Republic of Serbia
MINISTRY
DOMESTIC AND FOREIGN TRADE
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On the basis of Mr. 6. Paragraphs 1, 38 and 114 in conjunction with Article 104, paragraph 1 of the Law on the Prevention of Money Laundering and Terrorist Financing ("Official Gazette of the Republic of Serbia", no. 113/2017, 91/2019, 153/2020, 92/2023, 94/2024 and 19/2025), the Minister of Interior and Foreign Trade issues

GUIDELINES
FOR THE ASSESSMENT OF THE RISK OF MONEY LAUNDERING, TERRORIST FINANCING AND FINANCING OF THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION BY INTERMEDIARIES IN THE SALE AND LEASE OF REAL ESTATE

The Ministry of Internal and Foreign Trade, as the competent authority for supervising the implementation of the Law on the Prevention of Money Laundering and Terrorist Financing (hereinafter: the Law), in real estate brokers (hereinafter: the Broker), clarifies with these guidelines the procedures that the Broker should carry out in order to fulfill its legal obligations.

The Guidelines are a general instruction defining the bases and/or assumptions on the basis of which the Broker conducts an assessment of the risk of money laundering and terrorist financing in relation to its business, as well as the manner of conducting a risk assessment/analysis on an individual case, i.e. at the level of a person with whom a business relationship is established (party, associate, contracting party, etc.). for the purpose of consistent application of the provisions of the Law and the establishment of an effective system for the prevention of money laundering and terrorist financing at the Intermediary. Intermediaries use the Guidelines in the preparation and implementation of their acts and procedures, based on risk analysis and assessment, in order to establish an effective system for the prevention of money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction (hereinafter referred to as PN/FT/FŠOMU). in relation to its business, as well as the methodology for conducting risk assessments/analyses on a case-by-case basis.

With the help of the Guidelines, the Broker builds a system that must ensure that risks are comprehensively identified, analyzed, assessed, monitored, mitigated and, therefore, manage the risk in the most effective way. Intermediaries may apply these measures to varying degrees, depending on the type and level of risk and in accordance with different risk factors. With the established system of knowledge and monitoring of its clients, the Broker must provide all the necessary data necessary to assess whether certain models of behavior can be related to a criminal offense and to what extent, and to take all necessary measures and report suspicious activities in accordance with the Law. The Administration for the Prevention of Money Laundering (hereinafter: the Administration) and the investigative authorities continue to conduct the necessary procedures in a given case in order to determine whether or not there is a criminal offence.

We would like to point out to the Brokers that additional information and experience can be gained if they get acquainted with other materials, guidelines, indicators and publications, which are published by relevant domestic and international institutions, and we draw your attention to the following links:

- Ministry of Internal and Foreign Trade, www.must.gov.rs
- Ministry of Finance, www.mfin.gov.rs
- National Bank of Serbia, www.nbs.rs
- The Bureau of Criminal Investigations, www.apr.gov.rs
- Association of Serbian Banks, www.ubs-asb.com
- Administration for the Prevention of Money Laundering www.apml.gov.rs
- Chamber of Notaries https://beleznik.org/
- FATF www.fatf-gafi.org
- Moneyval www.coe.int/moneyval

MONEY LAUNDERING – CONCEPT AND PHASES

Money laundering is the process of concealing the illicit origin of money or property acquired through crime.

Money laundering, within the meaning of the Act, is considered to be:

- conversion or transfer of property acquired in the commission of a criminal offence;
- concealing or misrepresenting the true nature, origin, place of location, movement, disposal, ownership or rights in relation to property acquired in the course of the commission of a criminal offence;
- acquisition, possession or use of property acquired by the commission of a criminal offence.

Money laundering, within the meaning of the Law, is also considered to be the aforementioned activities carried out outside the territory of the Republic of Serbia.

Money laundering encompasses a number of activities undertaken to conceal the origin of the proceeds of crime. The process of money laundering can include a whole series of transactions in which the property acquired in the commission of a criminal offence is the input value, and the output value, i.e. the purpose is to present the money as legally acquired.

Money laundering has three basic stages, but we point out that in practice they sometimes overlap or some of them are absent.

The first stage is the termination of the direct link between the money and the illegal activity by which it was acquired and is called the "investment" phase. In the investment phase, the illegally acquired money is introduced into legal financial flows. The money is paid into bank accounts, most often in the form of some legal activity in which payment is made in cash. One of the ways is to establish a fictitious company that has no business activity, It is used exclusively for depositing "dirty" money, or shredding large sums of money, and then depositing it into accounts in amounts that are not suspicious and are not subject to reporting to the competent authorities.

The second phase is the phase of "stratification" or "concealment". After the money has entered the legal financial system, it is transferred from the account to which it was deposited to other accounts of companies, with the aim of showing some fictitious business activity or to perform some legal business (trade or service) with companies that are legally operating. The main goal of these transactions is to conceal the connection between money and the criminal activity from which it originates.

The third phase is the "integration" phase and it is the last stage in the money laundering process. After this phase, "dirty" money appears as money originating from permitted activities. A common method of integrating "dirty" money into legal financial flows is the purchase of real estate or the purchase of controlling stakes in shares of joint-stock companies, which is an example of large-scale concentration of "dirty" capital, which is the goal of money launderers. It's about what can be bought and sold. For example, renting real estate is legal, and the rental income is not in doubt. The money is often invested in companies with business difficulties, which then continue to operate successfully, and the results of the business represent legal income. When money reaches this stage, it is very difficult to detect its illicit origin.

We would like to point out that, in accordance with the provisions of Article 245 of the Criminal Code ("Official Gazette of RS", No. 85/2005, 88/2005, 107/2005, 72/2009, 111/2009, 121/2012, 104/2013, 108/2014, 94/2016, 35/2019 and 94/2024), money laundering is a criminal offense, punishable by imprisonment and fines, as well as confiscation of money and property that are the subject of money laundering.

TERRORIST FINANCING - CONCEPT AND STAGES

Terrorist financing, within the meaning of this Law, is considered to be the provision or collection of property, or an attempt to secure or collect it, with the intention of using it or with the knowledge that it can be used, in whole or in part:

- for the commission of a terrorist act;
- On the other hand, terrorists;
- by terrorist organizations.

Terrorist financing also includes inciting and assisting in the provision and collection of property, regardless of whether the terrorist act was committed and whether the property was used to commit the terrorist act. The main objective of persons engaged in terrorist financing is not necessarily to conceal the source of funds, but to conceal the nature of the activity being financed. We emphasize that when persons want to invest money from legitimate activities in the financing of terrorist activity, the funds are more difficult to detect and trace since the transactions are in smaller amounts.

Terrorist financing consists of several phases characterized by different actors and mechanisms, each of which may be vulnerable to different detection and prevention instruments.

1) **The initial phase** is the phase of collecting or accumulating funds from several different sources and in a number of different ways, both legal and illegal (e.g. donations, drug trafficking, extortion, embezzlement, etc.);
2) **in the second stage** , the collected funds are kept in accounts opened with banks by natural persons, legal entities or other intermediaries associated with terrorist organizations;

3) **in the third stage,** funds are transferred to units (cells) of terrorist organizations or individuals for their operational use;
4) **In the last phase** , the collected funds are used for terrorist activities, the purchase of weapons and explosives, the recruitment and training of individuals, the provision of shelter.

FINANCING THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION – A TERM

Financing of the proliferation of weapons of mass destruction refers to all acts of providing financial resources or acts of providing financial services aimed, in whole or in part, at developing, producing, acquiring, possessing, storing, supplying, brokering, transhipping, transporting and transferring weapons of mass destruction, as well as the means of their transfer.

Restriction of disposal of property of designated persons, for the purpose of preventing terrorism and proliferation of weapons of mass destruction, actions and measures restricting the disposal of property of designated persons, the competence of state authorities for the implementation of these measures, as well as the rights and obligations of natural and legal persons in the application of the provisions of this Law, are regulated by the provisions of the Law on Restriction of Disposal of Property for the Purpose of Preventing Terrorism and Proliferation of Weapons of Mass Destruction ("Official Gazette of the Republic of Serbia", br. 29 /2015 , 113/2017, 41/2018, 94/2024, hereinafter: ZORI).

A designated person is a natural person, a legal person, as well as a group or association, whether registered or unregistered, who has been designated and placed on the list of terrorists, terrorist organizations or financiers of terrorists, as well as on the list of persons associated with the proliferation of weapons of mass destruction and special lists on the basis of: relevant resolutions of the United Nations Security Council or acts of international organizations of which it is a member, proposal of the competent state authorities or on the basis of a reasoned request of a foreign state. Special lists shall mean lists based on resolutions of the United Nations Security Council or acts of international organizations of which a State is a member, which do not refer to natural or legal persons, groups or associations, but to movable and immovable property related to the proliferation of weapons of mass destruction, such as ships, aircraft, etc.

Restriction of disposal of property is a temporary prohibition of the transfer, conversion, disposal and relocation of property or temporary management of such property on the basis of a decision of the competent state authority.

The list of designated persons adopted by the United Nations Security Council and other international organizations of which the Republic of Serbia is a member shall be downloaded in the original English language and published on the website of the Administration.

Through the website of the Administration, the Broker can access the Instruction for the implementation of the provisions of the Law on Restriction of Disposal of Property for the Purpose of Preventing Terrorism and Proliferation of Weapons of Mass Destruction, which relate to the prevention of terrorist financing:
(https ://www .apml .gov .rs/uploads/useruploads/Documents /2276 _1 _uputstvo -law -proliferation -lat.pdf).

SUSPICIOUS TRANSACTION – TERM

A suspicious transaction may be a transaction for which the Intermediary and/or the competent authority assess that there are grounds for suspicion of PN/FT/FŠOMU, i.e. that the transaction involves funds derived from illegal activities.

A suspicious transaction can be treated as any transaction that is unusual in its nature, scope, complexity, value or connection, i.e. has no clearly visible economic or legal basis, or is disproportionate to the usual or expected business of the customer, as well as other circumstances related to the status or other characteristics of the customer.

We can treat certain transactions of the customer, as well as business relationships, as suspicious. The assessment of suspiciousness of a particular party, transaction or business relationship is based on the criteria of suspiciousness, specified in the list of indicators for recognizing persons and transactions for which there are grounds for suspicion that it is a PN/FT/FŠOM. Lists of indicators are the starting point for the employees of the Broker and authorized persons in recognizing suspicious circumstances related to a certain party, a transaction that the client performs, or a business relationship that is concluding, and therefore the employees of the Broker must be familiar with the indicators in order to use them in their work. When assessing a suspicious transaction, the authorized person of the Broker is obliged to provide all professional assistance to the employees.

Obliged entities	2021	2022	2023	TOTAL
Bank	866	782	791	2439
Real estate agents	1	15	1	17
Accountants	20	14	1	35
Auditors	9	8	11	28
Payment institutions	805	336	279	1420
Notaries	238	239	197	674
Lawyers	6	1	/	7
TOTAL BY YEARS	2041	1562	1464	5067

Number of reported reports of suspicious activities (transactions) by category of obliged entities and by year, source National Risk Assessment

RISK ANALYSIS AND ASSESSMENT

In order to prevent exposure to the negative consequences of FN/FT/FŠOMU, the Broker is obliged to prepare and regularly update the risk analysis of FN/FT/FŠOM in accordance with the Law, bylaws, guidelines issued by the authority responsible for supervising the implementation of the Law (Ministry) and the risk assessment of FN/FT/FŠOM made at the national level.

Risk assessment involves the assessment of threats, vulnerabilities and consequences, and is the first step towards mitigating them. The assessment includes inherent risk and residual risk. Inherent risk implies the result of threats and vulnerabilities that are specific to a particular sector. This level of risk is influenced by various factors, primarily the quality and effectiveness of prevention and repression measures applied by the competent authorities. These factors can reduce the level of risk, If there is consistent and effective law enforcement, developed oversight, adequate capacity, etc., which ultimately results in a lower residual risk. Lower residual risk (e.g., viewed from the perspective of the Intermediary) may be influenced by a number of control mechanisms that contribute to reducing the risk of a particular product, service, business practice or way of providing a particular product or service.

Risk assessment is carried out at the level of:

- (National Risk Assessment);
- sector (sectoral risk assessment)
- An intermediary (obliged entity) and
- A business relationship (a customer).

