

Pursuant to Article 68, paragraph 1 and Article 109, paragraph 6 of the Law on the Prevention of Money Laundering and the Financing of Terrorism (RS Official Gazette, Nos 113/2017, 91/2019 and 153/2020) 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 PAYMENT INSTITUTIONS AND ELECTRONIC MONEY INSTITUTIONS**

1. This List of Indicators lays down the indicators for identifying persons and transactions for which there are grounds to suspect money laundering or terrorism financing, which payment institutions and electronic money institutions are obliged 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 (hereinafter: Law).

2. The following circumstances can indicate a high risk of money laundering and terrorism financing in payment institutions and electronic money institutions:

- 1) the payment service enables payment transactions in large or unlimited amounts;
- 2) the payment service has a global reach;
- 3) the payment transaction is based on cash or is financed with anonymous electronic money or electronic money products which are exempt from customer due diligence, in accordance with Article 16 of the Law;
- 4) the transfer was made with payments of one or more payers from different countries to the local payee;
- 5) the customer's needs could be met elsewhere in a faster, and/or simpler way;
- 6) the customer gives the impression that he is acting on someone else's behalf, for instance when it is visible that other persons are monitoring the customer inside or outside the premises where the transaction is carried out or the customer acts by reading a note with instructions, the customer's behaviour has no economic justification, e.g. the customer unquestioningly accepts an unfavourable exchange rate or a high fee, requests a transaction in a currency that is not an official means of payment or is unusual in the legal system of the country in which the customer or payee is located, or requests or gives significant amounts of currency in large or small denominations;
- 7) the customer's payment transactions are always slightly below the relevant limits;
- 8) the customer uses the service in an unusual way, e.g. sends money to himself or receives money sent to himself or sends money immediately upon receipt;
- 9) the customer gives the impression that he does not know much about the payee or is cautious in providing information about the payee;
- 10) several customers transfer funds to the same payee or give the impression that they have the same identification data, e.g. address or phone number;
- 11) the payment transaction is not accompanied with the required data on the payer or payee;
- 12) the amount sent or received does not correspond to the customer's income (if known);
- 13) there are no restrictions regarding the payment instrument, e.g. cash payments or payments with electronic money products which are exempt from customer due diligence, in accordance with Article 16 of the Law;
- 14) the manner of establishing a business relationship ensures a certain degree of anonymity;
- 15) the payment service is provided entirely over the internet without adequate security of identification;

- 16) the payment service is provided through the agent:
- who represents multiple payment service providers,
  - where the turnover, compared to other agents in similar locations, is unusual (e.g. unusually large or small amounts of transactions, unusually large cash transactions, a large number of transactions slightly below the threshold (limit) prescribed for the implementation of enhanced due diligence measures or the agent's business outside working hours),
  - where a large part of business is related to payers and payees from countries where the legal and institutional framework is such that there is a high degree of risk of money laundering and the financing of terrorism,
  - in relation to which there is suspicion regarding the manner and consistent application of policies for the prevention of money laundering and financing of terrorism at the group level,
  - who is not from the financial sector, i.e. does not perform financial activity as the core activity;
- 17) the payment service is provided through a branched network of agents in different countries;
- 18) a complex service supply chain (e.g. a large number of intermediaries operating in different countries are involved or the service supply chain is such that the tracking of payment transactions is impossible);
- 19) the payer or payee has a permanent or temporary residence, i.e. is headquartered or permanently performs activities in a country whose legal and institutional framework is such that there is a high degree of risk of money laundering and the financing of terrorism, or in an offshore country or a country that is considered a tax haven;
- 20) the payee has a permanent or temporary residence, i.e. is headquartered or permanently performs activities in a country where the regulated banking sector is poorly developed, which means that payments can be made using money transfer services provided by unregulated entities (e.g. hawala – a traditional money transfer system used in Arab countries and South Asia, whereby money is paid to an agent who instructs his associate in the relevant country or territory of that country to pay the money to the final payee);
- 21) the customer or the beneficial owner of the customer is a non-profit organisation that can be used for terrorism financing purposes;
- 22) the customer or the beneficial owner of the customer is an offshore legal person or a legal person under foreign law;
- 23) the customer is a student, an unemployed person or a person with low income (if known), and makes a high-value transaction;
- 24) a customer is a politically exposed person, and/or a domestic and/or foreign official;
- 25) the customer changes the information it has provided after being requested to provide more details during identification;
- 26) the customer aims to provide as little information as possible or provides information that seems false or inconsistent, and in particular avoids providing information about the payer or payee;
- 27) for identification purposes, the customer provides documents that appear to be forged, altered or incorrect;
- 28) the customer withdraws from the transaction after learning that he must identify himself;
- 29) the customer tries to reduce the amount of the transaction after learning that he needs to identify himself;
- 30) the customer refuses to submit the documentation requested for the purpose of executing the transaction;
- 31) transactions in which the documentation does not correspond to the manner of conducting the transaction;
- 32) transactions where the source of funds is not clear or their connection to the customer's business cannot be determined;
- 33) transactions in the amount of EUR 15,000 or more in the dinar equivalent;

