, if it:

1) Fails to develop a money laundering and terrorism financing risk analysis (Article 7, paragraph 1);

2) Fails to take customer due diligence actions and measures referred to in Article 8, paragraph 1 of this Law;

3) Establishes a business relationship with the customer without having previously taken the required actions and measures, or where a business relationship has been established, it fails to terminate it (Article 8, paragraph 2 and Article 10, paragraph 1);

4) Carries out a transaction without having taken the required measures (Article 8, paragraph 2 and Article 11);

5) With respect to life insurance business, fails to identify the beneficiary of the policy before the time of payout of the benefits under the contract (Article 10, paragraph 2);

5a) Fails to obtain accurate and complete data concerning the originator of the electronic transfer or fails to include it into the form or message accompanying the incoming or outgoing electronic transfer of funds, regardless of the currency (Article 12a, paragraph 1);

5b) Fails to establish and verify the identity of the originator of the electronic transfer before the execution of such transfer, in the manner provided for in Article 13, paragraph 2, and Article 15, paragraph 2 of this Law (Article 12b, paragraph 1);

5c) Fails to meet the requirements laid down in Article 12a, paragraph 1 of this Law at all times when there are reasons to suspect money laundering or terrorist financing, regardless of the electronic transfer amount (Article 12c, paragraph 3);

5d) Fails to obtain missing data or fails to refuse the execution of the electronic transfer if the electronic transfer lacks accurate and complete data concerning the electronic transfer originator, or fails to obtain such data within the specified time limit (Article 12b, paragraph 4);

6) Fails to identify and verify the identity of the customer who is a natural person, its legal representative, as well as entrepreneur, and fails to obtain all the required data or if it fails to obtain it in a required manner (Article 13, paragraph 1, 2 and 6);

7) Fails to identify and verify the identity of the empowered representative of the customer who is a natural person, i.e. fails to identify and verify the identity of such empowered representative in the required manner (Article 13, paragraph 4);

8) Identifies and verifies the identity of the customer using a qualified electronic certificate contrary to the provisions of Article 14 of this Law and the conditions set out by the Minister based on Article 14, paragraph 1 of this Law;

9) Fails to identify and verify the identity of the customer that is a legal person, fails to obtain all the required data or fails to obtain them in the required manner (Article 15, paragraphs 1 to 5);

10) Fails to identify and verify the identity of the branch of the legal person through which it operates (Article 15, paragraph 7);

11) Fails to identify and verify the identity of the representative of a customer that is a legal person, fails to obtain all the required data or fails to obtain them in the required manner (Article 16 and Article 17, paragraph 2);

12) Fails to identify and verify the identity of the empowered representative or procura holder of a customer that is a legal person, fails to obtain all the required data or fails to obtain them in the required manner (Article 17, paragraph 1);

13) Fails to identify or verify the identity of the person under civil law referred to in Article 3, paragraph 1, item 10 of this Law, authorised representative of such other person, as well as persons that are members of such other person, fails to obtain all the required data or fails to obtain it in the required manner (Article 18);

14) Fails to identify and verifies the identity of a customer or its legal representative or empowered representative at the entry of such person into a casino or access to a safe-deposit box, fails to obtain the required data or fails to obtain it in the required manner (Article 19);

15) Fails to identify the beneficial owner of a customer, fails to obtain the required data or fails to obtain it in the required manner (Article 20, paragraph 1 to 3);

16) Fails to verify the identity of the beneficial owner of a customer based on a money laundering and terrorism financing risk assessment (Article 20, paragraph 4);

17) Relies for customer due diligence actions and measures on a third party which can not be a third party in accordance with this Law (Article 23, paragraph 2, and Article 24, paragraph 3);

(18) Relies on a third party to perform customer due diligence measures if the third party is from a state which is on a list of countries that do not apply the standards against money laundering and terrorism financing (Article 24, paragraph 2);

19) Establishes a business relationship with a customer contrary to the provisions of Article 26 of this Law;

19a) Fails to conduct enhanced customer due diligence actions and measures referred to in Articles 29 to 31 of this Law in cases when, in line with the provisions of Article 7 of this Law, it assesses that, due to the nature of the business relationship, form and manner of the execution of transaction, customer's business profile, or other circumstances related to the customer, there is or there may be a high money laundering or terrorism financing risk (Article 28, paragraph 2).