NATIONAL RISK ASSESSMENT

At the session of the Government of the Republic of Serbia held on 5 December 2024, the National Risk Assessment (hereinafter: NPR) for the period from 2021 to 2023 was adopted, which includes: Money Laundering Risk Assessment, Terrorism Financing Risk Assessment, Legal Entity and Legal Arrangements Risk Assessment, Money Laundering and Terrorist Financing Risk Assessment in the Digital Asset Sector, Risk Assessment of Proliferation Financing of Weapons of Mass Destruction and Risk Assessment of Misuse of the NPO Sector for the Purpose of Terrorist Financing. Notwithstanding the fact that we list the key conclusions of the comprehensive NPR below, we invite Intermediaries to have access to the integrated text via the link:

https://must.gov.rs/extfile/sr/12708/01%20Procena%20rizika%20od%20pranja%20novca%202024..pdf

Also, in 2024, the Money Laundering and Terrorist Financing Risk Assessment in the Real Estate Sector was adopted.

MONEY LAUNDERING RISK ASSESSMENT

The overall profile of money laundering in Serbia is dominated by placements of criminal proceeds originating from predicate criminal offenses committed in Serbia. There are also cross-border cases of money laundering with regional and European cross-border elements. When it comes to exposure to large and complex money laundering schemes, they are not represented in Serbia, primarily due to the focus of the economy on the domestic market and the financial system, which does not have developed Complex and innovative financial services. Serbia is characterized by simpler models of money laundering. The current trend of Serbia's economic growth is accompanied by a corresponding increase in the risk of integration of illicit funds. The real estate sector has been assessed with the highest risk of money laundering since 2018, and this is also the case in the completed risk assessment for 2024. Significant cash turnover, dirty money investments and its integration, as well as the scale of activities related to the real estate sector, mean that it has not lost its attractiveness when it comes to money laundering for years. Intermediaries, since they are directly related to this sector, are assessed as a higher risk compared to the previous national risk assessment and In this regard, the importance of the activity of intermediaries in the growing threat has been recognized.

The real estate sector is a high-risk sector and therefore a specific sectoral risk assessment has been developed. Under the real estate sector, three segments were considered, namely: investment in the construction of buildings (buildings), real estate transactions and construction of buildings without a building permit. Updated analyses indicate that the level of threat is not decreasing, i.e. that persons from the criminal environment continue to choose the real estate sector for the integration of dirty money. Analyses have determined that real estate, among which apartments dominate, are mostly bought and built for cash, while typologically the most common is money laundering without a predicate criminal offense. Illegal construction was identified as a great risk of money laundering, and it was especially pointed out that the

criminal offense of construction without a building permit under Article 219a of the Criminal Code, due to the fact that the origin of the money invested and used for the construction of illegal buildings is not checked.

Bearing in mind the intermediary role in certain activities undertaken for the purpose of this trade, the "first to be attacked", as taxpayers of the system for the prevention of money laundering and terrorist financing when it comes to the real estate sector, are intermediaries in the sale and lease of real estate (the so-called real estate agencies), lawyers and notaries.

The risk assessment of different sectors, as well as the list of crimes that pose a higher level of risk, has changed in the last three risk assessments, as can be seen from the graphic below.

2018	2021	2024
Banks	Real estate	Real estate
Online organizers of games of chance	Online providers of games of chance	Lawyers
Real estate	Banks	Accountats
Casinos	Accountants	Banks
Accountants	Exchange offices	Changers
Excange offices	Casinos	Public notebooks
Public notebooks	Intermediaries in the sale and lease of real estate	Intermediaries in the sale and lease of real estate
Lawyers	Lawyers	Online providers of games of chance
Capital market	Factoring companies	Digital asset service providers
Payment institutions or electronic money institutions	Capital Market	Casinos
Auditors	Payment institutions or electronic money institutions	Postal operators
Voluntary pension funds	Auditors	Auditors
Insurance companies	Public notebooks	Payment institutions or electronic money institutions
Providers of financial leasing	Providers of financional leasing	Capital market
	Insurance companies	Factoring companies
	Voluntary pension funds	Providers of financial leasing
	Postal operators	Insurance companies
		Voluntary pension funds

Figure 1. Overview of the degree of risk of different sectors

In the reporting period, there were no cases formed in connection with the criminal offense of Money Laundering in which the accused persons used the real estate brokerage sector. However, it was noted that a significant number of intermediaries are still not aware of their position and obligations under the Law. A large part of the Intermediaries still consider their business activities to be low-risk from the aspect of money laundering in their self-

assessments. In this regard, It cannot be ruled out that they were connected to persons engaged in criminal activities, i.e. that intermediaries in the sale and lease of real estate were used by persons who are under investigation on suspicion of organized crime and money laundering, or at least that they are not sufficiently aware of the importance of their role as intermediaries in this system.

Criminal offenses of high degree of threat for money laundering are: tax crimes, abuse of position of a responsible person, unauthorized production and marketing of narcotic drugs, criminal offenses of corruption in the public sector, criminal offenses of organized groups and fraud, as a new criminal offense of high level of threat. The conclusion is that these are almost the same crimes as in the previous money laundering risk assessment.

2018	2021	2024
Tax crimes	Abuse of the position of a responsible person	Tax crimes
Abuse of the position of a responsible person	Tax crimes	Abuse of the position of a responsible person
Abuse of official position	Abuse of official position	Unauthorized production and distribution of narcotic drugs
Unauthorized production and distribution of narcotic drugs	Unauthorized production and distribution of narcotic drugs	Abuse of official position
Criminal acts committed by organized criminal groups	Illegal crossing of state borders and people smuggling	Criminal acts committed by organized criminal groups
Illegal crossing of state borders and people smuggling	Criminal acts committed by organized criminal groups	Fraud
Heavy theft	Fraud	Illegal crossing of state borders and people smuggling
Robbery	Criminal acts of document forgery (Art. 355 and 357 of Criminal Code)	Criminal acts of falsification of documents
Fraud	Human trafficking	Human trafficking
Extortion	Mediation in the promotion of prostitution	Illegal trade
Illicit trade	Illicit trade	Fraud in the performance of economic activity
Criminal acts related to corruption	Unauthorized storage of goods from Article 176a of the ZPPPA	Construction without a building permit

Graphic 2. Overview of High and Medium Level Criminal Offences of Threat of Money Laundering

NPR recognizes that the growing threats are environmental crimes (criminal offense of unauthorized processing, disposal and storage of hazardous substances) and criminal offenses of unauthorized lending to citizens (include the criminal offense of usury under Article 217 of the Criminal Code and the criminal offense under Article 136 of the Law on Banks).

NPR sees risks in the areas of pawnshops, real estate investors, crowdfunding, and cryptocurrencies. As far as investors are concerned, the Money Laundering Risk Assessment in

the Real Estate Sector pointed to a growing threat in the real estate sector related to a special category of entities, which do not have the status of business entities – natural persons – investors. According to the analysis of the Tax Administration, these persons, if they are not registered in the VAT system, i.e. have not registered construction activity with the Business Registers Agency, most often try to avoid paying taxes. These are persons who, after the construction of the facility, sell residential or business premises, and do not report the money from the sale to the tax authorities, but keep it for themselves, without paying public revenues. Therefore, the real estate sector in Serbia remains the sector that poses the greatest threat to money laundering because significant sums of money are invested and invested in the real estate sector through transactions related to the real estate, construction, investment and illegal construction sector, and one of the proposals of the sectoral risk assessment is to include persons engaged in investments and construction in the real estate sector in the circle of taxpayers under the Law.

The vulnerability assessment of the non-financial sector was established on the basis of data relating to the comprehensiveness of the legal anti-money laundering network; the effectiveness of supervisory procedures and practices; availability and implementation of administrative measures; the availability and application of criminal penalties; availability and efficiency of input control mechanisms; integrity of employees; knowledge of the prevention of money laundering by employees; the effectiveness of the compliance function; the effectiveness of monitoring and reporting suspicious activities; the level of market pressure in terms of meeting anti-money laundering standards; availability of and access to beneficial ownership information; The availability of a reliable identification infrastructure and the availability of independent sources of information) as part of the inherent assessment, and a plan of measures and activities defined for certain sectors as missing activities to improve the performance of institutions in the system of preventing money laundering and terrorist financing (residual risks) was taken into account. In terms of vulnerability, Intermediaries are rated Medium with a tendency to high.

Assessing the Risk of Terrorist Financing

The analysis found that, in terms of terrorist financing misuse, there are no identified sectors that are at high and medium to high risk. In the medium-risk category, there are money changers, public postal operators, payment institutions and the IT sector-freelancers. In the low to medium risk category, there are service providers in the tourism and hospitality sector, accountants, postal operators, notaries and banks. All other sectors are at low risk, but some of them are more susceptible to misuse for terrorist financing purposes. Intermediaries are generally low-risk and potential abuse in the sale or lease of assets by persons from high-risk areas has been identified.

COUNTRIES WITH AN ACTIVE TERRORIST THREAT ACCORDING TO THE GLOBAL TERRORISM INDEX (GTI)								
COUNTRY	**2021**		**COUNTRY**	**2022**		**COUNTRY**	**2023**	
	Index	**163**		**Index**	**163**		**Index**	**163**
Afghanistan	8.818	1	Afghanistan	8.459	1	Burkina Faso*	8.571	1
Iraq	8.103	2	Burkina Faso*	8.161	2	Israel	8.143	2

Somalia	7.996	3	Somalia	8.047	3	Little*	7.998	3
Burkina Faso*	7.833	4	Little*	7.983	4	Pakistan	7.916	4
Nigeria*	7.813	5	Syria*	7.771	5	Syria*	7.890	5
Syria*	7.807	6	Iraq	7.682	6	Afghanistan	7.825	6
Little*	7.699	7	Pakistan	7.610	7	Somalia	7.814	7
Niger	7.340	8	Nigeria*	7.580	8	Nigeria*	7.575	8
Pakistan	7.321	9	Myanmar*	7.568	9	Myanmar*	7.536	9
Myanmar*	6.971	10	Niger	7.053	10	Niger	7.274	10
Israel	3.626	35	Israel	4.400	26	Iraq	7.078	11
THE REPUBLIC OF SERBIA AND THE COUNTRIES WITH WHICH IT BORDERS								
Serbia	0.000	/	Serbia	0.000	/	Serbia	0.000	/
Bosnia and Herzegovina	0.000	/	Bosnia and Herzegovina	0.000	/	Bosnia and Herzegovina	0.000	/
Montenegro	0.000	/	Montenegro	0.000	/	Montenegro	0.000	/
Croatia*	0.000	/	Croatia*	0.000	/	Croatia*	0.000	/
Bulgaria*	0.000	/	Bulgaria*	0.000	/	Bulgaria*	0.000	/
Hungary	0.000	/	Hungary	0.000	/	Hungary	0.000	/
Albania	0.000	/	Albania	0.000	/	Albania	0.000	/
North Macedonia	0.030	95	North Macedonia	0.000	/	North Macedonia	0.000	/
Romania	0.310	82	Romania	0.167	86	Romania	0.000	/

*Countries under enhanced FATF surveillance

While previous risk assessments have analysed the risks associated with terrorist financing in this sector, the comprehensive analysis found that the risks are adequately monitored, putting the sector at a lower risk level. However, the risks are higher in the case of short-term accommodation and food service providers (hotels, hostels, motels, apartment per day, etc.).

	The Probability of Financing Terrorism				
Threat	Very large	Big	High	Little	Very small
Manifested terrorist activities (self-radicalized individuals and abuse of social networks)		3,67			
Ethnically motivated terrorism			2,75		
Religious extremism			2,75		
Migratory movements			2,5		
Ideological extremism					1
The Impact of Foreign Armed Conflicts on Serbia				1,5	
STB				1,67	
Exposure to threats from neighboring countries			2,25		

The Matrix of Terrorist Threats

Risk Assessment of Legal Entities and Legal Arrangements

Based on the analysis of data on the involvement of legal entities in the process of money laundering identified in legally adjudicated cases and cases of investigation and indictment related to organized crime, it has been assessed that limited liability companies and entrepreneurs, forms of business entities with a high degree of threat for money laundering,

associations and cooperatives are of a medium level of threat and other forms of a low level of threat.

The legal form of registered agricultural holdings and natural persons - investors is a growing threat. The highest level of risk in limited liability companies are single-member companies established by domestic citizens, with a minimum share capital, no employees or with a small number of employees and low income, which are not subject to audit.

The real estate sector is increasingly seen as a target for money laundering, with illicit funds being invested in the construction and sale of real estate, thus enabling the integration of dirty money into legitimate economic flows. The stratification and integration of "dirty" money is done through companies, where it is deposited as a loan from the founders or through fictitious investment contracts in the construction of real estate.

Risk Assessment in the Digital Asset Sector

This is the second risk assessment in the digital asset sector and it is concluded that there are no sectors in the Republic of Serbia in which digital assets are significantly used.

