

Pursuant to Article 68, paragraph 1 and Article 109, paragraph 7 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 VIRTUAL CURRENCY SERVICE PROVIDERS

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 virtual currency service providers, within the meaning of the law governing digital assets, 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 virtual currency service providers:

- 1) a virtual currency service enables the execution of virtual currency transactions of large or unlimited value;
- 2) a virtual currency service is provided solely through a crypto ATM, or the purchase and/or sale of virtual currency is executed solely for cash or anonymous electronic money or electronic money products constituting an exemption from customer due diligence in accordance with Article 16 of the Law;
- 3) a customer behaves suspiciously or unusually, avoids sharing his data or provides incomplete or insufficient data, or data that appear to be false or inconsistent, including data about a person receiving the virtual currency transaction that is being initiated;
- 4) a customer often changes his identification data (e.g. business name, residence or headquarters, representative, etc.), including data pertaining to the customer's business activities and financial status;
- 5) a customer refuses to present a personal document, or presents a personal document which is suspected of being forged and/or altered;
- 6) because of the structure, legal form or complex and unclear relations, it is difficult to establish the identity of a customer's beneficial owner or managing persons;
- 7) a customer executes virtual currency transactions in values slightly below any thresholds (limits);
- 8) a customer executes virtual currency transactions in values significantly higher than his actual financial capabilities (according to available data about the customer's financial status);
- 9) a customer is continuously buying high-risk (highly volatile) digital assets;
- 10) there are circumstances indicating that a product is being used by one or more persons whose identity is unknown to the virtual currency service provider (e.g. the product is being used simultaneously from several IP addresses);
- 11) a customer executes virtual currency transactions which include several different types of virtual currency or several money accounts, or uses a crypto ATM to execute several smaller-value transactions when there is no economic justification for that (e.g. despite having to pay higher fees for such transactions);
- 12) a customer executes one or more virtual currency transactions successively, or frequently over a short period (24–72 hours);

- 13) a customer has a proxy through which virtual currency transactions are conducted;
- 14) a customer is apparently not familiar with the manner of executing virtual currency transactions and the underlying technology, or is a financially vulnerable person (e.g. a student, an unemployed person), or executes high-value transactions which are not in line with the customer's financial status, or the customer's conduct is not economically justified (e.g. accepts extremely high fees without objection), which gives rise to the suspicion that the customer is not executing a transaction in his name or for his own account;
- 15) a customer is associated with criminal activities based on publicly available information;
- 16) customer due diligence actions and measures have been outsourced to a third party;
- 17) a customer executes virtual currency transactions in relation to services associated with the high risk of financial crime (e.g. online betting);
- 18) a customer or a person for whom the customer is initiating the execution of a virtual currency transaction has a permanent or temporary residence, and/or head office, or performs its business activities in the country whose legal and institutional framework is such that there is a high risk of money laundering and terrorism financing;
- 19) a customer is a virtual currency or other digital assets service provider from a country lacking regulations that govern digital assets operations and licensing or registration of digital assets service providers, and lacking supervision over digital assets service providers, or a country whose legal and institutional framework is such that there is a high level of risk of money laundering and terrorism financing, or such virtual currency or other digital assets service provider participates in the execution of virtual currency transactions;
- 20) the execution of a virtual currency transaction implies the participation of a virtual currency or other digital assets service provider from another state that offers its customers virtual currency services that indirectly or directly enable concealing the identity of the customer or the person executing such virtual currency transactions;
- 21) a customer is a person enabling decentralised trade in virtual currency, or trade without the participation of a virtual currency service provider (peer to peer – P2P transactions);
- 22) a virtual currency transaction involves the use of the so-called unhosted wallet (a virtual currency wallet where the customer is fully in control of private keys);
- 23) a virtual currency transaction involves the use of virtual currency addresses that appear in public fora associated with criminal activities;
- 24) there are discrepancies between the IP address associated with the customer's account and the IP address from which transactions are initiated;
- 25) a customer or a beneficial owner of the customer is an offshore legal person or a legal person under foreign law;
- 26) a customer is a person establishing a business relationship with the intention of circumventing international restriction measures applicable in the Republic of Serbia in line with the Serbian Government Decision, or a person intending to execute or executing transactions with persons who have been designated within the meaning of the law governing the freezing of assets with the aim of preventing terrorism and the proliferation of weapons of mass destruction;
- 27) a customer backs out of a transaction or the establishment of a business relationship after finding out that he needs to be identified;
- 28) an unusually large transaction volume or value relative to the transactions usual for that customer;
- 29) 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 regulations of the Republic of Serbia or regulations of the European Union.

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.

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National Bank of Serbia

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