

Montenegro
MINISTRY OF INTERIOR AND PUBLIC ADMINISTRATION

STRATEGY
FOR PREVENTION AND SUPPRESSION OF
TERRORISM, MONEY LAUNDERING AND TERRORIST
FINANCING

Podgorica, September 2010

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SUMMARY

In line with its basic goal, the Strategy defines the framework of action of Montenegro in the fight against terrorism, money laundering and terrorist financing, which is aimed at improving the existing and developing new measures, mechanisms and instruments, the purpose of which is to ensure stability and security of Montenegro, the region and beyond.

The Strategy is based on the analysis of the situation and recommendations of relevant international institutions, on the basis of which strategic goals have been defined and further activities required to achieve the vision that describes a future situation in the field of preventing terrorism, money laundering and terrorist financing in Montenegro have been planned.

The analysis of the current situation shows that Montenegro was not confronted with the criminal act of terrorism in the previous period. However, the approach of Montenegro to the fight against terrorism takes into account that modern terrorism knows no national borders and that it is therefore considered international in terms of its goals and modalities of action. Therefore, the responds to the causes, occurrences and consequences should be an expression of joint action with the international community.

Establishing a modern and comprehensive legislative framework in accordance with relevant international standards presents one of the key conditions for efficient prevention and suppression of terrorism, as well as the promotion of legal measures for suppression of the criminal acts of money laundering and terrorist financing.

The number of state authorities and institutions involved in counter-terrorist actions and suppression of money laundering and terrorist financing requires the establishment of an effective mechanism of coordination in the formulation and implementation of comprehensive policy in these fields.

ABBREVIATIONS

CTC – Counter-Terrorism Committee

EGMONT GROUP – The international gathering of financial intelligence units

EU - European Union

EUROPOL - European Police Office

FATF – Working group for financial measures against money laundering – Organization for Control and Prevention of Money Laundering

INTERPOL - International Criminal Police Organization

MONEYVAL - The Committee of Experts on the Evaluation of Anti-Money Laundering Measures of the Council of Europe

NATO – The North Atlantic Treaty Organization

OUN - Organization of the United Nations

OSCE - Organization for Security and Co-operation in Europe

OECD – Organization for Economic Co-operation and Development

SC – Security Council

CoE – Council of Europe

SEPCA – Southeast Europe Police Chiefs Association

SELEC – Southeast European Law Enforcement Center

SALW – Strategy for Control of Small Arms and Light Weapons

IBASE – An analytical tool that allows quality national and international cooperation in exchanging information with other bodies responsible for law enforcement

NSA – The body responsible for the protection of classified information

Pursuant to Article 12 paragraph 3 of the Decree on the Government of Montenegro (Official Gazette of Montenegro 80/08), the Government of Montenegro, at its session held on 30 September 2010, adopted the following

2010-2014 STRATEGY FOR PREVENTION AND SUPPRESSION OF TERRORISM, MONEY LAUNDERING AND TERRORIST FINANCING

1. INTRODUCTION

The Strategy for Prevention and Suppression of Terrorism, Money Laundering and Terrorist financing (hereinafter: the Strategy) is the first strategic document, which in a unique and comprehensive manner provides the answer in the field of fight against terrorism, money laundering and terrorist financing in Montenegro.

Terrorism, money laundering and the financing of terrorist activities may jeopardize national, security and economic interests which, among other things, require a stable constitutional order, rule of law, development of democracy, strengthening peace and stability as prerequisites for the development of society, financially strong business sector, a stable financial system, fair and free labor market and a functioning market economy. These phenomena can also jeopardize all social structures.

The main goal of the Strategy is to establish priorities based on the need to develop effective and functional mechanisms of the relevant institutions and the need to improve procedures to prevent and suppress terrorism, money laundering and terrorist financing. The Strategy shows the commitment of Montenegro to work jointly, through the European and Euro-Atlantic integration, with other countries and international organizations, with a view to strengthening national, regional and global security.

In line with its basic goal, the Strategy defines the general framework of action and response of Montenegro to current and future challenges and threats, through the promotion of existing and development of new measures, mechanisms and instruments, the purpose of which is to ensure stability and security, implying the realization of the following vision:

“Montenegro has a coordinated and efficient system for the prevention of terrorism, money laundering and terrorist financing based on international standards and cooperation between the competent institutions.”

In this sense, the strategic directions of actions of Montenegro are:

- Adoption and implementation of the Strategy;
- Promotion of cooperation and exchange of information with regional and international partners in the fight against terrorism, money laundering and terrorist financing;
- The adoption and application of international standards;
- Defining the principles and methods of improving cooperation between the competent institutions.

2. METHODOLOGY

The Strategy is based on the analysis of the situation and the projection of developments in the field of international security integrations, the characteristics of modern challenges and threats in the fields of terrorism, money laundering and terrorist financing, which is a prerequisite for the determination of strategic goals, as well as for planning future activities necessary to achieve the vision. The analysis of the situation was carried out through: reports and recommendations of relevant institutions; analysis of statistical data from reports, on: suspicious cash transactions, criminal acts, the crime situation and its manifestations, the predicate criminal acts, etc.

The Strategy is harmonized with other strategic documents of Montenegro, primarily with the National Security Strategy, Defense Strategy and the 2010-2014 Strategy for the Fight against Corruption and Organized Crime. In addition, the Strategy follows those goals and values that are defined in the Global Counter-Terrorism Strategy of the United Nations and the European Union Counter-Terrorism Strategy, as well as in other basic counter-terrorism documents of the United Nations (UN), European Union (EU), North Atlantic Treaty Organization (NATO), the Organization for Security and Co-operation in Europe (OSCE) and Council of Europe (CoE).

3. TERRORISM

3.1. The basic characteristics of terrorism

Terrorism presents one of the major global security threats in the 21st century and shows an upward trend in all of its forms, which is manifested through an increased number of terrorist acts, endangering human lives, causing increased public fear of the consequences of terrorist acts, larger destructions of material goods, etc.

In preparing the terrorist acts, terrorist organizations and individuals use wide availability, complexity and openness of communication and information technologies, especially Internet, to attract extremists, as well as for communication and dissemination of terrorist ideology. In this sense, knowledge of terrorist methods and techniques is of utmost importance for the prevention of all forms of terrorist acts.

Activities of terrorist organizations and terrorists are aimed at:

- attracting, to their cause, those individuals and/or groups who feel ignored or rejected in their society, or those individuals who do not manage to find socially and democratically acceptable forms of resolving their discontent and problems;
- deliberate and distorted interpretation of specific social, economic, religious and political issues, in order to cause inter-national, inter-religious, inter-cultural and other forms of intolerance and conflict, spreading, in this manner, terrorist propaganda and trying to gain support for their radical views, activities and goals, and recruiting new members;
- establishing a decentralized organizational structure, through creation of new and largely autonomous terrorist cells, protecting, in this manner, the security and the resilience of the terrorist organization itself, particularly the leaders and ideologists of terrorism.

Terrorist activities are conducted in an organized manner and are associated with other threats and risks, such as: trans-national organized crime, the spread of chemical, biological, radiological, and nuclear weapons and materials, smuggling: small arms and light weapons, explosive devices, man-portable missile

systems, narcotic drugs, supplies of military and dual use, counterfeiting documents and money, illegal migration and human trafficking.

Terrorist groups and organizations are developing alternative ways of organizing and financing and they use elaborate logistical organization, especially in the acquisition of weapons and weapons of mass destruction, supplies of military and dual use, equipment and other assets that can be used for terrorist purposes.

It is the obligation of all state authorities and public administration bodies to, in accordance with their responsibilities, continually analyze and monitor all aspects of potential terrorist threats with which Montenegro could face, and to act, in an appropriate manner, to prevent them.