Non-financial sectors in the Republic of Serbia are prohibited from directly accepting DIs in exchange for goods or services, but can only do so through licensed Digital Asset Service Providers (PUDIs). According to PUDI, the sectors in which digital assets are most often used for the purpose of PN/FT are processors of special games of chance, intermediaries in the sale and lease of real estate, online gambling (except in amusement arcades) and online video games. It has been recognized that there is a risk of integrating "dirty money" from foreign fraudulent activities with digital assets into real estate. However, PUDI believes that the use of DI in these sectors does not have a significant impact on the commission of criminal offences in economic activities.

Risk Assessment of Misuse of Non-Profit Organizations for the Purpose of Financing Terrorism

Serbia's approach to the non-profit organization sector seeks to establish a balance between the transparent development of the sector with defined measures to prevent its misuse for terrorist financing. A comprehensive legal and institutional framework provides for comprehensive regulatory oversight, including strict registration, monitoring and mandatory financial reporting systems, for the purpose of transparency and accountability. Terrorist financing risks pose a low to moderate risk to the development and continued functioning of the non-profit organization sector in Serbia.

The terrorist financing risks in the non-profit organization sector generally reflect the terrorist financing risks for Serbia as a whole and can be classified as moderate.

Risk Assessment of Financing the Proliferation of Weapons of Mass Destruction

Financing for the proliferation of weapons of mass destruction (WMDG) has attracted the attention of the international community for years, primarily because of the individual states and other factors involved, as well as the risks and great potential damage that weapons of mass destruction can cause. A number of international organizations are taking a close and broad look

at the risks to which the global community is exposed. This second in a row, the Risk Assessment, logically builds on the previous one and indicates the continuous commitment of the Republic of Serbia in fulfilling international obligations and in a broader understanding of direct and indirect threats from the spread of WMD to the economic and financial interests of the state.

Based on the analysis of materiality, threats, vulnerabilities, export control practices and the effectiveness of controls related to the FSOMU, it can be concluded that Serbia is not receptive/attractive/suitable for a large number of risk scenarios of the FSOMU. This analysis concluded that the risk of FŠOMU is moderate in sectors such as banks, real estate agents, accountants, tax advisors, lawyers, gambling operators, while other sectors are considered to be low-risk.

INTERMEDIARIES AS TAXPAYERS WITHIN THE MEANING OF THE LAW ON THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

Mediation in the sale and lease of real estate is an activity that includes the activities of finding in order to get in touch with the principal of the other contracting party, which would negotiate with him on the conclusion, i.e. conclude a contract on the sale or lease of real estate, which are performed for a financial fee. Intermediaries are part of the non-financial part of the system with a share of 23% in the total turnover of the real estate sector.

Intermediaries are closely related to the real estate sector, which is classified as a high level in terms of money laundering threats, a large number of taxpayers engaged in this activity have been recognized, and a negligible number of reported reports of suspicious activities have been recorded. In this regard, the risk of Intermediaries rated in NPR is medium-high.

A legal entity, i.e. an entrepreneur engaged in the provision of real estate brokerage and lease services in accordance with the Law on Real Estate Brokerage and Lease ("Official Gazette of RS", No. 95/2013, 41/2018 and 91/2019), is considered to be an intermediary, obliged entity. The average number of employees at the Intermediary is approximately 2 employees.

Years	Economic entities		Entrepreneurs
		D.o.o.	
2019.	929	533	396
2020.	987	560	427
2021.	1017	585	432
2022	1097	633	464
2023	1203	712	491
2024.	1255	747	508

Forms of Organization of Business Entities Registered in the Register of Intermediaries of the Ministry

Mediation is carried out on the basis of a contract on mediation in real estate, i.e. lease of real estate, which is concluded by the principal and the Broker. By concluding this contract, the Broker establishes a business relationship with the principal, who is considered a party within the meaning of the Law, and when concluding this contract, the Broker, as the subject of this Law, is obliged to apply the listed actions and measures: determine and verify the identity of the party; determines and verifies the identity of the beneficial owner of a party that is a legal entity; obtains data on the purpose and purpose of the business relationship, if the party is an

official, if the party is from a country that does not apply AML/CFT standards, as well as if, in accordance with the risk analysis, it determines that there is a high risk of PN and FT in relation to the party, and on the basis of the data obtained, keeps records, the content of which is regulated by law. The conclusion of a business relationship is dominated by the direct way of realization of the Intermediary's services directly with the parties. In addition to the direct method of implementation, there is also the realization of services through video identification, a third party/representative, a lawyer or other intermediary. In 90% of cases, the beneficial owner is a domestic natural person. When it comes to foreign ownership of non-residents, most of them are citizens of Cyprus and the Russian Federation.

The total number of realized direct mediation services on an annual basis is 91%, with an average volume of 22,000 services. The parties are mostly residents, while the most common non-residents are from Russia 6%, BiH 1.5% and Montenegro 1%. The representation of officials as a party in mediation among residents is increasing by 100% compared to the previous national estimate.

In the observed time period, the Intermediaries submitted relatively few reports of suspicious activities, namely: for 3 domestic individuals and 24 foreign individuals (16 from Russia, 2 from Belarus, 2 from Bosnia and Herzegovina, and 1 each from Ukraine, UAE, Turkey and Montenegro). The reports generally do not contain additional information that would adequately indicate doubts as to the origin of the money or other circumstances that would be relevant to the analysis of the particular case. Based on the reports of suspicious activities submitted by the intermediaries, no information was provided to other state authorities. There is a need to improve the understanding of Intermediaries and raise awareness of the risk assessment related to their obligations under the regulations, as well as their implementation in practice.

The trade and lease of real estate is a significant lever for criminal structures to bring the money acquired through criminal activities into legal flows. By using the service of real estate transactions and lease, space is created to lose track of illegal money, and intermediaries can be abused for this purpose through a fast, efficient and often unrealistically valuable (high or low) real estate transaction. Brokers can, by providing other services (real estate valuation, obtaining documentation on real estate, analysis of the state of supply and demand of real estate in a certain territory or area, analysis of real estate prices in a certain area, etc.), also be attractive to "money launderers", because they can pay for these services with dirty money.

Real estate brokerage services for which "money launderers" are most interested are:

- Financial or other advice to persons who may present themselves as individuals seeking financial or other advice on how to place assets out of the reach of others in order to avoid future liabilities;
- Buying or selling assets - Persons can use property transfers to serve either as a cover for transfers of illicit funds (stratification phase) or as a final investment of those proceeds after they have gone through a laundering process (integration phase);
- Carrying out financial transactions - persons may use intermediaries to carry out or facilitate various financial operations on their behalf;
- Familiarity with financial institutions - Persons can use intermediaries as someone who represents them to the institution. This can also happen in the opposite direction, i.e. persons can use financial institutions to get acquainted with intermediaries.

Overview of services and products provided by the Broker in the reference period by risk category:

Obliged entity	Name of service/product	Degree of risk
Real estate brokers		
Sales	House (for sale)	High
	Home (Buy)	Medium
	apartment (for sale)	High
	Stana (Purchase)	High
	Bus. space (purchase)	High
	Bus. space (sale)	Medium
	grad. land (purchase)	High
	grad. Land (for sale)	High
	fields. land (purchase)	Medium
	fields. Land (for sale)	High
	Garage (for sale)	High
	Garage (purchase)	Medium
	Other (e.g. forest)	Low
Rent	House (rent)	Medium
	House (for rent)	Medium
	Condition (lease)	High
	Apartment (rental)	High
	A day in the life (lease)	High
	On the day of the day (Rental)	High
	Bus. space (lease)	Medium
	Bus. space (issuance)	Medium
	fields. land (lease)	Medium
	fields. Land (rental)	High
	Garage (lease)	High
	Garage (rental)	Medium
	Other (e.g. forest)	Low

Vulnerability and Threat

Vulnerability

The vulnerability is affected by:

- partial application of sanctions related to supervisory measures have not been fully implemented by the courts due to the time delay and small amounts of fines (below the limit) in judgments;
- Full implementation of the prescribed conditions for the commencement of mediation activities, through control mechanisms of licensing and registration of agents;
- Full implementation of the prescribed procedures for the appointment of an authorized person and his/her deputy for the performance of AML/CFT actions and measures. Internal procedures prescribe actions in order to prevent employees from committing criminal and corrupt activities in the field of money laundering;
- Incomplete implementation of regulations related to the prevention of money laundering in real estate agencies;
- incomplete application of available legal means for monitoring, recording and reporting suspicious transactions;
- incomplete application of the defined procedure for verifying beneficial ownership, with the risk of verifying the origin of financial/other transactions as shares in corporations and other forms of business entities;
- Partial application of the regulations due to the impossibility of due diligence of the customer and the availability of quality and appropriate commercial data on the financial and banking status of the customer and the manner of performing the transaction.

The vulnerability of Intermediaries can be reduced in the coming period by intensifying trainings, organizing round tables and panels, where the importance and need to perform

obligations and activities would be pointed out to Intermediaries through case studies and explanations of typologies of money laundering in real estate transactions and lease.

Factors that contribute to a lower level of vulnerability to money laundering:

- The area of real estate brokerage and lease is well regulated by regulations;
- In accordance with the planned inspections, the market inspection carried out 85% of controls, which can be considered a good result;
- Full implementation of the prescribed conditions for the commencement of mediation activities, through control mechanisms of licensing and registration of agents;
- Full implementation of the prescribed procedures for the appointment of an authorized person and his/her deputy for the performance of AML/CFT actions and measures. Internal procedures prescribe actions in order to prevent employees from committing criminal and corrupt activities in the field of money laundering.

Threat

Although intermediaries do not appear as defendants in money laundering cases, they are closely and closely linked to the riskiest sector – the real estate sector. The analysis showed that real estate brokers were used by persons who are under investigation on suspicion of organized crime and money laundering. This makes them a sector exposed to the risk of money laundering.

We would like to point out that all information regarding money laundering typologies, all novelties related to the activities of preventing money laundering and terrorist financing are available to the Intermediaries and their employees and are published on the website of MUST and the Administration.

The competent ministry (MUST), through market inspectors, carried out supervision indirectly and indirectly, and the most common irregularities found during the inspection in the observed period were:

Name of the irregularity found	Number
Risk analyses were not carried out in accordance with the guidelines	18
Authorized persons and deputies have not been named	14
The identity of the party has not been established	5
The Administration has not been provided with information on authorized persons within 15 days from the date of their appointment	11
The Administration has not been informed about suspicious cash transactions in the amount of more than EUR 15,000/dinar equivalent	3
The procedure has not been established for the beneficial owner/party official	3
Indicator lists have not been created	1
The data is not kept in accordance with the law	3
Annual reports have not been produced	2
The Plan for Professional Education, Training and Training of Employees Performing the Tasks of Prevention and Detection of Money Laundering and Terrorist Financing has not been adopted	2

A RISK-BASED APPROACH

PN/FT/FŠOM risk is the risk of adverse effects on the financial performance, capital or reputation of the obliged entity, due to the use of the obliged entity (direct or indirect use of a business relationship, transaction or service) for the purpose of PN/FT/FŠOMU. It arises in particular as a consequence of failure to harmonize the operations of the taxpayer with the law, regulations and internal acts governing the prevention of PN/FT/FŠOMU, i.e. as a consequence of mutual inconsistency of internal acts regulating the conduct of the taxpayer and its employees in relation to the matter in question. It is necessary for obliged entities to adopt a risk-based approach in order to detect, assess and understand the risks of PN/FT/FŠOMU, in order to direct their resources to where the risks are greatest and thus implement appropriate risk mitigation measures.

There is no universal model for risk assessment. There are certain guidelines, ideas, suggestions from domestic and international practice, but it is up to the Broker himself to assess which methodology best suits his work. Factors that may be relevant to the elaboration are: the type of recognized crimes in the previous period that are certain or suspected to exist, i.e. that the clients are related to illegal activities (media, conversations, etc.), transfers to/from high-risk countries, the amount of cash transactions, the amount of suspicious reports, legislation, compliance, number of clients, share of legal entities, share of natural persons, results of supervision at the Intermediary, results of supervision for a certain sector, number of suspicious reports, feedback on suspicious reports, system in which the business is operated, obtaining a work permit, procedures for starting work, communication with state authorities, all products and services from the National Tax Administration, trends recognized in the National Tax Administration, trends recognized in the National Risk Assessment, types of companies.

