

ANNEX VIII - Law on Money Laundering Prevention and other Criminal Proceeds and Financing Terrorism

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I. GENERAL PROVISIONS

Article 1

This Law shall lay down the measures and actions for detection and prevention of money laundering and other criminal proceeds and financing terrorism.

Definitions

Article 2

Certain expressions used in the Law shall have the following meaning:

1. "Money Laundering and other Criminal Proceeds" (hereinafter referred to as money laundering), shall mean activities anticipated in the Criminal Code as the crime of money laundering and other criminal proceeds;
2. "Financing terrorism" shall mean activities stipulated in the Criminal Code as the crime of financing terrorism;
3. "Criminal Proceeds" shall mean any property or advantage attained, directly or indirectly, by perpetrating a punishable act; Proceeds from a punishable act and proceeds from a punishable act perpetrated abroad, under the condition that at the time when it was perpetrated, it had been anticipated as a punishable act both according to the laws of the country in which it had been perpetrated and according to the laws of the Republic of Macedonia;
4. "Property" shall mean money or other payment instruments, securities, deposits, other property of any kind including tangible and intangible, moveable or immovable property, other rights on items, claims, as well as public and legal documents for ownership and assets in written or electronic form or instruments proving the right to ownership or interest in such property;
5. "Financial institutions" shall mean:
 - Banks according to the Law on Banks;
 - Exchange offices according to the Law on Foreign Exchange Operations;
 - Savings houses according to the Law on Banks;
 - Brokerage houses in accordance to the Law on Securities and Exchange;
 - service providers for fast money transfer and subagents according to the Law on Fast Money Transfer and Post Offices and other legal entities who perform financial transactions, telegraph transfers of money or delivery of valuable shipments;
 - insurance companies, insurance brokerage companies, companies for representation in insurance, insurance brokers and insurance agents performing actions for life insurance, i.e. performing actions of representation and mediation in the insurance process upon conclusion of life insurance contracts in accordance with the Law on Insurance Supervision;

- investment fund management companies according to the Law on Investment Funds;
 - companies for management of voluntary pension funds according to the Law on Voluntary Fully Funded Pension Insurance
 - and other legal entities or natural persons who in accordance with Law perform one or more activities related to the approval of credits, issuing electronic money, issuing and administering credit cards, financial leasing, factoring, forfeiting, providing services as investment advisor and other financial activities;
6. “Client” shall mean any legal entity or natural person who carries out activities related to investments, crediting, exchange, transfer and other types of money transfer or participates in the conclusion of legal matters for acquiring money or property and other forms of disposing with money or property;
7. “Money” shall mean a means of payment in cash, in denomination or electronic money which, according to the law, is in circulation in the Republic of Macedonia or abroad.
8. “Electronic money” shall mean money according to the Law on Payment Operations;
9. “Beneficial owner” shall mean a natural person who is owner or who has indirect influence on the client and/or natural person in whose name and on whose behalf the transaction is being performed.

A beneficial owner of a legal entity shall be a natural person:

- a) who has a direct or indirect share of at least 25% of the total stocks or share, or rather the voting rights of the legal entity, including possession of bearer shares and/or
 - b) who otherwise exercises control on the management of and gains benefits from the legal entity;
10. “Service providers to legal entities” shall mean natural persons or legal entities who provide services for:
- a) incorporation of legal entities;
 - b) arranging or assisting for another person to act as the management body or a member of the management body of the legal entity;
 - c) provision of a registered office of the legal entity;
 - d) arranging or assisting for other persons to act as partner or shareholder for another person other than a company which is listed on the Stock Exchange;
 - e) and other services stipulated by Law;
11. “Holders of public functions” shall mean natural persons citizens of other countries who are or have been entrusted with public functions in the Republic of Macedonia or another country, such as:
- a) presidents of states and governments, ministers and deputy or assistant ministers,
 - b) members of parliament,
 - c) elected and appointed public prosecutors and judges in courts,
 - d) members of state audit institution and members of a board of a central bank,
 - e) ambassadors,
 - f) high ranking officers in the armed forces (ranks higher than colonel),

g) other elected and appointed persons pursuant to Law and members of management bodies of state owned enterprises and

h) persons with functions in political parties (members of political party bodies).

The term “holders of public functions” shall also cover:

a) close members of the family with whom the holder of the public function lives in communion at the same address and

b) persons who are considered to be close associates:

-business partners (any natural persons known to have joint ownership of the legal entity, has concluded agreements and has established other close business links with a “holder of a public function”) and

-persons who have incorporated a legal entity on behalf of the holders of public functions.

Persons shall be considered holders of public functions as referred to in items a) to f) for at least one year after the cessation of the public function, and on the basis of a previously carried out risk assessment by the entities;

12. “Business relationship” shall mean a professional and commercial relationship, established between the client, the authoriser and the beneficial owner and the entities referred to in Article 5 of this Law, with a fixed duration;

13. “Temporary measures” shall mean a temporary prohibition of use or disposal with money, securities and exchange, funds and other assets, temporary storage and protection on the basis of a decision issued by a court other competent authority in a procedure established by Law;

14. “Linked transactions” shall mean two or more transactions carried out within a business day from the effectuation of the first transaction by the same client or beneficial owner, related to the same financial activity;

15. “Programme” shall mean an act of the subject which establishes the rules, procedures and instructions on application of measures and activities for prevention of money laundering and financing terrorism;

16. “Responsible person” shall mean the responsible person according to the Misdemeanour Law;

17. “Authorised person” shall mean a manager, appointed by the subject’s highest management body, who is responsible for the implementation of the programme and establishing direct contacts with the **Financial Intelligence Office**;

18. “Shell Bank” shall mean a financial institution which has no business premises, employees or management bodies in the country where it has been registered, and which is not a member of a banking or other kind of group which is subject to supervision on a consolidated basis;

19. “Transactions” shall mean inbound payments, outgoing payments, money transfers, conclusion of agreements, procurement and sale of goods and services, sale and assignment of founding investments, sale and assignment of stocks and shares, registration of securities and exchange or transfer of securities and exchange or other assets or other activities carried out by the entities in accordance with the legal authorisations, which are used to transfer money or assets in a single transaction or within the scope of a concluded agreement.

II. FINANCIAL INTELLIGENCE OFFICE

Article 3

(1) A **Financial Intelligence Office** (hereinafter referred to as: the Office) shall be established for collecting, processing, analysing, keeping and providing data obtained from the entities which are bound to undertake measures and actions for detection and prevention of money laundering and financing terrorism, as a body within the Ministry of Finance in the capacity of a legal person.

(2) The Office shall have the following competences:

- to seek, collect, process, analyse, keep and provide data obtained from the entities on the basis of this Law,
- to collect financial, administrative and other data and information necessary for the performance of its competences,
- to prepare and submit reports supported with its opinion to the competent state authorities, whenever there are grounds for suspicion of commitment of the crime of money laundering or financing terrorism,
- to notify the competent state authorities of the existence of grounds for suspicion of commitment of any other crime,
- to issue a written order to the entity whereby the transaction is temporarily postponed,
- to lodge a request for submitting a proposal for determining temporary measures to the competent public prosecutor,
- submits order for monitoring of the business relation to the entity;
- to submit a request for instigation of a misdemeanour procedure to the competent court,
- to co-operate with the entities referred to in Article 5 of this Law, the Ministry of Internal Affairs, the Financial Police, the Public Prosecutor's Office, the Customs Administration, the Public Revenue Office, the State Foreign Exchange Inspectorate, the Securities and Exchange Commission of the Republic of Macedonia, the National Bank of the Republic of Macedonia, the Agency for Supervision of Fully Funded Pension Insurance, the Agency for Insurance Supervision, the State Commission for Prevention of Corruption and other state authorities and institutions, as well as with other organisations, institutions and international bodies for fight against money laundering and financing terrorism,
- to conclude agreements for co-operation and data and information exchange with authorised bodies from third countries and international organisations dealing with the fight against money laundering and financing terrorism,
- to supervise the entities in their application of the measures and actions stipulated by this Law,
- to raise initiatives or provide opinions on laws and bylaws relating to the prevention and detection of money laundering and financing terrorism;
- to assist and participate in the professional development of the authorised persons and personnel of the Department for Prevention of Money Laundering and Financing Terrorism in relation to the entities referred to in Article 5 of this Law;

- to determine lists of risk analysis indicators and for detecting suspicious transactions in co-operation with the entities and authorities performing supervision over their operation,
- to plan and provide training for the development and qualification of the employees of the Office,
- to provide clarification in the application of the regulations for the prevention of money laundering and financing terrorism,
- and to perform other activities determined by this Law.

(3) The Office shall perform the matters within its competence, in accordance with Law, the ratified international agreements regulating the prevention of money laundering or financing terrorism.

(4) The Office shall perform the supervision works in the accordance with the regulation for inspection supervision, if not otherwise stipulated by this Law.

(5) The personal data collected for the purposes of this Law shall be used according to the Law and the regulation for personal data protection.

(6) Once annually, the Office shall prepare a report on the activities within the scope of its competence with a plan for operation for the following year and shall submit it to the Minister for Finance and to the Government of the Republic of Macedonia. The Office may also file another report upon request of the Minister for Finance or the Government of the Republic of Macedonia.

(7) The assets for funding the Office shall be provided from the Budget of the Republic of Macedonia.

Article 3-a

(1) The Office is an authority of the state administration under the composition of the Ministry of Finance, in the capacity as a legally entity.

(2) The Office shall implement its competences on the entire territory of the Republic of Macedonia.

(3) The seat of the Office is in Skopje.

Article 4

(1) The work of the Office shall be managed by a Director appointed and discharged by the Government of the Republic of Macedonia upon proposal of the Minister for Finance, for a term of four years.

(2) The Director shall be appointed on the basis of his/her professionalism and competence.

(3) The mandate of the Director shall cease:

- upon expiry of four years from the day of his/her appointment;
- in case of death;
- in case of his/her resignation;
- in case of dismissal;
- in cases of being sentenced with an effective verdict for a criminal act to imprisonment for a duration of at least six months;
- when the court has pronounced a security measure prohibition to perform the activity of a managerial official in the institution, and
- in case of professional incapacity.

(4)The Director may be dismissed, due to:

illegal operation;
 incompetent or negligent performance of the duty of Director and lack of positive results in the operation of the Office ,
 in case of protracted serious illness which prevents him/her from performing his/her obligations, and
 upon his/her request.

(5) The Director shall manage and represent the office, organise and ensure lawful, efficient and professional performance of the work of the Office, make decisions, adopt orders and internal directives, instructions, plans and programmes, issue warnings with recommendations, as well as deciding on the rights, obligations and responsibilities of the employees of the Office who do not have the status of civil servants and shall perform other matters stipulated by Law.

(6) The Director may authorise a managing civil servant in case of his/her absence or unavailability to sign acts referred to in paragraph (5) of this Article.

Article 4-a

(1) The employees of the Office shall have an official identification card.

(2) The form, contents, manner of issuance, withdrawal and use of the official identification card, at the proposal of the Director, shall be prescribed by the Minister of Finance.

