

**LAW**

**ON THE PREVENTION OF MONEY LAUNDERING**

**AND FINANCING OF TERRORIST ACTIVITIES**

**I – GENERAL PROVISIONS**

**Article 1**

**(Subject of the Law)**

This Law shall determine measures and responsibilities for detecting, preventing and investigating money laundering and financing of terrorist activities by State Investigation of Protection Agency -Financial-Intelligence Department of (hereinafter: FID), persons under obligation, other governmental bodies and legal persons with public authorisations and it shall also prescribe measures and responsibilities of FID for international cooperation for the prevention of money laundering and the financing of terrorist activities.

**Article 2**

**(Definition of Money Laundering and Financing of Terrorist Activities)**

For the purpose of this Law the terms shall have the following meaning:

1. “Money laundering” means:
  - a. The conversion or transfer of property, when such property is derived from criminal activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in such activity to evade the legal consequences of his or her action;
  - b. The concealment or disguise of the true nature, source location, disposition, movement, rights with respect to, or ownership of property, when such property is derived from criminal activity or from an act of participation in such activity;
  - c. The acquisition, possession or use of property derived from criminal activity or from an act of participation in such activity;
  - d. Participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions mentioned above.

1. Money laundering also covers the activities performed on the territory of other state that resulted in acquiring property subject to laundering.
2. "Financing of terrorist activities" means:
  - a. Securing or collecting funds, in any manner, directly or indirectly, with intention or knowledge that it shall be utilised, completely or partially, for performing of terrorist acts by individual terrorists and/or terrorist organizations.
  - b. Financing of terrorist activities also means encouraging and assistance in securing and gathering of property, regardless whether the terrorist act was committed and whether the property was utilised for performing a terrorist act.
3. "Terrorist act" includes one of the following deliberate actions which, given its nature or its context, may cause serious damage to a state or international organisation, with aim of serious frightening or residents or forcing governmental bodies of the government of u Bosnia and Herzegovina, governments of other country or international organization, to perform or not to perform something ,or with the goal of serious destabilisation or destroying primary political, statutory, economic or social structures of Bosnia and Herzegovina, other country or international organisations:
  - a. Attack on life of person which may cause its death;
  - b. Attack on physical integrity of person;
  - c. Illegal closure, maintaining closed or taking over or limiting freedom of movement of other person otherwise, with aim to force him/her or somebody else to perform not to perform or to bear (kidnapping) or taking of hostages;
  - d. Inflicting great damage to facilities of Bosnia and Herzegovina, government of other state or public institutions, transport system, an infrastructural buildings, including information system, fixed platform located on the continental zone, public place or private property, for which it is probable that it shall jeopardize human life or cause significant economic damage;
  - e. Aircraft hijacking, boat jacking or hijacking of other means of public transportation or means for the goods transportation;
  - f. Production, possession, acquisition, transport, supply, utilisation or training for the use of weapons, explosives, nuclear, biological-chemical weapons or radioactive material, as well as research and development of biological-chemical weapons or radioactive material;

- g. Releasing dangerous substances, or causing fire, explosion or floods with consequence of jeopardizing human lives;
  - h. Disruption or blocking water supply, power supply or any other primary natural resources with a consequence of jeopardizing human lives;
  - i. Threatening to commit some act referred to in item a) to h) of this paragraph.
4. "Terrorist" is a person who independently or with other persons:
- a. directly or indirectly, with intention, performs or tries to perform a terrorist act;
  - b. encourages or assists in performing a terrorist act;
  - c. with intention, or knowledge on intention of the group of persons to perform a terrorist act, contributes, or is contributing to performance of a terrorist act.
5. "Terrorist organization" is an organized group of persons which:
- a. Intentionally, directly or indirectly, performs or tries to perform a terrorist act;
  - b. Encourages or assists in performing of a terrorist act or an attempt to perform a terrorist act;
  - c. With intention, or knowledge about the intention of the group of persons to perform a terrorist act, contributes, or is contributing to performance of a terrorist act.

### **Article 3**

#### **(Definition of other terms)**

**Definitions of other terms for the purpose of this Law are:**

1. "Transaction" is any type of receiving, keeping, exchange, transfer, disposal or other handling with money or property by the person under obligation.
2. "Suspicious transaction" is any transaction for which a person under obligation or competent body evaluates that, in relation with transaction, there is basis grounds for suspicion of committing a criminal o act of money laundering or financing or terrorist activities, that is, that transaction includes assets which result from illegal activities. Suspicious transactions also include transactions which depart from normal models of the clients' activities, as well as each complex and unusually large transaction that has no evident economic, business or legal purpose.
3. "Cash transaction" is any transaction where the person under obligation physically receives or gives cash to the client.
4. "Connected transactions" are two or more transactions originating from or destined to an account or a legal or natural person in which the amounts the transactions are below the amount for conducting the identification or reporting according to provisions of this Law, but which together exceed the amount referred to in Article 6 of this Law, and can be considered to be related to each other due to the time span in which they have been made, the recipient or the originator of the transactions, the method of the transactions, the reason for which the transactions have been made, or other factors due to which the transactions can be considered connected.
5. "Property" means assets of any kind, whether material or immaterial, movable or immovable and includes the legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in such property.
6. Reference to value in "KM" means also the equivalent value in any foreign currency according to the official exchange rate in use at the time of the transaction.
7. "Cash" means coins or banknotes which are in circulation as the legal means of payment in Bosnia and Herzegovina, as well as any other means of payment (travellers' checks, personal checks, bank checks, money orders, or other forms of payment in such form that title thereto passes upon delivery).
8. "Predicate criminal act" is a criminal act with which the property which is the subject of a criminal act of money laundering was acquired.

9. "Risk of money laundering and financing of terrorist activities" is the risk that the client shall use financial system or activity of the person under obligation for committing criminal acts of money laundering, i.e. that some business relationship, transaction, service or product shall be used directly or indirectly for the above-mentioned criminal acts.
10. "Business Relationship" is every business or other agreed relationship established by the person under obligation or concluded with the client and it is connected with performing of activity of the person under obligation.
11. "Correspondent Relationship" is the relationship between the local credit institution and foreign credit institution, i.e. other institution which is established by opening account of foreign credit institution in the local credit institution.
12. The "Shell Bank" is a foreign credit institution or another institution engaged in the same activity, which is registered in the country in which it does not perform its activity, and which is not related to any financial group which is subject to monitoring for detecting and preventing of money laundering or terrorism financing.
13. Person offering entrepreneur services (trust) is every legal or natural person which as its business activity for third persons performs some of the following services:
  - a. Establishes a legal person;
  - b. Performs function of the Chairman or Management Board member, or partner, and that thereby it is not actual performance of business function, that is, that person does not undertake a business risk in relation to the capital stake in legal person in which it is formally a member or partner;
  - c. Secures to legal person a registered seat, or rents a business mailing or administrative address and other services related to it;
  - d. Performs function or enables to other person to perform function of Manager of the institution, fund or another similar foreign legal person which receives, manages or shares property assets for particular purpose, where definition excludes companies for managing investment and pension funds;
  - e. Uses or enables to other person utilisation of other shares for exercising the voting right, except in case of a company whose financial instruments are traded on the market or other regulated public market, for which, in accordance with

the EU regulations or international standards, request for information publication are valid.

14. The client's "beneficial owner" is:

- a. The client's beneficial owner and/or natural person in which name the transaction or activity is performed.
- b. Beneficial owner of the company, that is, other legal person is:
  - natural person, who directly or indirectly owns at least 20% of the business share, stocks, voting right, or other rights, on which grounds he/she participates in management of the legal person or the funds thereof, i.e. participates in the capital of legal person with 20% or more share, or it has dominant position in managing property of a legal person;
  - natural person, who indirectly secures or is securing assets to the company, and who on those grounds has the right to significant influence on decision-making of bodies managing the company, when making decisions on financing and business activities.
- c. beneficial owner of a foreign legal person, who receives, manages, or assigns property for particular purposes is:
  - natural person, who is director indirect beneficiary of more than 20% of property that is the subject of management, under condition that future beneficiaries are determined;
  - natural person or group of persons in which interest a foreign legal person was established or operates, under condition that such person or group of person can be determined;
  - natural person who directly or indirectly manages without limitation with more than 20% of property with foreign legal person.

15. Non-profit organizations are associations, institutions, services, and religious communities, founded in accordance with the Law, and who mostly engage in activity which does not make profit.

16. "Factoring" is sale of accounts receivable with or without recourse.

17. "Forfeiting" is export financing based on purchase of long-term undue receivables, secured by financial instruments with discount and non-recourse.

18. "Foreign legal person" is the legal person who has state affiliation of the country in which area he/she is seated.

