Based on Article 114 of the Law on Prevention of Money Laundering and Financing of Terrorism ("Službeni glasnik RS", No. 113/2017, 91/2019 and 153/2020), the Minister of Trade, Tourism and Telecommunications adopts

**GUIDELINES**

for the implementation of the provisions of the Law on Prevention of Money Laundering and Financing of Terrorism for a public postal operator with headquarters in the Republic of Serbia, established in accordance with the law postal services and other persons who perform postal traffic are regulated

**Introduction**

Money laundering and the financing of terrorism is a global problem that can negatively affect the economic, security, political and any other security of a country because, as a rule, the initial assets in money laundering always arise from the illegal actions of natural or legal persons, and the process of money laundering is procedure, activities to conceal the illegal origin of money or other property acquired illegally.

Terrorist financing is the process of securing funds and/or property or the very attempt to secure funds and other types of property, with the intention or awareness that they can be used to commit a terrorist act by terrorists or terrorist organizations.

Inciting and helping, as well as just collecting funds, keeping and transferring the collected funds and using them for the redemption of weapons, equipment, financing of training, propaganda, etc., also constitutes financing of terrorism in the sense of the Law.

**I The goal of the guidelines**

The guidelines regulate in more detail the manner in which postal operators adopt their by-laws related to the analysis of the risk of preventing money laundering and terrorist financing and the identification and management of risks.

The public postal operator PE "Pošta Srbije", Belgrade, and other legal and natural persons engaged in postal traffic on the territory of the Republic of Serbia (hereinafter: postal operators).

The main goal of the guidelines is to determine the minimum standard of behavior of postal operators, in order to establish and improve an efficient system for preventing money laundering and terrorist financing, and especially when developing and implementing procedures based on risk assessment analysis.

The field of application of the Law to postal operators is the services with which, in the sense of the Law, the transfer of funds is carried out, i.e.:

- transfer of funds by postal money order. The public postal operator is authorized to perform these services;

- carrying out the transaction of transfer of the redemption amount in the postal item. They can be performed by all postal operators.

The assessment of the risk of money laundering or terrorist financing is carried out during the establishment and during the duration of the business relationship between postal operators and service users (postal money orders, transfer of redemption amounts and postal items), as well as during the performance of the services themselves, when the subject of the business relationship is the transfer of money of funds through a money order and carrying out a transaction of transfer of redemption amounts.

In accordance with the Law and these guidelines, postal operators will develop an appropriate approach in assessing the risk of money laundering and terrorist financing in their business activities, in order to timely and fully identify potential dangers that may lead to the abuse of business relations.

**ÍI Risk and types of risk**

Risk consists of threat, vulnerability and consequence.

Risk of money laundering and terrorist financing in the area of ​​receipt and/or transmission and/or payment of postal money order and the service of transferring redemption amounts implies the risk that the user of the aforementioned services will abuse the business relationship established for the performance of these services with postal operators, for the purpose of money laundering and terrorist financing. Risk assessment is a procedure that is carried out on the basis of a methodology.

Risk assessment, in the sense of these guidelines, includes at least three types of risk: geographical risk or country risk, risk of users of receiving and/or transfer services and/or payment of money orders and transfer of redemption amounts, and service/transaction risk. In the case of identifying other types of risks, and depending on the specifics of the postal operators' business, those types of risks should also be included in their own assessment.

**2. Geographic risk**

Geographical risk means an assessment of exposure to the risk of money laundering and terrorist financing, which depends on the country of origin of the user and the area, that is, the territory where the business premises where the postal operator provides services are located.

The risk of money laundering and financing of terrorism is higher for users whose origin is from the state:

. against which the United Nations, the Council of Europe, OFAC, or other international organizations have applied sanctions, embargoes or similar measures;

. which have been designated by credible institutions (FATF, Council of Europe, IMF, World Bank) as states that do not apply adequate measures to prevent money laundering and terrorist financing;

. which have been designated by credible institutions (FATF, United Nations) as states that support or finance terrorist activities or organizations;

. which have been marked by credible institutions (World Bank, IMF) as states with a high degree of corruption and crime.

