

# ***LAW ON THE PREVENTION OF MONEY LAUNDERING***

## **I. GENERAL PROVISIONS**

### **Article 1**

This Law shall prescribe actions and measures to be undertaken for the purpose of detection and prevention of money laundering.

This Law shall establish organization and authority of the Administration for the Prevention of Money Laundering (hereinafter referred to as the Administration) and other bodies implementing the provisions of this Law.

### **Article 2**

For the purpose of this Law, money laundering shall be understood to mean:

1. conversion or transfer of assets knowing that the assets originate from commission of a criminal offence with the intention to conceal or disguise the illegal origin of assets;
2. concealment or disguise of facts about assets knowing that the assets originate from a criminal offence;
3. acquisition, possession or use of assets knowing that at the time of receipt that the assets originate from a criminal offence;
4. concealment of illegally acquired social or state assets and social or state capital in the process of enterprise and other legal entities ownership transformation.

For the purpose of this Law, the assets shall be understood to mean movable and immovable things, money, securities, and other deeds evidencing the ownership right and other rights, as well as other rights.

For the purpose of this Law, the money shall be understood to mean cash, foreign currency, domestic and foreign currency deposits in the accounts, as well as other means of payment.

For the purpose of this Law, the customer shall be understood to mean an individual, entrepreneur or a legal entity effecting a transaction, opening an account or establishing business cooperation with an obligor.

### **Article 3**

Actions and measures for the detection and prevention of money laundering are undertaken before, during and after receiving, converting, keeping, using, depositing and withdrawing cash and foreign currency from an account, cross-border assets transfer, business operations which result in acquisition of property or any treatment of the assets (hereinafter referred to as: transactions).

#### **Article 4**

Legal entities (hereinafter referred to as: the Obligors) and responsible persons within the legal entities are obliged to undertake actions and measures for the detection and the prevention of money laundering.

For the purpose of this Law, the obligors shall be:

- 1) banks and other financial organizations (savings banks, savings and credit organizations and savings and credit cooperatives);
- 2) bureaus de change;
- 3) postal and telecommunication enterprises, as well as other enterprises and cooperatives;
- 4) insurance companies;
- 5) investment funds and other institutions operating in the financial market;
- 6) stock exchanges, broker-dealer associations, custody banks, banks authorized to trade in securities and other entities engaged in transactions involving securities, precious metals and precious stones;
- 7) organizers of classical and special games of chance (casinos, slot-machine clubs, betting places), as well as of other games of chance;
- 8) pawnshops.

For the purpose of this Law, the obligors shall also be understood to mean other legal entities and individuals doing business related to:

- 1) asset management for other persons;
- 2) factoring and forfeiting;
- 3) leasing;
- 4) issuing payment and credit cards and performing operations with the cards;
- 5) real estate business;
- 6) trade in artworks, antiques and other valuable objects;
- 7) trade in automobiles, vessels and other valuable objects;
- 8) treatment and trade in precious metals and jewels;
- 9) organization of travels;
- 10) mediation in negotiations related to granting credits;
- 11) mediation and representation in insurance business;
- 12) organising auctions.

## **II. ACTIONS AND MEASURES TO BE UNDERTAKEN BY OBLIGORS**

## **Article 5**

The obligor shall be bound to establish the identity of the customer, collect data about the customer and the transaction as well as other data which are, for the purpose of this Law, relevant for the detection and prevention of money laundering (hereinafter referred to as: Identification) in the following cases:

- 1) when opening an account or establishing other form of business cooperation with the customer;
- 2) in case of any transaction (cash or non-cash) or several inter-related transactions with the total sum amounting to or exceeding EUR 15.000 in Dinar counter value according to the official mean rate of the National Bank of Serbia on the day the transaction is effected (hereinafter referred to as Dinar counter value) except in the case when the identification has already been performed on the basis of item 1 of this Paragraph;
- 3) in case of life insurance business:
  - when the value of a single premium installment or several premium installments to be paid in a year amounts to or exceeds EUR 1000 in Dinar counter value;
  - when the payment of a one-off premium exceeds the value of EUR 2.500 in Dinar counter value;
  - when a single premium installment or several premium installments to be paid in one year increase and exceed the value of EUR 1.000 in dinar counter value;
- 4) in case of any transaction (cash or non-cash) regardless of the value of transaction if there are reasons to suspect money laundering with regard to a transaction or a customer;
- 5) when paying to or withdrawing money from the organizers of classical games of chance and other games of chance in the sum amounting to or exceeding EUR 1.000 Dinar counter value. Organizers of special games of chance, shall be bound to establish the identity of the customer immediately upon the customer's entrance into a gaming place.