#### **Article 4**

##### **(Persons under Obligation of implementing measures)**

1. Measures for detecting and preventing money laundering and financing of terrorist activities shall be carried out according to this Law, when conducted by persons under obligation as listed below:
  - a. Banks
  - b. Post offices
  - c. Investment and mutual pension companies and regardless of the legal form;
  - d. Authorised intermediaries trading in money market instruments, foreign exchange, exchange, interest rate and index instruments, transferable securities and commodity futures trading;
  - e. Insurance companies, brokerage companies in insurance, insurance representation companies and insurance representatives having the license for performing life insurance operations;
  - f. Casinos, gambling houses and other organizers of games of chance and special lottery games, particularly betting games, games of chance on machines, internet games and other telecommunication means;
  - g. Currency exchange offices;
  - h. Pawnbroker offices;
  - i. Public notaries, lawyers, accountants, auditors and legal or natural persons performing accounting and services of tax advising;
  - j. Privatisation agencies;
  - k. Real estate agencies;
  - l. Legal and natural persons performing the following activities:
    - Receiving and/or distributing money or property for humanitarian, charitable, religious, educational or social purposes,
    - Transfer of money or value,
    - Factoring,
    - Forfeiting,
    - Safekeeping, investing, administering, managing or advising in the management of property of third persons;
  - m. Issuing, managing and performing operations with debit and credit cards and other means of payment,

- n. Financial leasing;
- o. Issuing financial guarantees and other warranties and commitments;
- p. Lending, crediting, offering and brokering in the negotiation of loans;
  
- r. Underwriting, placement and brokering in insurance policies;
- s. Organizing and executing auctions;
- t. Trade in precious metals and stones and products made from these materials;
- u. Trading with works of art, boats, vehicles and aircrafts;
- v. Persons referred to in Article 3, item 13 of this Law.

## **II – TASKS AND DUTIES OF PERSONS UNDER OBLIGATION**

### **Article 5**

#### **(Risk Assessment)**

1. Person under obligation is obliged to make a risk assessment which shall determine the risk level of group of clients or individual client, business relationship, transaction or product with possibility of misuse for the purpose of money laundering or terrorism financing.
  
2. The assessment referred to in paragraph 1 of this Article shall be prepared in accordance with guidelines on risk assessment, established by FID and competent supervisory bodies, in accordance with sub-legal acts which determine closer criteria for creation of guidelines (type of person under obligation, scope and type of operations, type of clients, i.e. products, etc.) as well as the type of transactions for which, due to non-existence of risk of money laundering and terrorism financing, it is necessary to perform a simplified identification of the client within the meaning of this Law.

### **Article 6**

#### **(Customer Due Diligence CDD)**

1. A person under obligation is obliged to undertake a customer due diligence of a client when:
  - a. Establishing a business relationship with a client;



- b. Performing transaction in the amount of 30,000 KM or more, regardless of whether the transaction was made in one operation or in several obviously related transactions;
  - c. Existence of doubt in the validity and adequacy of previously received information about the client or the beneficial owner;
  - d. Existence of doubt of money laundering or financing of terrorist activities in terms of transaction or client, regardless the amount of transaction.
2. During the Customer Due Diligence referred to in paragraph 1, item b. of this Article, is performed based on previously established business relationship with person under obligation, the person under obligation shall, within the framework of customer due diligence measures, only to check the client's identity, that is, the identity of persons conducting the transaction and collect data which are missing referred to in Article 7 of this Law.

## **Article 7**

### **(Elements of Customer Due Dilligence)**

1. Unless stipulated otherwise under this Law, measures of customer due dilligence consist of:
  - a. Determining identity of the client and verification of its identity based on documents, data, or information obtained from authentic and objective sources;
  - b. Identifying the beneficial owner;
  - c. Acquiring data on the purpose and intention of nature of a business relationship or transaction, as well as other data prescribed by this Law;
  - d. Regular monitoring of undertaken business activities of the client through persons under obligation.
2. The person under obligation shall define procedure for implementation of measures of Customer Due Diligence referred to in paragraph 1 of this Article as its internal provision.
3. The person under obligation shall not establish a business relationship, or perform transaction if nit is unable able to implement measures referred to in paragraph 1 of this Article.

## **Article 8**

### **(Subsidiaries, Branch Offices and other organizational Units of person under obligation)**

1. Persons under obligation are obliged to completely implement provisions of this Law in their seat, in all Branches and other organizational units in the country, and in all international Branches or other organizational units.
2. Persons under obligation are obliged to implement enhanced customer due diligence measures over activities of international Branches and other international organizational units, , and particularly in countries which do not apply internationally accepted standards in the area of prevention of money laundering and terrorism financing, or which do perform such measures but insufficiently, as far as they are permitted under the Laws and regulations of foreign countries.

## **Article 9**

### **(Identifying and determining the identity of natural person)**

1. Person under obligation shall determine and verify the identity of a client who is a natural person as well as its legal representative, and the client, who is a entrepreneur or a person engaged in other independent activity, by obtaining data referred to in Article 7 of this Law, by scrutinizing valid identification document of the client in his/her presence.
2. If a person under obligation is unable to collect all prescribed data by scrutinizing valid identification document, missing data shall be obtained from other valid public documents provided by the client, that is, either directly from the client, otherwise.
3. Person under obligation can determine and check the identity of a client, who is a natural person, i.e. his/her legal representative, tradesman, and person engaged in other independent activity, and otherwise, if the Minister of Security of BiH (hereinafter: Minister) determines such activity under Book of Rules.

## **Article 10**

### **(Identifying and determining identity of legal person)**

1. Person under obligation shall determine and verify the identity of a client, who is a legal person, by obtaining data referred to in Article 7 of this Law, by scrutinizing the original or certified copy of documentation from the

Court Registry or other public registry, which is submitted to him/her in the name of the legal person by a legal representative or authorised person on behalf of the legal person.

2. Documentation referred to in Article 1 of this Article, when submitted to the person under obligation, must be up-to-date and accurate, and must reflect the client's actual situation.,
3. The person under obligation can determine and check the identity of legal person by collecting data referred to in Article 7 of this Law, by direct examination in the court registry or other public registry. A person under obligation shall enter the date, time, and the surname of the person who performed examination in the form of a note in the statement from the registry in which the examination was made. A person under obligation shall keep statement from the register in accordance with provisions of this Law which relate to protection and keeping of data.
4. A person under obligation shall acquire other data referred to in Article 7 of this Law, except for data on beneficial owner, by examining the original or certified copies of documents and other business documentation.

If it is not possible to collect all data referred to in Article 7 of this Law from those documents and records, a person under obligation shall acquire the missing data directly from the legal representative or authorized person.

(5) If, during the identification and verifying of the legal person's identity, a person under obligation questions the validity of collected data or validity of documents and other business documentation from which data were obtained, he/she must request a written statement from the legal representative or authorized person prior to establishment of a business relationship or performance of transaction.

(6) If a client is a foreign legal person who performs activity in Bosnia and Herzegovina through his/her business unit –Subsidiary, a person under obligation shall establish and verify identity of a foreign legal person and its Subsidiary.

(7) If a foreign legal person, with exception of international governmental organizations, performs transactions, a person under obligation is obliged to repeat, at least once a year, identification by obtaining data from Article 7 of this Law and new authorizations referred to in Articles 11 and 12 of this Law.

## **Article 11**

### **(Identifying and determining the identity of a legal person's representative)**

1. A person under obligation shall establish and verify identity of the legal person's representative by obtaining of data from Article 7 of this Law, and examining the official identification document of the legal representative, in

his/her presence. If it is not possible to obtain all required data from the official personal documents, missing data shall be obtained from other valid public document proposed by a client, i.e. submitted by legal representative.

2. If, when identifying and verifying identity of a legal person's representative, a person under obligation suspects the validity of obtained data, he/she must request a written statement from the legal representative.

## **Article 12**

### **(Establishing and determining the identity of the legal person's authorized person)**

1. If a business relationship on behalf of legal person instead of the legal representative from Article 11 of this Law is established by authorized person, a person under obligation shall establish and verify identity of authorized person by examining official identification document of authorized person in his/her presence.
2. If it is not possible to obtain all prescribed information from the document referred to in paragraph 1 of this Article, missing data shall be obtained from other valid public identification document submitted by authorized person, or directly from authorized person. A person under obligation shall obtain data referred to in Article 11 of this Law on legal representative who, on behalf of a legal person, issued authorization based on data from certified authorization.
3. If authorized person shall perform the transaction referred to in Article 6 of this Law on behalf of a client who is legal person, natural person, tradesman, or person who engaged in other independent activity, a person under obligation shall establish and verify identity of authorized person by obtaining the data referred to in Article 7 of this Law.
4. A person under obligation shall gather data referred to in Article 10 of this Law on the client who is legal person, and who is represented by authorized person, based on data from certified authorization.
5. If a legal person, when establishing and verifying identity of authorized person, suspects the truthfulness of obtained data, he/she must request the written statement from authorized person.