3.2. Legal and institutional framework for prevention and suppression of terrorism

3.2.1. National legal framework

Establishing a modern and comprehensive legislative framework, in accordance with relevant international standards, is one of the key prerequisites for efficient prevention and suppression of terrorism. Authorities responsible for prevention and suppression of terrorism are carrying out a permanent evaluation of the efficiency of the legal framework and take care of its promotion as needed.

Jurisdiction, competences and actions of state authorities participating in the fight against terrorism are regulated by several laws which are related to this criminal-law field or refer to it:

- Criminal Code (Official Gazette of the Republic of Montenegro 70/03 and 47/06 and Official Gazette of Montenegro 40/08 and 25/10); Criminal Procedure Code (Official Gazette of Montenegro 57/09 and 49/10); Law on Public Prosecution Office (Official Gazette of the Republic of Montenegro 69/03 and 40/08); Law on Courts (Official Gazette of the Republic of Montenegro 5/02, 49/04 and Official Gazette of Montenegro 22/08); Law on the Prevention of Money Laundering and Terrorist Financing (Official Gazette of Montenegro 14/07 and 4/08); Law on Police (Official Gazette of the Republic of Montenegro 28/05 and 88/09); Law on the Agency for National Security (Official Gazette of the Republic of Montenegro 28/05); Law on Asylum (Official Gazette of the Republic of Montenegro 45/06); Law on Border Control (Official Gazette of Montenegro 72/09); Law on Foreigners (Official Gazette of Montenegro 82/08 and 72/09); Law on Travel Documents (Official Gazette of Montenegro 21/08 and 25/08); Law on the Protection of Personal Data (Official Gazette of Montenegro 79/08 and 70/09); Law on Data Confidentiality (Official Gazette of Montenegro 14/08 and 76/09).

According to the **Criminal Code of Montenegro**, the criminal act of terrorism is made by any person who, with the intent to seriously intimidate citizens or to coerce Montenegro, a foreign country or an international organization, performs one of the following acts:

- 1) Attack against the life, body or freedom of others,
- 2) Kidnapping or hostage taking,
- 3) The destruction of state or public buildings, transportation systems, infrastructure including information systems, fixed platforms in the epicontinental shelf, a public good or private property that may endanger human lives or cause significant damage to the economy,
- 4) Hijacking an airplane, ship, other means of public transport or transport of goods that may endanger human lives,

- 5) Manufacture, possession, acquisition, transport, supply or use of weapons, explosives, nuclear or radioactive materials or devices, nuclear, biological or chemical weapons,
- 6) Research and development of nuclear, biological or chemical weapons,
- 7) The discharge of dangerous substances, or causing fires, explosions or floods, or taking other generally dangerous action that may endanger human lives,
- 8) Disruption or suspension of water, electricity or other energy source supply that may endanger human lives.

With regard to the latest amendments to the Criminal Code from 2010, a special emphasis was placed on the harmonization with the standards in the field of fight against organized crime, corruption and terrorism. The above-mentioned amendments to the Criminal Code provide for an entirely new conception of criminal acts of terrorism, which are, in the corpus of criminal acts against humanity and other goods protected by international law, in accordance with the tendency of full compliance with international standards. The basic criminal act of terrorism (regardless of whether the act is directed against Montenegro, a foreign state or international organization) is prescribed by Article 447 with numerous forms of the act of commission. This criminal act, as well as the new criminal acts of terrorism such as the public calls to commit acts of terrorism (Article 447a of the Criminal Code), recruitment and training for terrorist acts (Article 447b of the Criminal Code), use of a lethal device (Article 447c of the Criminal Code), destroying and damaging a nuclear facility (Article 447d of the Criminal Code), threatening an internationally protected person (Article 448), as well as the financing of terrorism (Article 449) were provided for and harmonized with a number of conventions aimed at preventing acts of terrorism, especially the Council of Europe Convention on the Prevention of Terrorism from 2005, which Montenegro has ratified in 2008.

With regard to the **Criminal Procedure Code** (Official Gazette of Montenegro 57/09 and 49/10), a special emphasis was placed on confiscation of property and material benefits acquired through a criminal act. The Code provides for a procedure of seizure of property and a financial investigation for the purpose of extended seizure of property. Through enactment of this Code, a confiscation procedure is introduced for property whose legal origin has not been proved. Through adoption of the institute of extended seizure of material benefits and the reverse burden of proof, efficient suppression of terrorism, money laundering and terrorist financing has been enabled. The procedure for confiscation of property whose legal origin has not been proved and the financial investigation for the purpose of extended seizure of property are significant changes in comparison to the previous legal text, which can be of great influence on the court practice. The measures of secret surveillance (special investigative means) may be applied to a larger number of criminal acts than before, and among these acts, the following are specified: criminal acts with elements of corruption (money laundering, causing false bankruptcy, abuse of evaluation of assets, passive bribery, active bribery, disclosure of an official secret, trading in influence, abuse of authority in economy, abuse of an official position and fraud in the conduct of an official duty). The measures of secret surveillance may also be applied for criminal acts against the security of computer data that are difficult to prove and complicated to detect due to the use of sophisticated computer technology, which will further contribute to the efficient fight against organized crime, terrorism, money laundering and terrorist financing.

3.2.2. International legal framework

Montenegro is a signatory to a large number of conventions regulating the area of fight against terrorism, which were adopted by the Organization of the United Nations and the Council of Europe. With a view to joining the European Union, Montenegro is implementing Common Position 2001/931/CFSP

relating to the application of specific measures to combat terrorism. In this field, Montenegro is also promoting the cooperation in accordance with Resolution 1373 (2001), Resolution 1535 (2004), Resolution 1624 (2005) and other relevant UN resolutions, international conventions and other instruments. Montenegro is, through its Permanent Representative, actively cooperating with the Counter-Terrorism Committee of the UN Security Council, set up by the Resolution 1373 (2001). Acting within different international organizations, especially the United Nations and the Council of Europe, Montenegro has become a signatory to a series of international - legal instruments, as presented in Annex I.

3.2.3. Institutional framework

The Ministry of Interior and Public Administration supervises and controls the work of the Police Directorate and performs tasks related to the preparation of strategies, laws, secondary legislation, projects and programs in the field of fight against terrorism. Within the Ministry of Interior and Public Administration, the Department for Emergency Management plays a significant role in the remediation of consequences of possible terrorist attacks.

The Ministry of Justice is carrying out tasks of the state administration relating to: criminal legislation, international legal assistance; the preparation of strategies, projects and programs and monitoring their implementation; preparation of necessary reports and measures for the implementation of ratified conventions in the field of judiciary; preparation and implementation of international agreements in the field of international assistance; preparation of laws and secondary legislation and their implementation, which are related to the organization, jurisdiction and work of courts, public prosecutor and misdemeanor authority, attorneys and legal assistance.

The Ministry of Defense proposes and implements the established defense policy; prepares the Plan of Defense of Montenegro and harmonizes Plans of Defense of other proponents of defense preparations; assesses war and other dangers; realizes multilateral and bilateral cooperation in the field of defense; conducts affairs of organization, equipping, arming, development and use of the Armed Forces and other activities in accordance with the Constitution.

The Agency for National Security collects data and information, through the use of special methods and means determined by law, on potential threats, plans or intentions of organizations, groups and individuals that are directed against the territorial integrity, security and the national legal order determined by the Constitution, and draws attention to the potential challenges, risks and threats to security.

The Armed Forces of Montenegro, in accordance with the Defense Strategy of Montenegro and the Law on Defense, among other things, are responsible for tasks relating to: assisting the Police Directorate in the fight against terrorism and supporting civil authorities during natural or man-made disasters and other emergencies.