An intermediary can assess the risk of money laundering differently from the risk of financing terrorism, i.e. the financing of weapons of mass destruction. In particular, the intermediary must monitor parties whose business is carried out for the most part in cash, due to the risk of terrorist financing. In this regard, special attention should be paid to the business of non-profit organizations, because the possibilities for their misuse in terms of financing terrorism are great. The geographical risk when it comes to terrorist financing is pronounced in regions where, based on data from relevant international organizations such as the United Nations, terrorists have their activities.

With regard to the risk of terrorist financing, intermediaries should pay attention in cases where:

- A person sells multiple properties in a short period of time;
- A third party is authorized to sell or lease multiple properties;
- The property is sold below market value.
- Persons from high-risk areas with temporary residence documents buy or approve the purchase of real estate.

The risk assessment process can be divided into a whole range of activities, but the basic stages of this process are:

- identification – risk identification;
- Analysis;
- Risk management.

Risk identification

Risk management starts with identifying risks. It is useful for the Broker to make a list of potential factors that will be used to identify threats and vulnerabilities from PN/FT/FŠOMU. The list should include all those factors that are recognized at the state level as risky, and are characteristic of a particular Intermediary, typologies that are recognized in the cases of PN/FT/FŠOMU, trends, as well as circumstances for which the supervisory authority has determined that they have not been sufficiently done when it comes to the implementation of the Law. For example, if at the state level, companies from a certain region are recognized as risky and especially transactions with these persons, whether the Broker has recognized these persons as risky, from what aspect has it assessed them in the past, whether there may have been abuses by these clients without it being noticed in time, and what are the reasons why, for example, the transactions of these clients were not recognized as risky at a given moment From the point of view of money laundering. Also, whether there may have been recognized situations with the Broker where the person who was later the subject of the investigation was a client of the Broker, but was not assessed as risky and whether the Broker could have had such data or not.

After compiling a comprehensive and broad list, the Intermediary can look at which of the specific factors is not significant enough for him, or he may not offer a particular product at all that is recognized as risky at the state level, or certain models of behavior are not characteristic of the Intermediary. By doing so, the intermediary can remove certain items from the list. However, if he has recognized some models of behavior or circumstances in the past that have proven to be risky, he should definitely include them in the list and analyze them separately.

At this stage, no factor can be said with certainty to be more or less risky, but rather whether a particular factor is relevant enough to assess the risk of PN/FT/FŠOMU. For example, the approaches of the Broker may be different, so that one Broker may decide to start from certain models of behavior, indicators, trends and to start using certain estimates at the country level, and then to analyze the extent to which these estimates were characteristic of the Broker itself, and the other Broker may choose not to start from the country-level assessment model, For example, risky services, transactions, and then further builds on these initial estimates, with certain typologies recognized, for example, for certain services or certain transactions executed, but certainly also takes into account the results of the national risk assessment.

Types of risk

Recognizing the types of risks is the first step for analyzing the risks of both the Broker and the client himself, noting that the types of risks may vary depending on the specifics of the Intermediary's business and that each Broker takes into account the types of risks depending on its scope of work.

The risk analysis of the Intermediary must be proportionate to the nature and scope of the business, as well as the size of the obliged entity, it must take into account at least the following basic types of risk:

- On the other hand, geographical risk,
- Customer risk,
- The risk of the transaction and
- Service risk.

The risk analysis should also include other types of risks identified by the Intermediary due to the specifics of the business.

Geographic risk

Geographical risk means the risk that is conditioned by the geographical area in which the territory of the country of origin of the customer, its owner or majority founder, beneficial owner or person who otherwise controls the business of the customer, or in which the country of origin of the person who carries out the transaction with the customer is located.

The assessment and assessment of geographical risk also depends on the location of the Intermediary, i.e. its organizational units. For example, in the case of Intermediaries located in areas visited by the diaspora or tourists, border areas, the assessment and assessment of risk will be different compared to Intermediaries located in a rural area, where everyone knows each other, i.e. they know their clients. Parties from the Broker's region are less risky than parties with whom they do not have a previous business relationship and who are not from the region.

The following situations may indicate a higher geographical risk:

- the Party originates from a State against which the United Nations, the Council of Europe or other international organizations have applied sanctions, embargoes or similar measures;
- The party originates from a country that has been designated by credible institutions (FATF, Council of Europe, etc.) as not implementing adequate measures to prevent PN/FT/FP;
- The party originates from a country that has been designated by credible institutions (FATF, UN, etc.) as supporting or financing terrorist activities or organizations;
- the party originates from a country that has been designated by credible institutions (e.g., World Bank, IMF) as having a high level of corruption and crime;
- the parties come from different countries/areas/territories in which migrant centres and asylum centres are located, are in possession of documents of the Republic of Serbia obtained on the basis of temporary residence and are buying real estate or authorising purchases to domestic persons;
- credible sources have demonstrated that they do not provide beneficial ownership information to the competent authorities, as may be determined from the FATF mutual assessment report or from organisations that also consider different levels of cooperation, such as the OECD Global Forum reports on compliance with international tax transparency standards;
- The business relationship of the parties involves the participation of persons from countries that do not comply with international standards for the prevention of money laundering and terrorist financing or do so on an insufficient scale, and are known for drug production;
- the party accesses from an IP address (Internet Protocol address) from a country or region that is on the so-called "black list".

The list of countries that have strategic deficiencies in the system for combating PN/FT/FŠOMU is published on the Urawa website and is based on:

- Financial Action Task Force (FATF) announcements on countries that have strategic deficiencies in the system to combat PN/FT/FSOM and that pose a risk to the international financial system;

- Statements by the FATF on States/jurisdictions that have strategic deficiencies in the PN/FTF/FSOM regime that have expressed a commitment at the highest political level to address the deficiencies identified, that have developed an action plan for this purpose in cooperation with the FATF, and that are required to report on the progress they are making in addressing the deficiencies;
- Reports on the assessment of national systems for combating PN/FT/FŠOM by international institutions (FATF and so-called regional bodies operating on the model of the FATF, such as the Council of Europe Committee Moneyval).

Countries that apply standards in the field of prevention of PN/FT/FSM that are at or above the level of EU standards are:

- EU Member States;
- third countries (other non-EU countries) with effective systems for the prevention of FN/FT/FS, assessed in the assessment reports of national systems for combating FN/FT/FSM by international institutions (FATF (Financial Action Task Force) and regional bodies operating on the model of the FATF, such as the Council of Europe's Moneyval Committee);
- Third countries (other non-EU countries) that are credible sources (e.g. Transparency International has been designated as having low levels of corruption or other criminal activity.
- Third countries (other non-EU countries) which, on the basis of credible sources, such as the assessment report of national systems for combating FN/FT/FSOM by international institutions (FATF and the so-called regional bodies operating on the model of the FATF, such as the Committee of the Council of Europe Moneyval), published progress reports of that country after the report, have obligations prescribed by law to combat the PN/FT/FSOM in accordance with the FATF recommendations and effectively implement these Obligations.

The facilitator must be aware of the assessed cross-organic threats and must analyze with due diligence the relationships where offshore zones appear as a geographical element. Namely, although certain countries apply the standards, this does not mean that they will immediately be placed in the group of countries, according to the risk assessment of the Intermediary, in low risk, but it must be borne in mind the typology of behavior and money laundering cases, which indicated a higher risk of certain countries that the Intermediary must approach with due care. A lower risk of money laundering can be borne by a party that has a contractual relationship with a party from the region.

Customer risk

In order to identify the risks of the client, including the beneficial owner of the client, the Broker considers the risks associated with the manner of doing business and the type of professional activity, reputation, ownership and organizational structure, as well as the behavior of the client in connection with the business relationship or transaction. This risk is independently determined by the Broker using a risk-based approach, based on generally accepted principles and its own experience. Client risk means assessing whether the party with whom the Broker is cooperating is associated with a higher risk than PN/FT/FŠOMU.

Customer risk assessment is carried out not only when establishing a business relationship with a customer, but throughout the entire duration of the business relationship and the degree of risk may change. For example, a particular business relationship with a customer

may initially be assessed as low-risk, and then circumstances may arise that will increase that risk, and vice versa. This does not apply to cases that are classified as high-risk on the basis of the Law and to which enhanced actions and measures of knowledge and monitoring of the client must be applied (e.g. when the party is an official, when the party is not physically present during the determination and verification of identity, when the party or legal entity appearing in the ownership structure of the party is an offshore legal entity, when establishing a business relationship or carrying out a transaction with a party from a country that has strategic deficiencies in the PN/FT/FŠOM prevention system).

The intermediary should take into account any unusual activity, behavior, pattern or set of circumstances that is inconsistent with the normal financial activity of the client and treat it as suspicious. The activity does not have to be related to a specific transaction.

The intermediary should categorize the parties with whom he does business and, based on this, assess the likelihood that the parties will misuse him for PN/FT/FŠOMU.

The following situations may indicate a higher risk:

- the parties do not act in their own name and attempt to conceal the identity of the actual buyer or seller;
- the buyer/tenant does not show any particular interest in the characteristics of the real estate (quality of workmanship, location, date of completion and handover);
- the buyer/tenant is not particularly interested in collecting better offers or in obtaining more favorable payment terms;
- the parties show a great interest in quickly completing the purchase transaction, although there is no particular reason for this, without an interest in finding out the essential details of the contract;
- the party at the last moment, before the realization of the contract, changes the contracting parties (brings a new person and presents him as the buyer), without providing a logical explanation for such action;
- The party buys the real estate for cash, and soon after uses that real estate as a means of collateral for obtaining a loan for the purchase of a new real estate;
- refusal of the party to provide data, which in practice is usually collected by inspecting personal documents, or, for example, provides an address that represents a postal number for communication with an intermediary, or the address at which the customer/legal entity is registered does not exist;
- A party grants immovable property to a person with whom it is not related or by other personal or business relationships;
- construction companies – companies with a disproportionately small number of employees in relation to the volume of work they perform can be seen as particularly risky, they do not have their own infrastructure, business premises, the ownership structure is not clear;
- the party is a domestic or foreign official (persons designated by Article 3, paragraph 1, items 24 and 25) of the Law) and as a politically exposed person represents a risk, therefore the Broker must conduct an analysis in all cases when such a person acts as a party, before concluding a business relationship or executing a transaction;
- persons whose offer to establish a business relationship has been rejected by another Broker, if it is in any way known of this fact, i.e. persons known for their bad reputation;
- A party suspected of being associated with terrorist activities and/or on UN sanctions list 1267 is interested in establishing business relationships and investing in real estate;

- the party is trying to perform identification with other documents, which are not identity documents;
- the party shall enclose for inspection only photocopies of personal documents or inappropriate documents;
- refusal of the party to provide data that are normally collected in practice (personal data, address, occupation) and/or inconsistencies in the attached documentation (dates, signatures and other data, i.e. suspicion of forged documents);
- the party is known to the public, according to media reports, as a person involved in the performance of illegal economic (grey area of business) and/or criminal activities;
- the party at the last moment before the realization of the contract, changes the contracting parties, and is known for its illegal activities;
- the party is trying to establish good and friendly relations with the staff of the Brokers, and according to public knowledge, he comes from a criminal milieu;
- A party who is interested in real estate, and has not personally seen the real estate, buys it through an intermediary (lawyer, representative, close persons, etc.), suspicion grows because there is knowledge that the buyer party performs various business on the edge of the law;
- the 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;
- According to the information, the party has a large amount of cash for the purchase of real estate and it is assumed that the payment will be made in cash;
- there is information that the client's reputation is poor or there is suspicion as to the source of funds, uses digital currencies in its business (e.g. Bitcoin or Litecoin), or uses alternative payment channels (e.g. Hawala, Hyundai), in order to avoid regular financial channels;
- the value of the offered real estate is high, and the party gives illogical answers about the methods of payment of the same, i.e. inquires that only transactions are made in cash or in combination with unreliable sources of payment;
- The party insists on the electronic conclusion of the contract and the electronic issuance of the purchase order, and it originates from a country known for the production and distribution of narcotics, a state that does not have a regulated system of identification and prevention of money laundering and a state from the so-called "black list", i.e. a state suspected of encouraging terrorist activities and financing, although it is not certain that the intermediation service will be performed;
- a party who has recently bought real estate, sells it for a price many times higher than the purchase price, which indicates related persons due to a fictitious transfer of money and hiding the origin and stratification of the next party;
- Due to their structure, legal form, or complex and unclear relationships, it is difficult to establish the identity of their beneficial owners or the persons who manage them, such as offshore legal entities with an unclear ownership structure that are not established by companies from a country that applies standards in the field of prevention of PN/FT/FŠOMU that are at the level of standards prescribed by the Law;
- a fiduciary or other similar company under foreign law with unknown or disguised owners or management (this is a company under foreign law that offers to perform representative functions for a third party, i.e. companies established by a concluded agreement between the founder and the manager, which manages the founder's assets, for the benefit of certain beneficiaries or beneficiaries, or for other specific purposes);

- complex status structure or complex chain of ownership (makes it difficult or impossible to determine the beneficial owner of the client, i.e. persons who indirectly provide assets, on the basis of which they have the ability to supervise, who may direct or otherwise significantly influence the decisions of the management or management of the client when deciding on financing and operations, foundations, trusts or similar persons under foreign law, charitable and non-profit non-governmental organizations, agricultural cooperatives, offshore legal entities with an unclear ownership structure, i.e. "Face Cover");
- The media associate the party with terrorism / terrorist financing / extremism and fundamentalism / religious radicalism;
- foreign arms dealers and arms manufacturers;
- the intermediary has knowledge that the beneficial owner of the property is subject to measures restricting the disposal of the property;
- non-residents and foreigners;
- parties representing persons engaged in this activity (lawyers, accountants or other professional representatives), in particular when the Broker is in contact only with representatives;
- companies with a disproportionately small number of employees in relation to the volume of work they perform, which do not have their own infrastructure and business premises, where the ownership structure is unclear, etc.;
- the party offers money, gifts or other benefits as against the service for business that is suspected of not fully complying with the regulations;
- the client often changes his intermediaries;
- Parties that carry out activities that are characterized by a large turnover or cash payments (restaurants, gas stations, money changers, casinos, florists, traders of precious metals, cars, works of art, carriers of goods and passengers, sports associations, construction companies);
- private investment funds;
- of a party whose source of funds is unknown or unclear, or which cannot be proved by the party.