## **Article 13**

### **(Establishing and determining the identity of other legal persons)**

1. For associations, foundations and other legal persons who don't perform economic activities and for religious communities and associations which

don't operate in the capacity of a legal person but act independently in legal transactions, a person under obligation is obliged to:

1. Establish and check the identity of a person authorized to represent or to be representative
  2. Obtain a representation authorization
  3. Collect data referred to in Article 10 of this Law
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2. A person under obligation shall establish and check the identity of a representative referred to in paragraph 1 of this Article by collecting data referred to in Article 10 of this Law, and scrutinizing official identification document of the representative, in his presence. If it is not possible to obtain from the document required data, missing data shall be collected from other valid public document submitted by a representative or directly from a representative.
  3. Data referred to in Article 10 of this Law on each natural person who is a member of an association or any other subject referred to in paragraph 1 of this Article shall be collected by a person under obligation from authorization for representation which is submitted to him by a representative. If it is not possible to obtain all data referred to in Article 10 of this Law, missing data shall be acquired directly from representative.
  4. If, while establishing and checking of the identity of a person from paragraph 1 referred to in this Article, a person under obligation suspects the validity of collected data or credibility of identification documents from which the data have been obtained, prior to establishing of business relationship or performing of transaction, he/she must also request written statement from a representative.

#### **Article 14**

##### **(Specific Cases Related to Determining and Establishing of Client's Identity)**

1. A person under obligation, who performs activity of safe keeping in safe deposit boxes, must establish and check identity of a client when establishing a business relationship with a client which is based on renting a safe-deposit box. Client's identity must be established and checked also on every access to the safe-deposit box.
2. While establishing and checking of client's identity based on paragraph 1 of this Article a person under obligation shall collect data referred to in Article 7 of this Law.
3. Provisions of this Article in relation to obligation to check client's identity when his accessing to the safe-deposit box relate to each natural person who actually makes access to safe-deposit box, regardless of whether it is the safe deposit box user according to the Safe Deposit Box Agreement , or her/his legal representative or authorized person.

(4) Insurance company and other legal and natural person brokering in the sale of life insurance policies shall identify the client in relation to life insurance, for which individual jobs or several instalments of the premium which should be paid in one year, amount to 2.000 KM or more, or if the payment of the single premium is 5, 000 KM or more. Identification shall also be performed when individual instalment or several instalments of the premium to be paid within one year are increased to 2, 000 KM or more.

(5) Insurance company and natural and legal person brokering in the sale of insurance policies shall conduct the customer due diligence of the client in relation to pension insurance, if insurance policy can be transferred or used as collateral for taking loan.

(6) Legal or natural persons who perform activities of organizing or conducting auctions or trade with works of art boats, vehicles or aircrafts shall conduct the identification when carrying out a cash transaction or several connected transactions in amount of 30, 000 KM or more.

(7) Casinos, gaming houses and other organizers of games of chance and special lotteries are obliged to establish and check a customer's identity when conducting transactions in amount of 5, 000 KM or more.

(8) A person under obligation shall identify the owner of the bankbook for every transaction which is performed based on a bankbook.

## **Article 15**

### **(Determining and Establishing the Identity of a Beneficial Owner)**

(1) In order to establish identity of beneficial owner legal person, a person under obligation will collect data by examining the originals and verified documents from court register or other public records which have to be updated and correct and it must reflect the actual condition of a client. A person under obligation can obtain those data by direct examination in the court or other public register, acting in accordance with provisions from Article 10 paragraph 3 of this Law.

(2) If all necessary data about beneficial owner cannot be obtained from the court or other public register, a person under obligation will collect missing data by reviewing the original or verified documents and business records submitted by legal representative or his/her authorized person. When a person under obligation cannot obtain data in a way described in this Article, he will get them from written statement by legal representative or his/her authorized person.

## **Article 16**

### **(Third Party)**

1. Third parties, within the meaning are:

1. Organization mentioned in items a, c, d and e of paragraph 1 referred to Article 4 of this Law
2. Other persons who meet conditions set by the Minister in Book of Rules. Among others, the Minister will take a report on technical criteria adopted by European Commission in accordance with Article 40 of Directive 2005/60/EC, data from competent international organizations and data from the FID.

(2) Apart from the above-mentioned in paragraph 1 of this Article, audit companies referred to in Article 38 of this Law will also be considered as third parties.

(3) Third persons referred to in paragraph 1 of this Article will not include outsourcing and agents.

(4) Minister will make a list of countries which introduce and accept standards against money laundering and financing of terrorist activities, as defined under Directive 2005/60/EC and in parallel, he/she shall check reports adopted by European Commission as an instrument in accordance with Article 40 of Directive 2005/60/EC, data from competent international organizations and data from FID.

(5) Notwithstanding paragraph 1 of this Article, a person under obligation cannot rely on third parties when implementing of customer due diligence procedure of client if a client is:

a. Foreign legal person who is not engaged or cannot engage in trade, production or other activities in the country of registration

b. Fiduciary or other similar foreign legal person with unknown or hidden owners or managers.

### **Article 17**

#### **(Customer due Dilligence of Clients through Third Parties)**

(1) A person under obligation can, under conditions determined under this Law and other regulations adopted in accordance with this Law, when establishing a business relationship with a client, entrust to the third party establishing and checking of the client's identity, establishing of the identity of the client's

beneficial owner and collecting of data on the purpose and anticipated nature of business relationship or transaction.

(2) A person under obligation is obliged to previously verify whether the third party, to whom implementing measures of customer due diligence shall be entrusted, meets conditions prescribed by this Law.

(3) A person under obligation shall still bear the final responsibility for implementing measures of customer due diligence entrusted to the third party.

## **Article 18**

### **(Regular Monitoring of the Client's Business Activities)**

1. A person under obligation shall monitor business activities undertaken by a client by implementing customer due diligence measures with application of the principle to get to know your client including the origin of assets that are used in business operations.
2. Monitoring of business activities undertaken by a client through a person under obligation includes:
  - a. Establishing of client's business activities in accordance with purpose and intention of business relationship established between a client and a person under obligation
  - b. Monitoring and establishing of client's business activities in accordance with the scope of his/her work
3. A person under obligation should determine the scope and frequency of measures referred to in paragraph 2 of this Article which corresponds to the risk of money laundering or financing of terrorist activities to which he/she is exposed in performing individual transactions or business activities of individual client. A person under obligation will evaluate such risk in accordance with Article 5 of this Law.

## **Article 19**

### **(Forms of Customer due Diligence)**

1. During customer due diligence of client's activities, a person under obligation, depending on the risk of each client, can apply:



- a. enhanced customer due diligence
- b. Simplified customer due diligence

## **Article 20**

### **(Enhanced Customer due Diligence of a Client)**

1. Enhanced measures of customer due diligence, apart from measures referred to in Article 7, also include additional measures prescribed by this Law when:
  - a. Establishing a correspondent relationship with the Bank or other similar foreign credit institution
  - b. Establishing a business relationship or performing transactions referred to in Article 6 of this Law with a client who is politically exposed person referred to in Article 22 of this Law
  - c. The client was not present during determination and verification of the identity during carrying out of customer due diligence measures

(2) The obliged person may apply enhanced customer due diligence measures in some other cases when, due to nature of a business relationship and the manner of performing transaction, the client's business profile or other circumstances related to the client, the risk of money laundering or financing of terrorist activities exists.

## **Article 21**

### **(Correspondent Relationship with Foreign Loan Institutions)**

1. When establishing a correspondent business relationship with the Bank or similar foreign loan institution, a person under obligation shall apply the measures referred to in Article 7 of this Law, related to procedure on customer due diligence of the client, and furthermore, the following data, information and documentation:
  - a. Data on the issue and valid period of authorization for offering banking services, name and seat of competent body who issued authorization;
  - b. The description of implementing internal procedures relating to detecting and preventing money laundering and financing of terrorist activities, especially procedures for customer due diligence of the client, procedures determining the beneficial

owner, for data concerned with report on suspicious transactions to competent bodies, for keeping of report, internal control and other procedures adopted by the Bank or similar credit institution for detecting and preventing money laundering or financing of terrorist activities;

- c. The description of relevant legislation in area of detecting and preventing of money laundering and financing of terrorist activities applied in countries in which the Bank or other similar credit institution was founded or registered;
  - d. Written statement that the Bank or other similar loan institution does not perform business with the shell banks;
  - e. Written statement stating that the Bank or similar loan institution has no established relationship or it does not enter into business relationship with the shell banks;
  - f. Written statement stating that the Bank or similar loan institution has no administrative supervision in the country of its seat or registration and that it is obliged, pursuant to legislation of that country, to harmonize its operations with the laws and provisions concerned with detection and prevention of money laundering and financing of terrorist activities.
2. Employees of a person under obligation, who establishes relationship with the correspondent Bank referred to in Paragraph 1 of this Article and implements enhanced customer due diligence of the client, shall collect all verbal consents from their superior and responsible person of the person under obligation prior to entering in such relationship.
  3. The person under obligation shall collect all data referred to in Paragraph 1 of this Article, making in public or other available registers and by reviewing documents and business reports enclosed by the Bank or other similar foreign loan institution.
  4. The person obligation shall not enter or proceed with correspondent relation with the Bank or other similar foreign loan institution if:
    - a. Data referred to in items a, b, c, d, e, of Paragraph 1 of this Article are not obtained in advance
    - b. Employees of the person under obligation, who did not receive previously written approval from their supervisor for entering into a correspondent relationship;
    - c. The bank or other similar foreign loan institution f does not apply the system for detection and prevention of money laundering and financing of terrorist activities, or in accordance with legislation of the country of its seat or registration, is not obliged to apply the laws and other relevant regulations concerned with detection and prevention of money laundering and financing of terrorist activities.
    - d. The Bank or other similar foreign loan institution f operates as the shell bank or enters into correspondent or other business relationships, and performs transactions with the shell banks.