The Police Directorate provides for general, personal and property safety and protection of citizens. The Police Directorate is responsible for internal security, preventing and suppressing all forms of crime, especially organized crime and corruption, protection of human rights, monitoring and control of the state border, ensuring public peace and order, the safety of citizens and traffic safety, and assisting the civil authorities during natural or man-made disasters. The Police Directorate is one of the most important bodies in the fight against terrorism, proliferation of weapons of mass destruction, corruption and drugs.

The Administration for Prevention of Money Laundering and Financing Terrorism, in accordance with the Law on Prevention of Money Laundering and Terrorist Financing, performs tasks of the Administration related to detecting and preventing money laundering and terrorist financing determined by this Law and other regulations. The Administration for Prevention of Money Laundering and Financing Terrorism is organized as a financial intelligence service of an administrative type. The Administration is responsible for tasks related to detecting and preventing money laundering and terrorist financing related to gathering, analyzing and submitting to the competent bodies of data, information and documentation necessary for the detection of money laundering and terrorist financing.

The Directorate for Protection of Classified Data in accordance with the Law on Data Confidentiality, organizes performance of tasks related to sharing classified information with foreign countries and international organizations, through the Central Registry, performs the tasks of issuing permits for access to classified data of natural (Personal Security Clearance) and legal persons (Facility Security Clearance), as well as inspection control of the implementation of the Law and the application of international agreements. In accordance with the Agreement on Security of information, in its part related to the exchange and protection of NATO classified information, the Directorate has been marked as NSA (National Security Authority).

The Supreme Public Prosecutor's Office established, for the tasks of suppressing corruption, the **Division for Suppressing Organized Crime, Corruption, Terrorism and War Crimes**, headed by the Special Prosecutor, which acts before the High Courts. The Division manages the pre-trial proceedings, directs the work of the Police Directorate and takes the necessary measures for the purpose of detection of criminal acts within its jurisdiction; requires an investigation, brings and represents indictments, and takes other actions stipulated by law, with a view to seizure and confiscation of assets and material benefits acquired through criminal acts.

The Specialized Division of the High Court in Podgorica and Bijelo Polje is responsible for trials in criminal cases of organized crime, corruption, terrorism and war crimes.

Other government authorities participate, within the scope of their jurisdiction and if necessary, in prevention and suppression of terrorism.

3.3. Strategic response of Montenegro to the threat of terrorism

So far, Montenegro has not been confronted with the criminal act of terrorism. However, given that global terrorism and organized crime pose a serious threat to international peace and security, these phenomena, regardless of their real source, are considered serious security risks and threats to Montenegro.

Therefore, Montenegro is trying to contribute, to the greatest extent possible, to general security at the regional and global level. In this context, the greatest attention is being paid to preventive mechanisms in the fight against terrorism: the strengthening of international cooperation, prevention of radicalization, monitoring movement of people and goods across land and sea borders, and exchange of information through information and intelligence connections.

With a view to coordinated and efficient implementation of strategic measures for the fight against organized crime and terrorism, the Government of Montenegro has adopted, in the previous period, a significant number of strategic documents and laws in the field of illegal migration, human trafficking, drugs and arms trafficking and other forms of cross-border crime. These are primarily the Criminal Procedure Code, Criminal Code, Strategy for the Reform of Judiciary, Strategy for the Fight against Human Trafficking, Strategy for the Control of Small Arms and Light Weapons (SALW), Strategy for Integrated Border Management, Strategy for Integrated Migration Management, National Strategic Response to Drugs, Strategy for the Fight against Corruption and Organized Crime, etc.

3.4. Contribution to international counter-terrorism efforts

Montenegro will continue to actively participate in the prevention and suppression of terrorism at global and regional level, particularly within the system of UN, EU, NATO, OSCE, Council of Europe, Interpol, Europol, and other relevant organizations and initiatives, as well as to contribute to strengthening and developing the counter-terrorism cooperation on the inter-regional level.

In the prevention of terrorism, Montenegro places special emphasis on cooperation with other countries, particularly in the area of South-Eastern Europe. This action consists of two components. The first one encompasses cooperation of security sectors of countries in the region in the prevention of terrorism, which takes place through the police, intelligence and border control cooperation. In this regard, it is important to emphasize successful cooperation of Montenegrin institutions with SEPICA and SELEC. The second component is the cooperation among the countries of the region, aimed at developing political, economic, social and cultural relations, as a means of achieving long-term stabilization of the whole region. Montenegro will continue to pay particular attention to international cooperation in the field of adopting international-legal instruments, through the implementation of conventions and protocols, exchange of information, experiences and good practices in the implementation of counter-terrorism measures, strengthening cooperation in terms of international-legal assistance and extradition matters, researching into possible new terrorist threats and developing appropriate counter-measures and mechanisms and strengthening professional-technical and scientific-educational dimensions.

3.5 Informing the public

Modern terrorism misuses, for its own purposes, free and unhindered dissemination of information to spread its ideas, attract militants, and carry out operations. It is therefore necessary to take all measures to prevent the spread of terrorist ideas through any media of transmission.

Free and unhindered dissemination of information and ideas is one of the most effective means of promoting understanding and tolerance, which should be effective in preventing and suppressing terrorism as well. The public should be competently informed about all forms of terrorism, its criminal nature, the threats it presents and the responsibility that everyone has in its prevention and deterrence.

3.6. The goals of fight against terrorism

In the fight against terrorism the goals are achieved through implementation of the measures of prevention, suppression, protection and remediation of damage from terrorist attacks, the measures of

criminal prosecution of individuals and entities linked to terrorism, strengthening inter-agency coordination and international cooperation.

The main goal of the prevention and suppression of terrorism is to achieve the highest possible level of protection of Montenegro, its citizens and all the people residing in it, its values, interests and resources from the threat and consequences of terrorism, while simultaneously providing the most effective possible contribution to international efforts in the fight against terrorism.

3.6.1. Prevention of terrorism

Goals in the field of prevention include:

- improved normative-legal framework;
- developed personnel, administrative and material-technical capacities;
- implemented new programs of training and vocational training;
- improved cooperation among all relevant institutions in the country, region and at international level;
- improved mechanisms for prevention of propaganda, calling for terrorism, and inciting terrorism in any way.

3.6.2. Suppression of terrorism

Goals in the field of suppression of terrorism include:

- improved mechanisms for prevention of organizational and logistics activities with terrorist intentions;
- improved mechanisms for the detection and prosecution of all persons who are associated with terrorism or the disclosure of all activities directed against Montenegro, other countries and/or international organizations;
- improved mechanisms for prevention of the movement and residence of all persons associated with terrorism in the territory of Montenegro;
- improved mechanisms for prevention of criminal activities that may be directly or indirectly related to terrorism (transnational organized crime, the spread of chemical, biological, radiological, nuclear weapons and items, smuggling weapons and explosives, goods of military and dual use, narcotic drugs and other goods, counterfeiting documents and money, illegal migration and human trafficking).

3.6.3. Protection against terrorism

Goals in the field of protection against terrorism include:

- improved mechanisms for developing and strengthening the protection of infrastructure facilities of special importance on the territory of Montenegro;
- improved mechanisms for strengthening the system of protection and surveillance of the state border;
- improved system of control of traffic, warehousing and storage of weapons, explosives and other assets that can be used for terrorist attacks;
- improved mechanisms for strengthening surveillance of traffic and the use of dual-use goods;
- improved mechanisms for informing citizens and legal entities on the level of terrorist threats.

3.6.4. Remediation of damage from terrorist attacks

Goals in the field of remediation of damage from terrorist attacks include:

- improved and developed national capacities necessary for remediation of consequences of attacks and rehabilitation of damaged systems;
- developed mechanisms for rescuing people, material and cultural resources and the environment.