III. ENTITIES

Article 5

Entities shall be the persons who have the obligation of undertaking measures and actions for prevention and detection of money laundering and financing terrorism provided for in this Law (hereinafter referred to as: entities), such as the following:

1. Financial institutions and subsidiaries, branch offices and business units of foreign financial institutions performing actions in the Republic of Macedonia in accordance with the regulations;
2. Legal and natural persons performing the following activities:

- trade in real estate,
audit and accounting services;
notary public, attorney and other legal services relating to: sale and purchase of movables, real estate, partner parts or shares, trading in and management with money and securities, opening and managing bank accounts, safe-deposit boxes and financial products, establishing or taking part in the management or operation of the legal entities, representing clients in financial transactions etc.,
providing advices in the area of taxes;
providing consulting services and
providing services of investment advisor.
3. Companies organising games of chance in a gambling room (casino);
 4. Associations of citizens and foundations (domestic and foreign);
 5. Service providers to legal persons;
 6. Central Securities Depository;
 7. Legal entities taking movables and real estate in pledge;
 8. Agency for Real Estate Cadastre and
 9. Legal entities whose activity is sale and purchase of vehicles.

IV. MEASURES AND ACTIONS FOR DETECTION AND PREVENTION OF MONEY LAUNDERING AND FINANCING TERRORISM

Article 6

Measures and actions for detection and prevention of money laundering and financing terrorism (hereinafter referred to as: measures and actions), undertaken by the entities shall be the following:

- client due diligence;
- monitoring of certain transactions;
- collecting, keeping and submitting data on transactions and clients performing them,
and
- introduction and application of programmes.

Article 7

(1) The responsibility to undertake the measures and actions provided for by this Law shall remain even in cases when the entities are in procedure of bankruptcy and liquidation.

(2) The responsibility referred to in paragraph 1 of this Article shall be carried out by the trustee until the completion of the bankruptcy procedure, i.e. liquidator until the completion of the liquidation procedure.

Client Due Diligence

Article 8

The entities shall be bound to apply client due diligence procedures in the following cases:

when establishing a business relationship;

when carrying out one or several linked transactions amounting to EUR 15,000 in denar counter-value;

c) when there is suspicion of money laundering or financing terrorism, regardless of any exception or amount of funds; and

d) when there is doubt about the veracity or adequacy of the previously obtained client identification data.

Article 9

(1) The customer due diligence procedure referred to in Article 8 of this Law shall include:

a) identification of the client and verification of his/her identity;

b) identification of the principal and verification of his/her identity and identification of the beneficial owner, his/her ownership and management structure and verification of his/her identity;

c) obtaining information on the purpose and intention of the business relationship and

d) conducting ongoing monitoring on the business relationship.”

(2) The entities shall apply each of the measures provided for in paragraph 1 of this Article, but they may determine the extent of such measures depending on the client’s risk assessment, the business relationship, the product or the transaction.

(3) The entities shall perform the risk analysis on the basis of the internal risk analysis procedures which are an integral part of the programme, as well as on the basis of the indicators prepared by the Office in co-operation with the entities and the supervisory bodies, which according to their contents are suitable for the needs of the entity.

(4) The entities shall be bound to make available to the Office and the supervisory authorities the risk assessment documents referred to in paragraph 2 of this Article in order to demonstrate that the extent of the undertaken measures is appropriate in view of the determined risks of money laundering and financing terrorism.

Identification and verification of the identity of the client

Article 10

(1) When the client is a natural person, he/she shall be identified and his/her identity verified by submitting an original and valid document, personal identification card or passport or a copy of a personal identification card or passport certified by a notary public.

(2)When the client is a foreign natural person, he/she shall be identified and his/her identity confirmed on the basis of the data specified in his her original valid identification document, personal identification card or passport or a copy of the valid identification document certified by a notary public or authorised institution in his domicile country.

(3)The document referred to in paragraphs (1) and (2) of this Article shall be used to determine the name, surname, date and place of birth, place and address of living and residence, the unique registration number or identification number and number of the ID card or passport, the issuing authority and the date of validity of the ID card or passport.

(4)If any of the data referred to in paragraph (3) of this Article cannot be determined from the identification document, personal ID card or passport, original or copy of the identification document certified by a notary public or the competent institution in the domicile country, the entity may request another public document or certified statement from the client on the demanded data and its accurateness.

(5)When the client is a domestic legal identity, it shall be identified and its identity verified with the submission of an original or a certified transcript by a notary public for registration at the central register.

(6)The name, registered office, tax number of the legal entity, the founder/s and the legal representative shall be determined from the document referred to in paragraph (5) of this Article.

(7)When the client is a foreign legal entity, it shall be identified and its identity verified with an original document for registration issued by a competent authority, or a copy certified by a notary public or competent institution of the domicile country.

(8)In cases when the entity referred to in paragraph (7) of this Article is not subject to registration by a competent authority for registration, the determination of the identity shall be made by providing an original or a copy certified by a notary public or competent institution of the domicile country of a document on its establishment adopted by the management body or entry of the name, i.e. the title, address or seat and activity.

(9)The management body or representatives of the client referred to in paragraph (5) and (7) of this Article authorised to enter into business relationships with **a client** shall present the documents referred to in paragraphs (1), (2) and (5) of this Article, as well as the documents confirming the identity and address of the authoriser or the beneficial owner.

(10)The entities shall obligatorily keep copies of the documents referred to in paragraphs (1), (2), (5), (7), (8) and (9).

(11)On the basis of internal acts, the entities may also request other data required for the identification and verification of the identity of the client or the beneficial owner.

Identification and verification of the identity of the beneficial owner

Article 11

(1)The entity shall be obligated to verify the identity the beneficial owner and on the basis of risk analysis, to verify his/her identity in accordance with Article 10 of this Law.

(2)When the entity cannot identify the beneficial owner according to paragraph 1 of this Article, it shall take a statement from the client, and it shall verify the identity on the basis of data from independent and reliable sources.

Identification and verification of the identity of the principal

Article 12

(1) If the transaction is carried out in the name of and on the behalf of a third party, the entities, in the cases when the law stipulates such an obligation, shall be bound to establish and verify the identity of the person performing such a transaction (proxy), the holder of the rights, the client acts (the principal) and the authorization.

(2) If it is not certain whether the client acts on his/her own behalf and account or on behalf and for the account of a third party, the entity shall be bound to request information from the client for determining the identity of the holder of rights (the principal) and the power of attorney i.e. the certified contract between the principal and the proxy.

Verification of the identity of the client, beneficial owner and the principal

Article 12-a

(1) The entity shall be obliged to verify the identity of the client, beneficial owner or the principal, before establishing business relationships and before performing the transaction for the client with whom the entity has not establishes business relations.

(2) By way of derogation from paragraph (1) of this Article, the entities may verify the identity of the client, beneficial owner or principal during the establishment of a business relationship, so as not to interrupt the normal conduct of the business relations and when there is lesser risk of money laundering and financing terrorism.

(3) By way of derogation from paragraphs (1) and (2) of this Article, in relation to activities of life insurance, the verification of the identity of the client and the beneficial owner under the policy shall be allowed to take place once the business relationship has been established. In that case, verification of the identity shall take place before or at the time of payment of the policy or before or at the time when the beneficiary intends to exercise the rights vested under the policy.

(4) In the carrying out of activities related to life insurance, the insurance companies shall be bound to identify and verify the identity of the client in the cases when the amount of the single or several instalments of the premium to be paid within a period of one year exceeds 1.000 Euros in denar counter-value according to the mean rate of exchange of the National Bank of the Republic of Macedonia or when the payment of the single premium exceeds the amount of 2.500 Euros in denar counter-value according to the mean rate of exchange of the National Bank of the Republic of Macedonia.

Ongoing monitoring on the business relationship

Article 12-b

(1) The entities shall be obliged to monitor the transactions performed within the framework of the business relationship with the client, with a view to confirming that those transactions are carried out according to the purpose and intention of the business relationship, the risk profile of the client, the client's financial situation and if necessary the client's financing sources.

(2) The entities shall be obligated to regularly update the documents and the data about the client, collected during the implementation of the activities referred to in Article 9 paragraph (1) items a), b) and c) of this Law.

Article 12-c

- (1) The entities shall be obligated to focus special attention to complex, unusually large transactions or transactions performed in an unusual way, which have no obvious economic justifiability or evident legal purpose.
- (2) The entities shall be obligated to focus special attention to the business relations and transactions with natural persons or legal entities from countries that have not implemented or have insufficiently implemented measures for the prevention of money laundering and financing terrorism, at least within the scope and manner stipulated in this Law.
- (3) The Minister of Finance, upon the proposal of the Office, shall determine the list of countries referred to in paragraph (2) of this Article.
- (4) The entities shall be obligated to focus special attention to threats from money laundering and financing terrorism arising from the use of new technologies or developing technologies and to prevent them from being used for money laundering or financing terrorism.
- (5) The entities shall be obligated to perform due diligence on the entity and the intention of the transactions referred to in paragraphs (1) and (2) of this Article and to prepare a written report on the performed analysis.

Article 12-d

- (1) Financial institutions shall be bound to provide data on the instructing party including: name and surname, i.e. name of the instructing party, address and account number upon the payment of an amount exceeding EUR 1000 in denar counter value according to the median exchange rate of the National Bank of the Republic of Macedonia on the day of the payment for the purposes of cashless transfer through the international payment operations. If the data on the address is missing or cannot be determined, the financial institution may replace it with: the date and place of birth or the personal identification number of the client or identification, i.e. referent number of the **transaction**.
- “(2) Financial institutions shall be bound to provide data from paragraph 1 of this Article upon the payment of an amount exceeding EUR 1000 in denar counter value according to the median exchange rate of the National Bank of the Republic of Macedonia on the day of the payment for the purposes of cashless transfer through the domestic payment operations. If due to technical reasons, the provided data cannot be forwarded, only the data in the account number or the unique identification number shall be forwarded.
- (3) On the request of the financial institution which should made the payment, or the competent authorities, the financial institutions from paragraph 2 of this Article shall be bound to make them available three working days at the latest starting from the delivery of the request.
- (4) On the day of the transfer in the international payment operations the financial institutions occurring as mediators in the cashless transfer for the amounts exceeding EUR 1000 in denar counter value according to the median exchange rate of the National Bank of the Republic of Macedonia are bound to forward the data on the instructing party from paragraph (1) of this Article to the financial institution which will perform the payment of the transfer.

(5) Upon payments of cashless transfers in the amount exceeding EUR 1000 in denar counter value according to the median exchange rate of the Republic of Macedonia on the day of the payment, the financial institutions shall be bound to determine the manner by which they will determine whether part of the data from paragraph (1), (2) and (4) of this Article are missing, as well as the manner of proceeding with such transfers within the frames of their internal acts. The entities should demand the missing data or refuse the performance of the transfer.

(6) The financial institutions from paragraph (5) of this Article can limit or stop the business relation with the financial institutions which cannot provide, i.e. forward the data provided for in paragraphs (1), (2) and (4) of this Article.