If it is necessary to determine whether a party is an offshore legal entity, the Broker may use the lists of the IMF, the World Bank or the list of countries that is an integral part of the Rulebook on the List of Jurisdictions with a Preferential Tax System ("Official Gazette of the Republic of Serbia", No. 122/2012, 104/2018 and 161/2020).

In addition, we note that if the Broker assesses that a party of an offshore legal entity or a legal entity that appears in the ownership structure of an offshore legal entity has a complex ownership structure (such as a large number of legal entities in the founding structure, of which persons who have a significant share in the initial capital are registered at offshore destinations and when it is not possible to easily determine who the beneficial owner of these legal entities is), He is obliged to obtain a written statement on the reasons for such a structure from the beneficial owner of the party or the representative of the party, as well as to consider whether there are grounds for suspicion that it is a PN/FT/FŠOM and to make an official note about it, which is kept in accordance with the Law.

In particular, the intermediary must pay increased attention if he concludes a business relationship with a party that deals with: the purchase and sale of real estate, investment in investments, is engaged in construction activities, construction of real estate, turnover on the

basis of goods and services often and in significant amounts without personal coverage in documentation, and then with persons who invest money through the purchase of securities.

The situations described in the NPR indicate a higher risk in the activities mentioned above. All activities that have been enumerated, and have been recognized by the client, deserve greater attention and risk assessment, as well as the need to monitor and assess the affairs of these persons more often.

Transaction risk

In determining and assessing this risk, the Broker determines and evaluates for each business relationship the type of assets offered by the party in the realization of that business relationship, the manner in which these assets are placed in the business relationship, how they are transferred, etc. Bearing in mind that, according to the Law, a transaction is the receipt, giving, exchange, safekeeping, disposal or other treatment of property with the Intermediary, including a payment transaction within the meaning of the law governing the provision of payment services.

In determining and assessing this risk, the Broker takes into account the risk of cash transaction (physical receipt or giving of cash), given that Article 46 of the Law prescribes a ban on the receipt of cash from the party for the payment of sold or leased real estate, i.e. services in the amount of EUR 10,000 or more in RSD equivalent. Financial practices vary between countries and cultural differences are taken into account, while in some markets, cash transactions in large amounts may be considered a higher risk, in other markets this may be common, particularly where there is fluctuation in the exchange rate, or where there is no well-regulated mortgage market.

The Broker also takes into account the risk of an unusual transaction (a transaction that deviates from the usual business of the client with the Broker), which is most often reflected in the client's unusual requirements to realize the business relationship using new technologies or virtual currency (digital records of value that have not been issued and whose value is not guaranteed by a central bank or other public authority, which are not necessarily tied to legal tender and do not have the legal status of money or currency), but are accepted by natural or legal persons as a medium of exchange and may be bought, sold, exchanged, transferred and stored electronically.

The following situations may indicate a higher transaction risk:

- 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;
- purchase of real estate in the name of third parties (relatives, friends, lawyers, legal entities from offshore destinations and other legal entities), without a logical reason;
- the purchase/lease of real estate is disproportionate to the purchasing power of the buyer/lessee, and where the buyer gives illogical answers about the origin of the property;
- the value of the offered asset is high, and the party gives illogical answers about the methods of payment for it, that is, he asks that transactions be carried out exclusively in cash or in combination with unreliable sources of payment;

- unexplained or sudden changes in financing conditions, the need for complex loans or other unusual methods of financing (in particular private); the use of unconventional payment methods outside the financial system (e.g. bills of exchange);
- transactions where the party requires payment consisting of several smaller payments, which in the sum make up the price of the real estate (the so-called fragmentation);
- multiple transactions of purchase and sale of a single immovable property carried out by a group of natural and/or legal persons who are related to each other (family ties, business ties, persons who share the same address or representatives or lawyers, etc.);
- transactions carried out by representatives (lawyers, proxies, etc.) acting in the interest of potentially related natural persons (family or business ties, persons living at the same address, etc.);
- transactions in which a newly established legal entity, with a small initial capital, appears as a participant, and buys or sells real estate of high value;
- Securing a loan for the purchase of real estate is made by a deposit in the amount of 100% of the amount of the requested loan;
- suspicious bank documents;
- transactions originating from territories that do not apply anti-money laundering regulations and where there is a high geographical risk of money laundering, regardless of whether the customer comes from those territories;
- the party promises an unrealistically high intermediary fee for the work performed (purchase/rent of real estate);
- rent in an amount significantly higher than the rent of an apartment of approximate characteristics in the same or similar location, which is paid in advance for a longer period of time, when there is doubt about the fictitious nature of the contract;
- the party shows a great interest in quickly executing the purchase transaction, although there is no particular reason for doing so, and requests a quick formal action of concluding the contract and expresses the intention for complex and unusual methods of payment;
- transactions where the party demands payment consisting of several small payments, which together make up the price of the real estate (fragmentation), especially in the case of real estate of high value and where there is knowledge that the parties to the contract are involved in illegal or criminal activities;
- A party who, according to knowledge, has sources of money abroad, or outside the financial system, and wishes to arrange payments in several smaller amounts using payment institutions for money transfer (e.g. Western Union);
- multiple transactions of purchase and sale of real estate carried out by a group of natural and/or legal persons (non-governmental, humanitarian, religious or other non-profit organization) who are presumed to be involved in some illicit activities, and there are reports that the sources of money for payments originate from unrelated persons;
- the transaction carried out by the customer is not in accordance with his usual business practice, and in a short period of time, he makes several purchases without economic or legal grounds, with the aim of obviously placing money;
- transactions that were intended for persons or entities against whom measures of the United Nations or the Council of Europe are in force, as well as transactions that a party would have carried out in the name and on behalf of a person or entity against whom measures of the United Nations or the Council of Europe are in force.

Risk service

It represents a risk of doing business in the basic service, which includes the purchase, sale, lease and rent of real estate and other less risky services in real estate, such as the service where the value of the real estate is assessed and the collection and consolidation of complete documentation during the realization of the purchase contract, real estate market research, etc.

Buying involves the buyer's obligation to pay the contractually defined price of the property and take it over within a certain period of time. Sale is the transfer of ownership rights and the surrender of the sold real estate for compensation, i.e. with the contractually defined price of the property in question. Lease represents the enjoyment and use of the property in question, with the obligation to pay rent and use it until a certain period of time, acting as a good businessman, i.e. a good host. The issuance includes the handover of the contracted real estate to the tenant for use in proper condition for the established period of use, together with all associated parts for a certain fee.

The following situations may indicate a higher risk of the service:

- services that are new to the market, i.e. they have not been previously offered in the non-financial sector and must be monitored in particular to determine the actual level of risk;
- electronic issuance of contracts/orders for trade in cases provided by the Broker in its procedure;
- the provision of those types of services for which the employee of the Intermediary, based on his experience, has assessed that they carry a high degree of risk;
- Providing services by opening the so-called joint transaction accounts, which mobilise funds from different sources and from different parties, and which are deposited in a single account opened in a single name;
- electronic conclusion of the contract if it is not certain that the service will be performed;
- services identified by internationally recognized sources as high-risk e-commerce services, such as international correspondent banking services in the execution of sales contracts (and international) private banking activities in transactions;
- new innovative products or services that are not provided by the Broker directly, but are provided by various electronic intermediaries or other channels at the Broker (e.g., in the case of receipt of trading orders, the risk of money laundering is higher when placing orders electronically or through trading platforms or using mobile phones, than when contracts/orders are issued directly. In the case of providing the service of receiving and transmitting orders for real estate trading, The probability that these services will be used for PN/FT/FŠOMU are higher than e.g. the service of collecting complete documentation during the realization of the purchase contract or portfolio management);
- the party insists on new financial services in a digital way, where there is a probability that it is not possible to identify real money flows or payment participants (Crypto currency, PayPall, Epay, etc.), which have not appeared on the market with the intermediary so far, or different electronic or other payment channels are used;
- the party offers a high intermediary fee, with the aim of bribing in order not to perform the actions and obligations under the law;
- Rent in an amount significantly higher than the rent of an apartment with approximate 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 fictitious contract.

Broker risk analysis

Intermediaries, being obliged within the meaning of the Act, are obliged to prepare and regularly update the risk analysis of PN/FT/FŠOMU. When preparing their risk analysis, the Intermediaries are obliged to take into account the NPR and the Guidelines adopted by the Ministry as the competent authority, using the published List of Indicators.

In the process of preparing a risk analysis in relation to its entire business, the Broker assesses the probability that its business will be used for the purpose of PN/FT/FŠOMU. Therefore, the Intermediary assesses the exposure of its business to PN/FT/FŠOM risk and identifies the segments that should be prioritized in undertaking activities in order to effectively manage the risk in question.

The Intermediary's risk analysis includes (1) a risk analysis in relation to the entire business, as well as (2) a risk analysis for each group or type of party, i.e. business relationship, i.e. services provided by the taxpayer within its activity or transaction. When preparing a risk analysis at the level of the Intermediary in relation to the entire business, the Intermediary is obliged to take into account the degree of threat and sectoral vulnerability to which it belongs according to the results of the NPR, as well as in the event that the party is also subject to the Law. When preparing a risk analysis at the level of the business relationship (party), the Broker is also obliged to take into account the degree of threat and sectoral vulnerability of the sector to which the client belongs, as well as the risk during the duration of the business relationship.

The Law obliges the Intermediaries to prepare a risk analysis that is proportionate to the nature and scope of the business and which must take into account the basic types of risk (customer risk, geographical risk, transaction risk and service risk), as well as other, additional types of risks that the Intermediary has identified due to the specifics of the business, for which it may, in addition to the above, envisage and determine adequate actions and measures prescribed by law for these categories of risk in internal acts.

In particular, when preparing a risk analysis at the level of the Broker, it is obliged to take into account the risk of the legal form in which the Broker is organized, as assessed by the NPR, i.e.:

- whether there are products or services offered by the Broker in its business that can be abused;
- the size of the Intermediary;
- whether the Broker has a complex ownership structure, the number of employees at the Broker directly in charge of performing tasks related to the prevention of PN/FT/FŠOM in relation to the total number of employees, the number of employees who are in direct contact with the parties, the manner of organizing tasks and responsibilities, the dynamics of hiring new employees, the quality of training, etc.;
- the total number of parties;
- the number of parties with a complex ownership structure;
- the number of parties per form;
- According to NPR, nonprofits' exposure to abuse for terrorist financing purposes is rated as low to moderate;
- an assessment of the Broker's exposure to cross-border threats (the number of resident and non-resident parties, the number of parties whose beneficial owners are domestic nationals and the number of parties whose beneficial owners are foreign nationals, and if there are beneficial owners who are foreign nationals, the data on which country they are from);

- the degree of risk of its clients (the number of parties with a low, medium and high level of risk, especially taking into account the number of offshore legal entities, officials and parties who were not physically present when the business relationship was established);
- the number of parties with suspicious activity/transactions;
- the number of suspicious activities/transactions detected in internal reports, and
- the number of suspicious transactions reported to the Administration.