3.6.5. The criminal prosecution

Goals in the field of criminal prosecution of persons and entities associated with terrorism include:

- efficient criminal prosecution of the perpetrators, accomplices and other persons who are in any way associated with terrorist activities.

4. MONEY LAUNDERING AND TERRORIST FINANCING

One of the key requirements for the preparation of terrorist activities and their implementation is the provision of financial resources, acquired in an illegal manner. Money laundering and terrorist financing are global problems, which have negative effects on economic, political, security and social structure of each country. The consequences of money laundering and terrorist financing are: undermining the stability and efficiency of the financial system of the country, economic disruptions and instability, jeopardizing the planned reforms, a decrease of investment security and investment and jeopardizing both, national and international security.

4.1. Money laundering

According to the Criminal Code of Montenegro, the criminal act of money laundering is committed by any person who performs the conversion or transfer of money or other property with the knowledge that they were acquired through criminal activity, with the intent to conceal or misrepresent the origin of money or other property, or who acquires, holds or uses money or other property with knowledge, at the time of their admission, that they were acquired through criminal activity, or who conceals or misrepresents the facts about the nature, origin, place of deposit, movement, disposition or ownership of money or other property, knowing that they were acquired through criminal activity.

Money laundering, according to the Law on Prevention of Money Laundering and Terrorist Financing, includes:

- 1) Conversion or other transfer of money or other property acquired through criminal activity;
- 2) Acquisition, possession or use of money or other property acquired through criminal activity;
- 3) Concealing the nature, origin, place of deposit, movement, disposition, ownership or rights over money or other property acquired through criminal activity.

Money laundering can be divided into three basic stages: investment, stratification and integration, while it is important to note that in practice these stages are very difficult to observe and differentiate. During the first stage, the money, which is acquired through criminal activity, is introduced in the financial system. Afterwards, after the investment of cash, the stage of concealment is underway, when, by transferring to different accounts, an attempt is made to conceal the source of funds and their owner. At the

same time, an attempt is made to conceal the link between the money and criminal activity from which the money originated. In the third stage, or the integration stage, the money is invested in legitimate businesses, or investments are made, so that it is considered to be acquired in a lawful manner.

Looking at these stages, in the fight against money laundering, the most can be done at the stage of investment, in which the institutions that take deposits are especially jeopardized. The European Community adopted regulations requiring the identification of the party that opens the account and makes payments, the obligatory keeping of appropriate records of deposits, and the notification of the competent authorities of suspicious financial transactions.

4.2. Terrorist financing

Terrorist financing, according to the Law on Prevention of Money Laundering and Terrorist financing, refers to providing or collecting, or an attempt of providing or collecting money or other property, directly or indirectly, with the goal or the knowledge that they will be used, as a whole or partially, for carrying out a terrorist act or used by terrorists or terrorist organizations, as well as inciting or assisting in providing or collecting funds or property.

Terrorist financing has several stages, namely: raising funds from legitimate businesses, storage and transfer of funds. In the first stage, funds are gathered from legitimate business companies, which are linked to terrorist organizations or individuals. In the next stages, the funds gathered are stored in different ways and transferred to terrorist organizations or individuals, for the purpose of implementing terrorist activities.

4.3. Analysis of the situation

On its way towards improving the legislative framework and accepting international standards in the fields of prevention and suppression of money laundering and terrorist financing, the starting point for Montenegro will be the exchange of existing experiences and information on the types and ways of sharing intelligence information of relevant institutions of the countries of the region. Bearing in mind that these phenomena exceed national borders, the countries of the region took a unique position that financial intelligence services shall be the proponents of the development of systems for the fight against money laundering and terrorist financing. In this regard, the financial intelligence services will, among other things, constantly work, through the media, on raising awareness of the professional and general public on the establishment of an effective system for the fight against money laundering and terrorist financing.

The Ministry of Finance issued the Rulebook on the guidelines for risk analysis in order to prevent money laundering and terrorist financing, on the basis of which the authorities who supervise the implementation of the Law on Prevention of Money Laundering and Terrorist financing establish guidelines for risk analysis. In accordance with established guidelines, the obligated parties prepare the internal regulation on risk analysis.

The Law on Prevention of Money Laundering and Terrorist FINANCING from 2007 was brought in line with relevant international standards. The Law provides for a list of obligated parties who are required to submit, to the Administration for Prevention of Money Laundering and Financing Terrorism, reports on any cash transaction in the amount of EUR 15.000 or more, at the latest within three days from the date of

the transaction, as well as on any transaction (regardless of the amount and type) for which there is suspicion of money laundering or terrorist financing, before the transaction itself is processed. The largest number of reports on suspicious transactions is submitted to the Administration for Prevention of Money Laundering and Financing Terrorism by banks. The Customs Administration also submits information on any cross-border transfer of cash, checks, bearer securities, precious metals and stones, the value of which is EUR 10.000 or more, as well as information on the transfer or attempted transfer of money, checks, etc., with a value or an amount less than EUR 10.000, if in relation to the specific person, there are reasons to suspect money laundering or terrorist financing. The Administration for Prevention of Money Laundering and Financing Terrorism can order a temporary (up to 72 hours) suspension of a transaction, if it assesses that there is a suspicion of money laundering or terrorist financing, notifying the competent authorities to take measures within their competence. The law defines the authorities who supervise the implementation of this Law in relation to different categories of obligated parties.

In practice, cases of money laundering are mainly based on: drugs and arms trafficking, corruption, abuse of an official position and abuse of authorizations in economy, fraud, counterfeiting documents, tax fraud, etc., as well as predicate criminal acts.

Potential threats in the field of money laundering can be: the creation of fictitious companies; investments in the construction industry; investments in real estate; investments in the privatization process.

In the MONEYVAL report on the third round of a detailed assessment of Montenegro in the field of money laundering and terrorist financing, the compliance with international standards was evaluated and out of 49 FATF recommendations, Montenegro has brought in line its system of prevention of money laundering and terrorist financing with 41 recommendations or - 83.67% (some 12% or 6 recommendations were not harmonized and 2 recommendations, or about 4% are not applicable). In March 2010, in the Council of Europe, a Progress Report for Montenegro in the field of money laundering and terrorist financing for last year was adopted.

4.3.1. National legal framework

Given that money laundering is a criminal activity with a high degree of social danger, and that this criminal act is very difficult to detect and prove, the fight against money laundering and terrorist financing also includes strengthening administrative, technical, personnel and material conditions for work of the institutions for fight against money laundering and terrorist financing. Montenegro is making great efforts to create appropriate legal requirements and to strengthen the institutions involved in the system for prevention of money laundering and terrorist financing. These institutions are: the judiciary and prosecutor's office, Police Directorate, Administration for Prevention of Money Laundering and Financing Terrorism, Agency for National Security, Customs Administration, Tax Administration.