The obligor shall not be bound to perform identification in cases of inter-bank transactions.

## **Article 6**

When establishing identity as referred to in Article 5, paragraph 1, item 1) of this Law, the obligor shall be bound to establish the data referred to in Article 32 paragraph 1, items 1), 2), 3), 5), 6) and 13) of this law.

When establishing identity as referred to in Article 5, paragraph 1 item 2) of this Law, the obligor shall be bound to establish the data referred to in Article 32, paragraph 1, items 1) to 4) and 7) to 10) of this Law.

When establishing identity as referred to in Article 5, paragraph 1 item 3) of this Law, the obligor shall be bound to establish the data referred to in Article 32, paragraph 1, items 1) to 10) of this Law.

When establishing identity as referred to in Article 5, paragraph 1 item 4) of this Law, the obligor shall be bound to establish the data referred to in Article 32, paragraph 1 of this Law.

When establishing identity as referred to in Article 5, paragraph 1, item 5) of this Law, the obligor shall establish the data referred to in Article 32, paragraph 1 item 3) and items 6) to 9) of this Law.

If the transactions referred to in Article 5 paragraph 1, items 2) to 4) of this Law are effected on the basis of an opened account or established business cooperation, the obligor shall establish the missing data during identification.

The obligor shall establish the data on a legal entity referred to in Article 32, paragraph 1, item 1) of this Law by inspecting original or certified documentation from the register kept by the competent authority of the country where the head office is located, which is submitted by the client and cannot be older than three months.

The obligor shall establish the data on an individual referred to in Article 32, paragraph 1, items 2) and 3) of this Law by inspecting personal documents of the individual issued by a competent state authority (ID card, passport or another public document based on which the individual's identity can be established beyond doubt).

The obligor shall establish the data referred to in Article 32, paragraph 1, items 4) to 11) of this Law by inspecting documents and business documentation submitted by the customer.

If it is not possible to establish all the data referred to in Article 32, paragraph 1 of this Law from the documents issued by a competent authority, documents and business documentation, the missing data, except for Article 32, paragraph 1, items 12) and 13) of this Law, shall be established by the obligor from a written statement of the customer.

If the client is a foreign national, during the identification referred to in Article 5, paragraph 1, items 1) and 4) of this Law, the obligor shall obtain a photocopy of the customer's personal document.

If a foreign legal entity, except for international government organizations, effects transactions referred to in Article 5 of this Law, the obligor shall at least once a year repeat the identification by inspecting the data referred to in Article 32 paragraph 1, items 1) and 13) of this Law. The obligor shall do so on the basis of a new authorization referred to in Article 7, paragraph 2 of this Law.

## **Article 7**

When performing identification of the customer, the obligor shall be bound to request the customer to give a statement as to on whose behalf and for whose account the transaction is effected, account opened or business cooperation established.

If the customer effects the transaction, opens the account or establishes business cooperation for somebody else's account (proxy), the obligor shall be bound to request the written authorization (power of attorney) from the customer, as well as the documentation referred to in Article 6 of the Law, on the basis of which identification can be performed of the person for whose account the transaction is effected, account is opened or business cooperation is established.

The obligor shall be bound to refuse to effect the transaction if it is not able to establish the identity of the customer according to the Articles 6 and this Article of the Law.

If the proxy opens an account or effects the transaction referred to in Article 5 paragraph 1 items 2) and 4) of this Law for the account of a foreign legal entity that does not engage in or must not engage in manufacturing or commercial activity in the country in which it is registered or for the account of a foreign legal entity with unknown owners or managers, the obligor shall be bound to obtain the data referred to in Article 32 paragraph 1 item 13 of this Law by inspecting the original or certified documentation from a court register or an appropriate public register that must not be more than three months old. If it is not possible to obtain all the data from the court or appropriate public register, the obligor shall be bound to obtain the missing data by inspecting the documents and business documentation presented by the proxy. If the missing data is not possible to obtain in the prescribed manner for objective reasons, the obligor shall obtain the missing data from the written statement given by the proxy.

In case of paragraph 4 of this Article, in all the cases where another legal entity is a holder of 10% of business share, stocks or other rights of a legal entity, or the other legal entity participates in its capital with at least 10% share, the obligor shall obtain the data referred to in Article 32, paragraph 1 item 13 of this Law for that other legal entity as well.

When opening an account or establishing business cooperation, the obligor may perform the identification of a non face-to-face customer but when doing

so, it must beyond doubt establish the identity of the customer by establishing all the data pursuant to this Law and the regulation passed on the basis of Article 13, paragraph 2 of this Law.

