

Pursuant to Article 68, paragraph 1 and Article 109, paragraph 1 of the Law on the Prevention of Money Laundering and the Financing of Terrorism (RS Official Gazette, Nos 113/2017, 91/2019, 153/2020 and 92/2023) and Article 18, paragraph 1, item 3) of the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012, 14/2015, 40/2015 – CC Decision and 44/2018), the Governor of the National Bank of Serbia adopts the following

**LIST OF INDICATORS
FOR RECOGNISING GROUNDS FOR SUSPICION OF MONEY LAUNDERING OR
TERRORISM FINANCING FOR BANKS**

1. This List of Indicators lays down the indicators for identifying persons and/or transactions for which there are grounds to suspect money laundering or terrorism financing, which the banks, established within the meaning of the law regulating banks, are required to include in their lists of indicators, in accordance with Article 69, paragraph 1 of the Law on the Prevention of Money Laundering and the Financing of Terrorism.
2. When determining whether there are reasons to suspect money laundering or terrorism financing, the bank shall apply at least the following indicators:
 - 1) cash payments or non-cash inflow to the accounts of natural persons and transfer of money to the benefit of third parties (legal and natural persons) in the country and abroad, where it can be concluded that such transactions are not in line with the usual and/or expected activity of a client;
 - 2) depositing of a higher amount of cash as loan downpayment when a client cannot provide evidence on the origin of such money or there is a discrepancy between the amount and the client's business activity, or when there is an unexpected request for early loan repayment by the client (soon after the loan is granted or after a short repayment period);
 - 3) deposits (cash and non-cash) to the accounts of legal persons, followed by a transfer from such accounts to the accounts of natural persons, and cash withdrawal of such money immediately or shortly after it is received, which is not economically or otherwise logically justified;
 - 4) transactions on the basis of provided, received and returned advance payments, inconsistent with a client's business activities (e.g. advance payments returned under unperformed purchase and sale agreements);
 - 5) a client disposes of funds in accounts, or carries out transactions on different grounds, which are inconsistent with the client's usual activities or profile;
 - 6) a client deposits cash and consistently provides the same explanation of the purpose of such deposits, when the explanation and the origin of money are suspected of being untruthful;
 - 7) a client carries out frequent transactions based on the founder's loan for maintaining the company's liquidity, when these loans represent the dominant source of financing;

- 8) transactions in respect of loans, preceded by high-value cash deposits, and carried out on the same day as or on the day following the cash deposit.
- 9) transactions on the basis of trade in services (e.g. consulting, marketing, accounting, intermediation and other) whose market price is difficult to determine and which are inconsistent with the expected and/or usual activities of the client;
- 10) frequent high-value transactions with persons from countries which do not implement AML/CFT standards, or from countries which have strict bank and business secrecy and confidentiality provisions;
- 11) a client has numerous accounts (or many persons authorised to accounts) through which it carries out transactions with persons from countries which apply strict bank secrecy and confidentiality provisions;
- 12) a client carries out transactions with persons from countries widely known for massive production and/or trade in narcotics (e.g. Afghanistan, Columbia);
- 13) in its transactions with the bank, a client provides collateral (e.g. guarantees, letters of credit, deposits) issued by an offshore bank, a bank with dubious creditworthiness, and/or a bank from a country which does not implement AML/CFT regulations appropriately;
- 14) a client, as the originator or beneficiary of a bank wire transfer, is a citizen of a country which does not implement AML/CFT regulations, or is included in the consolidated list of the Security Council Sanctions Committee, pursuant to Resolution 1267, in the local list of designated persons adopted by the Government of the Republic of Serbia pursuant to the law regulating the freezing of assets with the aim of preventing terrorism and the proliferation of weapons of mass destruction, and other, or is connected to persons included in such lists;
- 15) only authorised persons are engaged in matters relating to the use of rented bank safe deposit boxes;
- 16) an official, his family members or associates (persons authorised to accounts) carry out an unusually high number of transactions, or frequently use safe deposit boxes, either in person or through authorised persons;
- 17) frequent transactions on accounts of legal persons, which depart significantly from the usual business activities of a client – legal person (e.g. there is a suspicion that a client – legal person becomes a “fictitious channel” for the distribution of money);
- 18) for a long while, a client has had “passive” (inactive) accounts which suddenly record inflows inconsistent with the client’s past or expected business activities, and from which money is withdrawn or transferred further;
- 19) opening and closing of accounts in a short time period, especially when combined with a transfer of funds to an account opened in another bank;
- 20) an increase in the number of cash depositing transactions on the account of a client – legal person that normally does not use cash due to the nature of their business;