## **Article 22**

### **(Foreign Politically Exposed Parties)**

1. Persons under obligation shall establish appropriate procedure for determining whether the foreign person is politically exposed. They shall define such procedures through their internal act, while following guidelines of bodies in charge for supervision referred to in Article 68 of this Law.
2. A foreign politically exposed party referred to in Paragraph 1 of this Article includes any natural person which is entrusted or was entrusted with significant public function in the previous year, including closest family members and close associates.
3. A natural person having or which had entrusted significant public function is:
  1. Head of the State, Prime Minister, Ministers and their Deputies or Assistants;
  2. Selected representatives in legislation bodies;
  3. The judges of the Supreme or Constitutional Court and other high judicial institutions;
  4. Members of Audit and Governing Board of the Central Bank;
  5. Ambassadors and high-ranking military officers;
  6. Members of the Management or Supervisory Boards of companies which are in the majority ownership of the state.
4. Closest family members of persons referred to in Paragraph 2 of this Article are: spouses, parents, siblings, children and their spouses.
5. Close associates referred to in Article 2 are all natural persons participating in profit from the property or are in business relationship or connected to business otherwise.
6. When the client, who enters a business relationship or makes transaction, or if the client on whose behalf a business relationship is entered into or transaction is being performed, is a foreign politically exposed person, a person under obligation will undertake the following measures, apart from measures referred to in Article 20 of this Law, within the procedure of enhanced customer due diligence of the client,:
  1. Obtain data on the source of assets and property that are or will be the subject of business relationship or transaction from documents and other documents submitted by the client. Once those data cannot be obtained in aforementioned manner, a person under obligation shall obtain them directly from a written statement of the client.

2. Employees of the person under obligation, who performs procedure for establishment of business relationship with the client who is a foreign politically exposed person, shall secure a written consent from its supervisor for entering into a correspondent relationship.
3. Upon entering into a business relationship, a person under obligation will monitor transactions and other business activities of a foreign politically exposed person, which are performed through persons under obligation using customer due diligence procedure.

### **Article 23**

#### **(Determining and Establishing the Identity without the Client's Physical Presence)**

1. When the client is not physically present before the person under obligation when determining and establishing identity, a person under obligation, apart from measures referred to in Article 7 of this Law, within customer due diligence procedure, shall undertake one or several measures referred to in Paragraph 2 of this Article.
2. When determining and verifying identity, the person under obligation will implement the following measures:
  - a. Obtain additional documents, data, or information based on which the client's identity shall be verified.
  - b. Additionally verify submitted documents or confirm them additionally by the credit or financial institution.
  - c. Apply measure that the first payment in business activity is made through account opened on behalf of the client or other credit institution.
3. It is not allowed to establish a business relationship without the client's presence, if the person under obligation applies the measure referred to in Paragraph 2 item c of this Article.

### **Article 24**

#### **(Simplified Customer due Diligence of the Client)**

1. Procedure of simplified customer due diligence of the client is possible if the client is:

- a. the body of Bosnia and Herzegovina (hereinafter: BiH), Federation of BiH, Republika Srpska (hereinafter: RS) or District of BiH or institution with public authorizations;
- b. the Bank, insurance company or other legal and natural person engaged in brokering in the sale of insurance policies, and investment and pension funds, without regard to legal form, with seat in Bosnia and Herzegovina or seat or headquarters in EU member countries or in countries which, according to information obtained from FID, international organizations and other competent international bodies, meet the necessary accepted standards in area of prevention and detection of money laundering and financing of terrorist activities, and which was determined by the Minister as as such.
- c. Classified by the person under obligation in the group of clients with the low risk level.

## **Article 25**

### **(Gathering and Identifying data on the Client within Simplified Procedure for Customer due Diligence)**

1. Data on the client, which are gathered and verified within simplified customer due diligence when establishing a business relationship, are:
  - a. Name, address, and seat of the legal person that establishes a business relationship i.e. legal entity for which a business relationship is established;
  - b. Name and surname of the legal representative or authorized person which establishes a business relationship for the legal person;
  - c. Purpose and apparent nature of a business relationship and date of establishing a business relationship;
2. A person under obligation is obliged to obtain data referred to in paragraph (1) of this Article by examining the original or verified copy of documentation from the official public register, which is submitted by the client i.e. by direct examination in the official public register.
3. If it is not possible to obtain data in the manner defined under paragraph 2 of this Article, missing data will be obtained from the original or verified copies of documents and other business records submitted by the client. The person under obligation shall acquire the missing data, which cannot be obtained in aforementioned manner, directly from the written statement of representative or authorized party.
4. Documentation referred to in paragraphs 2 and 3 of this Article must be up-to-date and correct, and it must reflect only the actual state of client.

## **Article 26**

### **(Electronic Cash Transfer)**

1. Credit and financial institutions, including companies performing particular payment operations services or cash transfer (hereinafter: payment service providers), are obliged to obtain correct and complete data on payer and include them in application or note which follows the electronic cash transfer, sent or received in any currency. Thereby, those data must follow the transfer all the time during transmission through the payment chain.
2. The Minister shall stipulate under the Book of Rules the content and type of data that are gathered on the payer, and other obligations of the payment service provider, and exceptions from obligation to gather data during the cash transfer that represents an irrelevant risk for money laundering or financing of terrorist activities.
3. Payment service providers, which are intermediates or recipients of cash, will refuse the cash transfer which does not contain complete data on the payer referred to in paragraph 2 of this Article, or will request that data on the payer are completed in a particular period.
4. Payment service providers can limit or terminate a business relationship with those payment service providers who frequently do not meet conditions referred to in paragraphs 1 and 2 of this Article, therewith that they can warn them on thereof, prior to undertaking such measures. Payment service provider will notify FID on any long-term limitations or termination of a business relationship.
5. Payment service providers, which are intermediates or recipients of cash, will consider the lack of data on the payer, with regard to assessed risk level as a possible reason for applying measures for enhanced customer due diligence.
6. Provisions of paragraphs 1 to 5 of this Article relate to electronic cash transfer which is performed by the local and foreign payment service providers.
7. When obtaining data referred to in paragraph 1 of this Article, payment service providers shall identify the payer using official identification document, and valid and reliable sources of documentation.

### **III. LIMITATIONS IN CASE OF CLIENTS OPERATIONS**

#### **Article 27**

#### **(Ban of Using Hidden Accounts)**

1. A person under obligation will not open, issue or own hidden accounts, saving account on bearers or other products that enable, directly or indirectly, hiding of the client's identity.

#### **Article 28**

### **(Ban of Performing Operations with the Shell Banks)**

1. A person under obligation will not enter into or continue relation with correspondent banking with correspondent bank that operates or can operate as the shell bank or other similar credit institution known for allowing the use of accounts of shell banks.

### **Article 29**

#### **(Limitations of Cash Payments)**

- Persons which are not persons under obligation referred to in Article 4 of this Law, who perform activities of sale of goods and services in Bosnia and Herzegovina, will not accept cash payment if it exceeds 30.000 KM from their purchasers or third parties in case of sale of individual goods and services. Persons performing activity of the goods sale also include legal and natural persons, who organize or perform auctions, which concern works of arts, noble metals or precious stone or similar products, and other legal and natural persons receiving cash for goods and services.
- Cash payment limitation, referred to in the previous paragraph, shall be applied even when the payment is performed in several connected cash transactions, and when its total value does not exceed 30.000 KM.
- Persons who are not persons under obligations referred to in Article 4 of this Law, and which are engaged in activity of the sale of goods and provide services, will receive a payment referred to in paragraphs 1 and 2 of this Article from the client or third party on his/her transaction account, except if not anticipated otherwise by some other Law.