The identification on the basis of paragraph 6 of this Article is possible only if the customer is a non-resident, a state authority or organization with public authorities, or an obligor referred to in Article 4 of this Law.

The obligor may on the basis of paragraph 6 of this Article perform identification of a customer that is a non-resident if the customer is a citizen of the Republic of Serbia or a citizen of a country that applies standards in the field of detection and prevention of money laundering.

Identification of a non-face-to-face customer when opening an account or establishing business cooperation may not be performed if it involves a foreign legal entity that does not engage in or must not engage in manufacturing or commercial activity in the country it is registered in, or a foreign legal entity with unknown owners or managers.

## **Article 8**

The obligor shall be bound to provide the Administration with the data referred to in Article 32 paragraph 1 items 1-4 and items 7-10 of this Law on any cash transactions, as well as multiple interrelated cash transactions in the total sum amounting to or exceeding EUR 15.000 in Dinar counter value.

The obligor shall be bound to provide the Administration with the data referred to in paragraph 1 of this Article in life insurance operations when the value of a single premium installment or several premium installments to be paid in a year amounts to or exceeds EUR 1.000 in Dinar counter value; when the payment of a one-off premium exceeds EUR 2.500 in Dinar counter value; when a single premium installment or several premium installments to be paid in a year increase and exceed the value of EUR 1.000 in Dinar counter value.

The obligor shall be bound to provide the Administration with the data referred to in Article 32 paragraph 1 items 1) to – 4) and 7) to 10) and item 12) of this Law, which refer to transactions (both cash and non-cash) or persons, suspected to be related to money laundering.

The obligor shall be bound to provide the Administration with the data referred to in paragraphs 1) to 3) of this Article, pursuant to the regulation passed on the basis of Article 13 paragraph 2 of this Law.

## **Article 9**

The competent customs authorities shall be bound to provide the Administration with the data on each cross-border transfer of cash, foreign currency, cheques, securities, precious metals and precious stones exceeding the threshold as prescribed by regulations on cross-border physical transfer of dinars, foreign currency, cheques and securities, three days after the transfer at the latest.

## **Article 10**

The obligor shall be bound to notify the Administration in writing about the transactions referred to in Article 8 paragraphs 1 to 3 of this Law immediately after the transaction is effected and within three days after the transaction is effected at the latest.

The obligor shall be bound to inform the Administration in writing about the transactions referred to in Article 8 paragraph 4 of this Law before the transaction is effected, and to state the time frame within which the transaction shall be effected.

The information referred to in paragraph 2 of this Article may be provided by telephone but it must be confirmed in writing on the next working day after the transaction is effected.

If due to the nature of the transaction referred to in Article 8 paragraph 4 of this Law, the obligor is not able to notify the Administration about the transaction before it is effected, the obligor shall do so after the transaction is effected, but within the next 24 hours at the latest along with an explanation in writing as to the reasons why it did not comply with the provision referred to in paragraph 2 of this Article.

If the authorized person referred to in Article 11 of this Law suspects money laundering, he/she may issue an order for temporary suspension of the transaction, but up to 72 hours at most, about which he/she shall notify the Administration immediately after the suspension of transaction.

## **Article 11**

The obligor shall be bound to appoint one or several persons to be responsible for detecting, preventing and reporting to the Administration the transactions and persons suspected to be related to money laundering (hereinafter referred to as the Authorized person).

The obligor shall be bound to provide professional training for the employees performing the duties referred to in this Law, in accordance with the standards and methodology prescribed by the regulation passed on the basis of Article

13 paragraph 2 of this Law, to undertake internal control of the activities performed in accordance with this Law, as well as to make a list of indicators for the identification of suspicious transactions.

The obligor shall not be held responsible for the damage caused to customers or bona fide third parties if it acted in accordance with the provisions of this Law.

### **III. ADMINISTRATION FOR THE PREVENTION OF MONEY LAUNDERING**

#### **Article 12**

The Administration for the Prevention of Money Laundering is established as an administrative body within the ministry competent for finance.

The Administration is managed by the Director, appointed and relieved of duty by the Government of the Republic of Serbia, at the proposal of the minister competent for finance (hereinafter referred to as: the Minister).