Jurisdiction, competences and actions of the above-mentioned state authorities participating in the fight against money laundering and terrorist financing are regulated by several laws related to this criminal-law field:

Law on Prevention of Money Laundering and Terrorist Financing (Official Gazette of Montenegro 14/07 and 4/08); Criminal Code (Official Gazette of the Republic of Montenegro 70/03, 47/06 and Official Gazette of Montenegro 40/08, 25/10); Criminal Procedure Code (Official Gazette of Montenegro 57/09 and

49/10); Law on Banks (Official Gazette of Montenegro 17/08, 44/10); Customs Law (Official Gazette of the Republic of Montenegro 7/2002, 38/2002, 72/2002, 21/2003, 29/2005, 66/2006 and Official Gazette of Montenegro 21/2008); Law on Insurance (Official Gazette of the Republic of Montenegro 78/06 and Official Gazette of Montenegro 19/07, 53/09); Law on Voluntary Pension Funds (Official Gazette of the Republic of Montenegro 78/06 and 14/07); Law on Financial Leasing (Official Gazette of the Republic of Montenegro 81/05); Law on Games of Chance (Official Gazette of the Republic of Montenegro 52/04 and Official Gazette of Montenegro 13/07); Law on Securities (Official Gazette of the Republic of Montenegro 59/00, 10/01, 43/10, 28/06 and 53/09); Law on Investment Funds (Official Gazette of the Republic of Montenegro 49/04); Law on Education in Judicial Bodies (Official Gazette of the Republic of Montenegro 27/06); Law on Accounting and Auditing (Official Gazette of the Republic of Montenegro 69/05 and Official Gazette of Montenegro 80/08); Law on Payment System (Official Gazette of Montenegro 61/08); Law on State Audit Institution (Official Gazette of the Republic of Montenegro 28/04, 27/06, 78/06 and Official Gazette of Montenegro 17/07); Law on the Central Bank of Montenegro (Official Gazette of the Republic of Montenegro 52/00, 53/00, 47/01 and Official Gazette of Montenegro 40/10 and 46/10); Law on International Legal Assistance in Criminal Matters (Official Gazette of Montenegro 4/08); Law on Managing Seized and Confiscated Assets (Official Gazette of Montenegro 49/08); Law on Criminal Liability of Legal Persons (Official Gazette of Montenegro 2/07); Law on the State Property (Official Gazette of Montenegro 21/09).

A series of by-laws were adopted which were passed under the Law on the Prevention of Money Laundering and Terrorist Financing, Law on Banks and the Law on International Current and Capital Transactions: Rulebook on the indicators for identifying suspicious customers and transactions (Official Gazette of Montenegro 69/09); Rulebook on drafting guidelines for risk analysis in order to prevent money laundering and terrorist financing (Official Gazette of Montenegro 20/09); Rulebook on the manner of submission of data on cash transactions valued at 15.000 euro or more and suspicious transactions to the Administration for Prevention of Money Laundering and Financing Terrorism (Official Gazette of Montenegro 79/08); Rulebook on the manner of work of authorized persons, manner of implementation of internal control, data storage and protection, manner of keeping records and training of employees (Official Gazette of Montenegro 80/08); Decision on the banking ombudsman (Official Gazette of Montenegro 15/09); Decision on the amount of cash that can be brought in and out of the Republic of Montenegro without reporting (Official Gazette of the Republic of Montenegro 58/05); Decision on records of accounts for performing international payment transactions (Official Gazette of Montenegro 09/24); Decision on internal audit in banks (Official Gazette of Montenegro 60/2008); Decision on minimum standards for managing interest rate risk, which does not derive from commercial activities of the bank (Official Gazette of Montenegro 60/2008); Decision on minimum standards for managing liquidity risk in banks (Official Gazette of Montenegro 60/2008); Decision on the basis of the internal control system in banks (Official Gazette of Montenegro 60/2008); Decision on minimum standards for market risks management in banks (Official Gazette of Montenegro 60/2008); Decision on minimum standards of bank operations with entities related to the bank (Official Gazette of Montenegro 60/2008); Decision on records of accounts for performing international payment transactions (Official Gazette of Montenegro 24/2009); Decision on the minimum elements of credit and debit orders (Official Gazette of Montenegro 24/2009 and 41/2009); Decision on conditions and manner of performing certain tasks in carrying out transfers of funds by an agent (Official Gazette of Montenegro 24/2009); Decision on the manner of exercising payment systems control (Official Gazette of Montenegro (24/2009); Decision on minimum standards for risk management in **micro-lending financial institutions** (Official Gazette of Montenegro 24/2009 and 41/2009); Decision on methods for making consolidated financial statements of banking groups (Official Gazette of Montenegro 24/2009); Decision on minimum standards for operational risk management in banks (Official Gazette of Montenegro 24/2009).

New regulations in the Criminal Code, in accordance with MONEYVAL recommendations and regulations laid down, inter alia, in the UN Convention against Transnational Organized Crime with Protocols thereto (Palermo Convention) and the United Nations Convention on the Unlawful Traffic in Narcotic Drugs and Psychotropic Substances (Vienna Convention) amended the definition of the crime of money laundering referred to in Article 268. The new definition in the Criminal Code abolished earlier restriction of the crime of money laundering as operations which covered "banking, financial and other business operations". The definition includes every aspect of exchange (conversion) and transmission, as well as acquisition, possession and use of money or other assets acquired through crime. Concealment and misrepresentation of facts concerning the nature, origin, place of deposit, movement, ownership or disposition of money or other property obtained by crime were also criminalized.

Amendments to the Criminal Code in Article 449 revised the definition of act of terrorist financing, which includes activities that contribute to the financing of terrorism and which are not strictly raising money and securities. The definition includes provision of funds or property for the purposes of terrorist financing. The terms "funds" and "property" are interpreted broadly in line with ratified international conventions.

The new definition of terrorism financing lays down imprisonment sentences ranging from one to ten years for anyone who in any way provides or collects money, securities, other assets or property which is intended to be wholly or partly used for financing criminal acts referred to in Art. 447 (terrorism), 447a (public calls to commit acts terrorism), 447b (recruitment and training for terrorist acts), 447c (use of a lethal device), 447d (destroying and damaging a nuclear facility) and 448 (threatening an internationally protected person) of the Criminal Code or for financing either organizations that aim to carry out such crimes, or members of such organizations.

Montenegro has ratified the Convention for the Suppression of the Financing of Terrorism (Official Gazette of the FRY – International Treaties 7/02), as well as the Palermo Convention and the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (Warsaw Convention). Bearing in mind the hierarchy of normative acts stipulated by the Constitution, the terms "funds", "property", "confiscation", "seizure", "predicate offense" and other defined in that Convention are an integral part of our law and order and are applicable in case law.

Measures to detect and prevent money laundering and terrorist financing are undertaken by obligated parties before and during all activities of receiving, investing, exchanging, storing or other disposition of money or other property, other transactions in accordance with this Law and regulations adopted pursuant to this Law, and during all transactions for which there are grounds to suspect that they are of money laundering and terrorist financing nature.

Law on the Prevention of Money Laundering and Terrorist Financing has been harmonized with the requirements of international organizations and institutions and relevant regulations on the prevention of money laundering and terrorist financing, as follows:

1. Directive 91/308/EEC on prevention of the use of the financial system for the purpose of money laundering;
2. Directive 2001/97/EC of the European Parliament and of the Council;

3. Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing;
4. FATF (40 +8 +1) Recommendations;
5. UN Convention against Corruption.

4.3.2. International legal framework

Montenegro contributes to suppressing money laundering and terrorist financing at the regional and global levels by fulfilling the obligations arising from membership in international organizations, as well as via intensive cooperation with the competent authorities of other countries through exchange of information. As a member of the United Nations, Montenegro implements measures pursuant to UNSC Resolutions 1267 (1999), 1333 (2000), 1390 (2002), 1455 (2003), 1526 (2004) and 1373 (2001). Montenegro is a member of the Egmont Group (world association of financial intelligence units), a full member of MONEVAL, and in June 2010 Montenegro was admitted as a member of the Eurasian Group (EAG), with the status of observer.

The list of international legal instruments ratified by Montenegro and the list of bilateral treaties on the prevention of money laundering and terrorist financing are given in Annexes I and II.

4.3.3. Institutional framework

The competent national authorities, parties subject to the implementation of the Law on the Prevention of Money Laundering and Terrorist Financing and other natural and legal persons are engaged in the fight against money laundering and terrorist financing.