### **IV REPORTING FINANCIAL INTELLIGENCE DEPARTMENT ON TRANSACTIONS**

### **Article 30**

1. **(Reporting)** A person under obligation shall be obliged to forward is to the FID information referred to in Article 44, paragraph 1 of this Law regarding:
  - a. Each attempt and performed transaction, client or person that is suspicious of money laundering and funding of terrorist activities;
  - b. A cash transaction whose value amount to 30,000 KM or more;
  - c. Connected cash transactions which together amount to 30,000 KM or more.

2. When the person under obligation reports a suspicious transaction, it submits data to the FID that:
  - a. transaction according its characteristics related with the client's status or other client's characteristics, assets, or other characteristics, obviously departs from usual transactions of the same client, and that it corresponds to the necessary number and type of indicators which indicate that there are reasons for suspicion of money laundering or funding of terrorist activities.
3. The FID shall notify persons under obligation, referred to in Article 4 of this Law, who reported a transaction, on results of data analysis which relate to transaction or person in relation to which reasons established for suspicion of money laundering or funding of terrorist activities was identified, unless if it evaluates that it might harm further development and outcome of the procedure.
4. The Minister shall further prescribe what information, data and documentation shall be forwarded to the FID in accordance with the provisions of Article 44, paragraph 1 of this Law.
5. Upon consultations with the FID, the Minister shall determine the conditions with a sub-legal act under which a person obligation will not be required to forward to the FID information about the transactions of a particular client in the same amounts or higher than those referred to in paragraph 1, items b. and c. of this Article.

### **Article 31**

#### **(Deadline for Reporting on Transactions)**

1. In such cases as referred to in Article 30, paragraph 1, item a. of this Law, a person under obligation shall forward to the FID information, data and documentation immediately when suspicion has arisen and before the transaction is completed, and shall state the period during which the transaction is expected to be executed.
2. Exception to the general rule of submitting notification to the FID on suspicious transactions prior to their completion are situations when the person under obligation, due to nature of transactions or other objective reasons or if their non-execution would probably disable efforts in detecting the reason for suspicion of money laundering operations or funding of terrorist activities. Person under obligation is obliged to deliver notification not later than the following working day, with explanation of reasons for inability to submit report on suspicious transactions prior to their completion.



3. In such cases as referred to in Article 30, paragraph 1, items b. and c. of this Law, the person under obligation shall forward to the FID the information, data and documentation immediately upon completion of a transaction, but not later than 3 days after the completion of the transaction.
4. Persons under obligation can submit information to the FID through the application software for registering transaction in electronic form (hereinafter: the AMLS), through persons authorised for operations of mail traffic, and through person authorised for submitting documentation–messenger.
5. The notification referred to in the paragraph 1 of this Article may be also delivered by fax, but it is necessary to submit a copy in the manner referred to in paragraph 4 of this Article.
6. The notification referred to in paragraph 1 of this Article may also be given by telephone, but the FID must be informed subsequently in writing not later than the following working day.
7. If an obliged person cannot, in such cases as referred to in Article 30, paragraph 1, item a. of this Law, due to the nature of the transaction or because a transaction was not completed or due to other justifiable reasons, act in accordance with the provision referred to in the paragraph 1 of this Article, he/she shall be obliged to forward the information, data and documentation to the FID as soon as possible, i.e. immediately after the suspicion of money laundering or funding of terrorist activities is raised. The person under obligation shall explain the reasons for not acting in accordance with the provisions of the paragraph 1 of this Article.

## **V AUTHORISED PERSON, PROFESSIONAL TRAINING, LIST OF INDICATORS AND INTERNAL CONTROL**

### **Article 32**

#### **(Authorised Person and His/Her Deputy)**

1. For the purpose of delivering the information to the FID and for the performance of other duties in accordance with the provisions of this Law, the person under obligation shall appoint an authorised person. It shall also to appoint one or several deputies of the

authorised person and shall notify the FID about these appointments within 7 days from the day of the appointment, i.e. change of data on authorised person or a deputy of authorised person.

2. Notwithstanding paragraph 1 of this Article, those persons under obligation with four or less employees shall not be required to appoint an authorised person and shall not be required to conduct internal control as prescribed in this Law.

### **Article 33**

#### **(Requirements for Authorised Person and Deputy)**

1. The person under obligation shall secure that the job of authorised person is entrusted exclusively to the person who should meet the following conditions:
  - a. Occupying a position within systematization of job which is ranked high enough as to enable a fast, efficient and timely fulfilment of tasks as prescribed under this Law and provisions arising thereafter;
  - b. That it was not sentenced by a valid verdict or that criminal proceeding is not conducted against it;
  - c. That it has appropriate professional qualifications for the tasks of preventing money laundering and funding of terrorist activities, and characteristics and experience necessary for performing the function of an authorised person;
  - d. That it is well acquainted with the nature of business activities of the person under obligation in areas exposed to the risk of money laundering and funding of terrorist activities.
2. Deputy to an authorised person should also meet requirements stipulated under the items b. c. and d. referred to in the paragraph 1 of this Article.

### **Article 34**

#### **(Tasks of an Authorised Person and Deputy)**

1. Authorised person referred to in Article 32 of this Law shall perform the following tasks:

- a. Ensure the establishment, functioning and development of the system for detection and prevention of money laundering and funding of terrorist activities in case of person under obligation;
  - b. Ensure proper and timely reporting towards the FID in accordance with this Law and the provisions arising thereafter;
  - c. Participate in defining and altering of operational procedures and in preparation of internal provisions that relate to prevention and detection of money laundering and funding of terrorist activities;
  - d. Participate in development of guidelines for implementation of control related to prevention of money laundering and funding of terrorist activities;
  - e. Monitor and coordinate the activities of persons under obligation in the area of detection and prevention of money laundering and funding of terrorist activities;
  - f. Participate in the establishment and development of the IT support in connection with activities which refer to detection and prevention of money laundering and funding of terrorist activities;
  - g. Make proposals for the Management or other administrative bodies of persons under obligation, with the aim to improve the system for detection and prevention of money laundering and funding of terrorist activities;
  - h. Participate in preparation of a professional education and training programs for the employees in area of prevention and detection of money laundering and funding of terrorist activities.
2. Deputies shall replace the authorised persons in their absence in the performance of all tasks as stipulated in the paragraph 1 of this Article and perform all the other tasks as prescribed by this Law.

## **Article 35**

### **(Professional Training)**

1. Person under obligation is required to ensure regular professional education, training and specialisation of employees performing duties on prevention and detection of money laundering and funding of terrorist activities;

2. Professional education, training and specialisation refers to familiarising with the provisions of the Law and regulations issued on its basis and internal official documents, with the professional literature on prevention and detection of money laundering and funding of terrorist activities, with a list of indicators for identifying of the client and transactions for which there are basis for suspicion of money laundering and funding of terrorist activities.
3. Person under obligation is required to develop the program of annual professional education, training, and specialisation of the employees working on prevention and detection of money laundering and funding of terrorist activities, not later than the end of March for the current year.

### **Article 36**

#### **(Internal Control and Audit)**

1. Person under obligation is required to ensure a regular internal control and audit of performing of operations for prevention and detection of money laundering and funding of terrorist activities;
2. Compliance of operations of person under obligation with the provisions of this Law shall be the subject to activities of internal control and audit, which include assessment of adequacy of policies and procedures of persons under obligation and training of authorised and responsible persons from the aspect of standards that define the prevention of money laundering and funding of terrorist activities.

### **Article 37**

#### **(List of Indicators)**

1. The persons under obligation referred to in Article 4 of this Law shall draw up a list of indicators for identification of clients and transactions in respect of which there are basis for suspicion of money laundering and funding of terrorist activities, in cooperation with the FID and other supervisory bodies.
2. Persons under obligation are required to submit a list referred to in the paragraph 1 of this Article to the Financial Intelligence Department within six months from the day when this Law comes into effect.

**VI OBLIGATIONS AND TASKS OF LAWYERS, LAW FIRMS,  
NOTARIES, AUDIT COMPANIES AND INDEPENDENT  
AUDITORS, LEGAL AND NATURAL PERSONS WHO PERFORM  
ACCOUNTING SERVICES AND TAX CONSULTING SERVICES**

**Article 38**

**(General Provisions)**

1. Lawyer, lawyer company, notary and audit company and independent auditor, legal and natural persons who perform accounting services and tax consulting services (hereinafter: the persons conducting professional activities), when performing operations from their scope of activity, as set by other laws, are required to enforce measures of prevention and detection of money laundering as well as funding of terrorist activities, and act according to the provisions of this Law and the regulations issued on the basis of this Law, which regulate the tasks and obligations of other persons under obligation, if not stipulated otherwise by this chapter.

**Article 39**

**(Tasks and Obligations of the Persons Performing Professional  
Activities)**

1. Notwithstanding provisions of Article 6 of this Law, lawyer, law companies and their staff shall act in accordance with the provisions of this Law when:
  1. They assist in planning or transactions for a client in relation to:
  2. 1. buying and selling of a real estate or a shares of the company;
2. Managing of cash, financial instruments or other assets owned by the client;

3. Opening and managing of bank accounts, saving deposits or the accounts for operations with financial instruments;
  4. Collecting of assets necessary for establishment, operations and management of company; and
  5. Establishment, operation or management of institution, fund, company or other similar legal-organisational form;
2. They perform on behalf and for the account of a client a financial transaction or transactions related to real estates.