20) Fails to obtain the required data, information and documentation or fails to obtain it in the required manner (Article 29, paragraphs 1 and 3) when establishing a loro correspondent relationship with a bank or any other similar institution having its

seat in a foreign country which is not on the list of countries that apply the international standards in the area of prevention of money laundering and terrorism financing that are at the level of European Union standards or higher;

20a) Fails specifically to provide for and document, in the contract based on which correspondent relationship is established, obligations of each contracting party, in terms of preventing and detecting money laundering and terrorism financing, and if it fails to keep the contract in line with the law (Article 29, paragraph 5);

20b) Establishes loro correspondent relationship with a foreign bank or other similar institution based on which such foreign institution may can use an account with the obligor to conduct business operations directly with its customers (Article 29, paragraph 6);

20c) Fails to introduce procedures or fails to take additional measures to eliminate risks and prevent new technologies from being abused for the purpose of money laundering or terrorism financing, or if it fails to apply such procedures (Article 29a, paragraph 2);

20d) Fails to establish grounds and purpose of transactions referred to in Article 29b, paragraph 1, and fails to make an official note in writing, or fails to keep such official note in line with the law (Article 29b, paragraph 2);

21) Fails to set up a procedure to establish whether a customer or beneficial owner of a customer is a foreign official, or fails to set up such procedure in the required manner (Article 30, paragraph 1);

22) Fails to conduct the measures laid down in Article 30, paragraphs 2 and 3 of this Law;

23) Establishes a business relationship without the presence of the customer without having taken the required additional measures (Article 31);

24) Applies simplified due diligence measures contrary to the conditions set out in Articles 32 and 33 of this Law;

25) Opens, issues or maintains an anonymous account, coded or bearer savings book, or provides other services that directly or indirectly allow for concealing the customer identity (Article 34);

26) Establishes or continues a correspondent relation with a bank operating or which may operate as a shell bank or with any other similar institution that can reasonably be assumed that it may allow a shell bank to use its accounts (Article 35);

27) Accepts cash for the payment of goods or services amounting to the RSD equivalent of EUR 15,000, regardless of whether the payment is carried out in a single or in more than one linked cash transactions (Article 36);

28) Fails to report to the APML on each cash transaction amounting to the RSD equivalent of EUR 15,000 or more (Article 37, paragraph 1);

29) Fails to inform the APML of cases where there are reasons for suspicion of money laundering or terrorism financing with respect to a transaction or customer, or when a customer requests advice in relation to money laundering or terrorism financing, or fails to inform it within the required deadlines and in the required manner (Article 37, paragraphs 2-6);

30) Fails to appoint the compliance officer or its deputy in order to perform the tasks laid down in this Law (Article 39);

30a) Fails to ensure that the tasks of the compliance officer and deputy compliance officer, referred to under Article 39 of this Law, are carried out by a person which meets the requirements stipulated under Article 40 of this Law (Article 40);

31) Fails to create conditions for the compliance officer to perform the tasks laid down in this Law (Article 42, paragraphs 1 and 2);

32) Fails to provide for a regular internal control of actions for the prevention and detection of money laundering and terrorism financing (Article 44);

32a) Fails to establish a procedure under which, at the time of recruitment for the job where the provisions of this Law and regulations passed according to this Law are applied, the candidate for such job is checked to establish if they have been convicted for any of the criminal offences through which illegal proceeds are acquired or any of the criminal offences linked to terrorism, or if he fails to apply such a procedure (Article 44a, paragraph 1);

33) Fails to develop a list of indicators for the identification of persons and transactions with respect to which there are reasons for suspicion of money laundering or terrorism financing (Article 50, paragraph 1);

34) Fails to send to the APML, at its request, the requested data, information and documentation, or fails to send it within the set timeframes (Article 53);

35) Fails to suspend the transaction temporarily based upon the order of the APML or fails to obey, during the period of the suspension of the transaction, the orders of the APML relating to such transaction or person carrying out such transaction (Article 56);

36) Fails to act in accordance with the order of the APML to monitor the financial transactions of the customer, fails to inform the APML on all transactions and tasks carried out by the customer and/or fails to inform it within the set timeframe (Article 57);

37) Acts contrary to the provisions of Article 73 of this Law;

38) Does not use the data, information and documentation obtained under this Law only for the purposes laid down in the law (Article 76);

39) Does not keep the data and documentation obtained in accordance with this law at least 10 years from the date of termination of a business relationship, execution of transaction or the latest access to a safe-deposit box or entry into a casino (Article 77);

40) Does not keep record of the data in accordance with this Law (Article 80, paragraph 1).