- 21) a client frequently or exclusively carries out transactions in equal or rounded amounts with business partners, on different grounds, which can signal fictitious character of these transactions;
- 22) a client carries out several transactions within a single day, in different branch offices or during different shifts in one branch office, with the obvious intention to avoid contact with the same employee when carrying out these transactions;
- 23) using an account of a natural person to carry out business activities;
- 24) a client does not know, refuses to provide or provides insufficiently convincing data on the nature of the business activities of the client – legal person and the identity of the beneficial owners, particularly in the case of a complex ownership structure or frequent changes in the ownership or managing structure with no obvious reason;
- 25) when opening an account, a client does not want to provide necessary data, or provides falsified and incomplete documentation difficult to verify; when carrying out a transaction, a client is reluctant to provide the requested data on the beneficiary of the transfer, or changes the beneficiary on the transaction order, explains too much and tries to demonstrate the legality of the transaction or enquires about the control system in the bank or AML regulations;
- 26) several natural persons open accounts or carry out transactions, accompanied or instructed by the same natural person;
- 27) an unemployed person, or a person about whose business activity no data are available, deposits cash to their account and purchases luxury goods, especially when this is preceded by several lower-value deposits in a short time period;
- 28) transfers of funds in high amounts in respect of ownership-based income, from an account of a legal person in financial stress (has no retained earnings; operates at a loss, etc.);
- 29) frequent withdrawals of high amounts at ATMs in high-risk countries;
- 30) transactions assessed by bank staff as unusual for a client's normal activities, based on the staff experience;
- 31) exchange of a large quantity of small-denomination banknotes for banknotes of larger denominations, especially if the client's business activity is unknown;
- 32) at the time of approval of loans, guarantees or letters of credit in higher amounts, a client requests the bank to place a mortgage on property which is not in the client's ownership or has dubious origin;
- 33) guarantees provided to a client by a third party not related with the client;
- 34) a client (legal person or entrepreneur) carries out mostly cash transactions and few non-cash transfers;
- 35) unusual purchase and sale of traveller's cheques;

- 36) interconnected transactions just under the reporting threshold amount, which when summed up yield a significant amount of accumulated funds, and are deposited within a short time period without a logical reason;
- 37) cash deposits just under the reporting threshold amount if a client's activities after such depositing are inconsistent with its expected or usual activity;
- 38) data on the beneficial owner entered in the records on beneficial owners maintained by a competent authority or in other registers or records of beneficial owners in foreign countries differ from the data obtained by the bank by applying customer due diligence actions and measures, based on which it is possible to doubt the veracity of the data entered in such registers/records;
- 39) higher-value transactions in respect of the purchase of goods and services which are inconsistent with the client's business activities;
- 40) transactions including non-profit or humanitarian organisations, which are without evident grounds, or where there is no connection between the purpose of the organisation and the transaction;
- 41) a client receives smaller amounts to its account and accumulates them, and then issues an order to purchase real estate or high-value goods (precious metals, works of art, etc.) or transfers large amounts to another account;
- 42) a client cancels a planned transaction after the bank requests documentation relating to such transaction;
- 43) it is suspected that the transaction is carried out to the benefit of a third party whose identity has not been determined;
- 44) purchase or sale of real estate at a price which greatly departs from its market value;
- 45) frequent transactions of money transfer in respect of trade in real estate which is inconsistent with the nature of the business relationship and/or activity of the client;
- 46) frequent transactions of money transfer in respect of loans among several legal persons, which after integration in a single account is transferred in order to purchase a stake in a legal person;
- 47) as the grounds for carrying out a transaction, a client submits documentation which is suspected of being forged or untrustworthy because it contains major errors and inconsistencies;
- 48) depositing of higher cash amounts with a large number of counterfeit or unfit banknotes;
- 49) publicly available information about a client, their beneficial owner, representative, contractual parties, and business and personal activities, is inconsistent with the data and information provided by the client to the bank;
- 50) based on an authorisation, a client who is an official opens in the name of a third party an account to which it regularly deposits money;