The Division for suppressing organized crime, corruption, terrorism and war crimes was established within the **Supreme Public Prosecutor's Office**. The Special Prosecutor is a coordinator in resolving issues related to money laundering and setting up cooperation with relevant national and international institutions.

Specialized divisions for trials in cases of organised crime, corruption, terrorism and war crimes were established in **High Court in Podgorica and High Court in Bijelo Polje**. Trials for money laundering and terrorist financing are under the jurisdiction of these specialized divisions. Specialized divisions, which administer justice in cases related to crimes of money laundering and terrorist financing, have trained personnel and they are equipped to work effectively.

From an organizational point of view, the **Police Directorate** is divided into several departments. As regards fight against money laundering and terrorist financing, the most important is the Criminal Police Department, parts of which are the Division for Combating Organized Crime and Corruption and the Division for Combating Economic Crimes.

According to the Law on the Prevention of Money Laundering and Terrorist Financing, **Administration for Prevention of Money Laundering and Financing Terrorism** performs administrative functions related to detecting and preventing money laundering and terrorist financing, as laid down in law and other regulations. Administration for Prevention of Money Laundering and Financing Terrorism was organized as a financial and intelligence administrative type unit, whose work is supervised by the Ministry of Finance. The Administration is responsible for tasks related to detecting and preventing money

laundering and terrorist financing, related to collecting, analyzing and disseminating to the competent bodies data, information and documentation necessary for the detection of money laundering and terrorist financing.

Tax Administration performs tasks related to: initiating and conducting first instance misdemeanor proceedings and imposing penalties and protective measures for tax violations and preventing and detecting crimes and corporate offences in misdemeanor procedure.

Customs Administration carries out: customs supervision; clearance of goods; control of goods whose import or export are specially regulated; foreign exchange control in international travel and cross-border traffic with foreign countries; prevention and detection of customs violations and conducting administrative and first instance misdemeanor procedures; prevention and detection of crimes and corporate offences in customs procedures; preventing and detecting foreign exchange related violations in international travel and cross-border traffic; processing and monitoring statistical data on imports and exports, as well as other duties placed under its competence.

Supervision over the implementation of the Law on the Prevention of Money Laundering and Terrorist Financing is carried out by:

Ministry of Finance, which monitors the implementation of the Law on the Prevention of Money Laundering and Terrorist Financing in cases of audit companies, independent regime and legal relations of natural persons engaged in accounting and tax consulting services.

Through an authorised official and in accordance with the law governing inspection control, **Administration for Prevention of Money Laundering and Financing Terrorism** carries out inspection control over the implementation of the Law on the Prevention of Money Laundering and Terrorist Financing in: humanitarian, nongovernmental and other nonprofit organizations and business associations, legal persons, entrepreneurs and natural persons engaged in the activity or activities of: buying and selling receivables; factoring; asset management for third parties; issuing payment and credit cards and carrying out transactions with those cards; financial leasing; organizing travels; trade in real estate; trade in motor vehicles; trade in vessels and aircraft; storage in safes; issuing guarantees and other warranties; lending and loan brokering; lending and mediation in contracting lending; brokerage or representation in life insurance; insurance; organizing and conducting auctions, trade in works of art, precious metals and precious stones and articles made from precious metals and stones, and other goods, if payment is in cash in the amount of 15,000 euro or more, in one or a number of related transactions.

In accordance with the Law on the Central Bank of Montenegro, among other things, **Central Bank of Montenegro** monitors the implementation of the Law on the Prevention of Money Laundering and Terrorist Financing in banks, branches of foreign banks, other financial organizations, organizations engaged in payment transactions, savings banks, saving-banks, exchange offices and companies for the issuance of electronic money.

Securities Commission, among others, performs supervision over the implementation of the Law on the Prevention of Money Laundering and Terrorist Financing, in: investment funds management companies and branch offices of foreign companies for managing investment funds, pension funds management companies and branch offices of foreign companies for managing pension funds, as well as stockbrokers and branch offices of foreign stockbrokers.

In accordance with the Law on Electronic Communications, among others, **Agency for Electronic Communications and Postal Services** performs supervision over the implementation of the Law on the Prevention of Money Laundering and Terrorist Financing by the national postal service.

Insurance Supervision Agency monitors the implementation of the Law on the Prevention of Money Laundering and Terrorist Financing in insurance companies and branch offices of foreign insurance companies engaged in life insurance activities.

Administration for Games of Chance supervises the implementation of the Law on the Prevention of Money Laundering and Terrorist Financing on the part of organizers of classical and special games of chance.

In addition to these bodies and institutions, the Banking Association of Montenegro, Institute of Accountants and Auditors, etc. also deal with issues of money laundering.

4.4. Strategic response of Montenegro to the threat of money laundering and terrorist financing

Montenegro has made significant progress, especially in terms of creation of legal and institutional measures for suppressing the crimes of money laundering and terrorist financing.

Owing to the adoption of the Criminal Procedure Code (Official Gazette of Montenegro 57/09 and 49/10), secret surveillance measures can be applied in relation to a higher number of crimes compared to the past, and such offences are enumerated so as to include, inter alia, corruption crimes (money laundering, causing false bankruptcy, abuse of evaluation of assets, passive bribery, active bribery, disclosure of an official secret, trading in influence, abuse of authority in economy, abuse of an official position and fraud in the conduct of an official duty). In fact, under the previous Code, it was not possible to apply secret surveillance measures for certain criminal offenses, which would be more difficult to prove without the application of these measures. The application of measures of secret surveillance is provided for criminal acts against the security of computer data that are difficult to prove and complicated to detect precisely due to the use of sophisticated computer technology, which will further contribute to a more efficient fight against organized crime, terrorism, money laundering and terrorist financing.

By-laws necessary to implement the Law on the Prevention of Money Laundering and Terrorist Financing were adopted. Rules and procedures were established for reporting transactions executed in cash amounting to 15.000 euro and above, as well as for reporting suspicious transactions to the Administration for Prevention of Money Laundering and Financing Terrorism, which also relates to rules for organizing records and manner of keeping them, professional development of staff and performance of internal control within entities obliged to report to the Administration for Prevention of Money Laundering and Financing Terrorism. Rulebook on the development of risk analysis in order to prevent money laundering and terrorist financing was drawn up in March 2009, as well as Rulebook revising the list of indicators for identifying suspicious customers and transactions. Administration for Prevention of Money Laundering and Financing Terrorism has databases of suspicious transactions and cash transactions higher than the statutory limit. Management has made the purchase of an important analytical tool (IBASE), which will allow for better national and international cooperation and data exchange with other law enforcement authorities.

It is necessary to further improve the legal, institutional, personnel, administrative, material and technical capacities of the competent authorities in the fight against money laundering and terrorist financing, in accordance with new threats and challenges.

4.5. The goals of fight against money laundering and terrorist financing

are implemented via:

- improvement of normative and legal framework;
- developed human resources, administrative, material and technical capacities;
- improved institutional cooperation aimed at effective exchange of information;
- improved international cooperation;
- established centralized information system between the competent authorities;
- conducted new programs, trainings and specializations;
- applied MONEYVAL recommendations;
- prepared and adopted risk analysis.

5. CONCLUSION

Adoption of the Strategy is one of the key conditions for more effective prevention and suppression of socially dangerous phenomena of terrorism, money laundering and terrorist financing and represents a response to new challenges and threats to stability and peace in the country.

Implementation of the Strategy involves coordinated action by all actors involved in combating terrorism, money laundering and terrorist financing. National Commission for the implementation of the Strategy for the Prevention and Suppression of Terrorism, Money Laundering and Terrorist Financing will carry out control of the implementation of this Strategy in the period 2010-2012, during which the Action Plan will be implemented.