#### **Article 40**

##### **(Procedure of Customer due Diligence of a Client)**

1. The persons who perform professional activities in the framework of procedure of customer due diligence of a client, when establishing business relationships under Article 6, paragraph 1, item a, and when performing transactions referred to in Article 6, paragraph 1, item b. of this Law, shall gather data referred to in Article 7 of this Law.
2. The persons who perform professional activities in the framework of procedures of customer due diligence a client, are to collect data as referred to in Article 7.of this Law in case when there is a suspicion in credibility and veracity of previously collected data on clients or the beneficial owner, and always when there are reasons for doubt of money laundering or funding of terrorist activities in relation to transaction or client- as referred to in Article 6.paragraph 1.item d. of this Law.
3. Within identification of a client, persons performing professional activities shall determine the identity of a client or his/her legal representative, authorized person and collect data as referred to in Article 7. of this Law by examining the valid identification document of a client, i.e. original documents, verified copy of the document or verified documentation from a court or other public register, which must be up-to-date and accurate, and it must reflect the actual state of a client.
4. Persons performing professional activities shall determine the beneficial owner of the client that is a legal person or other similar legal entity, based on information as referred to in Article 7. of this Law, by examining original or verified copy of the documentation from a court or other public register which must be up-to-date and accurate and which must reflect the actual state of a client. If, based on an excerpts from a court or other public register, it is not possible to collect all data, missing data are to be collected by examining the original or verified copies of documents and other business documentation presented by the legal representative or authorized person of the legal entity.
5. Persons performing professional activities shall collect other data, as referred to in Article 7 of this Law, by examining the original or verified copies of documents and other business documentation.

6. If it is not possible to collect all data on the manner determined in this Article, missing data are to be collected immediately based on a written statement of a client or his/her legal representative.
7. Persons performing professional activities are implement the procedure of customer due diligence of a client as referred to in paragraphs 1. to 6.of this Article, in extent and scale appropriate to their scope of work.

#### **Article 41**

#### **(Responsibility of Persons Performing Professional Activities on Informing the Financial-Intelligence Department)**

1. When performing duties as referred to in Article 39.of this Law, the lawyer, law companies, notary, audit company, independent auditor, legal and natural persons who perform accounting or tax consulting services establish that there are reasons to suspect money laundering or funding of terrorist activities, in connection with transaction or certain person, they are obliged to inform the FID without delay, in accordance with provisions of Article 30.of this Law.
2. Each time when a client requests an advice in relation to money laundering or funding of terrorist activities, persons performing professional activities shall be obliged to inform the FID immediately and not later than three working days from the date when the client requested such advice.
3. When reporting on a suspicious transaction, persons performing professional activities shall forward to the FID the data as referred to in Article 7.of this Law in the manner that Minister stipulated under the Book of Rules.

#### **Article 42**

#### **(Exceptions from Reporting)**

1. The provisions as referred to in Article 41.of this Law shall not apply to persons who perform professional activities in relation to data which they receive from a client or collect from a client during determining the legal status of a client or when representing the client in connection with a court proceeding, which includes consulting for proposal or avoidance of judicial procedures, regardless of whether the data were obtained or collected before, during or after completion of judicial procedures, except if, in connection with the client, there are reasons to suspect a money laundering or funding terrorist activities.
2. In case referred to in paragraph 1.of this Article, persons performing professional activities are not obliged to deliver data, information and documentation on request of the FID, as pursuant to Article 30.of this Law. In that case, they are obliged to explain immediately in writing the reasons

- for not acting in accordance with the request of the FID, and not later than fifteen working days as of receipt of the request.
3. Apart from the obligations stipulated by this Law, persons performing professional activities are not obliged to:
    1. Inform the FID on cash transactions referred to in Article 30.paragraph 1. Items b. and c. of this Law, unless if in connection with transaction or the client there are reasons to suspect money laundering or funding of terrorists activities in,
    2. Appoint authorized persons and its deputy,
    3. Implement internal audit on performance of tasks in prevention of money laundering and terrorist activities funding.

### **Article 43**

#### **(List of Indicators for Facial Recognition and Transactions for which there are basis for Suspicion on Money Laundering or Terrorists' Activities Funding)**

(1)Persons performing professional activities shall be responsible to develop, in cooperation with the FID and other supervisory bodies, are a list of indicators for facial recognition and transactions for which there are basis for suspicion on money laundering or terrorists' activities funding.

(2)When developing a list as referred to in paragraph 1.of this Article, persons performing professional activities shall take into consideration the complexity and scope of execution of transactions, unusual method of execution , value or connection of transactions which do not have economically or legally based purpose, i.e. which are not harmonized or which are in disproportion with its normal, expected operations of a client, as well as other circumstances that are connected with the status or other characteristics of a client.

(3) When establishing the basis for suspicion of money laundering or funding of terrorists activities and other circumstances relating to it, persons performing professional activities are obliged to apply the list of indicators as referred to in paragraph 1.of this Article.

## **VII RECORD**

### **Article 44**

#### **(Content of the Record)**



1. The record on conducted procedure of customer due diligence of clients and transactions, referred to in Article 7.paragraph 1.of this Law, shall, as minimum, include the following information:
  1. The company's name, seat and registration number of a legal person having a business relationship or conducting the transaction, i.e. legal person on whose behalf a business relationship is being established or the transaction is being performed;
  2. The name, surname, address, date and place of birth, social security number of an employee or authorized person who establishes a business relationship or carries out a transaction on behalf of a legal person, as well as the name of the authority that issued the official personal identification document;
  3. The name, surname, address, date and place of birth, social security number of a natural person who establishes a business relationship, enters in the premises of a casino, gaming house or other concessionaire for special lottery games, or carries out a transaction, i.e. or of the natural person on whose behalf the business relationship is being established or for whom a transaction is being carried out, as well as the number and name of the authority that issued the official personal identification number;
  4. Reasons for establishing of a business relationship or conducting a transaction and information about a client's activities;
  5. Date of establishing a business relationship or conducting a transaction;
  6. Time of execution of transaction;
  7. Amount of a transaction and the currency used in execution of a transaction;
  8. The purpose of transaction, as well as the name, surname and address, i.e. name and seat of the company to which the transaction is being directed;
  9. Manner of executing transaction;
  10. Name, surname or company and seat of the person sending the order in case of transfers from abroad;
  11. Data about the source of money or property which is the subject of a transaction;

12. The reasons why a transaction, person or client is suspicious;

13. Name, surname, permanent address, date and place of birth of each natural person who directly or indirectly owns at least 20% of business share, stocks, i.e. other rights based on which he/she participates in management of the legal entity i.e. the funds thereof.

(2) For their own requirements, persons under obligation shall leave copies of the documents based on which identification of a client was made, on which they shall be stated that the inspection of original documents was performed.

(3) The Minister shall give guidelines about what information referred to in paragraph 1. of this Article will be included in the records on conducted identification of clients and transactions.

(4) Records as well as information, referred to in Article 59. of this Law, related to transport of cash and assets across the state border shall include the following data:

a. Name, surname, permanent address, date and place of birth of a natural person on whose behalf cash or assets are being transported across the state border;

b. Name of the company and seat of a legal person or name, surname, and permanent address of a natural person on whose behalf cash or assets are being transported across the state border;

c. Amount, currency, type and purpose of transaction and place, date and time of the state border crossing;

d. Data on whether transaction was reported to the customs authorities.

(5) All data, information and documentation from client identification records shall be delivered to the FID free of charge.

## **VIII. TASKS AND COMPETENCES OF THE FINANCIAL-INTELLIGENCE DEPARTMENT**

### **Section A – FID Procedure**

#### **Article 45**

#### **(General Provisions on the Financial-Intelligence Department)**

The Financial-Intelligence Department (FID) from the BiH State Investigation and Protection Agency under supervision of director of State investigation and Protection Agency (hereinafter: Director) performs the tasks related to prevention, investigation, detection of money laundering and funding of terrorist activities in accordance with the provisions of the Law on SIPA, this and other laws, promotion of cooperation between competent bodies of the BiH, Federation of Bosnia and Herzegovina (hereinafter: Federation), Republika Srpska (hereinafter: the RS) and the BiH Brcko District (hereinafter: District) in the area of prevention of money laundering and funding of terrorist activities, as well as promotion of cooperation and exchange of information with competent bodies of other states and international organizations in charge for prevention of money laundering and funding of terrorist activities.

