|  |
| --- |
|  |
| Republic of Serbia |
| **MINISTRY****OF INTERNAL AND FOREIGN TRADE** |
| Number: 002146448 2025 14830 005 002 012 001 |
| 12. May 2025. године |
| Belgrade |

Based on Article 68, and in connection with Article 104, paragraph 1, item 5) of the Law on the Prevention of Money Laundering and Financing of Terrorism ("Official Gazette of the Republic of Serbia", No. 113/2017, 91/2019, 153/2020, 92/2023, 94/2024 and 19/2025), and Article 23, paragraph 2 of the Law on State Administration ("Official Gazette of the Republic of Serbia", No. 79/2005, 101/2007, 95/2010, 99/2014, 30/2018 - other law and 47/2018), the Minister hereby issues

**LIST OF INDICATORS FOR RECOGNIZING SUSPECTS OF MONEY LAUNDERING, TERRORISM FINANCING OR FINANCING OF THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION IN INTERMEDIARY IN THE TRANSACTION AND RENTAL OF REAL ESTATE**

The Minister of Internal and Foreign Trade shall adopt a list of indicators for identifying suspicions of money laundering, terrorist financing or the financing of the proliferation of weapons of mass destruction in intermediaries in the sale and lease of real estate, in order to comply with the amendments to the regulations in this area.

Pursuant to Article 69 of the Law on the Prevention of Money Laundering and Financing of Terrorism, intermediaries in the sale and lease of real estate, as obligated persons under this law, are obliged to include the indicators in their own list of indicators, which they adopt and apply when assessing their own risk and the risk of the party/service/transaction.

Obliged persons are obliged to apply the list of indicators starting from the date of publication on the official website of this ministry.

On the date of publication of this list of indicators, the Directive on the publication of indicators for identifying suspicions of money laundering or terrorist financing among intermediaries in the sale and lease of real estate ceases to be valid as of 30 June 2022.

**Geographical risks**

1. The customer insists on electronic conclusion of the contract and electronic issuance of the purchase order, and comes from a country known for the production and distribution of narcotic drugs, a country that does not have a regulated system for identifying and preventing money laundering and a country on the so-called "black list", i.e. a country suspected of inciting activities and financing terrorism;

2. Transactions originating from countries/territories on the "black list", where anti-money laundering regulations are not applied and where there is a high geographical risk of money laundering (regardless of whether the customer comes from such territories);

3. The customer accesses from an IP address (Internet Protocol address) from a country and/or region on the so-called "black list";

4. The customer is a citizen of a country that does not comply with standards for preventing money laundering, terrorist financing or financing the proliferation of weapons of mass destruction;

5. The parties are from different countries/territories/areas where migrant and asylum centers are located, hold RS documents obtained on the basis of temporary residence and purchase/lease real estate or grant a purchase permit to domestic persons;

6. The party comes from a country that does not comply with international standards regarding money laundering, terrorist financing or the financing of the proliferation of weapons of mass destruction and/or does so to an insufficient extent, and is known for drug production;

7. The transaction involves a party from a country that is known or suspected of assisting in money laundering, terrorist financing or activities related to the financing of the proliferation of weapons of mass destruction;

8. The party's business relationship involves the participation of persons from countries that do not comply with international standards for the prevention of money laundering and terrorist financing or the financing of weapons of mass destruction or do so to an insufficient extent, and are known for drug production.

**Party risks**

1. The contracting parties do not act in their own name and attempt to conceal the identity of the real party;

2. The party attempts to identify itself with documents other than personal documents;

3. The party submits for inspection only photocopies of personal documents or inconsistent documents;

4. Refusal of the party to provide data that is usually collected in practice (personal data, address, occupation) and/or inconsistencies in the attached documentation (dates, signatures and other data);

5. The party/legal entity provides an address that represents a post office box number for communication with the intermediary, or the address at which the party/legal entity is registered does not exist;

6. The party is known to the public, according to media claims, as a person engaged in illegal business (gray zone) and/or criminal activities;

7. The party changes the contracting parties at the last minute, before the implementation of the contract (brings in a new person and presents him as a fictitious person), without providing any explanation for such action, and is known for his illegal activities;

8. The party seeks to establish good and friendly relations with the intermediary's staff, and according to public knowledge comes from a criminal background;

9. The party suspected of being connected to terrorist activities and/or listed on the UN 1267 sanctions list is interested in establishing business relations and investing in real estate;