(7) The provisions from this Article shall not refer to the following types of transfers:

- use of cards for withdrawal of money from the bank account or by post terminals and payment in the retail trade and
- transfers and settlements at which instructing party, as well as the beneficial owner are banks which perform the transfer on their behalf and on their account.

Simplified Client Due Diligence

Article 13

(1) The entities shall not be bound to meet the requirements for client due diligence referred to in Article 8 paragraph (1) items a, b and d, and in Article 9, **10** and Article 11 of this Law, when the client is a bank:

- in the Republic of Macedonia which is licensed to establish and operate by the Governor of the National Bank and has established adequate measures for prevention of money laundering and financing terrorism;
- from a European Union Member State which is established and operates in accordance with the EU legal regulations, and
- from third countries where the regulations provide for at least identical requirements for taking measures for prevention of money laundering and financing terrorism as the requirements stipulated by this Law.

(2) The Minister for Finance shall determine the list of countries which meet the requirements for prevention of money laundering and financing terrorism referred to in paragraph (1) line 3 of this Article.

(3) The entities shall be bound to provide suitable documentation based on which it can be confirmed that simplified client due diligence referred to in paragraph (1) of this Article can be applied, as well to make these documents available to the Office and the supervisory authorities.

(4) The entities shall not be bound to meet the requirements for client due diligence referred to in Article 8 paragraph (1) items a, b and d, and in Article 9 and Article 11 of this Law, in respect of:

- (a) life insurance policies where the annual premium is no more than EUR 1,000 in denar counter-value or the single premium is no more than EUR 2,500 in denar counter-value, and
- (b) insurance policies for pension schemes if there is no transfer clause and the policy cannot be used as collateral.

Enhanced Client Due Diligence

Article 14

(1) Where there is higher risk of money laundering or financing terrorism established on a risk assessment basis, the entities should apply enhanced client due diligence in addition to the measures referred to in Articles 8, 9, 10 and 11 of this Law, and in particular in the cases referred to in paragraphs (2), (3), and (4) of this Article.

(2) Where the client is not physically present for identification purposes, the entities should take one or several of the following measures:

- a) determining the client's identity by additional documents, data or information;
- b) additional measures confirming the supplied documents or requiring for the documents to be verified by another financial institution of the Republic of Macedonia, an EU Member State or a country where the regulations provide for at least identical criteria and standards for prevention of money laundering and financing terrorism as the requirements provided for by this Law and
- c) ensuring that the first payment is carried out through an account of the client in a bank in the Republic of Macedonia.

(3) Where banks establish correspondent banking relations with banks for which a simplified due diligence is not permitted pursuant to Article 13 of this Law, they are bound to:

- a) gather sufficient information about the respondent bank to determine fully the nature of its business and to determine its reputation and the quality of supervision;
- b) gather information and on the basis thereof assess the system for protection against money laundering and financing terrorism;
- c) obtain approval from the management board for establishing a new correspondent banking relation;
- d) precisely prescribe the mutual rights and obligations, and
- e) to ensure that the correspondent bank carries out the activities referred to in Article 9 paragraph (1) items a), b) and c) of this Law on persons who have direct access to its correspondent accounts in the banks in the Republic of Macedonia, at least within the scope and the manner stipulated by this Law, as well as establish whether the correspondent bank is prepared to provide the data for identification and verification of identification of the client, and to deliver them to the bank on its request.

(4) When the entities perform transactions or enter into a business relationship with holders of public functions, they shall be required to:

- a) based on previously determined procedure for risk evaluation to determine whether the client is holder of public function or if this is not possible to provide client's statement.
- b) to provide an approval for establishing business relation with the client, which has been issued by entity's management structures, as well as to provide a decision for extension of the business relation with the existing client who became holder of public function, made by entity's management structures;
- c) to undertake appropriate measures in order to determine the source of client's funds which is holder of public function;
- d) to perform intensive monitoring of the business relation with the client holder of public function.

Refusal to Perform or Postponing a Transaction

Article 15

(1) In the cases when the entity can perform the activities from Article 9 paragraph (1) items a), b) and c) of this Law, the entity shall be bound to refuse the execution of the transaction or business or other relation or legal matter, or if the transaction is in progress, to postpone it and immediately notify in writing the Office on the postponement, i.e. on the refusal to execute the transaction.

(2) With the notification referred to in paragraph (1) of this Article, the entity shall submit to the Office data on the type of transaction, business or other relation or legal matter and all other available data and facts for the purpose of identification of the client, i.e. the transaction.

(3) Postponing the transaction can last until the client, i.e. the transaction, is identified, or until measures have been provided for a suspicious transaction, referred to in Articles 36, 37, 38 and 39 of this Law.

Article 16

(1) Where there are grounds to suspect that the transaction, the client or the beneficial owner are related to money laundering, besides activities from Article 9 paragraph (1) item a) and b), the entity should, where applicable, request information on the course of the transaction, its purpose, the final destination of the money, and information on all participants in the transaction.

(2) Where the entity has discovered the grounds for suspicion referred to in paragraph (1) of this Article before carrying out the transaction he/she shall immediately inform the Office thereof and postpone the transaction for 2 hours at most after notifying the Office .

(3) Where the entity has discovered the grounds for suspicion referred to in paragraph (1) of this Article in the course of carrying-out the transaction he/she shall immediately inform the Office thereof and postpone the transaction for 4 hours at most after notifying the Office.

(4) Where the entity has discovered the grounds for suspicion referred to in paragraph (1) of this Article after carrying-out the transaction he/she shall inform the Office within 24 hours at most.

(5) If the Office does not inform the entity of the further activities within the time limits set out in paragraphs (2) and (3) of this Article, the entity shall carry out the transaction.

(6) Within the time limits referred to in paragraphs (2), (3) and (4) of this Article, the entity shall submit a written report to the Office containing all relevant information in relation to the transaction and the identity of the clients and the other participants in the transaction.

Article 17

(1) Where there are grounds to suspect the transaction or the client are related to terrorist activity or that the money or assets which are subject to the transaction are intended for financing terrorism, besides activities from Article 9 paragraph (1) item a) and b), the entity should, where applicable, require information on the course of the transaction, its purpose, the final destination of the money, and information on all participants in the transaction.

(2) The entity shall inform the Office before carrying-out the transaction in the cases referred to in paragraph (1) of this Article, and submit a written report to the Office containing all relevant information in relation to the transaction and the identity of the clients and the other participants in the transaction within 24 hours after detecting suspicion of the transaction.

Article 18

(1) The entity shall determine the grounds for suspicion referred to in Articles 16 and 17 of this Law on the basis of direct facts, the lists of indicators for identifying suspicious transactions set out by the Office, the entities and the supervision authorities and international list of terrorist and terrorist organisations.

(2) The Office shall have the responsibility to annually update the lists of indicators referred to in paragraph (1) of this Article.

Customs Office

Article 19

(1) The Customs Office shall compulsory register each import and export of cash or securities across the customs line of the Republic of Macedonia, if the amount of cash or securities of the bearer exceeds the allowed maximum stipulated by law or another regulation.

(2) During the registering referred to in paragraph (1) of this Article, the Customs Office shall compulsory collect information regarding:

- the identity of the person which on their own behalf or on behalf of another party imports or exports cash or securities of the bearer, including information on the name and surname, date and place of birth, number of travel document and nationality;
- the identity of the owner of cash or securities;
- the identity of the beneficiary owner;
- the amount and currency of the cash or securities of the bearer which is imported or exported across the customs line, and;
- the statement on the origin of the cash or securities signed by the person importing or exporting cash or securities of the bearer;
- the purpose for importing or exporting the cash or securities of the bearer, and
- the place and time of crossing the customs line.

(3) The Customs Office shall compulsory report to the Office in electronic manner or by telecommunication means (telephone, fax), and where this is not possible, by other means in writing, the importing or exporting of cash or securities of the bearer exceeding EUR 10,000 in denar counter value, within three working days from the recording at the latest.

(4) The Customs Office shall compulsory report to the Office the importing or exporting of cash or securities of the bearer regardless of the amount, whenever there are grounds to suspect money laundering or financing terrorism, within 24 hours after detecting suspicion of the importing or exporting of cash or securities.

Exchange Operations

Article 20

(1) Entities which, within the frames of their vocation or profession perform exchange operations, in addition to the other measures stipulated by this Law, shall be bound to determine the identity of the client in accordance with Article 10 of this Law prior to each transaction exceeding the amount of EUR 500 in denar counter-value.

(2) The entities referred to in paragraph (1) of this Article shall be bound to record all data referred to in Article 10 of this Law in chronological order in a numbered register signed by the authorised person or person with authorisation to sign the register awarded by managing person in accordance with the acts of the entities.

(3) The form and the content of the numbered register from paragraph (2) of this Article shall be determined by the Minister for Finance on a proposal of the Office.

Providers of Fast Money Transfer

Article 21

(1) Entities which, within the frames of their vocation or profession perform fast money transfer, in addition to the other measures prescribed by this Law, shall be bound to determine the identity of the client, the sender i.e. beneficial owner prior to each transaction exceeding the amount of EUR 1000 **or an another equivalent currency** in accordance with Articles 10 and 12-d.

(2) The entities referred to in paragraph (1) of this Article of this Law shall be bound to record all data determined in Article 10 of this Law in chronological order in a numbered register signed by the authorised person or other person with authorisation to sign the register awarded by managing person in accordance with the acts of the entities.

(3) The form and the content of the numbered register from paragraph (2) of this Article shall be determined by the Minister for Finance on a proposal of the Office.

Organisers of Games of Chance in Gambling Room (Casino)

Article 22

(1) The organisers of games of chance in a gambling room (casino), in addition to the other measures prescribed by this Law, shall be bound to identify the client in accordance with Article 10 of this Law immediately after entering the casino and upon buying or paying the chips in amount exceeding 2.000 Euros in denar counter-value according to the middle exchange rate of the National Bank of the Republic of Macedonia on the day of the buying, i.e. payment.

(2) The data referred to in paragraph (1) of this Article shall be kept in a numbered register signed by the authorised person for the organisers of games of chance in a gambling room (casino).

(3) The form and the content of the numbered register from paragraph (2) of this Article shall be determined by the Minister for Finance on a proposal of the Office.

Brokerage firms and banks licensed to operate with securities

Article 23

(1) Brokerage firms and banks licensed to operate with securities, in addition to the other measures prescribed by this Law, shall be bound to identify the client, the principal and the beneficial owner of the trading in securities in the total amount exceeding EUR 15,000 in denar counter-value.

(2) Brokerage firms and banks licensed to operate with securities from paragraph (1), shall be bound to keep them in a numerated register signed by a responsible person or another person with the authorisation to sign the register awarded by managing person in accordance with the acts of the brokerage firms and banks licensed to operate with securities.

(3) The form and the content of the numbered register from paragraph (2) of this Article shall be determined by the Minister for Finance on a proposal of the Office.

Prohibitions

Article 24

(1) Carrying-out cash payments i.e. payment or receipt of cash in an amount of EUR 15,000 or more in denar counter-value in the form of one or several linked transactions which has not been made through a bank **or savings house** shall be prohibited.