On the basis of the above criteria, as well as the measures it takes to mitigate the risk of FN/FT/FŠOMU, the Intermediary assesses its own total risk exposure to FN/FT/FSM as low risk, medium risk or high risk.

On the basis of a risk analysis in which it assesses the risk at the level of each party, business relationship or transaction, the Broker classifies the party into one of the following risk categories:

(a) parties with a low risk of money laundering and terrorist financing, to which it applies the least simplified actions and measures;

(b) medium-risk parties to money laundering and terrorist financing, to which it applies at least general actions and measures;

3) Parties with a high risk of money laundering and terrorist financing, to which it applies enhanced actions and measures.

In addition to the above criteria, when determining the degree of risk of a particular party, business relationship, service or transaction, it is necessary to include, based on its experience, other types of risk or other criteria, such as: size; the structure and activities of the Party, including the scope, structure and complexity of the tasks performed by the Party; the status and ownership structure of the party; the purpose of entering into a business relationship, service or transaction; knowledge of the client's services and experience, i.e. knowledge in this field; other information that shows that a party, business relationship, service or transaction may be risky. According to the risk analysis, the Intermediary may add an internal category of unacceptable risk, where it will potentially refuse to establish business cooperation or make a proposal to terminate the cooperation if it has already been established.

Intermediaries may use the risk matrix as a risk assessment method to identify parties that are in a low-risk zone, those that are in a slightly higher risk zone but that risk is still acceptable, as well as those that carry a high or unacceptable risk, of the PN/FT/FŠOMU. For example, an intermediary may express the level of risk numerically, but must accurately describe if a particular risk has been expressed through a numerical indicator, or, the level of risk may be expressed descriptively: higher, lower, medium risk, or low probability that the factor is risky, medium probability, high probability, very high. Likewise, the consequences can be expressed as significant, small, insignificant, or of exceptional importance. It is up to the Intermediary to decide how to express the estimated risk, whether descriptively or numerically, and if so, which matrix to use.

The intermediary aligns the risk matrix with the changing circumstances of its business. For example, for one intermediary, a client may be assessed as low-risk, while the same client will be assessed by the bank as high-risk, precisely because of the different impact of the type of risk and the business relationship. A low-risk service combined with a customer from a high-risk country provides a higher risk and can be assessed as a medium risk, if the customer subsequently establishes a new business relationship, i.e. uses a service that is high-risk, and the party's risk will change to high-risk.

Intensified actions and measures

Enhanced actions and measures are applied by the Broker in the case of parties, business relationships, services provided within its activity or transactions that it has classified in the category of high risk of PN/FT/FŠOMU.

In accordance with the results of the NRP, except for the cases provided for in Article 35 of the Law, and pursuant to Article 2 of the Rulebook on the methodology for performing operations in accordance with the Law on the Prevention of Money Laundering and Terrorist Financing (hereinafter referred to as the Rulebook), the obliged entity classifies the following types of parties, business relationships, services provided within its activities or transactions in the category of high risk from MN/FT/FŠOMU, On the basis of which it undertakes increased actions and measures:

1) Purchase and sale of newly built real estate from an investor who is a natural person, including business relationships or transactions arising from the purchase and sale of such real estate, drawing up a contract of sale and solemnization thereof;

2) Purchase and sale of newly built real estate without a use permit, including business relationships or transactions arising from the purchase and sale of such real estate, drawing up a contract of sale and solemnization thereof;

3) transactions relating to the legalization of built immovable property;

(d) business relations or transactions with the person lending the money, including the drawing up of a loan agreement and the solemnisation thereof;

5) establishment of companies or persons governed by foreign law as single-member limited liability companies, with a minimum share capital, registered for the performance of the activity of non-specialized wholesale trade, consulting, marketing and IT services and construction-related activities, including the drafting of documents of incorporation and certification thereof;

6) change in the ownership and management structure of companies or persons governed by foreign law established as single-member limited liability companies, with a minimum share capital, with less than three employees and disproportionately high revenues generated in a shorter period of time, including the drafting of acts on status changes and their certification;

7) business relationships or transactions arising on the basis of a public procurement contract, which have as their object the procurement of goods, the provision of services or the execution of works;

8) business relationships or transactions with a person engaged in the purchase of secondary raw materials;

9) business relationships or transactions arising from re-export operations;

10) crowdfunding;

11) donations from countries with an active terrorist threat;

12) frequent or larger transactions relating to the payment of winnings from online games of chance;

13) business relationships or transactions involving service providers related to digital assets in jurisdictions that do not apply international standards for the prevention of A/FT/FSM in the area of digital assets;

14) business relationships or transactions related to digital assets that include high-value transactions in stable digital assets, transactions that are carried out outside a payment account - such as P2P transactions, as well as transactions where it is difficult or impossible to determine the origin of funds;

15) business relationships or transactions with a person engaged in the trade in arms, military equipment or dual-use items;
16) business relationships or transactions with a person engaged in the trade in gold and works of art;
17) transferable letters of credit and loans with a 100% deposit;
18) unemployed natural persons who generate a large turnover per account.

A party that is classified as a low risk of money laundering and terrorist financing

In accordance with the Law and Regulations, a party classified in the category of low risk of money laundering and terrorist financing may be:
(a) a public authority that meets the following criteria:
(1) that his identity can be established from publicly available data,
(2) that the manner in which it conducts its business, as well as the results of the audit of its operations, are known and available to the public;
2) a public joint stock company, i.e. a public company that is listed on a stock exchange and which is subject to the obligation to publish financial statements under the rules of the stock exchange or by law, which ensures adequate transparency of beneficial ownership;
3) A person referred to in Article 4, paragraph 1, item 1. 1) – 7), 10), 11) and 16) of the Act, with the exception of intermediaries and insurance agents who are registered with or resident:
(1) EU Member States,
(2) third countries (other non-EU countries) with effective systems for preventing money laundering and terrorist financing, assessed in the assessment reports of national anti-money laundering and countering the financing of terrorism systems (FATF) and so-called regional bodies operating on the model of the FATF, Such as the Committee of the Council of Europe Moneyval,
(3) third countries (other non-EU countries) that have been identified by credible sources as having a low level of corruption or other criminal activity;
(4) third countries (other non-EU countries) which, on the basis of credible sources, such as national AML/CFT assessment reports by international institutions (FATF and so-called FATF-modelled regional bodies, such as the Council of Europe's Moneyval Committee) and published reports on that country's progress in meeting the recommendations of the assessment report; They have obligations under the law to combat money laundering and terrorist financing in accordance with the FATF recommendations and to implement those obligations effectively.

A party from the point. 1) and 2) of the previous paragraph of the Guidelines, which has its registered office in a foreign country, may be classified in the category of low risk of money laundering and terrorist financing only if the condition set out in paragraph 1 (3) of the previous paragraph of the Guidelines is also met for the country of residence.

A party classified in the category of low risk of money laundering and terrorist financing may also be a business unit or a subsidiary majority-owned by the party referred to in item 3) of the previous paragraph of the Guidelines, if the conditions from Article 48 of the Law are met.

A party cannot be classified as a low risk of money laundering and terrorist financing if the national risk assessment of PN/FT/FŠOMU assesses that this type of party carries a higher level of threats.

In addition to the above, the obliged entity may, in addition to the above, envisage additional categories of risk by internal acts, and determine adequate actions and measures from this Law for these risk categories. The system must ensure that risks are comprehensively identified, assessed, monitored, mitigated and managed.

Risk management

On the basis of the risk analysis, the Broker achieves risk mitigation or overcoming by means of an appropriate risk management system and the implementation of its established procedures and priority actions.

The quality of the Intermediary's control and risk management systems depends on the quality of the established effectiveness of corporate governance, risk management, internal regulation, internal control, compliance of organizational units, reporting and training.

ACTIONS AND MEASURES FOR THE PREVENTION AND DETECTION OF PN/FT/FŠOMU

In performing the activity of mediation in real estate transactions and lease, the Broker is obliged to harmonize its business with the Law. Actions and measures to prevent and detect PN/FT/FSOM shall be taken before, during and after the transaction or establishment of a business relationship and shall include:
1) Knowledge of the customer and monitoring of its business;
2) submission of information, data and documentation to the Directorate;
3) Designation of the person in charge of performing the obligations under this Law (authorized person) and his/her deputy, as well as ensuring the conditions for their work;
4) Regular professional education, training and professional development of employees;
5) Ensuring regular internal control of the performance of obligations under this Law, as well as internal audit, if this is in accordance with the scope and nature of the taxpayer's business;
6) Preparation of a list of indicators (indicators) for the recognition of persons and transactions for which there are grounds for suspicion that it is PN/FT/FŠOM;
7) keeping records, protecting and storing data from these records;
8) implementation of measures referred to in this Law in business units and subsidiaries of a legal entity majority-owned by taxpayers in the country and in foreign countries;
9) Performing other actions and measures on the basis of this Law.

The intermediary is obliged to draw up appropriate internal acts that will include the above-mentioned actions and measures for the purpose of effective risk management of PN/FT/FŠOMU. Internal acts must be proportionate to the nature and size of the obliged entity and must be approved by the top management. Internal acts include all actions and measures for the prevention and detection of PN/FT/FŠOMU prescribed by the Law, bylaws adopted on the basis of the Law and these guidelines. The intermediary shall ensure the implementation of these acts by establishing appropriate procedures and internal control mechanisms.

1) Knowing the customer and monitoring their business

The Broker is obliged to establish the identity of the party. The Broker is obliged to comply with the prohibition of establishing a business relationship with the client, without having previously performed or could not perform the prescribed actions and measures of

knowledge and monitoring of the client, or if the business relationship has been established, he is obliged to terminate it.

When performing a job or activity, the Broker is obliged to determine whether he has business or other similar relations with the designated person, in accordance with the ZORI. On the website of the Administration there is also a search engine for the list of designated persons of the UN Security Council (http://www.unsearch.apml.gov.rs/). The search engine enables all interested natural and legal persons to quickly and easily check whether they have contacts, i.e. business cooperation with the aforementioned category of persons, in order to timely apply the measures and actions prescribed by the Law.

The identity of the party can be credibly established and verified from documents, data or information obtained from reliable and credible sources or through electronic identification means in accordance with the law, such as an official identification document, or other public documents (personal documents, official documents, original or certified documents from the register, obtaining data directly from the party), which prove the veracity of the identity of the party (natural person, legal entity, legal representative, proxy, foreign law person, entrepreneur, civil law person, determining and verifying the identity of a natural person through a qualified electronic certificate).

If, in establishing and verifying the identity, the client or legal representative, i.e. the person authorized to represent the legal entity or the person under foreign law, is not physically present at the Broker, the Broker is obliged, in addition to general actions and measures of knowledge and monitoring of the client, to apply additional measures prescribed by the provisions of the Law, which relate to the acquisition of additional documents, data or information, On the basis of which the identity of the party is verified; additional verification of submitted documents or additional confirmation of the client's data; Obtaining information about the reasons for the client's absence (it is necessary to try to establish additional contact with the client by phone, e-mail, Skype, Viber or in any other way and collect another identification document for the client).

Determination of the beneficial owner of the party

The Broker is obliged to determine the identity of the beneficial owner of the party that is a legal entity or a person of foreign law by obtaining the data prescribed by the Law, namely: name, surname, date and place of birth and domicile or residence of the beneficial owner of the client. The taxpayer is obliged to take reasonable measures to verify the identity of the beneficial owner of the party, so that he knows the ownership and management structure of the party at all times and knows who the beneficial owners of the party are.

The beneficial owner of a party that is a legal person or a person under foreign law is a natural person who directly or indirectly owns or controls the party, i.e. a natural person in whose name and on whose behalf the transaction is carried out; A party from this point also includes a natural person.

The beneficial owner of a company, i.e. another legal entity, is:

(1) a natural person who directly or indirectly holds 25% or more of a business share, shares, voting rights or other rights, on the basis of which he participates in the management of the legal entity, i.e. participates in the capital of the legal entity with 25% or more of the shares,

or a natural person who directly or indirectly has a dominant influence on the conduct of business and decision-making;

(2) A natural person who indirectly provides or provides funds to a company and on that basis has the right to significantly influence the decision-making of the company's management body when deciding on financing and operations.

The beneficial owner of the trust is the founder, trustee, protector, beneficiary if designated, as well as the person who has a dominant position in the management of the trust. This provision shall apply by analogy to the beneficial owner of another person under foreign law.