#### **Article 13**

Upon the proposal of the Administration Director, the Minister:

- 1) regulates the Administration internal organization and job classification, which prescribes special knowledge and skills for certain positions;
  - 1a) regulates rights and obligations of the Administration staff pertaining to labour relations (ranks, salaries, incomes, criteria for performance-related bonus, awards, conducting discipline proceedings and passing disciplinary measures, as well as the authority to conduct a disciplinary proceedings and transfer of the authority);
- 2) decides on professional education, training and advanced training of the employees in the Administration;
- 3) establishes code of conduct of the employees in the Administration;
- 4) identifies activities incompatible with official responsibilities;
- 5) regulates other issues in accordance with the Law.

Upon the proposal of the Administration Director, the Minister prescribes the methodology for performing activities which the obligor conducts in accordance with the Law, the manner and deadlines within which the obligor shall be obliged to notify the Administration about the transactions referred to in this Law, draws up the list of foreign countries which do not apply anti-money laundering standards, as well as the cases in which certain obligors shall not be bound to report to the Administration cash transactions the total sum of which amounts to or exceeds EUR 15.000 in Dinar counter value.

#### **Article 14**

The Administration shall conduct activities from its term of reference, which relate to:

- 1) collecting, processing, analyzing and keeping data and information received from obligors and other state bodies;
- 2) monitoring implementation of the provisions of this Law and undertaking measures from its term of reference for the purpose of removing identified irregularities in the implementation of this Law, as well as making proposals to the Minister about changes and amendments to this Law and other regulations which prescribe the detection and prevention of money laundering;
- 3) receiving and requesting from the authorized state bodies data and information necessary for assessing whether certain transaction or person is suspected to be involved in money laundering; data and information about the procedures related to breaches, economic offences and criminal offences related to money laundering as well as the data and information about the perpetrators (obligors, other legal entities and individuals), and also requesting from the minister responsible for internal affairs the data from criminal records and data about filed criminal charges;
- 4) cooperation with authorized state bodies for the purpose of exchanging data and information relevant for the detection and prevention of money laundering;
- 5) participation in the development of the list of indicators for the detection of suspicious transactions;
- 6) providing the authorized state bodies with the data and information on the transactions and persons suspected to be involved in money laundering;
- 7) estimating the data and information related to organized crime and terrorist financing and assessing whether a specific transaction is suspected to be related to money laundering;
- 8) conducting bilateral and multilateral cooperation, exchanging data on the basis of reciprocity in the field of detection and prevention of money laundering, initiation for signing MOUs with international authorities and organizations in the area of detection and prevention of money laundering.
- 9) planning and conducting training of the employees in the Administration and organizing seminars for the obligors related to the implementation of the regulations from the area of the prevention of money laundering;
- 10) keeping records of data and information in accordance with this Law;
- 11) undertaking other activities in accordance with the Law and other regulations.

#### **Article 15**

Depending on the scope of work, the Administration Director shall order the Administration to work extra time, on Saturdays and Sundays and during state holidays when necessary.

An Employee in the Administration may not engage in activities incompatible with his/her position in the Administration and its work, and when performing activities from his/her competence, he/she is obliged to abide by the rules of code of conduct developed for the employees of the Administration.

### **Article 16**

If the Administration estimates that certain transactions or persons/entities are suspected to be involved in money laundering, it may request from the obligor to provide the data on financial standing and bank deposits, the data related to the instruments of cash and non-cash payment operations in the country and abroad, as well as other data and information necessary for the detection and prevention of money laundering.

In case of the situation referred to in paragraph 1 of this Article, the obligor shall be bound to provide the Administration upon its request with the necessary documentation referred to in paragraph 1 of this Article without delay and not later than eight days following the day on which the request is received, or to provide the Administration with direct electronic access to the data and information free of charge.

By way of derogation from paragraph 2 of this Article, the Administration may, due to extensiveness of the documentation or other justified reasons, set the deadline longer than eight days for the obligor to provide the documentation or it can examine the documentation on site.

### **Article 17**

The Administration may issue an order for temporary suspension of the transaction if it assesses that in relation to a transaction or an entity effecting a transaction there is a suspicion of money laundering, of which it shall notify competent judicial and inspectional bodies, as well as the police so that they undertake measures within their competence.

In urgent cases the Administration Director or a person he authorizes may verbally issue an order for temporary suspension of the transaction, which must be confirmed in writing on the next working day at the latest, of which he/she shall make official note.

The temporary suspension of the transaction referred to in paragraphs 1 and 2 of this Article may last for 72 hours at the longest from the moment the transaction is temporarily suspended.

The obligor shall be bound to abide by orders and instructions issued by the Administration, relating to the transaction which was temporarily suspended.

#### **Article 17a**

If the Administration assesses that there is a suspicion of money laundering related to certain transactions or persons/entities, it can issue an order to the obligor to monitor all the transactions effected through the accounts encompassed by the order.