(2) Entities empowered by law to register securities, other assets and legal matters, to register or perform transfer of money, securities and other assets, may perform such registration or transfer only if the client provides evidence that the transfer of money exceeding the amount referred to in paragraph (1) of this Article has been made through a bank.

Article 25

(1) The financial institutions shall be prohibited to enter into or continue a business relation with shell banks or to start or continue a correspondent business relation with a bank known to allow opening and working with shell banks accounts.

(2) The performance of financial activities by shell banks in any manner is prohibited in the Republic of Macedonia.

Article 26

The banks shall be prohibited to open and keep anonymous accounts.

Article 26-a

(1) The financial institutions having their own subsidiaries **or** branches in abroad should provide application of the measures for prevention of money laundering and financing terrorism in the subsidiaries, and branches.

(2) When the laws of the country where the subsidiaries **or** branches from paragraph (1) of this Article have their main office do not allow application of the measures from paragraph (1) of this Article, the financial institutions should immediately inform the appropriate supervision authority, in accordance with Article 46 of this Law.

Recordkeeping

Article 27

(1) The entities shall be bound to keep the copies of the documents confirming the identity of the client or the beneficial owner, for the performed procedures for analysis of the client or the beneficial owner and realized transactions or the transactions being performed, from the client file and the business correspondence, at least ten years after the performed transaction starting from the last transaction when several transactions constitute one whole.

(2) The entities shall be bound to keep copies from the performed analysis in accordance with Article 12-c paragraph (5) of this Law, at least 10 years from the last transaction.

(3) The entities shall be bound to keep the information, in the manner of their submission to the Office, for at least ten years from the day of submission.

(4) The information on the client who has entered into a long-term business relationship, within the meaning of this Law, shall be kept for at least ten years from the date of the end of the business relation.

(5) The Customs Office shall be bound to keep all data on the import and export of cash or securities across the customs line for at least ten years from the date of the carried out transfer.

(6) The register referred to in Articles 20, 21, 22 and 23 of this Law shall compulsory be kept for at least ten years from the last registered data.

(7) In case of termination of the existence of the entity, the obligation for keeping the data within the time frame set out in paragraph (1) of this Article shall be transferred to the legal successors of the entity.

(8) If there are no legal successors of the legal person, the obligation for keeping the data referred to in paragraph (1) of this Article shall be transferred to its founders.

(9) The entities shall be bound make available the documents from paragraph (1) of this Article on a request of the Office or the surveillance bodies from Articles 46 and 47 of this Law.

Confidentiality of Data

Article 28

(1) The data provided on the basis of this Law shall be confidential and may be used only for the detection and prevention of money laundering and financing terrorism.

(2) Submission of the data referred to in paragraph (1) of this Article to the Office, the supervisory authorities and the law enforcement authorities shall not be considered as disclosing a business secret.

(3) The entities, persons managing with entities and their employees cannot inform the client or a third party on the submission of the data to the Office or on other measures or actions undertaken on the basis of this Law.

(4) The prohibition referred to in paragraph (3) of this Article shall refer to the submission of data to the supervisory authorities and the law enforcement authorities.

(5) The employees in the entities and persons managing with entities who have the responsibility to undertake measures and actions for the purpose of detecting and preventing money laundering, pursuant to this Law, cannot use personal data from the clients' files for any

other purpose except for performing actions of detection and prevention of money laundering and financing terrorism.

V. SUBMISSION OF DATA TO THE OFFICE

Article 29

(1) The entities shall be bound to submit to the Office the data collected, the information and the documents to the Office in the following cases:

(a) when there is suspicion or there are grounds for suspicion that money laundering or financing terrorism has been performed or an attempt has been made or is being made for money laundering or financing terrorism,

(b) in case of cash transaction in the amount of EUR 15,000 in denar counter-value or more,

(c) in case of several connected cash transactions in the amount of EUR 15,000 in denar counter-value or more.

(2) The entities shall be bound to immediately inform the Office on the suspicion referred to in paragraph (1) item a) of this Article, and submit the data, information and documents to the Office within 24 hours from the notification of the Office at the latest in the form of a report.

(3) If the submitted data are insufficient after the assessment of the Office, it may require additional information and documentation from the entities. If the Office immediately requires additional information, the entities shall be bound to inform it immediately within 4 hours and submit the required data in a manner determined in Article 31 of this Law.

(4) The entities shall be bound to inform in written form the competent supervision authority referred to in Articles 46 and 47 of this Law on the submission of the report referred to in paragraph (2) of this Article to the Office within three days from the submission of the report

(5) The entities shall be bound to submit the data collected, the information and the documents regarding the transactions carried out referred to in paragraph (1) items b) and c) of this Article to the Office within 3 working days from the carried out transaction at the latest, in the form of a report.

Article 29-a

(1) The notaries shall submit to the Office the data collected for composed notary acts, confirmed private documents and verified signed contracts for obtaining property in amount of 15.000 Euros or more, in denar counter-value according to the middle exchange rate of the National Bank of the Republic of Macedonia on the day of the composition of the notary acts, confirmation of the private document and verification of signatures stated in the contract in electronic form at the end of the day.

(2) The banks shall submit to the Office the data collected for the **settled** loans in amount of 15.000 Euros or more, in denar counter value according to the middle exchange rate of the National Bank of the Republic of Macedonia on the day of the approval of the loan, in electronic form at the end of the month.

(3) The insurance companies shall submit to the Office the data collected for the concluded policies in amount of 15.000 Euros or more, in denar counter value according to the middle exchange rate of the National Bank of the Republic of Macedonia on the day of the conclusion of the insurance policy, in electronic form at the end of the day.

(4) Legal and natural persons whose business activity is buying and selling of vehicles shall be bound to submit to the Office the data collected for the concluded contracts on buying and selling of new vehicles in amount of 15.000 Euros or more, in denar counter-value according to the middle exchange rate of the National Bank of the Republic of Macedonia on the day of the conclusion of the contract, in written form at the end of the day.

(5) The Minister for Finance shall prescribe the content and the form of the data from paragraphs (1), (2), (3) and (4) of this Article, as well as the way of electronic submission to the Office on a proposal of the Office.

Article 30

Delited.

Article 31

(1) The reports regarding the transactions referred to in Article 29 of this Law shall be submitted to the Office in electronic form or via telecommunication means (telephone, fax), and in case this is not possible, in other written forms.

(2) The reports submitted via telephone must be confirmed with a fax, electronic or other written document within three days following their submission at the latest.

(3) The Office may not reveal the identity of the employee in the entity submitting the report, except in the cases of suspicion that the employee or the entity committed a punishable act money laundering or financing terrorism, upon written request of the competent court where it is necessary to determine facts in the course of a criminal procedure.

(4) The Minister for Finance shall prescribe the contents of the reports referred to in paragraph (1) of this Article.

Notification upon Receipt of Data

Article 32

(1) The Office shall be bound to immediately inform the entity on the receipt of the report from paragraph (1) item a) of Article 29 and at least once a year to inform the entities on the data checks carried out, received on the basis of Article 29 of this Law.

(2) The Office shall be bound to publish regularly on its official web-page information in appropriate volume on the current techniques, methods and trends for money laundering and financing terrorism, examples of detected cases of money laundering and financing terrorism, unified quarterly review of performed controls, quarterly review for performed education and other acts resulting from this Law or from the membership in international bodies and organizations.

(3) The competent state bodies shall be bound to notify the Office on every initiated procedure for criminal act money laundering and financing terrorism.

(4) The Public Prosecutor's Office shall be bound to inform the Office of each submitted criminal report against perpetrators of criminal actions for which imprisonment is determined of at least 4 years and which are suspected to have gained material benefit.

(5) The Public Prosecutor's Office for prosecution of organized crime and corruption shall be bound to inform the Office on each submitted criminal charge, indictment and effective verdict for criminal acts money laundering and financing terrorism every three months.

Article 33

(1) The data and reports which are received, analysed and processed by the Office are confidential and the officers in the Office shall not be allowed to use them for any other purposes, except for those determined by this Law.

(2) The Office shall be to keep all data or reports related to certain transactions, i.e. client, for at least 10 years from their receipt, and following the expiry of this period it may destroy them.

Access and Exchange of Information

Article 34

(1) For the purpose of performing its competences, the Office can request data and documentation from all state bodies, financial institutions or other legal or natural persons.

(2) In order to accomplish its responsibilities, the Office receives data for possession of a transaction account form the clearing house designated by the Ministry of Finance to maintain the single register of transaction accounts.

(3) The state bodies, financial institutions or other legal or natural persons referred to in paragraph (1) of this Article shall be bound to submit the required data to the Office within 10 working days from the date of receipt of the application in electronic manner or via telecommunication means (telephone, fax), and where that is not possible, by other written means. The entities shall be bound to confirm the required information reported by phone by fax, electronically or with other written document

(4) The authorised persons from the banks may exchange data and information among themselves for the purpose of preventing money laundering and financing terrorism on the basis of a multilateral cooperation protocol signed between the banks, and prepared by Banking Association.

(5) The Office may exchange information with the competent authorities for carrying out investigation of money laundering or financing terrorism and the supervisory bodies, for the prevention of money laundering and financing terrorism.

Article 34-a

(1) For the purposes of more detailed organization of the interinstitutional cooperation the Office may sign Memorandum and Protocols for Cooperation with the competent state authority bodies.

(2) For the promotion of the interinstitutional cooperation and in accordance with the purposes of this Law, the Government of the Republic of Macedonia shall for Council for Fight against

Money Laundering (hereinafter referred to as: Council) on a proposal of the Minister for Finance.

(3) The work of the Council from paragraph (2) of this Article shall be managed by the director of the Office, and its members are managing and responsible persons from the Ministry of Interior, Ministry of Justice, Ministry of Finance, Basic Public Prosecutor's Office for Prosecuting Organized Crime and Corruption, Financial Police Office, Customs Administration, Public Revenue Office, National Bank of the Republic of Macedonia, Securities and Exchange Commission, Insurance Supervision Agency, Agency for Supervision of Fully Funded Pension Insurance, Postal Agency, as well as representatives of the Bar Association and Notary Chamber.

Article 35

Whenever there are grounds to suspect a committed criminal act money laundering or financing terrorism, the Office shall immediately prepare and submit a report to the competent state authorities which make decisions for any further actions.

The report referred to in paragraph (1) of this Article shall contain data on the person and actions suspected to be connected with money laundering or financing terrorism.

In case of grounds for a suspicion for performed other criminal act besides money laundering and financing terrorism, the Office shall prepare and submit written notification to the competent state administrative bodies.

Order for Monitoring of Business Relation

Article 35-a

(1) When there is a doubt for money laundering or financing terrorism, the Office may submit an order in written form for monitoring of client's business relation to the client.

(2) The entity shall inform the Office on the transactions which are performed or should be performed within the frames of the business relation in accordance with the directions given in the order.

(3) In the order from paragraph 1 of this Article, the Office shall determine the terms in which the entity shall be obliged to deliver the transaction data from paragraph 2 of this Article.