Objectives, specific activities of all the authorities competent for implementation of the Strategy and time-frame for implementation of objectives and measures envisaged in the Strategy will be laid down in the 2010-2012 Action Plan.

Annex I

United Nations conventions:

United Nations Convention against Transnational Organized Crime with Protocols thereto (Official Gazette of FRY 6/2001) assumed by succession, entered into force on 03/06/2006
United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna Convention), (Official Gazette of SFRY - International Treaties 14/90), assumed by succession, entered into force on 03/06/2006
Convention on Offences and Certain Other Acts Committed on Board Aircraft (Official Gazette of SFRY - International Treaties 47/70), assumed by succession, entered into force on 03/06/2006
International Convention against the Taking of Hostages (Official Gazette of SFRY - International Treaties 09/84), assumed by succession, entered into force on 03/06/2006
Criminal Law Convention on Corruption (Official Gazette of FRY - International Treaties 02/02 and Official Gazette of the Republic of Montenegro 18/05), assumed by succession, entered into force on 03/06/2006
International Convention for the Suppression of the Financing of Terrorism (Official Gazette of FRY 07/02), assumed by succession, entered into force on 03/06/2006
International Convention for the Suppression of Terrorist Bombings (Official Gazette of FRY 12/02), assumed by succession, entered into force on 03/06/2006
UN Convention against Corruption (Official Gazette of Serbia and Montenegro - International Treaties 11/05), assumed by succession, entered into force on 03/06/2006
International Convention for the Prevention of Acts of International Terrorism (Official Gazette of Serbia and Montenegro - International Treaties 06/02), assumed by succession, entered into force on 03/06/2006
International Convention for the Suppression of Acts of Nuclear Terrorism (Official Gazette of Serbia and Montenegro - International Treaties 2/2006), assumed by succession, entered into force on 03/06/2006
Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation (Official Gazette of SFRY - International Treaties 14/89); assumed by succession, entered into force on 03/06/2006
Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, Supplementing the United Nations Convention against Transnational Organized Crime (Official Gazette of Serbia and Montenegro - International Treaties 11/05), assumed by succession, entered into force on 03/06/2006
<i>Montenegro ratified</i>

Additional Protocol to the Criminal Law Convention on Corruption (Official Gazette of Montenegro 11/07)
Convention on Cluster Munitions (Official Gazette of Montenegro, International Treaties 4/09)

Council of Europe conventions:

Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data (Official Gazette of FRY 01/92), assumed by succession, entered into force on 03/06/2006
European Convention on Extradition, with Additional Protocols thereto (Official Gazette of FRY 10/01), assumed by succession, entered into force on 03/06/2006
European Convention on the Transfer of Sentenced Persons with Additional Protocol thereto (Official Gazette of FRY 01/04), assumed by succession, entered into force on 03/06/2006
European Convention on the Suppression of Terrorism (Official Gazette of FRY 10/01), assumed by succession, entered into force on 03/06/2006
European Convention on the Transfer of Proceedings in Criminal Matters (Official Gazette of FRY 10/01), assumed by succession, entered into force on 03/06/2006
European Convention on Mutual Assistance in Criminal Matters with Additional Protocol thereto (Official Gazette of FRY 10/01 and Official Gazette of Serbia and Montenegro - International Treaties 2/06), assumed by succession, entered into force on 03/06/2006
European Convention on the International Validity of Criminal Judgments with Annexes thereto (Official Gazette of SFRY - International Treaties 13/02 and 02/06), assumed by succession, entered into force on 03/06/2006
Agreement on Cooperation to Prevent and Combat Trans-border Crime (Official Gazette of Serbia and Montenegro - International Treaties 05/03), assumed by succession, entered into force on 03/06/2006

Montenegro has ratified the following Council of Europe conventions and protocols:

Civil Law Convention on Corruption (Official Gazette of Montenegro - International Treaties 1/08)
Council of Europe Convention on Action against Trafficking in Human Beings (Official Gazette of Montenegro, International Treaties 4/08)
Council of Europe Convention on the Prevention of Terrorism (Official Gazette of Montenegro, International Treaties 5/08)
Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (Official Gazette of Montenegro, International Treaties 5/08)

Convention on Cybercrime (Official Gazette of Montenegro, International Treaties 4/09)
Additional Protocol to the Convention on Cybercrime, concerning the Criminalisation of Acts of a Racist and Xenophobic Nature Committed through Computer Systems (Official Gazette of Montenegro, International Treaties 4/09)
Second Additional Protocol to the European Convention on Mutual Assistance in Criminal Matters (Official Gazette of Montenegro, International Treaties 5/08)
Police Cooperation Convention for Southeast Europe (Official Gazette of Montenegro 1/08)
Agreement on Strategic Cooperation between Montenegro and the European Police Office (Official Gazette of Montenegro, International Treaties 2/09).

Annex II

List of bilateral treaties on cooperation in the fight against organized crime

Treaties signed by the Government of Montenegro

Cooperation Agreement between the Government of the Republic of Bulgaria and the Government of the Republic of Montenegro on Cooperation in Fighting Terrorism, Organized Crime, Illicit Traffic in Narcotics, Psychotropic Substances and Precursors, Illegal Migration and Other Criminal Offences (2005);
Agreement between the Government of the Republic of Albania and the Government of Montenegro on Cooperation in Fighting Terrorism, Organized Crime, Trafficking and Other Illegal Activities (2003);
Agreement between the Government of Montenegro and the Government of the Republic of Turkey on Police Cooperation (2007);
Agreement between the Government of the Republic of Slovenia and the Government of Montenegro on Cooperation in the Fight against Organized Crime, People Trafficking and Illegal Migration, Trafficking in Illegal Drugs and Precursors, Terrorism and Other Forms of Crime (2006);
Agreement between the Government of Montenegro and the Council of Ministers of Bosnia and Herzegovina on Cooperation in Combating Terrorism, Organized Crime, Trafficking in Drugs, Psychosomatic Substances and Precursors, Illegal Migration and Other Criminal Acts (2007);
Agreement between the Government of the Republic of Montenegro and the Government of the Republic of Macedonia on Cooperation in Combating Terrorism, Organized Crime, Illegal Trafficking in Narcotics, Psychotropic Substances and Precursors, Illegal Migration, and Other Crimes (2003);
Memorandum of Understanding on Police Cooperation between the Government of the Republic of Montenegro and the United Nations Interim Administration Mission in Kosovo (2003).

Agreements signed by Mol&PA / Police Directorate

Agreement between the Mol of Montenegro and the Mol of the Republic of Croatia on Police Cooperation (2005);
Agreement between the Mol of Montenegro and Federal Mol of the Republic of Austria on Police Cooperation (2004);
Protocol on Police Cooperation between the Ministry of Interior of Montenegro and the Ministry of Interior of Romania (2006);
Protocol between the Mol of Montenegro and the Mol of the Republic of Serbia on Cooperation in Combating Terrorism, Organized Crime, Illegal Trafficking in Narcotics, Psychotropic Substances and Precursors, Trafficking in Human Beings, Illegal Migration and Other Criminal Acts, as Well as on Cooperation in Other Areas under Their Competences (2003);
Agreement on Cooperation between the Ministry of Interior of Montenegro and the Ministry of Interior of the Russian Federation from 2008.

