



Project against Economic Crime in the Republic of Serbia (Serbia and Montenegro)

(PACO-Serbia)

– project summary –

30.11.2005

Project title	Project against Economic Crime in the Republic of Serbia (Serbia and Montenegro)
Project partner	Ministry of Justice and Administration for the Prevention of Money Laundering (DMLP)
Funding	European Agency for Reconstruction / Council of Europe
Implementation	Council of Europe (Department of Crime Problems, DG Legal Affairs)
Budget	EURO 1 578 200 €
Duration	24 months (1 December 2005 – 30 November 2007)

BACKGROUND

In the recent years, despite considerable efforts, the legislative reforms aiming at preventing and combating economic crime and modernising the judicial sector were to a great extent hampered by the lack of sufficient experience and necessary resources within the Ministry of Justice and other state agencies responsible for these reforms. Therefore, continuation of a comprehensive review is necessary to ensure the compatibility of the current legislation with existing international standards and to remove inconsistencies. Efforts are required to ensure that best practices in the legislation of criminal justice and law enforcement systems are more widely known among law-makers and that law enforcement, judges and prosecutors benefit from training.

With regard to anti money laundering and countering terrorist financing policies, the Republic of Serbia (S&M) has a well established and efficient FIU - Administration for the Prevention of Money Laundering (APML), part of the Ministry of Finance and member of the Egmont Group. It is sufficiently staffed and has the basic equipment to perform its tasks even if its IT department needs strengthening. The staff is sufficiently trained to deal with the money laundering cases. However, as indicated inter alia by the Moneyval evaluators, Money laundering prevention must be harmonized with international standards in this field, which are contained in Council of Europe Conventions, EU Directives, FATF 40+9 recommendations and UN Security Council resolutions related to combat against transnational organized crime on one hand, and terrorism financing on the other hand. Hence the need to criminalize terrorist financing as an autonomous criminal offence. Better co-ordination of AML/CTF actors should be ensured and specialised training provided to the law enforcement agencies and obliged institutions.

Capacity to fight cybercrime should be enhanced through provision of training and assistance in complying with international standards.

The project will support the Republic of Serbia (Serbia and Montenegro) in the ratification and implementation into national law of European Treaties (Convention on money laundering and terrorist financing and Convention on Cyber crime) to which it is not yet party.

OBJECTIVES AND EXPECTED RESULTS

Project objective	To contribute to the improvement of the capacities to prevent and combat economic crime in the Republic of Serbia (Serbia and Montenegro) in accordance with European and international standards and best practices.
Project objective 1	To strengthen the institutional and legislative framework for preventing and combating economic crime (including money laundering, terrorist financing and cyber crime).
Output 1.1	Legislative proposals available to improve the institutional system and structure of criminal justice and law enforcement bodies with regard to economic crime.
Output 1.2	Proposals available to improve the legal framework governing the organisation and jurisdiction of specialised law enforcement and criminal justice services on organised crime.
Output 1.3	Legislative proposals available for amendments to the draft Criminal Code and Criminal Procedure Code with regard to the effective prosecution of economic crime in line with European human rights standards.
Output 1.4	Legislative proposals available permitting ratification and implementation of the new Convention on money laundering and terrorist financing and the Convention on Cybercrime (ETS 185).
Project objective 2	To increase the human and infrastructural capacities of institutions involved in detection and prevention of money laundering and terrorist financing.
Output 2.1	FIU, law enforcement staff, prosecutors and judges trained in issues related to money laundering and terrorist financing.
Output 2.2	FIU IT department reinforced.
Project objective 3	To increase the capacities of institutions involved in detection and prevention of cyber crime.
Output 3.1	Co-operation between policy-makers, state bodies, business community, industry (including the international service providers) and civil society strengthened in view of the ratification and implementation of the Convention on Cybercrime (ETS 185).
Output 3.2	Law enforcement, prosecutors and judges trained.

INPUTS

The project will provide funding for:

- a long-term technical adviser, a number of short-term advisers
- in-country training events
- the preparation of training materials and guidelines
- legal opinions
- international study visits, internships and training in FIUs of other countries
- procurement of the necessary IT equipment for the FIU

Partnerships with FIUs from a number of other European countries will ensure experience exchange and international cooperation, and facilitate the delivery of short-term inputs.

IMPLEMENTATION ARRANGEMENTS

All project activities are carried out through the APML and Ministry of Justice (the project partners) with the support of the Council of Europe.

The Council of Europe is responsible for the implementation of the project and the use of the project funds under a contract with the European Agency for Reconstruction.

The Council of Europe makes available a long-term project adviser and local support staff based in Belgrade and working directly with the local authorities.

Within the General Secretariat of the Council of Europe in Strasbourg, the Technical Cooperation Section of the Directorate General of Legal Affairs is responsible for management, coordination and supervision of the project.

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