(4) If the entity cannot inform the Office within the terms from paragraph 3 of this Article due to objective reasons, it shall be bound to inform the Office and to explain the reason due to which it did not delivered the notification in the given term immediately after the elimination of the conditions.

(5) The monitoring of the business relation from paragraph 1 of this Article may last three months at the longest and in legitimate cases the duration of the measure may be prolonged by one month, with which the monitoring of the business relation may last longer than six months.

Provisional Measures

Article 36

(1) In case of suspicion of criminal act money laundering or financing terrorism, the Office may submit an application to the competent public prosecutor for submitting proposal for determining provisional measures.

(2) The Office shall submit a written order to the entity for temporary postponement of the transaction.

(3) Postponement of the transaction shall last until a court decision is adopted upon the proposal, within 72 hours from the postponement of the transaction at the latest.

Article 37

The request to submit a proposal for imposing provisional measures referred to in Article 36 of this Law, shall contain data on the criminal act for which the provisional measure is required, the facts and circumstances justifying the need for provisional measures implementation, data on the natural or legal person carrying out the transaction and data on the entity where the transaction is carried out and the amount of money or type of the assets.

Article 38

(1) The competent public prosecutor shall consider the request to submit a proposal for imposing provisional measures referred to in Article 36 paragraph (1) of this Law and if he/she finds it to be reasonable, without any delay, and within 24 hours from the receipt of the request at the latest, shall submit a proposal for determining provisional measures with the judge of the competent basic court.

(2) If the competent public prosecutor finds that the request to submit a proposal for determining provisional measures referred to in paragraph (1) of Article 36 of this Law is groundless, he/she shall be bound to notify the Office, without delay, that the request has been rejected. Upon the receipt of the notification from the public prosecutor, the Office shall inform the entity, without delay, that the transaction may continue.

Article 39

(1) The judge of the competent basic court shall be bound to adopt a decision, within 24 hours from the receipt of the proposal referred to in Article 38 paragraph (1) of this Law, on the application of the provisional measure or for rejection of the proposal of the public prosecutor to submit the decision to the competent public prosecutor, the entity or the client.

(2) If provisional measures have been applied with the decision within the same period, the judge shall be bound to submit the decision to the entity or the client.

(3) The competent public prosecutor shall be bound to immediately inform the Office of the decision adopted by the judge referred to in paragraph (1) of this Article.

(4) The competent public prosecutor and the client shall have the right to appeal against the decision of the judge referred to in paragraph (1) of this Article, with the Criminal Council of the competent basic court within three days from the receipt of the decision, which does not delay the execution of the decision.

Programmes
Article 40

(1) The entities are obliged to prepare programmes from Article 6 indent 4 from this Law, which contain and provide the following:

- procedures for accepting clients;
- procedure for due diligence the client;
- procedures for risk analysis and indicators for risk analysis;
- procedures for risk estimation of the holder of public function;
- procedures for recognizing unusual transactions and doubting of money laundering and financing terrorism;
- procedures for keeping data and documents for delivering reports to the Office;
- plan for continuous training of the employees in the entity from the area of preventing money laundering and financing terrorism that provide realization of at least **two** trainings during the year;
- appointing responsible person;
- manner of cooperation with the Office and
- procedure and plan of performing internal control and audit for implementing the measures and actions.

(2) The entities shall be bound to submit the prepared programmes referred to in paragraph (1) of this Article to the Office within one month at the latest from the entry into force of this Law for insight and opinion.

(3) The entities shall be bound to update the programmes at least once a year and within one month from the updating and revision at the latest to submit them for insight to the Office.

(4) The banks shall be obliged to put in use or upgrade the software for automatic data processing according to the Rulebook on characteristics of the software for automatic data processing, adopted by the Minister of Finance, on proposal of the Office.

Department for preventing money laundering and financing terrorism

Article 40-a

(1) In case the entity has more than 50 employees, the same should, within its working, to form separate department that will be responsible for implementing the programme and the provisions of this Law, by informing the Office in written.

(2) The department should have at least 3 employees, and the number of the employees should be increased proportionally per one person for every 200 employees.

(3) The employees from paragraph (2) of this Article should fulfil high professional standards.

(4) A responsible person manages the working of the department from paragraph (1) of this Article.

(5) For efficient working of the responsible person, or the department, the entity is obliged to provide fulfilment of at least the following conditions:

separation of the activities of the responsible person, or the department, from other business activities of the entity, which are related with the activities of preventing money laundering and financing terrorism and control of the compliance between the working and the regulations;
right to direct access to the electronic data bases and on-time access to all information needed for continuous implementation of the programme and the provisions of this Law;
establishing direct communication with the management bodies of the entity and similar.

Article 41

The responsibilities arising from this Law shall not refer to the lawyers in the cases where they perform the function of defending and representing in a court procedure.

Exemption from the Responsibility for Notification and Postponement

Article 42

(1) A procedure for determining the responsibility for disclosing a professional secret against persons or employers and employees within the entities who submitted information or reports with regard to the suspicious money laundering transactions with the Office cannot be initiated.

(2) A procedure for civil or criminal liability cannot be initiated against the official or responsible persons, employers or the employees within the entities having submitted information or reports according to the provisions of this Law, even in the case where the procedure upon the submitted information and reports did not result in determining the liability i.e. an effective ruling.

(3) A procedure for civil or criminal liability cannot be initiated against the official or responsible persons, employers and the employees within the entities due to any tangible or intangible damage that occurred as a consequence of the postponement of the transactions according to the provisions of this Law, unless such postponement has elements of a certain criminal act.

Business Secret

Article 43

The reference to a business secret shall not be accepted as grounds for refusal to submit information according to this Law.

VI. International Cooperation

Article 44

- (1) The Office may conclude cooperation agreements with authorised bodies from third countries, as well as with international organisations are included in fight against money laundering and financing terrorism.
- (2) The Office may, within the international cooperation, request data and submit the data received pursuant to this Law to the authorised bodies and organisations of third countries, spontaneously or upon their request and under condition of reciprocity, as well as to international organisations dealing in fight against money laundering and financing terrorism.
- (3) The request for exchange of data from the bodies and organisations referred to in paragraph (2) of this Article should be clarified with the appropriate known facts indicating money laundering and financing terrorism and the purpose for which the requested data and information will be used.
- (4) The Office shall be bound to provide all appropriate data and information upon the received request referred to in paragraph (3) of this Law in accordance with the competences set out in this Law.
- (5) The Office may refuse the request for exchange of data referred to in paragraph (2) of this Article if it is contrary to this Law or if it impedes the conduct of the investigation of another competent state authority or the criminal procedure against the person on which data is requested. The Office shall be bound to elaborate the reasons for refusing the request.
- (6) The Office shall be bound to use the data and information provided by the authorised bodies from third countries for the purposes laid down with this Law and under the conditions set out by the body that provided them.
- (7) The Office may exchange data and information provided by authorised bodies from third countries with the bodies competent to conduct investigations, after obtaining their prior consent.
- (8) The data and information provided on the basis of this Article are confidential according to the Law.
- (9) The Office may request information from the authorised bodies from third countries on the manner of using the data it provided pursuant to this Article.

Article 45

- (1) The provisions of Articles 36, 37, 38 and 39 of this Law will apply where a competent authority for prevention of money laundering and financing terrorism from another country will ask refusal or postponement of a transaction.
- (2) The request referred to in paragraph (1) of this Article should be clarified and should refer to the transaction related to money laundering or financing terrorism and the refusal or postponement would be realised if the transaction is subject to a domestic report for a suspicious transaction.

VII. SUPERVISION

Article 46

(1) The supervision of the application of measures and actions laid down in this Law shall be performed by:

the National Bank of the Republic of Macedonia over banks, savings houses, exchange offices and providers of fast money transfer;

the Insurance Supervision Agency over insurance companies, insurance brokerage companies, companies for representation in insurance, insurance brokers and insurance agents;

the Macedonian Securities and Exchange Commission over the brokerage companies, persons providers of investment advisors services and companies for management of investment funds;

the Agency for Supervision of Fully Funded Pension Insurance over the companies managing with voluntary pension funds;

the Public Revenue Office over trade companies organising games of chance (casino), as well as other legal and natural persons performing the following services: trade with real estate, audit and accounting services, provision of services in the area of taxes or provision of consulting services, legal entities obtaining movables and real estate in pledge and citizens associations and foundations and

the Postal Agency over the post office and legal entities performing telegraphic transmissions or delivery of valuable packages.

(2) The Office shall supervise the application of the measures and actions determined by this Law over the entities in cooperation with the bodies referred to in paragraph (1) of this Article and commissions from Article 47 of this Law or independently.

(3) The Office with the bodies from paragraph (1) of this Article and the commissions from Article 47 of this Law shall be bound to mutually inform themselves on the findings of the performed supervision over the implementation of measures and actions determined by this law and if necessary, coordinate the activities during the supervision implementation over the subjects from Article 5 of this Law.

(4) The Office, the bodies from paragraph (1) of this Article and the commissions from Article 47, are obliged to prepare **plans** for performing supervision for applying measures and actions prescribed within this Law.

(5) The bodies referred to in paragraphs (1) and (2) of this Article may prescribe a manner and procedure for adequate establishment and application of the programmes for prevention of money laundering for the entities they are to supervise.

(6) The bodies from paragraph (1) of this Article and the commissions from Article 47 of this Law, if during performing supervision determine suspicion for money laundering or financing terrorism, as well as violation of the provisions of this Law, must inform the Office immediately.

Article 46-a

(1) The supervision performed by the Office may last 15 working days at the latest with the possibility to be extended, but not longer than 30 working days.

(2) The Minister of Finance shall prescribe the form and contents of the order for performing supervision by the Office.

(3) The Director of the Office shall adopt annual programme for performing supervision by 31 December of the current year at the latest for the following year.

Article 46-b

The supervision which the Office conducts independently is performed by the inspectors, employees in the Office meeting the general conditions determined by the Law on Civil Servants and the conditions laid down in the act for systematisation of the workplaces in the Office.

Article 46-c

(1) Upon the performance of the supervision conducted by the Office, the inspector shall have the responsibility to:

- act in accordance with the order for performing supervision;
- undertake preparatory activities for performing supervision;
- inform the responsible and authorised person of the entity on the beginning of the performance of the supervision, as well as the legal basis, objective and scope of the supervision, except in case of urgent and control supervision;
- legitimate himself/herself in front of the entity, i.e. the authorised person of the entity;
- keep the data secret;
- act in accordance with law, duly and in accordance with the Ethic Code of the Civil Servants and the Ethic Code of the Office;
- compose records on the performed supervision;
- bring a conclusion;
- reach a decision in accordance with Article 48-a if this Law;
- suggest settlement procedure and
- submit request for initiating misdemeanour procedure .