The Broker is obliged to obtain the said information by inspecting the original or a certified copy of the documentation from the register kept by the competent authority of the country of the party's registered office, which must not be older than six months from the date of issue, a copy of which is kept in accordance with the law. On the copy that is kept, the Broker writes the date, time and personal name of the person who inspected the original or certified copy. The data can also be obtained by direct access to the official public register in accordance with the Law. Unlike the documentation relating to the establishment and verification of the identity of a legal person, which must not be older than three months, the documentation relating to the determination of the beneficial owner of the legal entity and the person under foreign law must not be older than six months from the date of issue. The printed extract contains the relevant data and enters the date, time and personal name of the person who made the inspection, and is kept in accordance with the law. If it is not possible to obtain all the information on the beneficial owner of the party from the public register, i.e. the register kept by the competent authority of the country of residence, the Broker is obliged to obtain the missing information from the original document or a certified copy of the document or other business documentation, submitted to him by the representative, procurator or attorney of the party. The Broker may also obtain information that cannot be obtained in the aforementioned ways for objective reasons by inspecting commercial or other available databases and sources of data or from a written statement of the representative, procurator or proxy and the beneficial owner of the party. In the process of determining the identity of the beneficial owner, the Broker may obtain a copy of the identity document of the beneficial owner of the party, i.e. a scanned copy of that document.

In the event that, after all the actions prescribed by law, he is not able to determine the beneficial owner, he is obliged to establish the identity of one or more natural persons who perform the function of the highest management in the party.

The Broker is obliged to confirm with documentation all actions and measures taken in connection with the determination of the beneficial owner of the party.

Since the obligation to determine the beneficial owner of a party also includes a natural person, we refer to the beneficial owner of a party that is a natural person, a natural person who directly or indirectly controls the party. By the control of the party is certainly understood to mean the control of a transaction or business relationship that has as a practical consequence that the party does not act on its own account, i.e. A party who is a natural person establishes a business relationship or carries out a transaction in the presence of another natural person from whom he receives instructions or carries out a transaction by reading a note with instructions, etc., if it is suspected that another person controls the party-natural person.

If, during the implementation of actions and measures of identification of the beneficial owner, the Broker determines that the data on the beneficial owner of the party do not agree with the data of the beneficial owner of the party recorded in the Central Register of Beneficial Owners, the Broker is obliged to inform the Market Inspection, as the supervisory authority, without delay. Via the link https://must.gov.rs/tekst/sr/12684/korisne-informacije-za-obveznike-sprecavanja-pnftfsomu-.php , The Intermediary may access the Information for taxpayers within the meaning of the Law on the Prevention of Money Laundering and Terrorist Financing, on the application of Article 23 of the Law on the Central Register of Beneficial Owners.

When determining the beneficial owner of the client, the Broker may use the Guidelines for determining the beneficial owner of the client and the guidelines for recording the beneficial owner of the registered entity in the central register, which are published on the website of the Administration
(link https://www.apml.gov.rs/uploads/useruploads/Documents/Smernice2025.pdf).

Functionary

The Broker is obliged to determine the procedure for determining whether the party or the beneficial owner of the party is an official, in accordance with the Guidelines.

According to the law, the officer is:

- an official of another state, an official of an international organization and an official of the Republic of Serbia;
- An official of another state is a natural person who performs or has performed a high public office in another state in the last four years, as follows:

(1) the Head of State and/or Government, a member of the Government and his/her deputy;

(2) an elected representative of the legislature,

(3) a judge of the Supreme and Constitutional Court or of another high-level judicial body, against whose judgment, except in exceptional cases, it is not possible to resort to an ordinary or extraordinary remedy;

(4) a member of the Court of Auditors, i.e. the supreme audit institution and members of the management body of the central bank,

(5) Ambassador, Chargé d'Affaires and high-ranking officer of the armed forces,

(6) a member of the administrative and supervisory body of a legal entity that is majority-owned by a foreign state,

(7) member of the governing body of a political party;

- An official of an international organization is a natural person who holds or has held a high public office in an international organization for the past four years, such as a director, deputy director, member of a governing body, or other equivalent office in an international organization;
- An official of the Republic of Serbia is a natural person who performs or has performed a high public office in the country in the last four years, as follows:

(1) the President of the State, the Prime Minister, the Minister, the State Secretary, the Special Adviser to the Minister, the Assistant Minister, the Secretary of the Ministry, the Director of the bodies within the Ministry and his assistants, and the Director of a special organization, as well as his Deputy and his assistants,

(2) The Prophet (peace and blessings of Allaah be upon him)

(3) Judges of the Supreme Court of Cassation, Commercial Court of Appeal and the Constitutional Court,

(4) President, Vice-President and Member of the Council of the State Audit Institution,

(5) Governor, Vicegovernor and member of the Governing Council of the National Bank of Serbia,

(6) a person in a high position in diplomatic and consular missions (ambassador, consul general, chargé d'affaires),

(7) a member of the management body of a public company or a company majority-owned by the state;

(8) member of the governing body of a political party;

A member of the immediate family of an official is a spouse or common-law partner, parents, brothers and sisters, children, adopted children and stepchildren, and their spouses or common-law partners, and a close associate of an official is a natural person who makes a joint profit from property or an established business relationship or has any other close business relationship with the official (e.g. a natural person who is the formal owner of a legal entity or a person under foreign law, And the real profit is made by the official).

Actions and measures of knowing and monitoring the client should be a key source of information about whether the party is an official (e.g. information about the party's primary occupation or employment). The sequence and number of exposed activities undertaken by the Broker should enable a credible determination of whether the party or the beneficial owner of the party is an official. The Broker also uses other sources of information that may be useful to identify the official, by undertaking any of the following activities, namely:

- obtains a written statement from the party as to whether he or she is an official, a member of the official's immediate family or a close associate of the official;
- It uses electronic commercial databases that contain lists of officials (e.g. World-Check , Factiva, LexisNexis);
- searches publicly available data and information (e.g. the Register of Officials of the Anti-Corruption Agency);
- Creates and uses an internal database of officials (e.g., larger financial groups have their own list of officials).

The Written Statement shall contain at least the following information:

- name and surname, date and place of birth, domicile or residence and personal identification number of the official who establishes a business relationship or performs a transaction, or for whom a business relationship is established or a transaction is made, as well as the type and number of the identity document, the name of the issuer, the date and place of issue;
- a statement on whether the party is an official according to the criteria set out in the Law (e.g. the statement should exhaustively list all cases provided for by the Law);
- data on whether the official is a natural person who performs or has performed a high public office in the state or another state or international organization in the last four years, whether he is a member of the official's family or his close associate;
- information about the period of performance of this function;
- information on the type of public office that the official performs or has performed in the last four years;
- information on the family relationship, if the party is a member of the immediate family of the official;

- information about the type of business cooperation, if the client is a close associate of the official.

When establishing a business relationship with a party that is an official, the Broker applies enhanced actions and measures of knowledge and monitoring. The Broker shall also apply these actions and measures when a natural person ceases to perform a public function (former official), for as long as it is necessary for him to conclude that the person has not abused the position he held, and for at least four years from the date of termination of the performance of that function.

Enhanced analysis of politically exposed persons is preventive in nature and must not be criminal in nature and should not be interpreted as stigmatising politically exposed persons as persons involved in criminal activity. Denying a business relationship with a customer solely on the basis of the fact that he or she is a politically exposed person is contrary to the purpose of the FATF Act and Recommendations.

2) Submission of information, data and documentation to the Administration;

Within the framework of legal authorizations, the Brokers must ensure full cooperation with the Management. Cooperation between the Broker and the supervisory authorities is obligatory especially in the case of submission of documentation and requested data and information, which relate to parties or transactions, where there are reasons for suspicion of the PN/FT/FŠOM. Cooperation is also required in case of notification of any activity or circumstances, which were or may be related to PN/FT/FŠOMU. The Broker is not expected to determine whether the criminal offense of PN/FT/FŠOMU has been committed, but it is necessary to inform the administration about the transaction in question. Through the link https://www.apml.gov.rs/uploads/useruploads/Documents/Preporuke%20za%20prijavljivanje%20sumnjivih%20aktivnosti%2028122022.pdf the Broker can access the Recommendations for reporting suspicious activities made by the Administration.

Intermediaries are obliged to submit data to the Administration whenever there are grounds for suspicion that money laundering or terrorist financing is involved in connection with a transaction or a party, prior to the execution of the transaction, as well as to state in the report the deadline within which the transaction is to be executed, in the manner, form and within the deadlines, as provided for by the Law and the Rulebook. In case of urgency, such notification may also be given by telephone, but it must subsequently be delivered to the Administration in writing no later than the next working day. The obligation to notify transactions also applies to a planned transaction, regardless of whether it has been executed.

The data to be submitted to the Administration, where applicable, includes the business name and legal form, address, registered office, registration number and tax identification number of the legal entity or entrepreneur who establishes a business relationship or carries out a transaction, or for whom a business relationship is established or a transaction is carried out; name and surname, date and place of birth, domicile or residence, personal identification number of the representative, proxy or procurator who, in the name and on behalf of the party - legal entity, foreign law entity, entrepreneur, trust or civil law person, establishes a business relationship or performs a transaction, as well as the type and number of the identity document, date and place of issue; name and surname, date and place of birth, domicile or residence and personal identification number of the natural person, his legal representative and proxy, as well as the entrepreneur who establishes a business relationship or carries out a transaction, or for

whom a business relationship is established or a transaction is made, as well as the type and number of the identity document, the name of the issuer, the date and place of issue; the purpose and purpose of the business relationship, as well as information on the activity and business activities of the party, the date and time of the transaction; the amount of the transaction and the currency in which the transaction was made; the purpose of the transaction, as well as the name and surname and place of residence, i.e. the business name and registered office of the person to whom the transaction is intended; the manner in which the transaction is carried out; data and information on the origin of the property that is or will be the subject of a business relationship or transaction; information on the existence of reasons to suspect that money laundering or terrorist financing is involved; name, surname, date and place of birth and domicile or residence of the beneficial owner of the party; the name of the civil law person; the address of the digital asset; the names of the members of the top management of a legal entity, a person governed by foreign law, a trust or a person governed by civil law with whom a business relationship is established or a transaction is carried out; acts and other documentation on the basis of which the business of a legal entity, a foreign law entity, a trust or a civil law entity with which a business relationship is established or a transaction is carried out: statute, articles of association or other documentation containing information on the ownership, management and control of that person.

The taxpayer is obliged to submit to the Administration data on each cash transaction in the amount of EUR 15,000 or more in dinar equivalent, immediately when it is executed, and no later than three days from the date of execution of the transaction.

The data on transactions and parties shall be submitted by the obliged entity to the Administration in one of the following ways: by telephone; Fax; by registered mail; Delivery by courier; electronically via a secure application on the basis of an agreement with the Administration.

An employee of the Broker who determines that there are grounds for suspicion of money laundering or terrorist financing must immediately inform the authorized person for the prevention of money laundering or his deputy.

The intermediary must organize and regulate the procedure for reporting suspicious transactions through authorized persons in accordance with the following instructions, namely:

- determine in detail the manner of reporting data (by telephone, fax, secure electronically, etc.),
- determine the type of data to be provided (data on the customer, reasons for suspicion of money laundering, etc.),
- determine the manner of cooperation of organizational units with the authorized person,
- order the treatment of the customer in the event of a temporary suspension of the execution of a transaction by the Administration for the Prevention of Money Laundering,
- determine the role of the responsible person of the Broker in the reporting of suspicious transactions,
- prohibit the disclosure of information that the data, information or documentation will be submitted to the Administration for the Prevention of Money Laundering,
- determine measures regarding the continuation of business with the client (temporary cessation of business, termination of business relationship, performance of measures of enhanced action and measures of knowledge and monitoring of the client's future business activities, etc.).

If the Broker determines that he has business or other similar relations with the designated person in accordance with the Employment Act, he is obliged to limit the disposal of the property of the designated person as soon as possible and inform the Management Board immediately, and no later than within 24 hours. In that case, the Broker is obliged to limit the disposal of the property of the designated person until the receipt of the decision on the restriction of the disposal of the property, or the notification that the decision has not been made, and no later than seven days from the date of delivery of the notification to the Administration. An intermediary shall not make his own or someone else's property available to a designated person, a person directly or indirectly owned or controlled by the designated person, as well as a person acting in the name and on behalf of the designated person or on his instructions. With the notification, the Broker is obliged to submit to the Administration the name and surname, address, i.e. name and registered office, as well as all written or electronic documentation and other information relevant to the identification of the designated person, property and business or other similar relationships. The notification and information shall be submitted in written or electronic form, and if they are delivered by telephone, the notification must be confirmed in writing.