THE FIELD OF PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

Agreements signed by the AfPMLaFT

Agreement on Mutual Cooperation with FIU Serbia, 16/04/2004,
Agreement on Mutual Cooperation with FIU Albania, 16/04/2004,
Agreement on Mutual Cooperation with FIU B&H, 19/04/2005,
Agreement on Mutual Cooperation with FIU Macedonia, 29/10/2004,
Agreement on Mutual Cooperation with FIC - Financial Information Centre UNMIK – Kosovo, 07/12/2004,
Agreement on Mutual Cooperation with FIU Slovenia, 28/12/2004,
Agreement on Mutual Cooperation with FIU Croatia, 24/03/2005,
Agreement on Mutual Cooperation with FIU Bulgaria, 11/04/2006,
Agreement on Mutual Cooperation with FIU Portugal, 11/06/2007,
Agreement on Mutual Cooperation with FIU Russia, 07/09/2007,
Agreement on Mutual Cooperation with FIU Poland, 15/11/2007,
Agreement on Mutual Cooperation with FIU Romania, 10/10/2008,
Agreement on Mutual Cooperation with the Financial Crimes Enforcement Network - FinCEN, 22/10/2008,
Agreement on Cooperation with the FIC of EULEX Mission in Kosovo, 20/02/2009,
Agreement on Mutual Cooperation with the State Committee for Financial Supervision of Ukraine, 27/05/2009,
Agreement on Mutual Cooperation with the Unit for Preventing Money Laundering and Suspicious Cases - FIU of the United Arab Emirates, 06/07/2009,
Regional Protocol on Combating Money Laundering in Order to Promote Regional Cooperation, was signed by representatives of FIUs of Montenegro, Serbia, Albania, Slovenia, Croatia, B&H at the II Regional Conference of Financial Intelligence Units, in April 2008.

CUSTOMS COOPERATION

Agreement between the Government of the SFRY and the Government of the Polish People's Republic on Cooperation and Mutual Assistance in Customs Matters (<u>signed on 9 May 1967 in Warsaw</u>),
Agreement on Administrative Assistance in Preventing, Detecting and Combating Customs Offenses between the Government of the SFRY and the Government of the Republic of France (<u>signed on 28 April 1971 in Belgrade</u>),
Treaty between the Socialist Federal Republic of Yugoslavia and the Federal Government of the Republic of Germany on Mutual Administrative Assistance in Prevention, Investigation and Suppressing Violations of Customs Regulations (<u>signed on 2 April 1974, in Bonn</u>),
Agreement between the Socialist Federal Republic of Yugoslavia and the Republic of Austria on Administrative Assistance in Customs Matters in Suppressing Violations of Customs Regulations (<u>signed on 15 March 1978, in Belgrade</u>),
Agreement between the Federal Executive Council of the Socialist Federal Republic of Yugoslavia Parliament and the Government of the Republic of Greece on Cooperation and Mutual Assistance in Customs Matters (<u>signed on 4 October 1983, in Athens</u>),

Agreement between the Federal Executive Council of Socialist Federal Republic of Yugoslavia Parliament and the Government of the People's Republic of China on Cooperation in Customs Matters (<u>signed on 23 January 1989, in Belgrade</u>),
Agreement between the Federal Executive Council of the Socialist Federal Republic of Yugoslavia and the USA Government on Mutual Assistance between their Customs Administrations (<u>signed on 11 April 1990, in Belgrade</u>),
Agreement between the Federal Government of the Federal Republic of Yugoslavia and the Government of the Russian Federation on Cooperation and Mutual Assistance of Customs Services (<u>signed on 6 November 1996, in Moscow</u>),
Agreement between the Federal Government of the Federal Republic of Yugoslavia and the Government of the Republic of Macedonia on Customs Cooperation and Mutual Assistance (<u>signed on 4 September 1996, in Skopje</u>),
Agreement between the Federal Government of the Federal Republic of Yugoslavia and the Government of the Republic of Bulgaria on Customs Cooperation and Mutual Assistance (<u>signed on 4 June 1997, in Belgrade</u>),
Agreement between the Federal Government of the Federal Republic of Yugoslavia and the Government of the Czech Republic on Mutual Assistance in Customs Matters (<u>signed on 9 September 1998 in Belgrade</u>),
Agreement between the Federal Government of the Federal Republic of Yugoslavia and the Government of Romania on Customs Cooperation and Administrative Assistance in Preventing, Investigations and Suppression of Customs Offences (<u>signed on 14 January 1998, in Belgrade</u>),
Agreement between the Federal Government of the Federal Republic of Yugoslavia and the Government of Republic of Hungary on Cooperation and Mutual Assistance in Customs Matters (<u>signed on 24 September 1998, in Belgrade</u>),
Agreement between the Federal Government of the Federal Republic of Yugoslavia and the Government of the Republic of Slovakia on Customs Cooperation (<u>signed on 28 March 2001, in Belgrade</u>),
Agreement between the Federal Republic of Yugoslavia and Bosnia and Herzegovina on Customs Cooperation and Mutual Assistance (<u>signed on 18 December 2001 in Sarajevo</u>),
Agreement on Mutual Administrative Assistance between the Federal Government of the Federal Republic of Yugoslavia and the Government of the Republic of Italy in Prevention, Investigating and Suppression of Customs Offences (<u>signed on 10 November 1965, in Belgrade</u>),
Agreement on Mutual Administrative Assistance between the Federal Government of the Federal Republic of Yugoslavia and the Government of the Republic of Turkey in Prevention, Investigating and Suppression of Customs Offences (<u>signed on 6 February 2002, in Istanbul</u>),
Agreement between the Government of the Republic of Montenegro and the Government of the Republic of Croatia on Mutual Assistance in Customs Matters (<u>signed on 9 December 2005, in Podgorica</u>),
Agreement between the Government of the Republic of Montenegro and the Council of Ministers of the Republic of Albania on Mutual Assistance in Customs Matters (<u>signed on 26 December 2005, in Tirana</u>),
Agreement between the Government of the Islamic Republic of Iran, Government of the Republic of Serbia and the Government of the Republic of Montenegro on Mutual Assistance and Cooperation in Customs Matters (<u>signed on 1 June 2005, in Teheran</u>),
Memorandum of Understanding between the Customs Administration of Montenegro and the Customs Service of United Nations Interim Administration Mission in Kosovo (UNMIK) on Cooperation and Mutual Administrative Assistance in Customs Matters (<u>signed on 19 November 2004 in Podgorica</u>),
Customs Administration exercises cooperation pursuant Annex 5 on Mutual Administrative Assistance in Customs Matters of the Agreement to Amend and Enlarge the Central European Free Trade Agreement –

CEFTA 2006. CEFTA signatories which exercise cooperation pursuant to the afore-mentioned Annex are: Republic of Albania, Bosnia and Herzegovina, Republic of Croatia, Republic of Macedonia, Republic of Moldova, Montenegro, Republic of Serbia and UNMIK /Kosovo. This Agreement represents amendment to the agreements on mutual assistance in customs matters, which may be or have already been concluded between the CEFTA signatories.

Agreements signed by the Supreme Public Prosecutor's Office

- Cooperation Agreement between the Supreme Public Prosecutor's Office of Montenegro and the Public Prosecutor's Office of the Republic of Croatia on the Fight against Organized Crime
- Cooperation Agreement between the Supreme Public Prosecutor's Office of Montenegro and the Public Prosecutor's Office of Bosnia and Herzegovina,
- Cooperation Agreement between the Supreme Public Prosecutor's Office of Montenegro and the Public Prosecutor's Office of the Republic of Serbia,
- Cooperation Agreement between the Supreme Public Prosecutor's Office of Montenegro and the Public Prosecutor's Office for War Crimes of the Republic of Serbia,
- Cooperation Agreement between the Supreme Public Prosecutor's Office of Montenegro and EULEX Office - Special Public Prosecutor's Office of the Republic of Kosovo,
- Cooperation Agreement between the Supreme Public Prosecutor's Office of Montenegro and the General Prosecutor's Office of the Republic of Albania,
- Cooperation Agreement between the Supreme Public Prosecutor's Office of Montenegro and the General Prosecutor's Office of Ukraine.