(2) Besides the obligations from paragraph (1) of this Article, and for the performed supervision the inspector shall be bound to organize the prepared inspector's documentation in a file according to the following schedule:

- documents collected in the supervision preparation;
- request from the units of the Office, another body or institution if the supervision has been performed on their request;
- supervision order;
- records on performed supervision;
- conclusion;
- decision;
- settlement proposal;
- records on performed settlement;
- pay order;
- request for initiation of misdemeanour procedure and
- effective and enforcement decisions of a court procedure.

Article 46-d

(1) Upon the performance of the supervision conducted by the Office the inspector shall be authorised to:

- check general and separate acts, files, documents, evidence and information in the scope according to the subject of supervision, as well as to demand necessary copies and documents to

be prepared.

demand from the entity to provide him/her office conditions for work in the business premises of the entity and person that will be present during the supervision due to duly provision of documentation and information related to the subject of supervision;
enter and perform examination of the business premises of the subject;
examine the identification documents of persons for the purposes of affirmation of their identity in accordance with law;
demand from the entity or its employees written or oral explanation related to the issues from the scope of the supervision;
demand professional opinion when it is necessary for the supervision,
control the activities of the entity;
make a list of found documents in the business facility and
provide other necessary evidence.

The identity of the copy with the original of the files, documents, evidence and information from paragraph (1) of this Article shall be confirmed by the entity with his own seal and the signature of the authorised person.

The inspector shall be authorised to initiate settlement procedure and misdemeanour procedure in accordance with law.

Article 46-e

(1) During the supervision carried out by the Office, and for the purposes of elimination of the determined irregularities the inspector has the right and obligation towards the entity:

to show him the determined irregularities;
to show him the determined irregularities and to determine a term for their elimination and to deliver him an invitation for conducting of education in accordance with Article 48-a of this Law;
to propose him a settlement procedure and
to deliver him an application for initiating misdemeanour procedure or to initiate another appropriate procedure.

Article 46-f

Special commission consisted of three members appointed by the Minister of Finance shall decide on the appeal against the decision of the Office inspector, whereupon the president of the commission shall be appointed from the managing civil servants in the Office which have not been included in the performance of the inspection supervision.

Article 47

(1) Bar chambers and notary chambers, within their competences shall establish commissions for performing supervision of the application of the provisions of this Law by their members.

(2) The members of the commissions referred to in paragraph (1) of this Article shall be appointed for a term of four years without the right to re-election.

(3) The chambers shall notify the Office of the appointments and structure of the commissions.

Article 48

(1) The bodies and institutions referred to in Article 46 of this Law and the commissions referred to in Article 47 of this Law shall be bound to notify the Office of the request submitted to initiate a misdemeanour procedure for an offence committed referred to in Article 49, 50, 51 and 52 of this Law by the entities which are supervised, of the initiated settlement procedures and the outcome of these proceedings.

(2) The bodies and institutions referred to in Article 46 and the commissions referred to in Article 47 of this Law shall be bound to inform the Office, without delay and occasionally, at least twice a year, of the supervision carried out over the entities and on the findings from the supervision carried out.

Education Procedure

Article 48-a

(1) If upon the performance of the supervision carried out by the Office, the inspector determines that an irregularity from Article 50-a and Article 51 of this Law has been made, he/she shall be bound to compose records in which he/she will determine the made irregularity and to reach a decision with an indication for elimination of the determined irregularity within 8 days and to simultaneously deliver an invitation for carrying out an education of the person or the entity at which the irregularity has been determined during the performance of the supervision.

(2) The form and the contents of the education invitation, as well as the manner of carrying out the education shall be prescribed by the Minister of Finance on the proposal of the Office.

(3) The education shall be organised and carried out by the Office, in a period not longer than eight days starting from the day of the supervision performance.

(4) The education may be carried out for several determined same or homogenous irregularities for one or several entities.

(5) If in the arranged term the person or the entity from paragraph (1) of this Article, to which an education is carried out, does not appear, it will be considered that the education has been carried out.

(6) Should the person or the entity from paragraph (1) of this Article to which the education has been carried out appears at the arranged education and complete it, it will be considered that he/she/it is educated in terms of the determined irregularity.

(7) Should the Office inspector, conducting the control supervision, determines that the established irregularities from paragraph (1) of this Article have been removed, he/she shall come to a conclusion by which he/she stops the inspection supervision procedure.

(8) Should the Office inspector, conducting the control supervision, determines that the established irregularities from paragraph (1) of this Article have not been removed, he/she shall suggest a settlement procedure.

(9) The office shall take records on the carried out education on the manner prescribed by the Minister of Finance on the proposal of the Office.

VIII. MISDEMEANOUR PROVISIONS

Article 49

(1) Fine in the amount from 80.000 to 100.000 Euros in denar counter-value shall be imposed to the legal entity if:

- fails to reject the execution of the transaction or the business or other relation or legal matter, or if it is keeping and informs the Office immediately for keeping, or rejection to perform transaction according to Article 15, paragraph (1);
- fails to deliver data to the Office according to Article 15 paragraph (2);
- fails to keep the transaction, the business or other relation or legal matter according to Article 15 paragraph (3);
- pays or receives cash in the amount of 15,000 Euros or more in denar counter-value in the form of one or several linked transactions, according Article 24 paragraph (1);
- performs registration or transfer of securities, other property or legal matters if the client does not submit evidence that the money transfer has been done through a bank, contrary to Article 24 paragraph (2);
- start or continue with business relation with shell bank and start or continue with corresponding business relation with a bank for which they know that allows opening and working with accounts of shell banks contrary to Article 25 paragraph (1);
- shell banks perform financial activities in the Republic of Macedonia contrary to Article 25 paragraph (2);
- open or keep anonymous accounts contrary to Article 26;
- do not keep the data and documents at least 10 years, according to Article 27 paragraph (3) ad (4);
- do not make the document available according to Article 27 paragraph (9);

- inform the client or third party for data delivering to the Office or for other measures and actions undertaken based on this Law, according to Article 28 paragraph (3);
- inform the client or third party for data delivering contrary to Article 28 paragraph (4);
- fail to deliver to the Office data, information and documents when they suspect or have ground for suspicion that there was or is money laundering or financing terrorism or an attempt was made or will be made for money laundering or for financing terrorism, according to Article 29 paragraph (1) indent a);
- fail to deliver to the Office data, information and documents for transactions from and to risky countries, according to Article 29 paragraph (1) indent d);
- fail to deliver all required additional information and documentation, deliver incorrect information or fail to inform the Office immediately, according to Article 29 paragraph (3);
- fail to deliver the gathered data, information and documents for the done transactions within the deadline and in the form, as prescribed in Article 29 paragraph (4);
- fails to deliver the required data, incorrectly answers the required data or does not answer them in a form and deadline of ten working days, according to Article 34 paragraph (2) and
- does not keep the transaction based on the issued order or within 72 hours from the keeping of the transaction, according to Article 36 paragraph (2) and paragraph (3).

(2) Besides the fine for committed acts from paragraph (1) of this Article a misdemeanour sanction for prohibition on conducting certain activity from two to five years shall be imposed to the legal entity in accordance with law.

(3) Fine in the amount from 5.000 to 10.000 Euros in denar counter-value shall be imposed to the responsible person of the legal entity for misdemeanour regarding the actions from paragraph (1) of this Article.

(4) Besides the fine a misdemeanour sanction - prohibition on conducting an activity from one to two years shall be imposed to the responsible person for the actions from paragraph (1) of this Article in accordance with law

Article 49-a

(1) Fine in the amount from 80.000 to 100.000 Euros in denar counter-value shall be imposed to the bank if fail to put into use or fail to upgrade the software for automatic data processing according to Article 40 paragraph (4).

(2) Fine in the amount from 5.000 to 10.000 Euros in denar counter-value shall be imposed to the responsible person of the bank for misdemeanour regarding the actions from paragraph (1) of this Article.

Article 50

(1) Fine in the amount of EUR 30,000 to 40,000 in denar counter value will be imposed to the legal entity for a misdemeanour should it:

~~fails to undertake measures and actions in case of a procedure bankruptcy and liquidation in accordance with Article 7;~~

fails to conduct a procedure of client analysis when a business relation is established in accordance with Article 8 item a);

fails to conduct a procedure for client analysis when one or several related transaction in the amount of EUR 15,000 in denar counter value or more are performed in accordance with Article 8 item b);

fails to conduct a procedure for client analysis when there is a doubt for money laundering or financing terrorism, regardless any exception or amount of funds in accordance with Article 8 item c);

fails to conduct procedure for client analysis when there is a doubt for the veracity or the adequacy of previously obtained data on the client identity in accordance with Article 8 item d);

fails to conduct a procedure for client analysis according to the made evaluation of the risk of the client, business relation, product or the transaction in accordance with Article 9 paragraph (2);

fails to perform risk assessment of the client on the basis of a procedure for risk analysis in accordance with Article 9 paragraph (3);

fails to provide an access to the document for risk assessment in accordance with Article 9 paragraph (4);

fails to perform detailed review of the transactions undertaken within the frames of the business relation in order to confirm that the transaction shall be made in accordance with the intention, business relation, risk profile and financial standing of the client in accordance with Article 12-b paragraph (1);

fails to make an analysis of the basis and the objective of complex, extraordinarily large transaction or transactions carried out in extraordinary manner, which does not have obvious economic justification or evident legal objective or business relation and transactions with natural or legal entities, financial institutions from countries which have not implemented or under-implemented the measures for preventing money laundering and financing terrorism in accordance with Article 12-c paragraph (1), (2), and (5);

fails to pay special attention to the threats of money laundering and financing terrorism in the new technologies or developing technologies and to undertake measures for them not to be used for the purposes of money laundering or financing of terrorism in accordance with Article 12-c paragraph (4).