- 51) a client who is an official avoids providing information about the origin of the funds which are the subject of the transaction;
- 52) a client is a legal person registered at the same address where numerous other legal persons are registered, indicating the use of the post-office service or a mass registration address;
- 53) a client – legal person has a nominal (formal) general manager who manages several legal persons, especially if such legal persons come from different countries or perform different activities;
- 54) data and information on the beneficial owner of a client which is a legal person obtained from the written statement of the representative, procura holder or empowered representative and the beneficial owner of the legal person, are inconsistent with the data and information obtained by inspecting the documentation submitted by such legal person or from publicly available information sources;
- 55) after accessing the safe deposit box, a client frequently deposits cash to the account in an amount below the threshold for reporting to the competent authority;
- 56) the safe deposit box agreement is concluded with an economic operator whose business activities do not entail the use of a safe deposit box;
- 57) frequent incoming and outgoing cash payments in respect of purchase of secondary raw materials without appropriate supporting documentation;
- 58) transactions with organisers of special games of chance in casinos and organisers of special games of chance via means of electronic communication which are inconsistent with the expected and/or usual activity, and/or are not proportionate to the client's usual income;
- 59) frequent execution of payment transactions relating to digital assets which are not carried out by digital asset service providers holding the appropriate licence of the National Bank of Serbia or the Securities Commission;
- 60) a client fails to provide a convincing explanation of the manner of acquiring the virtual currencies that are the subject of the transaction;
- 61) a client – legal person or entrepreneur executes payment transactions in order to sell/buy virtual currencies with foreign virtual currency service providers without submitting documentation attesting that the virtual currencies are entered in the records of virtual currency holders kept by the National Bank of Serbia;
- 62) a client presents for inspection only copies of identification documents, and after being requested to submit their originals, renounces entry into contract or the performance of the transaction;
- 63) without economic justification, a client opens a large number of accounts and/or performs a large number of transactions from one account to another;
- 64) a client – natural person is authorised to dispose without any restrictions of the funds in several accounts of other natural or legal persons to which it is authorised;

- 65) several persons are authorised to dispose of the funds in the account of a natural person or legal person which does not have employees or has a small number of employees, and there is no obvious relationship between authorised persons (e.g. family relations);
- 66) a client carries out a large number of transactions or carries out high-value transactions, and at the start and the close of the day it has no funds in its account or the amount at the end of the day is the same as at the start;
- 67) a client opens a deposit account or a savings account, and then carries out a large number of transactions from that account in a short time period as a payee or payer;
- 68) a client which is a legal person or entrepreneur files a request to close an account, and has no other account open in another bank (in which case the bank should not close the account);
- 69) a client withdraws funds immediately after depositing them with a bank, without a clear justification for such conduct;
- 70) a client has frequent inflows from different foreign countries to an account linked to a payment card;
- 71) a client often uses a payment card in an area where terrorist activities take place or in countries supporting terrorist activities;
- 72) several clients use the same telephone numbers and/or addresses for seemingly unconnected transactions;
- 73) it is impossible to contact the representative of a legal person client or its owner holding a controlling stake in the ownership of the client;
- 74) a client's representative has no active role in the client's business activities;
- 75) a change in the representative/shareholder/owner of a client – legal person soon after the legal person is established and their frequent change for no justifiable reason;
- 76) a client's head office changes often for no obvious reason;
- 77) statement of reasons for the absence of a client (natural person, and person authorised to represent a legal person or a person under foreign law) when the business relationship is established by the empowered person, is incomplete and inadequate or contains only a formal explanation of such absence (e.g. "due to prior engagement", etc.);
- 78) the same person is authorised to establish a business relationship or carry out transactions by several clients;
- 79) transactions or interconnected transactions are not typical for the business or personal activity of the client (e.g. purpose, type and volume of the transaction), the explanations provided by the client are not plausible or give rise to suspicion or the client refuses to provide further information or documentation relating to the transaction;
- 80) a client performs high-value transactions with a small number of associates;

- 81) a transaction includes two legal persons with the same representatives, shareholders or beneficial owners;
- 82) a client receives a loan from third parties without any underlying loan contract, warranty or regular interest charges;
- 83) a transaction includes transfer of bearer securities through off-market sale.
3. In addition to the indicators specified in Section 2 of this List, the bank shall also apply indicators for identifying suspicious activities related to the financing of terrorism published in the Directive Concerning the Publication of a List of Indicators for Recognising Suspicious Transactions Related to Terrorism (No OP-000102-0031/2018 of 21 February 2018).
 4. In addition to the indicators referred to in Sections 2 and 3 of this List, a bank shall also include special indicators in its list of indicators, taking into account the national risk assessment and analysis, and, in particular, the complexity and volume of transactions, unusual performance methods, value or interconnectedness of transactions which do not have an economic or legally-based purpose, and/or which are inconsistent with or disproportionate to the usual and/or expected business activities of the client, and other circumstances relating to the status or other characteristics of the client which give rise to suspicion of money laundering or terrorism financing.
 5. The Directive on the Publication of the Indicators for Recognising Suspicious Transactions Related to Money Laundering and Financing of Terrorism (No OP-000102-0011/2014 of 30 June 2014) shall cease to be valid as of the day of beginning of application of this List.
 6. Banks shall apply this List of Indicators as of 1 March 2024.
 7. This List of Indicators shall be published on the website of the National Bank of Serbia and submitted to the Administration for the Prevention of Money Laundering in order to be published on its website.

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Belgrade

Governor

National Bank of Serbia

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