The obligor shall be bound to notify the Administration without delay on each transaction effected through the accounts encompassed by the order referred to in paragraph 1 of this article.

The measure referred to in paragraphs 1 and 2 of this article can last three months at most after the issue referred to in paragraph 1 of this article was issued.

#### **Article 18**

Competent state bodies referred to in Article 17 paragraph 1 of this Law shall be bound to undertake measures in accordance with their authority and notify the Administration of it immediately after receiving information of there being a suspicion of money laundering.

#### **Article 19**

If within the time frame referred to in Article 17 paragraph 3 of this Law the Administration decides that there is no suspicion of money laundering, it shall inform the obligor, allowing it to effect the transaction.

If within the time frame referred to in Article 17 paragraph 3 of this Law the Administration does not inform the obligor of the results of the actions undertaken, the obligor shall be considered as allowed to effect the transaction.

#### **Article 20**

For the purpose of assessing whether in relation to certain transactions or persons/entities there is a suspicion of money laundering, the Administration may request the state bodies, organizations and legal entities entrusted with public authority to provide the data, information and documentation necessary for detection and prevention of money laundering.

The bodies and organizations referred to in paragraph 1 of this Article shall be bound to provide the Administration with the requested data in writing within

eight days after receiving a request, or to grant the Administration direct electronic access to the data and information free of charge.

For the purpose of assessing whether in relation to certain transactions or entities there is a suspicion of money laundering, the Administration may request, an attorney, law firm, an auditing company, a certified auditor, and a legal entity or individual providing accounting or tax advisory services to provide the data, information and documentation necessary for detection and prevention of money laundering.

The legal entities and individuals referred to in paragraph 3 of this Article shall be bound to provide the Administration in writing with the requested data within the time frame of eight days following the day the request is received.

### **Article 21**

The Administration may conduct the examination of all transactions and persons/entities suspected to be involved in money laundering upon the initiative of the Court, the Public Prosecutor, and the National Bank of Serbia, Ministry of Interior, Ministry of Finance, the Privatization Agency, the Securities Commission, and other competent state bodies.

### **Article 22**

The competent state bodies shall be bound to provide the Administration on a regular basis with the data and information about the proceedings in relation to breaches, economic offences and criminal offences related to money laundering, as well as about the perpetrators (personal data, stage of the proceedings, enforceable court decision).

The competent state bodies shall be bound to provide the Administration with the data referred to in paragraph 1 of this Article twice a year, and even more frequently if requested so by the Administration.

Courts shall be bound to provide the Administration with the reports on all concluded real estate contracts at least four times a year and even more frequently if requested so by the Administration.

Upon the proposal of the Administration Director, the Minister shall prescribe in detail the contents of the report referred to in paragraph 3 of this Article.

The data referred to in paragraphs 1 and 3 of this Article shall be forwarded to the Administration for the purpose of their aggregation and analysis.

### **Article 23**

If on the basis of the received data, information and documentation the Administration assesses that there is suspicion of money laundering related to

a transaction or a person/entity, it shall be bound to inform the competent state bodies about it in writing so that they undertake measures within their competence.

#### **Article 24**

The Administration may request the data, information and documentation necessary for the detection and prevention of money laundering from competent foreign authorities or international organizations.

The data and information related to money laundering may also be forwarded by the Administration to competent foreign authorities or international organizations on their request or on its initiative, on condition of reciprocity.

The Administration may forward the personal data to competent foreign authorities on condition that the country to which the data is forwarded has regulated protection of personal data, and with confirmation that the country's competent authorities will use the personal data solely with the aim of detecting and preventing money laundering.

#### **Article 25**

The Minister shall be bound to submit to the Government the report of the Administration's work in the previous year by 31 March of the current year at the latest.

### **IV. OBLIGATIONS OF ATTORNEYS, LAW FIRMS, AUDITING COMPANIES, CERTIFIED AUDITORS, BUSINESSES AND PROFESSIONS RESPONSIBLE FOR PROVIDING ACCOUNTING OR TAX ADVISORY SERVICES**

#### **Article 26**

If an attorney, law firm, auditing company, a certified auditor, a business or profession responsible for providing accounting or tax advisory services detects during its/his/her work, especially when it participates in planning or effecting transactions for its/his/her customer in relation to purchase and sale of real estate or legal entities, management of money or assets, opening or managing bank accounts or securities accounts, establishing, operating or managing legal entities as well as when acting for the customer's account in a financial transaction or a transaction related to real estate business, that there is suspicion of money laundering related to a transaction or an entity/individual, or when a customer asks for advice related to money laundering, it/he/she shall be bound to notify the Administration about it in writing within three days from the day the cause for suspicion is detected.