(2) The responsible person in the legal person shall also be punished with a fine in the amount from RSD 20,000 to RSD 200,000 if it commits any of the acts referred to under paragraph 1 of this Article.

## **Article 89**

(1) A legal person shall be punished for an economic offence with a fine amounting from RSD 50,000 to RSD 1,500,000, if it:

1) Fails to develop a money laundering and terrorism financing risk analysis in line with the guidelines set out by the competent body referred to in Article 82 of this Law that is competent for the supervision of the implementation of this Law in that obligor, and/or if such analysis does not contain a risk assessment for each group or type of customer, business relationship, service rendered within its business, or transaction (Article 7, paragraphs 1 and 2);

1a) Fails to make an official note or fails to keep it according to the law in cases when it can not perform actions and measures referred to in Article 8, paragraph 1, items 1) to 4) of this Law (Article 8, paragraph 3);

1b) Fails to consider terminating business relationship with the other payment and collection service provider which frequently fails to meet the requirements from Article 12a, paragraph 1, of this Law, or if it fails to inform the APML thereof (Article 12b, paragraph 5);

1c) Fails to make an official not or fails to keep it according to the law after considering whether the lack of accurate and complete data on the wire transfer originator represents a reason to suspect money laundering or terrorism financing (Article 12b, paragraph 6);

2) Fails to obtain all the required data (Article 21);

3) Does not monitor customer business transactions with special care to the extent and as frequently as required by the level of risk established in the risk analysis under Article 7 of this Law (Article 22);

4) Rely on a third party to perform customer due diligence measures without having checked whether such third person meets the requirements laid down in this Law or if such third person established and verified the identity of a customer without its presence or if the customer is an off-shore legal person or anonymous company (Article 23, paragraphs 3 and 4, and Article 24, paragraph 1);

5) Establishes or continues a loro correspondent relationship with a bank or any other similar institution which has its seat in a foreign country contrary to the provisions of Article 29, paragraph 2 and 4 of this Law;

6) Fails to inform the APML of any cash transaction amounting to the RSD equivalent of EUR 15,000 or more within the set timeframe and in the required manner (Article 37, paragraphs 6 and 7);

7) Does not ensure that the measures for the prevention or detection of money laundering or terrorism financing laid down in this law, be implemented to the equal extent in its branches and majority-owned subsidiaries, having their seat located in a foreign country (Article 38);

8) Fails to inform the APML of the name and work position of the compliance officer and his deputy, as well as any changes in such data by the set deadlines (Article 42, paragraph 3);

9) Fails to provide for a regular professional education, training and improvement of the employees carrying out tasks of prevention and detection of money laundering and terrorism financing (Article 43, paragraph 1);

10) Fails to develop the annual programme for professional education, training and improvement of the employees and/or fails to develop it by the set deadlines (Article 43, paragraph 3);

11) Fails to apply a list of indicators for the identification of persons and transactions with respect to which there are reasons for suspicion of money laundering or terrorism financing (Article 50, paragraph 3);

11a) Fails to incorporate, into the list of indicators, indicators whose inclusion is mandatory pursuant to the law and the by-laws passed pursuant to this law (Article 50.);”

13) If the records it maintains under this Law do not contain all the required data (Article 81, paragraphs 1 and 2).



(2) The responsible person in the legal person shall also be punished with a fine in the amount from RSD 10,000 to RSD 100,000 if it commits any of the acts referred to under paragraph 1 of this Article.

### **Minor offences Article 90**

(1) An entrepreneur shall be punished for minor offence with a fine amounting from RSD 5,000 to RSD 500,000 if he commits any of the acts referred to in Articles 88 and 89 of this Law.

(1a) Any natural person failing to perform any of the actions referred to in Articles 88 and 89 of this law shall be punished for minor offence with a fine amounting from RSD 5,000 to RSD 150,000.