10. The party is very "talkative" regarding topics related to money laundering, terrorist financing or financing the proliferation of weapons of mass destruction;

11. The party is unusually familiar with the legal regulations regarding the reporting of suspicious transactions, quickly confirms to the intermediary that the funds are “clean” and have not been laundered;

12. The party attempts to prove its identity in a way other than by providing the requested personal document;

13. The party unexpectedly shows great interest in the mechanisms and methods of functioning of the system for preventing money laundering, terrorist financing or financing the proliferation of weapons of mass destruction;

14. The beneficial owner of the party is a business company or an individual registered in a “tax haven” country through which drug trafficking is carried out, i.e. a country in which the field of preventing money laundering, terrorist financing or financing the proliferation of weapons of mass destruction is not legally regulated, while the general business operations give the impression that the beneficial owner is a domestic individual;

15. The intermediary has knowledge that the party has been convicted of some criminal offenses;

16. The party has been linked in the media to terrorism/terrorism financing/extremism and fundamentalism/religious radicalism;

17. There is information that the party has a bad reputation or that there is doubt about the sources and origin of funds, uses virtual currencies in its business (e.g. bitcoin or litecoin) or uses alternative payment channels (e.g. hawala, hundi), in order to avoid regular transactions;

18. The party frequently changes its address;

19. The party has been prosecuted for criminal offenses whose commission may result in the acquisition of property;

20. The party carries out an activity that is considered high-risk in accordance with the National Risk Assessment;

21. The party is unusually interested in the system of organization, control and supervision of the intermediary's business, after which he gives up buying and selling real estate;

22. The party is not present when the brokerage contract is concluded, i.e. there is no personal contact;

23. An unauthorized person attempts to enter into a contractual relationship;

24. The party provides suspicious information or documents;

25. The party exhibits suspicious behavior during the business relationship, such as constantly correcting information about the other party's identity, beneficial owner or payment methods;

26. The buyer/seller wants to sell property that he previously acquired at a foreclosure auction;

27. The party is a politically exposed person (PEP) who is not identified as such or refuses to provide identification on the basis of political immunity;

28. There is a significant difference between the financial situation of the party (the potential buyer) and the underlying real estate transaction;

29. The party withdraws its offer or interest in concluding a business relationship after learning that further research or information is needed, or after being asked about the source of funds;

30. The party agrees to identification, but claims to have forgotten his identification document during a face-to-face meeting with the obligor (immediately before viewing the document) and does not provide it immediately;

31. The party participates in a foreign (usually EU) Golden Visa program related to real estate;

32. The party’s wealth is derived from a potentially risky or high-risk industry, such as gambling, sports betting, event hosting, security, adult entertainment, arms trafficking, or high-value commodities, oil, precious metals, or tobacco;

33. Legal entities or legal arrangements are used as private vehicles for wealth management;

34. Ownership structures that appear unusual for the type of business activity and unusual legal forms for comparable business activities;

35. Business cooperation for real estate transactions with many parties: The connection between the participants is not likely (they come from different areas); the beneficial owner is difficult to identify; the participants are represented by third parties, so-called Unreliable mentally weak persons, or they act through a power of attorney;

36. Use of unstable/unreliable persons: implausible information about the financier and/or the beneficial owner; different personal documents - doubts about the identity; the acting director is also the director of numerous other companies;

37. Unusual/suspicious handling: Unusual questions about the real estate sales process - the questions seem to be aimed at gathering information; private loan agreements are not secured by land records - the lender and the borrower are connected to a high-risk country; Real estate transactions are required for quick completion, although this is unusual for a particular case.

**Transaction risks**

1. The purchase and sale of real estate takes place on the same day or in a very short period of time, especially when a significant deviation from the market price is observed and it is assumed that the parties are related parties;

2. According to information, the party has a large amount of cash at its disposal for the purchase of real estate and it is assumed that the payment will be made in cash;

3. The value of the offered property is high, and the party gives illogical answers about the methods of payment for it, i.e. requests that the transactions be carried out exclusively in cash or in combination with unreliable sources of payment;

4. The party shows great interest in the rapid completion of the purchase and sale transaction, although there is no particular reason for this, and requires rapid formal action to conclude the contract and emphasizes the intention for complex and unusual payment methods;

5. Transactions in which the party requests payment consisting of multiple smaller payments, which together make up the total price of the asset (fragmentation), especially if the asset is of high value and for which there is knowledge that the contracting parties are involved in illegal or criminal activities;