#### **Article 46**

#### **(Detection and Investigation of Money Laundering and Funding of Terrorist Activities)**

1. FID shall receive, gather, record, analyse and, when stipulated by this or other Law, forward to competent prosecutor's office data, information and documentation received according to the provisions of this law.
2. If the FID, based on data, information and documentation obtained from paragraph 1. of this Article, estimate that there are basis to doubt on criminal act, related to certain transaction or person, the FID is responsible to submit a written report with gathered documentation to the competent prosecutor's office. On demand of prosecutors, the FID shall continue on further collection of data, information and documentation in order to determine the basis for suspicion that there is a criminal act of money laundering and funding of terrorist activities.
3. The FID, in notification from paragraph 1. of this Article, shall not state data on the employee or persons under obligation which imparted information to it pursuant to this Law, or who were in any other way involved in performing of transaction on behalf of person under obligation, unless there are reasons for suspicion that the person under obligation or its employee has committed a criminal act, or if that information is required for determination of facts during a judicial proceeding.
4. After detailed collection of data, information and documentation from paragraph 2. of this Article, the FID shall make a report on a perpetrator and reasons for suspicion of committed a criminal act of money laundering and funding of terrorist activities with a proposal of measures and actions necessary to be undertaken by competent prosecutors by its judgment during of investigation.

#### **Article 47**

### **(Request to Persons under Obligation to Submitting Data on Suspicious Transactions or Persons)**

1. If the FID suspects money laundering or funding of terrorist activities in reference to transaction or person, the FID may demand in written form from the person under obligation information stated in Article 44. of this Law, information on property and on bank deposits of such person, as well as other information, data and documentation, necessary for performing the tasks of the FID pursuant to the provisions of this Law. In urgent cases, the FID may request information, data and documentation verbally, and may inspect documentation in the premises of person under obligation however, the FID shall be obliged to submit a written request to person under obligation not later than the following working day.
2. The person under obligation shall forward information, data and documentation referred to in paragraph 1. of this Article to the FID without delay, or within 8 working days from the day the FID received the request.
3. Should persons performing professional activities, referred to in Article 38. of this Law, decline to forward information, data and documentation based on a request from the FID referred to in paragraph 1. of this Article, they shall inform the FID in writing about the reasons due to which they did not act upon the request from the FID within the deadline prescribed in paragraph 2. of this Article.
4. In cases of extensive documentation or due to other justifiable reasons, the FID, upon a written request, may extend deadline determined in paragraph 2. of this Article upon a written request and it may, in such cases, inspect the documentation in the premises of the person under obligation.

### **Article 48**

#### **(Temporary Suspension of Transactions)**

1. If the FID suspects money laundering or funding of terrorist activities in reference to a certain transaction, account or person, it may issue a written order for a temporary suspension of transaction or transactions, lasting not longer than 5 working days, and the deadline of duration of temporary suspension of transaction starts to run from the moment of issuing of order for suspension of transaction by the FID , i.e. from the moment of reporting on suspicious transaction, when reporting is performed before transaction, and confirmed by the FID. The FID may provide additional instructions to the person under obligation in connection with the transaction, suspension of transaction, execution of transaction as well as communication with the person or persons who are connected with transaction or transactions.
2. In order to perform its duties in accordance with the provisions of this Law, in urgent cases, the FID may, if it suspects on money laundering or

- funding of terrorist activities in relation to transaction, account or person, issue a verbal order for temporary suspension of transaction or transactions, however, the FID is obliged to submit a written order to person under obligation not later than the following working day.
3. The FID may issue both, either verbal or written order for temporary suspension of a suspicious transaction or transactions referred to in paragraphs 1. and 2. of this Article at request of the BiH Law enforcement agencies, other bodies and institutions in the BiH mentioned in Article 51. paragraph 1. as well as foreign financial-intelligence units.
  4. Order on temporary suspension of transaction or transactions contains:
    - a. Date and time when the deadline for temporary suspension has started;
    - b. Number of transaction account;
    - c. Data about the owner of account;
    - d. Name of person under obligation and its other data;
    - e. Amount of financial transaction or transactions that are temporarily suspended or suspended from execution;
    - f. Other data related to person under obligation and suspicious transaction or transactions.
  5. After the deadline referred to in paragraph 1. of this Article expires, financial transaction may be temporarily suspended only by resolution of the court pursuant to the BiH Law on Criminal Procedure.

#### **Article 49**

##### **(Cessation of Order for Temporary Suspension of Transactions)**

1. Should FID, after issuing the order for temporary suspension of transaction/s, within the time limits provided in Article 48, Item 1 of this Law, determines that there is no further suspicion on money laundering or financing of terrorist activities, it will without delay inform the person under obligation in writing, which may then execute the transaction immediately.
2. If FID does not undertake measures provided in the previous paragraph, the person under obligation may proceed with the transaction immediately.

#### **Article 50**

##### **(Order to the Person under Obligation for Continuous Monitoring of Financial Operations of Client)**

1. FID may, in written form, order the person under obligation to continually monitor financial operations of client in respect of which there are grounds for suspicion on money laundering or financing of terrorist activities; or other person for which it is possible to concluded that he/she aided or took part in transactions or affairs conclude that it has supported or participated in transactions or operations of persons for which there is a doubt, and regular reporting to the FID on the transactions or operations which are performed, or intended to be performed with the person under obligation by specified persons. In the request, the FID must specify deadlines in which persons under obligation must provide requested information.
2. The person under obligation must submit data from the paragraph 1 of this Article prior to transaction or establishing of the business relationship; and if because of the nature of transaction or business relationship, or for other justified reasons, the person under obligation has not performed in requested manner, person under obligation must submit the report to FID, which must include reasons for such actions.
3. Enforcement of measures referred to in paragraph 1 of this Article may last not longer than three months, and in justified cases, duration of measures may be extended each time for one month, but the enforcement of measures in total may last not longer than six months

## **Article 51**

### **(Inter-institutional Cooperation)**

1. FID can request the bodies of Bosnia and Herzegovina, Federation of BiH, Republika Srpska, Brčko District and from other organizations with public authorizations to provide information, data and documentation needed to execute the duties of FID in accordance with Provisions of this Law.
2. Bodies and Institutions with public authorizations, referred to in paragraph 1 of this Article shall, without compensation, submit to the FID are obliged to deliver data, information and documentation and allow the FID direct electronic access to the information, data and documentation.
3. Authorizations and organizations with public authorization referred to in paragraph 1 of this Article, shall forward data, information and documentation referred to in the previous paragraphs to FID, not later than eight working days upon from the date of receipt of request.

4. In cases of extensive documentation or due to other justifiable reasons, and upon the written request, the FID can extend the deadline set in paragraph 3 of this Article, and in such cases, it can inspect documentation in the premises of the authorities and organizations with public authorization mentioned in paragraph 1 of this Article.
5. Upon the approval of SIPA Director, and upon a detailed request, the FID can provide bodies and institutions referred to in paragraph 1 of this Article with data and information related to money laundering and financing of terrorist activities, only if such information and data may be significant to these bodies and institutions when issuing decisions of their competence and investigation purposes.

## **Article 52**

### **(Other Obligations of the FID)**

1. Except from obligations previously mentioned in this Law, the FID has the following obligations in relation to money laundering and financing of terrorist activities:
  - a) to suggest to the competent bodies changes and amendments of regulations which refer to prevention and detection of money laundering and financing of terrorist activities;
  - b) Participate in development of list of indicators for recognizing suspicious transactions and list of countries applying internationally recognized standards in the prevention and detection of money laundering and financing of terrorist activities;
  - c) Participate in the professional training of employees and authorized persons in persons under obligation, authorized bodies of BiH, FBiH, RS, District and organizations with public authorizations.
  - d) At least once a year, publish statistics from the area of money laundering and financing of terrorist activities, and in other appropriate manner inform the public on occurring forms of money laundering and financing of terrorist activities.
  - e) submit the annual reports to the Manager and Minister on general FID activities, and on activities related to preventing of money laundering and financing of terrorist activities, and even more often on their request.

## **Section B - International Cooperation**

### **Article 53**

**(Request to Foreign Body to Submitting of Data, Information, and Documentation)**

1. FID can request from foreign Law enforcement, prosecutorial or administrative bodies, financial-intelligence units and international organizations involved in prevention of money laundering and financing of terrorist activities data, information and documentation needed for performing the duties of the FID in accordance with provisions of this Law.
2. FID can not submit or give access to data, information and documentation obtained in accordance with paragraph 1 of this Article to third natural or legal person, i.e. to other body or use them for purposes contrary to the conditions and restrictions set by the body, unit or organization referred to in paragraph 1 of this Article, to which the request is sent.

**Article 54**

**(Submission of Data, Information, and Documentation by the FID to other Financial-Intelligence Units)**

1. FID can submit data, information and documentation obtained in Bosnia and Herzegovina to financial-intelligence units from other countries, as per their request and upon its own initiative, in accordance with provisions of this Law, provided they are subject to similar confidentiality requirements.
2. Prior to forwarding data to foreign financial-intelligence units, the FID shall obtain writing assurance that the aforementioned shall use the information, data and documentation solely for purposes defined by provisions of this Law. For any further forwarding of data, information and documentation to foreign police and judicial bodies, previous written consent of the FID is required.