The Broker, i.e. his employees, including members of the administrative, supervisory and other management bodies, as well as other persons to whom they are available, are obliged to comply with the prohibition of reporting, which means that they must not disclose to a party or a third party:

- that data, information and documentation on a client or transaction suspected of money laundering or terrorist financing have been submitted or are in the process of being submitted to the Administration;
- that the Administration, pursuant to Article 76 of this Law, has issued an order to monitor the financial operations of the client;
- proceedings have been or may be initiated against a party or a third party in connection with money laundering or terrorist financing.

3) Designation of the person in charge of performing the obligations under this Law (authorized person) and his/her deputy, as well as providing conditions for their work

For the performance of certain actions and measures for the detection and prevention of money laundering and terrorist financing, in accordance with the Law, the Broker must appoint an authorized person and a deputy. The authorized person independently performs tasks and is directly responsible to the top management. If the taxpayer has one employee, that employee is considered an authorized person.

The authorized person takes care of the establishment, operation and development of the system for the prevention and detection of money laundering and terrorist financing, initiates and proposes to the management appropriate measures for its improvement; ensures the correct and timely submission of data to the Administration in accordance with the Law; participates in the drafting of internal acts; participates in the development of guidelines for the performance of internal control; Participates in the establishment and development of IT support; participates in the preparation of professional education, training and professional development programs for the employees of the Broker.

An authorized person may be a person who meets the following conditions:

1) To be employed by the taxpayer at the workplace with authorizations that enable that person to perform the tasks prescribed by this Law effectively, quickly and with high quality;
2) That he/she has not been convicted by a final judgment or is not subject to criminal proceedings for criminal offences prosecuted ex officio which render him/her unfit to perform the duties of an authorised person;
3) To be professionally qualified for the tasks of prevention and detection of money laundering and terrorist financing;
4) to know the nature of the taxpayer's business in areas that are subject to the risk of money laundering or terrorist financing ;
5) to have a license to perform the activities of an authorized person, if the taxpayer is obliged to ensure that its authorized person has this license in accordance with the regulation referred to in paragraph 3 of this Article .

The taxpayer is obliged to keep the data and documentation on the authorized person and the deputy of the authorized person for five years from the date of termination of the authorized person's office. The extension of the retention period shall be made on the basis of a detailed assessment by the competent authorities of the necessity and proportionality of such an extension and a determination that such extension is justified for the purposes of preventing, detecting or investigating money laundering or terrorist financing. The extended storage period should not exceed an additional five years.

The Broker is obliged to provide the authorized person with the necessary conditions for work, assistance and support in the performance of tasks, to regularly inform him about the facts that could be related to the PN/FT/FŠOMU, to provide him with unlimited access to data, information and documentation necessary for the performance of his duties, appropriate personnel, material, information and technical and other working conditions, appropriate spatial and technical possibilities that ensure the protection of confidential data at the disposal of the authorized person, permanent professional training, replacement during his absence, protection in terms of the prohibition of disclosing information about him to unauthorized persons, etc.

The authorized person performs tasks independently and is accountable to the top management. The Deputy of the Authorized Person shall replace the Authorized Person in his/her absence and perform other tasks in accordance with the internal act of the Broker.

The Broker shall submit to the Management Board the data on the personal name and job title of the authorized person and his/her deputy, as well as the data on the personal name and job title of the member of the top management responsible for the implementation of this Law, as well as any change in such data no later than 15 days from the date of appointment.

4) Regular professional education, training and professional development of employees

In accordance with the Law, the Broker must provide regular professional education, training and professional development of all employees who perform the tasks of preventing and detecting money laundering and terrorist financing, i.e. all those who perform certain jobs in workplaces, which are or could be directly or indirectly exposed to the risk of money laundering and terrorist financing, as well as all external associates and representatives, to whom, on the basis of a contract, it has entrusted the performance of tasks, unless they are independent intermediaries for the implementation of measures for the detection and prevention of money laundering and terrorist financing.

The intermediary must ensure that each employee understands his or her role in the PN/FT/FSOM risk management process, in order to enable adequate risk management, i.e. to carry out appropriate risk supervision. Therefore, training for employees who are in direct contact with customers or who carry out transactions is crucial in the process of managing the risk of money laundering and terrorist financing is very important. All employees, from the executive level to the top management, must be aware of the risks of PN/FT/FŠOMU.

Professional education, training and advanced training refers to familiarization with the provisions of the Law and regulations adopted on the basis of it and internal acts, with professional literature on the prevention and detection of PN/FT/FŠOMU, with the list of indicators for recognizing parties and transactions for which there are grounds for suspicion of money laundering or terrorist financing, as well as with the provisions of regulations governing the restriction of disposal of property for the purpose of preventing terrorism and the proliferation of weapons of mass destruction. regulations governing the protection of personal data.

The Broker is obliged, no later than the end of March for the current year, to make a Program of Annual Professional Education, Training and Training of Employees for the Prevention and Detection of Money Laundering and Terrorist Financing, which shall be implemented by March of the following year at the latest, and to make an official note on such trainings. The official note must contain at least the time and place of the training, the number of employees who attended the training, the name and surname of the person who conducted the training and a brief description of the topic covered in the training.

The obliged entity is obliged to keep the data and documentation on the professional training of employees for five years from the date of the professional training. The extension of the retention period shall be made on the basis of a detailed assessment by the competent authorities of the necessity and proportionality of such an extension and a determination that such extension is justified for the purposes of preventing, detecting or investigating money laundering or terrorist financing. The extended storage period should not exceed an additional five years.

5) Ensuring regular internal control of the fulfilment of obligations under this Law, as well as internal audit, if this is in accordance with the scope and nature of the taxpayer's business

The intermediary is obliged, as part of the activities undertaken for the effective management of the risk of PN/FT/FŠOMU, to carry out regular internal control of the performance of the tasks of prevention and detection of FN/FT/FSOM. The intermediary conducts internal controls in accordance with the identified risk of money laundering and terrorist financing. The taxpayer is obliged to verify the compliance of the system and procedures for the implementation of the Law, as well as the application of these procedures, once a year.

The purpose of internal control is to prevent, detect and eliminate deficiencies in the implementation of the Law, as well as to improve internal systems for detecting persons and transactions for which there are grounds for suspicion of money laundering, terrorist financing and financing of the proliferation of weapons of mass destruction.

In performing internal control, the intermediary is obliged, by the method of random sampling or in another appropriate way, to check and test the implementation of the system for the prevention of PN/FT/FŠOMU and the adopted procedures.

The Broker is obliged to prepare an annual report on the internal control performed and the measures taken after that control, no later than March 15 of the current year for the previous year. The content of the Annual Report is regulated by the provisions of the Rulebook, the Taxpayer is obliged to submit the report referred to in paragraph 1 of this Article to the Administration and the bodies supervising the implementation of the Law, at their request, within three days from the date of submission of the request.

The Broker is obliged to keep the data and documentation on the internal controls performed for five years from the date of the internal control. The extension of the retention period shall be made on the basis of a detailed assessment by the competent authorities of the necessity and proportionality of such an extension and a determination that such extension is justified for the purposes of preventing, detecting or investigating money laundering or terrorist financing. The extended storage period should not exceed an additional five years.

6) Preparation of a list of indicators (indicators) for the recognition of persons and transactions for which there are grounds for suspicion that it is PN/FT/FŠOM

In accordance with the Law, the Broker must develop a List of indicators for the recognition of persons and transactions for which there are grounds for suspicion that it is a PN/FT/FŠOM. When drafting, the Broker is obliged to enter the indicators published on the website of the Administration, as well as the Ministry of Internal and Foreign Trade, which are included in the List of Indicators for Recognizing the Suspicion that it is a PN, FT and FŠOMU in the case of real estate brokers (link https://must.gov.rs/tekst/sr/12684/korisne-informacije-za-obveznike-sprecavanja-pnftfsomu-.php), as well as indicators that the Intermediary itself has recognized in the course of its activities as indicators that may indicate money laundering and terrorist financing activities.

The list of indicators for the recognition of persons and transactions shall take into account the complexity and scope of the execution of transactions and business relationships, the unusual manner of execution, the value or connection of transactions that do not have an economically or legally justified purpose, i.e. are not in line with or are disproportionate to the usual or expected business of the customer, as well as other circumstances related to the status or other characteristics of the customer.

The Broker is obliged to apply the List of Indicators when determining the grounds for suspicion that it is a PN/FT/FŠOMU, as well as to take into account other circumstances that indicate the existence of grounds for suspicion of PN/FT/FŠOMU.

7) Keeping records, protecting and storing data from these records

The intermediary keeps records of:
1) the parties, as well as business relationships and transactions referred to in Article 8 of this Law;
2) data submitted to the Administration in accordance with Article 47 of this Law.

The content of records kept by the taxpayer is prescribed by the provision of Article 99 of the Law. The intermediary is obliged to keep records of data and information collected in accordance with the Law and Regulations in electronic form, as well as documentation relating to such data and information in chronological order and in a manner that allows adequate access to such data, information and documentation, and to ensure an appropriate search of records of data and information kept in electronic form according to at least the following criteria: name, surname, name of the legal entity, date of the transaction, amount of the transaction, currency of the transaction and country with which the transaction is carried out. The Broker shall, by its acts, determine the manner and place of storage and persons who have access to the data, information and documentation referred to in paragraph 1 of this Article.

The Broker is obliged to keep the data and documentation related to the client, the established business relationship with the client, the risk analysis performed and the transaction executed, obtained in accordance with this Law, as well as the client's file, business correspondence and the results of any analysis performed in relation to the client, for five years from the date of termination of the business relationship, i.e. the executed transaction. The extension of the retention period shall be made on the basis of a detailed assessment by the competent authorities of the necessity and proportionality of such an extension and a determination that such extension is justified for the purposes of preventing, detecting or investigating money laundering or terrorist financing. The extended storage period should not exceed an additional five years.

8) implementation of measures referred to in this Law in business units and subsidiaries of a legal entity majority-owned by taxpayers in the country and in foreign countries

The obliged entity is obliged to ensure that actions and measures for the prevention and detection of money laundering and terrorist financing, equal to those prescribed by this Law, are carried out to the same extent in its business units and subsidiaries of the legal entity, in its majority ownership, regardless of whether their place of business is in the Republic of Serbia or in foreign countries.

If a business unit or a subsidiary of a legal entity is located in a country that does not apply international standards in the field of prevention of money laundering and terrorist financing, the obliged entity is obliged to ensure enhanced control of the implementation of actions and measures.

9) Performing other actions and measures on the basis of this Law

The provision of Article 95, paragraph 7 of the Law prescribes: "The obliged entity shall be obliged to keep the data referred to in this Article in accordance with this Law and to submit them for the purposes specified by this Law in an orderly manner and without delay at the request of the authority competent for supervision, the Administration or other competent authority, whereby it shall ensure that such delivery is carried out using secure means of communication and in such a way as to ensure full confidentiality of the request the competent authority."

In order to ensure the presumption referred to in Article 95, paragraph 7 of the Law, the Ministry of Internal and Foreign Trade has opened the platform "eQuestionnaire for Brokers", through which the intermediary in the sale and lease of real estate, the taxpayer within the meaning of the Law, by filling out the assigned Questionnaire, fulfills his duty under this Article of the Law.

The Market Inspection Sector, as a supervisory authority, is obliged to inform real estate brokers, in person via e-mail registered in the Register of Real Estate Brokers or publicly, through the website of the Ministry of Internal and Foreign Trade, about the deadline within which the Platform is available to intermediaries to fill out the Questionnaire

As the quoted norm of Article 95, paragraph 7 of the Law unambiguously prescribes the duty for the real estate intermediary – obliged entity to submit the prescribed data and documentation at the request of the Market Inspection Sector, failure to fill in the Questionnaire through the platform "eQuestionnaire for Brokers" within the given deadline, is the basis for the market inspector to take measures against the taxpayer, i.e. to file a report for an economic offense referred to in Article 118, paragraph 1, item 51c) and paragraph 2 of the Law, for a legal entity and a responsible person, or a request for initiating misdemeanor proceedings referred to in Article 120, paragraph 2 of the Law, for an entrepreneur.

APPLICATION OF THE GUIDELINES

The guidelines are binding on all intermediaries.

The guidelines enter into force on the day of their publication on the Ministry's website. Intermediaries are obliged to comply with these guidelines within 30 days from the date of publication on the Ministry's website.

On the day of the beginning of the application of these guidelines, the "Guidelines for the assessment of the risk of money laundering and terrorist financing at Real Estate Brokers" No. 334-00-1165/2022-06 of 30 June 2022 will cease to be valid.

M I N I S T E R

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