(2) Any natural person not declaring to the competent customs body a cross-border transportation of bearer negotiable instruments amounting to EUR 10,000 or more in RSD or foreign currency shall be punished for minor offence with a fine amounting from RSD 5,000 to RSD 50,000 (Article 67, paragraph 1).

(3) If the declaration referred to in Article 67 of this Law does not contain all the required data, the natural person shall be punished for minor offence with a fine amounting from RSD 500 to RSD 50,000 (Article 67, paragraph 2).

### **Minor offences for which a lawyer may be held liable Article 91**

(1) The lawyer shall be punished for minor offence with a fine amounting from RSD 5,000 to RSD 500,000 if he:

1) Fails to identify and verify the identity of a customer, fails to obtain all the required data and/or fails to obtain it in the required manner (Article 47, paragraphs 1 to 4, and paragraphs 6 and 7);

2) Fails to identify the beneficial owner of the customer, fails to obtain all the required data or fails to obtain it in the required manner (Article 47, paragraphs 5 to 7);

3) Fails to inform the APML of transactions or persons with respect to whom he assesses there are reasons for suspicion of money laundering or terrorism financing, or when a customer requests advice in relation to money laundering or terrorism financing, and/or fails to inform it by the set deadlines or in the required manner (Article 48);

4) Fails to develop a list of indicators for the identification of persons and transactions with respect to which there are reasons for suspicion of money laundering or terrorism financing (Article 50, paragraph 1);

5) Fails to send to the APML, at its request, the requested data, information and documentation, and/or fails to send it by the set deadlines or fails to inform the APML of the reasons why it did not act according to the request for information (Article 49, paragraph 2 and Article 54);

6) Does not apply the list of indicators for the identification of persons and transactions with respect to which there are reasons for suspicion of money laundering or terrorism financing (Article 50, paragraph 3);

7) Acts contrary to the provisions of Article 73, paragraph 1 of this Law;

8) Uses the data, information and documentation obtained under this Law for purposes other than those laid down in the Law (Article 76);

9) Does not keep the data and documentation, obtained in accordance with this Law, for a period of at least 10 years from the date of the termination of a business relationship or execution of transaction (Article 77);

10) Does not keep records of the data in accordance with this Law (Article 80, paragraph 2);

11) If the records it maintains under this Law do not contain the required data (Article 81, paragraphs 3 and 4).

## **XI TRANSITIONAL AND FINAL PROVISIONS**

### **Article 92**

The obligor shall apply the actions and measures referred to in Article 6 of this Law with respect to customers with which it established business relationship before the entering into force of this Law, within one year of the date of entry into force of this Law.

### **Article 93**

Regulations passed pursuant to the Law on the Prevention of Money Laundering (*RS Official Gazette*, No 107/05 as amended in 117/05) shall be applied until the passing of regulations based on this Law, unless they are in contravention of this Law.

### **Article 94**

The Law on the Prevention of Money Laundering (*RS Official Gazette*, No 107/05 as amended in 117/05) shall cease to be valid on the day of entry into force of this Law.

### **Article 95**

The provisions of Articles 67 to 70 shall apply as of the 180<sup>th</sup> day after the date of entry of this Law into force.

Until the time of application of these provisions, the provision of Article 9 of the Law on the Prevention of Money Laundering (*RS Official Gazette*, No 107/05 as amended in 117/05) shall apply.

### **Article 96**

The provision of Article 36 of this Law shall not apply to the Law on a Temporary Execution of Certain Payment Operations in the Federal Republic of Yugoslavia (*FRY Official Gazette*, No 9/01).

### **Article 97**

The Administration for the Prevention of Money Laundering established in the Law on the Prevention of Money Laundering (*RS Official Gazette* No 107/05 as

amended in 117/05) shall continue operating in accordance with the powers laid down in this Law.

**Article 98**

This Law shall enter into force on the eighth day following the date of its publication in the ‘Official Gazette of the Republic of Serbia’.

***Independent articles of the Law Amending the AML/CFT Law***  
*(Official Gazette of RS, No. 91/2010)*

**Article 26**

The provisions of Article 12 of this Law shall apply as of 1 January 2012. The legislation referred to in Article 12 of this Law shall be passed by the minister within six months from the date of entry into force of this Law.

**Article 27**

This Law enters into force on the eight day from the date of its publishing in the *Official Gazette of the Republic of Serbia*.