The Minister of Finance, on the basis of the authorization from the Law, determines the list of countries that apply international standards in the field of preventing money laundering and terrorist financing at least at the level of European Union standards (v. white list), as well as the list of countries that do not apply standards in this area at all ( vv, black list).

The assessment of geographic risk also depends on the headquarters of postal operators, that is, the location of their organizational units (branches, units of the postal network, separate business premises, etc.). for example for units of the postal network and branches of postal operators, which are located in densely populated urban areas with a high population fluctuation, the risk assessment will be different compared to units of the postal network and branches located in rural areas.

**2. The risk of users of receiving and/or transferring and/or paying postal money orders and receiving, transportation, processing and delivery services valuable, i.e. redeemable postal items**

It is necessary that postal operators, in order to effectively suppress risks, carry out the following activities (actions and measures to know and monitor the user:

1) determining the user's identity;

2) verification of the user's identity;

3) determining the identity of the real owner of the user;

4) obtaining and assessing the credibility of information about the purpose and purpose of a business relationship or transaction and other data in accordance with the Law;

5) obtaining and assessing the credibility of information about the origin of property that is or will be the subject of a business relationship, that is, a transaction in accordance with a risk assessment;

6) regular monitoring of operations and verification of compliance of the user's activities with the nature of the business relationship and the usual scope and type of the user's business.

Categories of users whose activities may indicate a higher risk are:

1) service users who perform business activities or transactions under unusual circumstances, such as:

a) there are indications that the user avoids establishing a business relationship with the postal service operator (e.g. requires the execution of one or more transactions, although the conclusion would of the contract is economically more logical);

b) the user does not provide all the necessary proof of identity, and there are no objective proofs for this reasons, or there is doubt regarding the identity of the user;

c) there is a suspicion that the user is not acting on his own behalf, i.e. carrying out instructions

third party;

2) users where, due to the structure, legal form or complex and unclear relationships, it is difficult to establish the identity of their real owners or persons who manage them, such as:

a) private investment fund;

b) charitable and non-profit non-governmental organizations;

c) offshore legal entities.

3) users who perform activities that are characterized by high turnover and payment cash, such as:

a) restaurants, gas stations, shops, exchange offices, casinos;

b) traders of high-value goods (art, precious metals, etc.);

c) carriers of goods and passengers.

4) officials, in accordance with the Law;

5) sports clubs, youth and student cooperatives;

6) betting shops;

7) construction companies;

8) freight forwarders;

9) non-residents and foreigners.

**3. Risky services / transactions**

The risk service refers to the services of receipt and/or transfer and/or payment of postal money orders and services of transfer of redemption payments that postal operators provide as part of their activities.

Risky services/transactions in connection with the receipt and/or transfer and/or payment of postal money orders and services for the transfer of redemption fees are understood to mean:

1. transactions that deviate from the usual business practice of the service user;
2. transactions where the user obviously conceals the real reason for the implementation transactions;
3. frequent sending of a large number of money orders or redemption amounts during the day or weeks, according to the same or a group of the same recipients;
4. frequent sending of money orders, as a basis for paying a larger amount of money to the same or a group of the same recipients;
5. transactions performed by the user in the company of a person who obviously supervises the behavior user;
6. several related cash transactions in amounts smaller than the amount foreseen for reporting cash transactions based on the Law, which in total exceed the specified amount, if it is inconsistent with the usual business of the user;
7. transactions that employees of the postal operator, based on experience, characterized as unusual;
8. provision of services to persons with whom no business relationship was previously established in the sense of the Law.

The listed examples of risks are defined as risks of the highest degree.

Postal operators are obliged to foresee in their internal acts the risks recognized on the basis of their own experience, as well as all other risks discovered during the performance of services (postal money orders and redemption/value items).

The ministry in charge of postal traffic, as a supervisory authority, in accordance with the Law, can recognize high-risk services/transactions during the inspection and recommend that postal operators also define these risks in their internal acts.