## **Article 27**

When establishing business cooperation with a client, and also in the case when there is a suspicion of money laundering, the legal entities and individuals referred to in Article 26 of the Law shall be bound to perform identification of the customer in accordance with Articles 6 and 7 of this Law, to keep records, and to store the records at least five years after the termination of business cooperation or after the day the transaction is effected.

The records referred to in paragraph 1 of this Article shall contain the data referred to in Article 32 paragraph 1 of this Law.

Upon the written request of the Administration, the legal entities and individuals referred to in Article 26 of the Law shall be bound to provide without delay the requested data, information and documentation on the transaction or entity/person suspected to be involved in money laundering.

Legal entities and individuals referred to in Article 26 of this Law shall be bound to provide the training for the employees undertaking professional activities referred to in this Law in accordance with the standards and methodology determined by the regulation passed on the basis of Article 13 paragraph 2 of this Law, as well as to make a list of indicators for the detection of suspicious transactions.

The legal entities and individuals referred to in Article 26 of the Law shall not be held responsible for the damage caused to the customers or bona fide third parties for complying with the provisions of this Law.

## **Article 27a**

Legal entities and individuals referred to in Article 26 of this Law shall not be bound to provide the Administration with information obtained from the client or about the client, when ascertaining a client's legal status or representing the client in court proceedings, which includes advising on initiating or avoiding court proceedings, regardless of whether the information was obtained prior to, during or after the proceedings.

Legal entities and individuals referred to in Article 26 of this Law shall not be bound to provide at the request of the Administration the data, information and documentation on a transaction or person/entity for which there is suspicion of money laundering in cases referred to in paragraph 1 of this article.

In the event of the case referred to in paragraph 2 of this article legal entities and individuals shall be bound to notify the Administration in writing of reasons for which they did not comply with the paragraph 3 of Article 27 of the Law, within the deadline of 8 days after the reception of request.

## **V. FILING, PROTECTING AND KEEPING THE DATA**

### **Article 28**

Data, information and documentation collected in accordance with this Law shall be considered an official secret and may be utilized in accordance with this Law.

The Administration Director or a person that he/she authorizes may dispose of the data, information and documentation referred to in paragraph 1 of this Article.

Providing the Administration, competent state authorities and competent foreign authorities and international organizations with the data, information and documentation referred to in paragraph 1 of this Article shall not be considered a violation of the official secret in accordance with this Law.

### **Article 29**

The Administration, another government authority, an obligor, lawyer, law firm, auditing company, certified auditor, business or profession responsible for providing accounting or tax advisory services may not disclose the data, information and documentation collected in accordance with this Law and the actions undertaken in relation to the data, information and documentation to the individual or legal entity they refer to or to a third party.

### **Article 30**

The obligor shall keep records on the data referred to in Articles 5 to 7 of this Law.

The competent Customs authorities shall keep records on cross-border transfer of cash, foreign currency, cheques, securities, precious metals and precious stones.

The Administration shall keep the records about:

- 1) the entities/persons and transactions referred to in Articles 8 and 9 of this Law;
- 2) the initiatives referred to in Article 21 of this Law;
- 3) the data provided to the Administration by the competent state bodies in accordance with the provisions of Article 22 of this Law;
- 4) the data, information and documentation that the Administration provides to the competent state bodies in accordance with the provision of Article 23 of this Law;
- 5) the data, information and documentation that the Administration provides to the competent foreign authorities and international

- organizations, as well as about the data, information and documentation that the Administration requests from the competent foreign bodies or international organizations in accordance with the provisions of Article 24 of this Law;
- 6) the data referred to in Articles 26 to 27 of this Law;

### **Article 31**

The obligor shall be bound to keep the data and documentation referred to in Articles 5 to 7 of this Law, as well as other documentation related to the opening of accounts, establishing business cooperation, as well as of effecting a transaction or of a customer for at least five years after the transaction is effected or business cooperation terminated.

The competent Customs authority shall be bound to keep the data on cross-border transfer of cash, foreign currency, cheques, securities, precious metals and precious stones for at least five years after the cross-border transfer.

The Administration shall be bound to keep the data contained in the records maintained in accordance with this Law for at least ten years from the day they are received. The data will be archived after the time frame expires.

The data referred to in paragraph 3 of this Article shall be kept in the archives of the Administration for three years and shall be destroyed after the time frame expires.