fails to identify and confirm the identity of the beneficial owner or provide data in accordance with Article 12-d paragraph (1);

fails to provide data in accordance with Article 12-d paragraph (2);

fails to make available the provided data on the financial institution which should perform the payment or the competent bodies in accordance with Article 12-d paragraph (3);

fails to forward the data on the payer to the financial institution beneficial owner in accordance with Article 12-d paragraph (4);

fails to limit or stop the business cooperation with the financial institutions in accordance with Article 12-d paragraph (5);

fails to meet the requirements for client analysis in accordance with Article 13 paragraph (1);

fails to provide appropriate documentation in accordance with Article 13 paragraph (3);

fails to meet the requirements for client analysis in accordance with Article 13 paragraph (4);

fails to apply intensified client analysis when there is higher risk of money laundering or financing terrorism in accordance with Article 14 paragraph (1);

fails to apply measures of intensified client analysis when it is not physically present for the purposes of identification in accordance with Article 14 paragraph (2);

fails to apply measures of intensified client analysis when correspondent bank relations have been established with banks in accordance with Article 14 paragraph (3);

fails to apply measures of intensified analysis of the client when they perform transaction or enter in business relation with holders of public functions in accordance with Article 14 paragraph (4);
 fails to demand information in accordance with Article 16 paragraph (1);
 fails to inform the Office in accordance with Article 16 paragraph (2), (3) and/or (4);
 fails to deliver a report to the Office in accordance with Article 16 paragraph (6);
 the data obtained on the basis of this Law shall be used contrary to Article 28 paragraph (1);
 the employees in the entities having the obligation to undertake measures and actions for detection and prevention of money laundering and financing terrorism use the personal data from the client's files contrary to Article 28 paragraph (5);
 fails to deliver data, information and documents for cash transaction in the amount of EUR 15,000 in denar counter value or more to the Office in accordance with Article 29 paragraph (1) item b);
 fails to deliver data, information and documents for several related cash transaction in the amount of EUR 15,000 in denar counter value or more in accordance with Article 29 paragraph (1) item c);
 fails to inform the Office in accordance with Article 29 paragraph (2);
~~fails to deliver data on verified contracts with which it obtains the property in the amount of EUR 15,000 in denar counter value or more in accordance with Article 29-a paragraph (1);~~
 fails to deliver data on paid loans in the amount of EUR 15,000 in denar counter value or more in accordance with Article 29-a paragraph (2);
 fails to deliver data on concluded insurance policies in the amount of EUR 15,000 in denar counter value or more in accordance with Article 29-a paragraph (3);
 fails to deliver data on concluded contracts on purchase and sale of vehicles in the amount of EUR 15,000 in denar counter value or more in accordance with Article 29-a paragraph (4);
~~fails to deliver a report to the Office in accordance with Article 31 paragraph (1);~~
~~fails to act on the basis of the order for monitoring of the business relation with the client in accordance with Article 35-a paragraph (1);~~
 fails to inform the Office in accordance with Article 35-a paragraph (2) and (4);
 fails prepare programs or the programs does not contain and provide procedures in accordance with Article 40 paragraph (1);
 fails to deliver the prepared programmes for an insight and opinion of the Office in accordance with Article 40 paragraph (2);
~~fails to put in use or upgrade the software for automatic processing of data in accordance with Article 40 paragraph (4);~~
 fails to form special department in which it will take care for the implementation of the programme in accordance with Article 40-a paragraph (1);
 fails to appoint authorised person managing with the work of the department in accordance with Article 40-a paragraph (4);
 the employees in the department does not have an access to the data bases contrary to Article 40-a paragraph (5) and
~~fails to deliver information in accordance with Article 43.~~

(2) Misdemeanour fine in the amount of EUR 2,000 to 5,000 in denar counter value will be imposed to the responsible person in the legal entity for the actions from paragraph (1) of this Article.

Article 50-a

(1) Fine in the amount of EUR 5,000 to 10,000 in denar counter value will be imposed to the legal entity for a misdemeanour if it:

fails to identify and confirm the identity of the natural person with original and valid identity card or passport or verified copy in accordance with Article 10 paragraph (1) and (2);

fails to determine the name, surname, date and place of birth, place and address of residence or temporary residence, personal identification number or number of the identity card or the passport, authority which issued it and date of expiry of the identity card or passport in accordance with Article 10 paragraph (3) or (4);

fails to identify and confirm the identity of the legal entity by original or verified copy of registration from central register or by the document for its foundation in accordance with Article 10 paragraph (5) or (7) and (8);

fails to establish the name, seat, tax number of the legal entity, founder/s and legal representative in accordance with Article 10 paragraph (6);

fails to identify the managing body and the representative offices of the legal entity in accordance with Article 10 paragraph (9);

fails to keep a copy of the identification documents in accordance with Article 10 paragraph (10);

fails to identify and confirm the identity of the final owner in accordance with Article 11;

fails to identify and confirm the identity of the person performing the transaction (procurator), holder of rights and the power of attorney in accordance with Article 12;

fails to verify the identity of the client, the procurator or the final owner and before the establishment of business relation or before carrying out the transaction in accordance with Article 12- a paragraph (1);

fails to confirm the identity of the client or final owner and to confirm its identity before or during the payment of the policy or before or when the beneficiary has an intention to practice the rights resulting from the policy in accordance with Article 12-a paragraph (3);

fails to identify and confirm the identity if the client during performance of life insurance works in accordance with Article 12-a paragraph (4);

fails to review and update the documents and data of the client within the frames of the business relation in accordance with Article 12-b paragraph (2);

fails to demand information in accordance with Article 17 paragraph (1);

fails to inform the Office in accordance with Article 17 paragraph (2);

fails to establish the basis for a doubt in accordance with Article 18 paragraph (1);

fails to establish the identity of the client before each transaction which includes an amount higher than EUR 500 in denar counter value in accordance with Article 20 paragraph (1);

fails to notice the data in chronological order in numerated register in accordance with Article 20 paragraph (2);

fails to establish the identity of the client before each transaction which includes an amount higher than EUR 1,000 in denar counter value in accordance with Article 21 paragraph (1);

fails to notice the data in chronological order in numerated register in accordance with Article 21 paragraph (2);

fails to establish the identity of the client before entering in the casino or upon buying or payment of chips in the amount exceeding EUR 2,000 in denar counter value in accordance with Article 22 paragraph (1);

fails to notice the data in chronological order in numerated register in accordance with Article 22 paragraph (2);

fails to identify the client, procurator and final beneficiary of the securities trading in accordance with Article 23 paragraph (1);

fails to notice the data in numerated register in accordance with Article 23 paragraph (2);

fails to provide application of measures for the prevention of money laundering and financing terrorism in the subsidiaries and branch offices in accordance with Article 26-a paragraph (1);
 fails to inform the supervision body in accordance with Article 26-a paragraph (2);
 fails to keep copies from the documents confirming the identity of the client or the final beneficiary, for the conducted procedures for analysis of the client or the final beneficiary and realised transaction or the transaction in try, from the client file and business correspondence in accordance with Article 27 paragraph (1);
 fails to keep copies in accordance with Article 27 paragraph (2);
 fails to keep numerated register from Articles 20, 21, 22, and 23 in accordance with Article 27 paragraph (6);
 legal successors or the founders of the entity does not keep the data in accordance with Article 27 paragraph (7) and paragraph (8);
 fails to deliver data, information and documents in accordance with Article 29 paragraph (5);
 fails to confirm the report delivered by phone, fax, electronic or other written document in accordance with Article 31 paragraph (2);
 fails to update the prepared programmes and/or deliver the prepared programmes for an insight and opinion of the Office in accordance with Article 40 paragraph (3);
 there has not been an employment in the department in accordance with Article 40-a paragraph (2);
 employees in the department does not meet high professional standards in accordance with Article 40-a paragraph (3) and
 fails to confirm the identity of the existing clients and update their data in accordance with Article 56-c.
 (2) Misdemeanour fine in the amount of EUR 1,200 to 2,000 in denar counter value will be imposed to the responsible person in the legal entity for the actions from paragraph (1) of this Article.

Article 51

(1) Fine in the amount of EUR 2,500 to 5,000 in denar counter value will be imposed to the natural person according to the article 5, paragraph (1) point 2 of this Law for a misdemeanour shouldhe/she, within his/her works:
 fails to conduct procedure of client analysis when a business relation is established in accordance with Article 8 item a);
 fails to conduct a procedure for client analysis when one or several related transactions in the amount of EUR 15,000 in denar counter value or more are performed in accordance with Article 8 item b);
 fails to conduct a procedure for client analysis when there is a doubt for money laundering or financing terrorism, regardless any exception or amount of funds in accordance with Article 8 item c);
 fails to conduct procedure for client analysis when there is a doubt for the veracity or the adequacy of previously obtained data on the client identity in accordance with Article 8 item d);
 fails to conduct a procedure for client analysis according to the made assessment of client's risk, business relation, product or the transaction in accordance with Article 9 paragraph (2);
 fails to perform risk assessment of the client on the basis of a procedure for risk analysis in accordance with Article 9 paragraph (3);
 fails to identify and confirm the identity of the natural person with original and valid identity card or passport or verified copy in accordance with Article 10 paragraph (1) and (2);
 fails to establish the name, surname, date and place of birth, place and address of residence or temporary residence, personal identification number or number of the identity card or the

passport, authority which issued it and date of expiry of the identity card or passport in accordance with Article 10 paragraph (3) or (4);

fails to identify and verify the identity of the legal entity by original or verified copy of registration from Central register or by the document for its foundation in accordance with Article 10 paragraph (5) or (7) and (8);

fails to establish the name, seat, tax number of the legal entity, founder/s and legal representative in accordance with Article 10 paragraph (6);

fails to identify the managing body and the representative offices of the legal entity in accordance with Article 10 paragraph (9);

fails to keep a copy of the identification documents in accordance with Article 10 paragraph (10);

fails to identify and confirm the identity of the final owner in accordance with Article 11;

fails to identify and confirm the identity of the person performing the transaction (procurator), holder of rights (authorizer) and the power of attorney in accordance with Article 12;

fails to verify the identity of the client, the authorizer or the final owner and before the establishment of business relation or before carrying out the transaction in accordance with Article 12- a paragraph (1);

~~fails to confirm the identity of the client or final owner and to confirm his/her identity before or during the payment of the policy or before or when the beneficiary has an intention to practice the rights resulting from the policy in accordance with Article 12-a paragraph (3);~~

~~fails to identify and confirm the identity of the client during performance of life insurance works in accordance with Article 12-a paragraph (4);~~

fails to monitor the transactions in accordance with Article 12-b paragraph (1);

fails to review and update the documents and data of the client within the frames of the business relation in accordance with Article 12-b paragraph (2);

fails to make an analysis of the basis and the objective of complex, extraordinarily large transactions or transactions carried out in extraordinary manner, which does not have obvious economic justification or evident legal objective or business relation and transactions with natural or legal entities, financial institutions from countries which have not implemented or under-implemented the measures for preventing money laundering and financing terrorism in accordance with Article 12-c paragraph (1), (2), and (5);

~~fails to identify and confirm the identity of the sender or provide data on the name and surname of the sender, address and date and place of birth, identification number and account number of the beneficial owner during payments for the purposes of domestic or foreign transfers in the amount of EUR 2,500 in denar counter value in accordance with Article 12-d paragraph (1);~~

~~fails to forward the data on the payer to the financial institution which is beneficial owner in accordance with Article 12-d paragraph (2);~~