34) an unusually large volume or amount of transactions, taking into account the volume of transactions that the customer regularly performs;

35) incomplete details regarding the order for execution of transactions to the benefit of a non-profit organisation (non-governmental organisation, endowment, association, fund, religious organisation, etc.) or to the benefit of natural persons associated with the said organisation;

36) simultaneous use of payment cards or other payment instruments issued to the same customer in different countries;

37) the customer carries out several interconnected transactions in the amounts of less than EUR 15,000 in the dinar equivalent, which in total exceed EUR 15,000 in the dinar equivalent;

38) transfers of large amounts of ownership-based income from the account of a legal person that is in financial stress (has no retained earnings, operates at a loss, etc.);

39) transactions intended for non-profit organisations headquartered in an offshore country, and/or a country that is a tax haven or a non-EU country;

40) transactions that may indicate a connection with the acquisition of weapons, equipment and technology for the production of weapons of mass destruction, including transactions by persons from a country designated as high-risk for the acquisition of such weapons, or trade in dual-use items within the meaning of Regulation (EC) No 428/2009, as well as transactions of persons who do not have a history of purchasing the same or similar items;

41) transfer of funds from the customer's account, i.e. to the customer's account that is different from the account that the customer specified during identification, and/or through which it usually operates or has operated (especially if it is a cross-border transaction);

42) the transaction is carried out in connection with services that are associated with a high risk of financial crime (e.g. online betting);

43) the product enables electronic payments, replenishment or redemption of that money (e.g. cash withdrawal) in large and/or unlimited amounts;

44) the product enables large or unlimited amounts of funds to be stored in an electronic money account or on a corresponding instrument;

45) the product can be financed (purchased or replenished) anonymously or through another electronic money product, especially if that money is anonymous;

46) the product enables person-to-person (P2P) transfers;

47) electronic money in connection with that product is accepted as a means of payment at a large number of merchants or at a large number of points-of-sale;

48) the product is intended to be accepted as a means of payment by merchants who sell goods and services that are associated with a high risk of financial crime (e.g. online betting);

49) the product can be used for cross-border transactions or for transactions in another country;

50) the product can be used by persons who are not customers, e.g. certain partner cards, but not low-value gift cards;

51) the product enables the purchase of electronic money by withdrawing cash;

52) the customer buys electronic money based on several products from the same electronic money issuer, frequently replenishes the product or redeems it (withdraws cash) in short periods of time without economic justification, and if the distributors (or agents acting as distributors) are also obligors, this also applies to electronic money products from different issuers that were purchased from the same distributor;

53) there are circumstances that indicate that the product is used by several persons whose identity is unknown to the issuer (e.g. the product is used simultaneously from several internet protocol addresses (hereinafter: IP address));

54) there are frequent changes in the customer's identification data, such as residential address or IP address or related bank accounts;

55) the product is not used for its intended purpose, (e.g. it is used globally, and is intended for use as a gift card only at certain points-of-sale);

56) issuance and distribution of electronic money via the internet (online) or in another way without the physical presence of the customer, without adequate security of identification, such as electronic signatures, electronic identification documents, as well as other measures aimed at preventing abuse or concealment of the true identity;

57) distribution of electronic money through third parties who are not obligors within the meaning of the Law, when the issuer of electronic money relies on the fact that some of the measures that the obligor must implement in order to prevent money laundering and the financing of terrorism will be implemented by the distributor, and it has not reliably established that the distributor has appropriate systems and controls established for adequate undertaking of those measures;

58) unbundling of services, which means the provision of services related to electronic money by several operationally independent providers of those services without proper supervision and coordination;

59) the fact that the product is financed by a country that is associated with a higher risk of money laundering and the financing of terrorism.

3. 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.

D. No  
2023  
Belgrade

Governor  
National Bank of Serbia  
Dr Jorgovanka Tabaković