### **Article 32**

The records of entities/persons and transactions referred to in Articles 8 and 9 of this Law shall contain the following data:

- 1) firm, registered head office, registration number, tax identification number (hereinafter referred to as: TIN) of the legal entity opening an account, establishing cooperation or effecting the transaction, or for which the account is opened, business cooperation is established or transaction is effected;
- 2) name and surname, date and place of birth, residence, identity document number and place of issuance, unified citizen registration number (hereinafter referred to as: UCRN) of the employee or the proxy opening an account, establishing business cooperation or effecting the transaction for the legal entity
- 3) name, surname, date and place of birth, residence, number of identity document and the place of issuance and UCRN of the opening an account, establishing business cooperation, entering the gaming place of the organizers of special games of chance, or effecting the transaction or of the individual for whom an account is opened, business cooperation established or transaction effected.

- 4) type and purpose of the transaction and name, surname and UCRN of the individual, and the firm, registered head office, registration number and TIN of the legal entity that is the beneficiary the transaction;
- 5) reasons for opening the account or establishing business relations and the information about the customer's activities;
- 6) date of opening the account or establishing business relations or entering the gaming place of the organizer of special games of chance
- 7) date and time of the transaction;
- 8) the amount of the transaction in Dinars;
- 9) the currency in which the transaction is effected;
- 10) the way the transaction is effected, and if the transaction is effected on the basis of the signed contracts, the subject of the contract and the parties to the contract;
- 11) information of the origin of money or assets that are the subject of the transaction;
- 12) reasons for suspicion of money laundering;
- 13) name and surname, date and place of birth, permanent residence of any individual that is directly or indirectly a holder of at least 10% business share, stocks or other rights based on which he/she participates in the management of the legal entity, or participates in the capital of the legal entity with at least 10% share or has a dominant position in the asset management for the legal entity.

The records of the initiatives referred to in Article 21 of this Law shall contain the following data:

- 1) name, surname, permanent residence and UCRN of the individual, and the firm, registered head office, registration number and TIN of the legal entity which is suspected to be involved in money laundering;
- 2) data on the transaction suspected to be involved in money laundering (amount of the transaction, currency, date, i.e. period of the transaction);
- 3) reasons for the suspicion of money laundering.

The records on the data provided to the Administration by the competent state bodies in accordance with the provisions of Article 22 of this Law shall contain the following data:

- 1) name, surname, date of birth, permanent residence and UCRN of the physical entity, i.e. firm, registered head office, the registration number and TIN of the legal entity against which the request was filed for initiating a criminal or tort proceedings;
- 2) location, time and manner of committing an act suspected to be a criminal or economic offence;
- 3) stage of the proceedings, legal definition of the criminal offence of money laundering and the criminal offence referred to in Article 2 of this Law, or the legal definition of economic offence;
- 4) amount of the money seized or the value of illegally acquired assets, as well as the time and place of confiscation.

The records on data, information and documentation that the Administration provides to the competent state bodies in accordance with the provision of Article 23 of this Law shall contain the following data:

- 1) name, surname, date and place of birth, permanent residence and UCRN of the individual, i.e. firm, registered head office, the registration number and TIN of the legal entity related to which the Administration forwarded the data, information and documentation to the competent state body;
- 2) data on the transaction suspected to be involved in money laundering (amount of the transaction, currency, date and the time of the transaction);
- 3) reasons for the suspicion of money laundering.

The records on the data, information and documentation that the Administration provides to the competent foreign bodies and international organizations, as well as on the data, information and documentation the Administration requests from the competent foreign authorities or international organizations in accordance with the provisions of Article 24 of this Law shall contain the following data:

- 1) name of the country or the body to which the Administration provides or from which it requests the data, information and documentation;
- 2) data on the transactions or entities/persons about which the Administration provides or requests the data referred to in paragraph 1 of this Article.

The records on the reports from Article 27 of this Law shall contain the following data:

- 1) firm, registered head office, the registration number and TIN of the legal entity or name, surname, date and place of birth, permanent residence and UCRN of the entrepreneur whose accounts are being audited or to whom accounting or tax advisory services are provided;
- 2) information on the transaction in relation to which there are reasons to suspect money laundering (amount, currency, date or the time of the transaction);
- 3) reasons for the suspicion of money laundering.

The records referred to in Article 30 paragraph 2 of this Law shall contain the following data: name, surname, date and place of birth, UCRN, permanent residence, passport number and the country of issuance of the person effecting the transaction, the amount of the transaction, place and time of crossing the state border as well as the purpose of the transfer of cash, foreign currency, cheques, securities, precious metals and precious stones.