6. A party who, according to the intermediary's knowledge, has sources of funds abroad or outside the financial system and wants to organize payments in multiple smaller amounts, using payment institutions for money transfer (e.g. Western Union);

7. Payment channels cannot be identified through various electronic transactions such as cryptocurrencies, PayPal, Epay, etc., which have not yet appeared on the market for transactions with intermediaries;

8. Multiple real estate purchase and sale transactions carried out by a group of individuals and/or legal entities (non-governmental, humanitarian, religious or other non-profit organization) who are presumed to be involved in some illegal activities, and there are indications that the sources of money for payment originate from unrelated persons;

9. Request to carry out a transaction without implementing the Law on the Prevention of Money Laundering and Financing of Terrorism;

10. The transaction carried out by the buyer is not in accordance with its usual business practice and in a short period of time it makes multiple purchases without economic or legally justified reasons, with the aim of obviously investing money;

11. Rent in an amount significantly higher than the rent for real estate of similar characteristics in the same or similar location, which is paid in advance for a longer period of time, when there is suspicion of criminal intent and the fictitious nature of the contract;

12. A party that has recently purchased a property is selling it at a multiple purchase price, which indicates connected persons for fictitious money transfers and concealment of origin and stratification;

13. The party requires that the transaction be carried out urgently or requests that it be treated as confidential;

14. The party is engaged in an activity characterized by high turnover or cash payments (e.g. restaurants, betting shops, casinos, florists, transporters, real estate developers, etc.);

15. The party requests that the notary enter a price disproportionately higher than the real market price into the preliminary contract;

16. The use of third parties, foreign accounts, individuals or companies from high-risk jurisdictions to send or receive funds on behalf of the buyer or seller;

17. The use of complex loans or other unusual financing methods (especially private);

18. Use of unconventional payment methods outside the financial system (e.g. bills of exchange);

19. Unexplained or sudden changes in financing terms;

20. Transaction costs of the purchase or other invoices of the parties, paid by a third party with no connection to the parties (unusual channels);

21. Previously sold assets are renewed in sale, resale without a transparent source of financing (unknown source of funds);

22. Transactions that do not make obvious economic sense, especially in the case of a financial loss to the party (undervaluation);

23. Sudden or unexplained changes in the party’s ownership of the property, close to the completion of the transaction;

24. The party requests that the proceeds of the transaction be transferred to a high-risk jurisdiction or to a third party, not involved in the transaction;

25. Conversion of cryptocurrencies into fiat money (the source of the accumulated wealth becomes untraceable – the wallet history shows how the wealth was accumulated);

26. Private loans of the party (the source of the lender’s wealth cannot be determined, as they are not a party to the contract or transaction; the loan originates, for example, from abroad; it is often a disguised gift and is used to balance funds in the hawala system);

27. Suspicion of fraudulent bank documents (the money comes from another source, for example, it should be in a Serbian account, but payments unexpectedly come from abroad), falsification of bank statements or letters of credit, such as unidentified account managers, false or missing memorandum, or incorrect company names;

28. The total amount of 100% of the party’s capital is concealed and it is difficult to verify the authenticity of the source and accumulation of wealth;

29. The client’s cooperation with tax advisors or lawyers in carrying out transactions (these guardians of the regulations can be manipulated by money launderers, so that their confirmations may only give the appearance of legitimacy, but do not reflect reality);

30. Significant deviation of the initial price (+/- 25%) (a significant deviation is when the initial price exceeds or falls below the market value by at least 25%);

31. There is a high level of risk in fixed and flip transactions, as they are often carried out by private individuals and the source of funds is difficult to verify;

32. Bank statements show deposits/transfers by third parties who are not related to the client (e.g., not family members);

33. The client’s evidence of capital and bank statements are inconsistent or show irregularities such as unusual text or formatting/font problems;

34. Evidence or sources of income are from non-transparent business activities (import/export, e-commerce, cryptocurrency trading, etc.);

35. The party's property loans exceed the value of the property.

**Distribution Risks**

1. A person interested in real estate, who has not personally seen the real estate, buys it through an intermediary (lawyer, representative, close person, etc.);

2. The party is a person who sells several real estate properties in a short period of time;

3. The party grants authorization to a third party, who acts in the name and on behalf of a specific person or on his instructions for the purpose of selling or leasing real estate;

4. The party sells the property below market value through an authorized third party;

5. The party insists on online communication and conclusion of the contract in electronic form.

 **MINISTER**

 **Jagoda Lazarevic**