**III Actions and measures of knowledge and monitoring of service users**

International standards and the Law allow the postal operator to, depending on the perceived degree of risk in money laundering and terrorist financing, implement three types of actions and measures to know and monitor users, namely: general, simplified and enhanced:

1) general actions and measures to know and monitor service users (postal orders, transfer of redemption amounts and postal items) - include establishing and confirming the identity of the service user and the real owner, obtaining information about the purpose and purpose of the service, business relationship or transaction, as well as monitoring business. General actions and measures must be applied to all users of the services, with the fact that, according to the estimated level of risk, simplified, or intensified actions and measures can be applied to certain users;

2) simplified actions and measures to identify and monitor service users (postal orders, transfer of redemption amounts and postal items) - are undertaken in cases and in the manner prescribed by the Law. When there is a suspicion of money laundering or terrorist financing, in relation to a user or service/transaction, to which these actions and measures are applied, postal operators are obliged to perform additional checks and possibly apply enhanced actions and measures;

3) enhanced actions and measures, in addition to the general ones, also include additional actions and measures that postal operators undertake in cases prescribed by the Law and in other cases when they assess that, due to the nature of the business relationship, the way of conducting the transaction, the type of transaction and other circumstances related to the user or transaction, there is or could become a high degree of risk of money laundering or terrorist financing.

Actions and measures for the prevention and detection of money laundering and financing of terrorism are understood before, during and after performing the service of receiving and/or transferring and/or paying postal money orders, the service of transferring redemption amounts and postal items or establishing a business relationship.

Postal operators are obliged to prepare and regularly update the Money Laundering and Terrorist Financing Risk Analysis.

Postal operators classify users into categories of low, medium and high risk, but internal acts may foresee other types of risk for the transfer of the redemption amount, in accordance with the establishment of a business relationship upon access.

If the user is classified as a high risk category, enhanced actions and measures to know and monitor the user are implemented.

If, on the basis of its own risk assessment, it places a user in the high risk category, the postal operator will take additional measures that will depend on the specific situation.

As a rule, risk assessment by postal operators is carried out when establishing a business relationship with the user and during the duration of the business relationship.

Accordingly, the user may be classified as high-risk at the beginning, and later, during the duration of the business relationship, general and individual actions and measures may be applied to him, except in the case of users who are classified in the high-risk category based on the Law and according to to which enhanced actions and measures must be applied.

Postal operators are obliged to, in addition to knowing and monitoring service users, implement other actions and measures to prevent and detect money laundering and terrorist financing, such as:

1) submission of information, data and documentation to the Administration;

2) designation of the person in charge of carrying out the obligations from this law (authorized person) and his deputy, as well as ensuring the conditions for their work;

3) regular professional education, training and improvement of employees;

4) ensuring regular internal control of the performance of obligations from this law, as well as internal audits if this is in accordance with the scope and nature of the debtor's business;

5) creation of a list of indicators (indicators) for identifying persons and transactions for which there are grounds for suspicion of money laundering or terrorist financing;

6) record keeping, protection and storage of data from those records; 14) execution of other actions and measures based on this law.

**IV Professional qualification and training**

In applying the guidelines, postal operators should pay special attention to:

1) employee training level, which needs to be implemented, in order to be able to recognize the risk of money laundering and terrorist financing in a timely manner;

2) the level of employees' awareness of the risks to which postal operators may be exposed in the event of their failure;

3) determining the level of responsibility of employees in the application of internal acts, which determine the assessment of the risk of money laundering and terrorist financing.

Responsible persons of postal operators must ensure regular professional education, training and improvement of employees, as well as, in order to prevent money laundering and financing of terrorism, carry out internal control of employees.

**V Officials**

Postal operators are obliged to prescribe in their internal act the way in which it is determined whether the user or the real owner is an official.

If the user or beneficial owner is an official, postal operators are obliged to, in addition to the actions and measures from section ÍÍÍ of these guidelines, take additional actions and measures, namely:

- obtain data on the origin of property that is or will be the subject of a business relationship, that is, a transaction, from documents and other documentation submitted by the user. If it is not possible to obtain these data in the described manner, postal operators will take a written statement about their origin directly from the user;

- ensure that the employee of the postal operator, who leads the procedure of establishing a business relationship with the official, obtains the consent of the management before establishing that relationship;

- monitor, with due care, the transactions and other business activities of officials during the duration of the business relationship.

**VI Final provision**

Postal operators are obliged to harmonize their internal acts with these Guidelines within 30 days from the publication of these guidelines on the Ministry's official website.

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**Minister**

Tatjana Matić