## **SUPERVISION**

### **Article 33**

The National Bank of Serbia, the Ministry competent for internal affairs, the Ministry competent for finance, Securities Commission, Serbian Bar Association and the inspectional bodies within the scope of authority determined by the law shall conduct supervision of the implementation of this Law by the obligors, lawyers, law firms, auditing companies, certified auditors, and businesses and professions providing accounting or tax advisory services.

The competent bodies referred to in paragraph 1 of this Article shall provide the Administration with reports on conducted supervision at least once in three months.

If while undertaking actions within their authority the competent bodies referred to in paragraph 1 of this Article identify any of the activities referred to in Article 35 of this Law within the obligors, lawyers, law firms, auditing companies, certified auditors, businesses and professions providing accounting or tax advisory services, and undertake appropriate measures within the scope of their authority, they shall inform the Administration about it without delay in writing, enclosing the necessary documentation.

#### **Article 34**

The Administration conducts supervision of the implementation of this Law by collecting, processing and analyzing the data, information and documentation provided to the Administration in accordance with this Law.

If while conducting supervision referred to in paragraph 1 of this Article the Administration identifies any of the activities referred to in Articles 35 and 36 of this Law, it may:

- 1) request from the obligor, auditing company, certified auditor, business or profession providing accounting or tax advisory services to remove the irregularities;
- 2) request from the competent bodies to undertake measures within their competence;
- 3) submit the request to the competent body for initiating the procedure to determine an economic offence or breach.

The time frame to remove the irregularities referred to in paragraph 2 item 1 of this Article shall be subject to the provisions referred to in Article 16 paragraphs 2 and 3 of this Law.

## **PENAL PROVISIONS**

### **1. Economic offences**

#### **Article 35**

Legal entity shall be fined in the amount of 45.000 to 3.000.000 Dinars for the economic offence if:

- 1) it fails to perform the identification of the customer (Articles 5, 6 and 7);
- 2) it fails to notify the Administration about the transactions or fails to do so within the prescribed deadlines (Articles 8 and 10);
- 3) it fails to appoint a person responsible for detection, prevention and reporting to the Administration of transactions and persons/entities suspected to be related to money laundering – authorized person (Article 11, paragraph 1);
- 4) it fails to ensure internal control of the activities undertaken in compliance with this Law, it fails to provide training for the employees performing duties referred to in this Law according to the standards and methodology prescribed by the regulation passed on the basis of article 13 paragraph 2 of this Law, and fails to develop a list of indicators for identifying suspicious transactions (Article 11, paragraph 2);
- 5) it fails to provide the Administration with the data, information and documentation, or fails to provide it in prescribed deadlines (Articles 16 and 20);
- 6) it fails to execute the order issued by the Administration to suspend a transaction, or it does not obey the order and instructions of the Administration which relate to the transaction which was suspended (Article 17);
- 6a) it fails to obey the order of the Administration to monitor the transactions effected through the accounts encompassed by the order, and fails to notify the Administration of each transaction effected through the accounts;
- 7) it fails to use the data, information and documentation in compliance with this Law (Article 28)
- 8) it discloses the data, information and documentation collected in compliance with the Law, and the actions undertaken in relation to the data, information and documentation to an individual or legal entity covered by them, or to a third party (Article 29);
- 9) fails to keep the prescribed records (Article 30);
- 10) it fails to keep the data and documentation at least five years after the transaction is effected or business cooperation is terminated (Article 31);
- 11) Records that it keeps do not contain prescribed data (Article 32).

The authorized person within the obligor shall also be fined for the economic offence referred to in paragraph 1 of this Article in the amount of 3.000 to 200.000 Dinars.

The responsible person within the legal entity shall also be fined for economic offence referred to in paragraph 1 of this Article in the amount of 3.000 to 200.000 Dinars.

### **3. Breaches**

#### **Article 36**

The entrepreneur committing any of the acts referred to in Article 35 of this Law shall be fined for the breach in the amount of 5.000 to 500.000 Dinars.

### **TRANSITIONAL AND FINAL PROVISIONS**

#### **Article 37**

The regulations issued on the basis of the Law on the Prevention of Money Laundering ("Official Gazette of the FRY" no. 53/2001) shall be applied until the appropriate acts based on this law are passed, unless they are contradictory to this Law.

#### **Article 38**

With this Law becoming effective, the Law on the Prevention of Money Laundering (*Official Gazette of the FRY* No. 53/01) shall be repealed.

#### **Article 39**

This Law shall become effective within 8 days from the day it is published in the *Official Gazette of the Republic of Serbia*.