~~fails to establish the data on the sender in accordance with Article 12-d paragraph (3);~~

fails to meet the requirements for client analysis in accordance with Article 13 paragraph (1);

fails to provide appropriate documentation in accordance with Article 13 paragraph (3);

fails to apply intensified client analysis when there is higher risk of money laundering or financing terrorism in accordance with Article 14 paragraph (1);

fails to apply measures of intensified client analysis when he/she is not physically present for the purposes of identification in accordance with Article 14 paragraph (2);

fails to apply measures of intensified client analysis when correspondent bank relations are being established with banks in accordance with Article 14 paragraph (3);

fails to apply measures of intensified analysis of the client when performing transactions or enter in business relation with holders of public functions in accordance with Article 14 paragraph (4);

fails to deliver a report to the Office in accordance with Article 15 paragraph (1);

fails to deliver a report to the Office in accordance with Article 15 paragraph (2);
fails to keep the transaction, business or other relation or legal activity in accordance with Article 15 paragraph (3);
fails to demand information in accordance with Article 16 paragraph (1);
fails to inform the Office in accordance with Article 16 paragraph (2), (3) and (4);
fails to deliver a report to the Office in accordance with Article 16 paragraph (6);
fails to demand information in accordance with Article 17 paragraph (1);
fails to inform the Office in accordance with Article 17 paragraph (2);
fails to establish the basis for a doubt in accordance with Article 18 paragraph (1);
~~fails to establish the identity of the client before each transaction which includes an amount higher than EUR 500 in denar counter value in accordance with Article 20 paragraph (1);~~
~~fails to record the data in chronological order in numerated register in accordance with Article 20 paragraph (2);~~
~~fails to establish the identity of the client before each transaction which includes an amount higher than EUR 1,000 in denar counter value in accordance with Article 21 paragraph (1);~~
~~fails to record the data in chronological order in numerated register in accordance with Article 21 paragraph (2);~~
~~fails to establish the identity of the client before entering in the casino or upon buying or payment of chips in the amount exceeding EUR 2,000 in denar counter value in accordance with Article 22 paragraph (1);~~
~~fails to record the data in chronological order in numerated register in accordance with Article 22 paragraph (2);~~
~~fails to identify the client, authorizer and final beneficiary of the securities trading in accordance with Article 23 paragraph (1);~~
fails to notice the data in numerated register in accordance with Article 23 paragraph (2);
pays or accepts cash in the amount of EUR 15,000 or more in denar counter value as one or more related transactions in accordance with Article 24 paragraph (1);
performs registration or transfer of securities, another property or legal affairs should the client fails to submit evidence that the money transfer has been made through a bank contrary to Article 24 paragraph (2);
fails to keep copies from the documents confirming the identity of the client or the final beneficiary, for the conducted procedures for analysis of the client or final beneficiary and realised transaction or the transaction in try, from the client's file and business correspondence in accordance with Article 27 paragraph (1);
fails to keep copies in accordance with Article 27 paragraph (2);
fails to keep data and documents for at least ten years in accordance with Article 27 paragraph (3) and (4);
~~fails to keep numerated register from Articles 20, 21, 22, and 23 in accordance with Article 27 paragraph (6);~~
fails to make the documents available in accordance with Article 27 paragraph (9);
the data obtained on the basis of this Law shall be used contrary to Article 28 paragraph (1);
fails to inform the Office in accordance with Article 28 paragraph (2);
informs the client or third person on the delivery of the data to the Office or other measures and actions undertaken on the basis of Article 28 paragraph (3);
informs the client or third person on the delivery of data contrary to Article 28 paragraph (4);
uses the personal data from the client's files contrary to Article 28 paragraph (5);
fails to deliver data, information and documents to the Office when there is a doubt or a ground for doubt that money laundering or financing of terrorism has been carried out or an attempt for

money laundering or financing terrorism has been made or it is being made in accordance with Article 29 paragraph (1) item a);
fails to deliver data, information and documents for cash transaction in the amount of EUR 15,000 in denar counter value or more to the Office in accordance with Article 29 paragraph (1) item b);
fails to deliver data, information and documents for several related cash transaction in the amount of EUR 15,000 in denar counter value or more in accordance with Article 29 paragraph (1) item c);
fails to inform the Office in accordance with Article 29 paragraph (2);
fails to deliver additional information and documentation or to immediately inform the Office in accordance with Article 29 paragraph (3);
fails to deliver the collected data, information and documents on the carried out transactions within the term and in the form provided for Article 29 paragraph (4);
fails to inform the Office in accordance with Article 29 paragraph (5);
fails to deliver data on verified contracts with which it obtains property in the amount of EUR 15,000 in denar counter value or more in accordance with Article 29-a paragraph (1);
~~fails to deliver data on approved loans in the amount of EUR 15,000 in denar counter value or more in accordance with Article 29-a paragraph (2);~~
~~fails to deliver data on concluded insurance policies in the amount of EUR 15,000 in denar counter value or more in accordance with Article 29-a paragraph (3);~~
~~fails to deliver data on concluded contracts on purchase and sale of vehicles in the amount of EUR 15,000 in denar counter value or more in accordance with Article 29-a paragraph (4);~~
~~fails to deliver a report to the Office in accordance with Article 31 paragraph (1);~~
fails to confirm the report delivered by phone in accordance with Article 31 paragraph (2);
fails to deliver the required data within ten working days in accordance with Article 34 paragraph (2);
~~fails to act on the basis of the order for monitoring of the business relation of the client in accordance with Article 35-a paragraph (1);~~
fails to inform the Office in accordance with Article 35-a paragraph (2) and (4);
fails to keep the transaction on the basis of the issued order or 72 hours at the latest from the keeping of the transaction in accordance with Article 36 paragraphs (2) and (3);
fails to prepare programme or the programme does not contain and provide procedures in accordance with Article 40 paragraph (1);
fails to deliver the prepared programme for an insight and opinion of the Office in accordance with Article 40 paragraph (2);
fails to update the programme and/or to deliver it for an insight and opinion of the Office in accordance with Article 40 paragraph (3);
~~fails to deliver information contrary to Article 43~~
fails to confirm the identity of the existing clients and update their data in accordance with Article 56-c.

Besides the fine a misdemeanour sanction - prohibition on conducting an activity from one to two years shall be imposed to the natural person for the actions from paragraph (1) lines 24, 25, 26, 33, 34, 37, 38, 41, 42, 44, 46, 47, 51 and 53 of this Article.

Article 51-a

Fine in the amount of EUR 2,500 to 5,000 in denar counter value will be imposed to trustee in bankruptcy fails to undertake measures and actions in case of a procedure bankruptcy and liquidation in accordance with Article 7.

Article 52

An authorized official or persons performing activities of public interest shall be fined with 1.200 to 2.000 Euros in denar counter-value, if:

- fail to register the importing and exporting of cash or securities across the border line of Republic of Macedonia, according to Article 19 paragraph (1);
- fail to enter the information, according to Article 19 paragraph (2);
- fail to report the importing or exporting of cash or securities of the bearer to the Office exceeding 10.000 Euros in denar counter-value, according to Article 19 paragraph (3);
- fail to inform the Office of any suspicion on money laundering or financing terrorism, according to Article 19 paragraph (4);
- fail to keep all data on the importing and exporting of cash or securities across the customs line for at least ten years from the date of transfer carried out, according to Article 27 paragraph (5);
- fail to inform the Office for initiating a misdemeanour procedure for a committed misdemeanour, money laundering or financing terrorism, according to Article 32 paragraph (3);
- fail to inform the Office on any submitted criminal report, according to Article 32 paragraph (4);
- fail to inform the Office for any submitted criminal report, indictment and first instance court decision on criminal acts money laundering and financing terrorism, according to Article 32 paragraph (5);
- fail to submit the required data, according to Article 34 paragraph (2);
- fail to submit annual plans for supervision of the application of the measures and actions, according to Article 46 paragraph (4);
- fail to inform the Office if they determine suspicion of money laundering and financing terrorism, as well as violation of the provisions from this Law, according to Article 46 paragraph (6);
- fail to establish commissions for supervision, according to Article 47 paragraph (1);
- fail to inform the Office, according to Article 47 paragraph (3);
- fail to inform the Office for the submitted claim to initiate a misdemeanour procedure, according to Article 48 paragraph (1); and
- fail to inform the Office of the performed supervision of the entities and of results of the supervision carried out, according to Article 48 paragraph (2)

Article 53-a

A misdemeanour procedure for committed misdemeanour of the Articles 49, 50, 50-a, 51 and 52 cannot be initiated or conducted after five years from the day of committing the misdemeanour.

Settlement

Article 53

(1) With regard to the misdemeanours referred to in Articles 49, 50, 50-a, 51 and 52 of this Law, the bodies and institutions referred to in Article 46 and the commissions referred to in Article 47 of this Law shall be bound to propose the perpetrator a settlement procedure prior to filing a request for a misdemeanour procedure.

(2) When the perpetrator agrees to a settlement procedure, the body and institution referred to in Article 46 and the commission referred to in Article 47 of this Law shall draw up minutes noting the important elements of the misdemeanour, the time, place and manner of committing the misdemeanour, its description and persons involved.

(3) The minutes shall define the manner of overcoming the consequences of the misdemeanour.

(4) The body and institution referred to in Article 46 and the commission referred to in Article 47 of this Law may issue a payment order to the perpetrator in the settlement procedure.

(5) If the perpetrator pays the payment order, he/she shall be bound to sign it. The acceptance of the payment order shall be entered into the minutes.

(6) The body and institution referred to in Article 46 and the commission referred to in Article 47 of this Law shall be bound to keep records of the initiated settlement procedures and their outcome.

Article 54

The competent court shall decide on the misdemeanours prescribed in Articles 49, 50, 51 and 52 of this Law in a procedure prescribed by law.

IX. TRANSITIONAL AND FINAL PROVISIONS

Article 55

The Chambers, referred to in Article 47 of this Law shall be bound to inform the commissions referred to in Article 47 of this Law within 90 days from the date of entry into force of this Law at the latest.

Article 56

The Office will lay down the lists of risk-based indicators referred to in paragraph 3 of Article 9 of this Law and for identifying suspicious transactions referred to in Article 18 of this Law, in cooperation with the entities and bodies performing supervision of their work within 18 months from the date of entry into force of this Law at the latest.

Article 56-a

The Council for Prevention of Money Laundering and Financing Terrorism shall be established within six months from the day of entering into force of this Law.

Article 56-b

By-laws arising out of the Law on Money Laundering Prevention and Other Criminal Proceeds and Financing Terrorism ("Official Gazette of the Republic of Macedonia" number 4/08) shall continue to be valid until the adoption of new ones.

The by-laws arising out of this Law shall be adopted by the Minister of Finance within 12 months from the day of entering into force of this Law.

Verification of the identity of the existing clients

Article 56-c

The entities shall be obligated to confirm the identity of the existing clients based upon the procedure for risk analysis and to keep up to date the data for their identity within 24 months from the day of entering into force of this Law."

Article 57

With the date of entry into force of this Law, the Directorate for Prevention of Money Laundering shall continue to operate as a Office for Money Laundering Prevention and Financing Terrorism.

Article 58

The Director of the Office for Money Laundering Prevention and Financing Terrorism shall continue to perform his/her position of director of the Financial Intelligence Unit the until the expiry of his/her mandate.

Article 59

With the date of entry into force of this Law, the employees, equipment, inventory, archives, documentation, operational tools and other assets of the Office for Money Laundering Prevention and Financing Terrorism shall be taken over by the Financial Intelligence Unit.

Article 60

With the date of entry into force of this Law, the Law on Money Laundering Prevention and Other Criminal Proceeds shall cease to be valid (Official Gazette of the Republic of Macedonia No. 46/2004).

The provisions from Article 17, 18 and 29-a of this Law shall start to be applied following 30 days from the day of the entering into force of this Law.

The provision from Article 40 paragraph 4 of this Law shall be applied starting from 01.01.2011

Article 61

This Law shall enter into force on the eight day following that of its publication in the Official Gazette of the Republic of Macedonia.