**Article 55**

**(Submission of Data to Foreign Bodies Involved in Money Laundering and Financing of Terrorist Activities)**

1. FID can forward data, information and documentation obtained in Bosnia and Herzegovina to other foreign agencies for implementation of the Law only in those cases when the explanation of suspicion is provided and concrete connections to money laundering and financing of terrorist activities, but under conditions that similar confidentiality is provided.
2. Prior to forwarding of data to other foreign Law enforcement agencies, the FID shall request a written assurance that information, detail and



documentation will be used solely for purposes defined by provisions of this Law.

#### **Article 56**

##### **(Proposal for Temporary Delay of Transaction to Foreign Financial-Intelligence Unit)**

1. During enforcement of measures and activities for preventing and detecting criminal acts of money laundering and financing of terrorist activities, in accordance with provisions of this Law, FID can submit a written proposal for temporary delay of conducting certain transaction or transactions to foreign financial-intelligence unit if there is a suspicion for money laundering or financing of terrorist activities in relation to certain person or transaction(s).

#### **Article 57**

##### **(Temporary Delay of Transaction Conducting on Proposal to Foreign Financial-Intelligence Unit)**

1. As per written proposal from foreign financial-intelligence unit, under conditions set by this Law and on the basis of actual reciprocity, FID can, by written order, order to a person under obligation temporary delay of conducting of suspicious transaction to a maximum of 5 working days.
2. FID will immediately inform BiH Prosecutor's Office on written order referred to in paragraph 1 of this Article.
3. FID will act in accordance with provisions of paragraph 1 of this Article if, on basis of reasons for doubt mentioned in written proposal of foreign financial-intelligence unit, it assesses that:
  - a. Transaction is related to money laundering or financing of terrorist activities, and
  - b. Transaction would be temporary suspended if that transaction is subject to domestic report on suspicious transaction in accordance with provisions of the article 30 of this Law.
4. FID will not accept a proposal from foreign financial-intelligence unit if on basis of facts and circumstances, mentioned in proposal referred to in paragraph 1 of this Article, it assess that the reasons for suspicion on money laundering and financing of terrorist activities are not explained. FID will inform, in writing, a foreign financial-intelligence unit on non-acceptance of proposal, stating the reasons why the proposal is not accepted.

(5) In connection with order for temporary delay of transaction conducting in accordance with this Article, provisions of the Articles 48 and 49 of this

Law shall be applied accordingly.

## **Section C - Record Management by FID**

### **Article 58**

#### **(Type of Records)**

1. FID shall manage the following records:
  1. Record of information and notifications in accordance with provisions of Article 46 of this Law which includes the following information:
    - a. Name, surname, date of birth and address of natural person, or the name and seat of the company in connection with which the FID submitted notification or information;
    - b. Information on the amount, currency, date or period of conducting of transaction in connection to which there are reasons for suspicion of committing a criminal act;
    - c. Reasons for suspicion of committing a criminal act.
  - 1.2. Record on issued orders for temporary suspension from conducting of transaction or transactions that contains information referred to in the Article 48, paragraph 4 of this Law.
  - 1.3. Records on information forwarded abroad as stipulated by the provisions of the Article 53, 54, 55, 56, 57 of this Law that include the following information:
    - a. Name, surname, date of birth and address of a natural person, or the name and seat of the company whose data are sent abroad;
    - b. Name of the country and name of the competent body to which these information are sent.

## **IX DUTIES OF OTHER AUTHORITIES UNDER THIS LAW**

### **Article 59**

#### **(Indirect Taxation Authority of BiH)**

1. Indirect Taxation Authority of BiH is obliged to submit information to the FID on each transaction of cash over the state border in amount of 10.00 KM or more, not later than three days as of the date of transaction.

2. Indirect Taxation Authority is obliged to submit to the FID information on undertaken measures and activities against persons in connection to which the request for initiating misdemeanour procedure is submitted.

## **Article 60**

### **(Forwarding of statistical data by the Prosecutor's Office and Courts)**

1. In order to enable centralization and analysis of all data related to money laundering and financing of terrorism, competent Prosecutor's Offices will be obliged to forward, twice a year to the FID, the following information on subjects for which the indictment is confirmed:
  - a. Name, surname, date of birth and permanent address of a natural person and name and seat of the company against which an indictment for money laundering or financing terrorism was confirmed;
  - b. Place, time and manner of perpetrating the suspected act, which has the elements of a criminal act;
  - c. stage of procedure; and
  - d. the amount of money or value of other property, which is the subject of a temporary seizure, and the date of decision.

(2) Authorized Courts of BiH are obliged to send to FID, twice a year, the following information on:

- a. valid court cases for criminal acts of money laundering and financing terrorism;
- b. offences in accordance with provisions of the Articles 72 and 73 of this Law.

## **X - DATA PROTECTION AND STORAGE**

### **Article 61**

#### **(General Provisions)**

FID shall use information, data and documentation obtained in accordance to this Law only for the purposes defined by this Law.

## **Article 62**

### **(Protection of Data Secrecy)**

1. A person under obligation and its staff, including the members of the Board, supervisory, and other executive bodies or other persons which have access to secret data, shall not reveal to the client or third person the forwarding of information, data or documentation about the client or to FID or that the FID in accordance to article 48 of this Law temporarily suspended transaction, or gave instructions to a person under obligation.
2. Information about FID requests, or about forwarding information, data or documentation to FID, and about the temporary suspension of a transaction or instructions in accordance to paragraph (1) of this Article, shall be treated as secret information.
3. The FID, other official person, or Prosecutor cannot give information, data and documentation collected in accordance with this Law to persons to which they refer to.
4. The FID shall decide on removing the classification of secret information.

## **Article 63**

### **(Exceptions to the Principle of Keeping the Data Secrecy)**

1. When forwarding data, information and documentation to the FID in accordance with this Law, the obligation to protect bank, business, official, lawyer, notary or other professional secrecy shall not apply to the person under obligation, authorities of BiH, Federation of BiH, RS and Brčko District; organisations with public authorisation, prosecutors, court and their personnel, unless stipulated otherwise in this Law.
2. The person under obligation or its personnel shall not be liable for any damage caused to clients or third person or held criminally or civil liable due to their submission of information, data or documentation to FID, or due to the implementation of the FID's order to temporarily suspend a transaction or for complying with the instructions issued in connection with the aforementioned order in accordance with provisions of this Law or in accordance with regulations passed on the basis of this Law.

## **Article 64**

### **(Use of Collected Data)**

- 1.FID, persons under obligation referred to in Article 4 of this Law, state bodies, legal persons with public authorisations and other subjects and their employees, may use the data, information and documentation obtained in accordance to this Law only for the purpose of prevention and detection of money laundering and financing of terrorist activities, if not stipulated otherwise by this Law.

## **Article 65**

### **(Deadline for Keeping Data by the Person under Obligation)**

- 1.A person under obligation is required to keep information, data, and documentation obtained in accordance to this Law for at least 10 years after identification, completion of a transaction, closing of an account or termination of business relationship.
- 2.A person under obligation shall keep information and corresponding documentation on authorised person and deputy authorised person mentioned in Article 32 of this Law, on the professional training of employees and conducting of internal control for at least 4 years after the appointment of the authorised person and deputy authorised person, after the completion of professional training and conducting of internal control.

## **Article 66**

### **(Deadline for Keeping Data by Indirect Taxation Authority of BiH)**

- 1.Indirect Taxation Authority shall keep the information of transport of cash and assets across the state border, for 10 years from the date the transport occurred. This information and data shall be destroyed after the expiry of the 10-year period.

## **Article 67**

### **(Deadline for Keeping Data by the FID)**

- 1.FID shall keep the information, data, and documentation collected and disseminated in accordance with this Law for 10 years from the date it was

obtained or disseminated and it shall be destroyed after the expiry of 10-year period.

## **XI SUPERVISION**

### **Article 68**

#### **(General Provisions)**

The supervision over person under obligation in relation to the implementation of this Law and other laws which regulate obligations of implementing measures for prevention of money laundering and financing of terrorist activities, is implemented by special agencies and bodies in accordance with provisions of this and special Laws which regulated the work of certain persons under obligation and competent agencies and bodies.

2. Supervision over implementation of provisions of this Law with the person under obligation, whose work are not supervised by the special agencies and bodies, are implemented by the FID.

3. The FID and the supervising bodies shall cooperate in supervising of implementation of the provisions of this Law, within their individual competencies.

### **Article 69**

#### **(Procedure of the Supervising Bodies in Case of Irregularities in Work of a Person under Obligation)**

1. If supervising bodies detects violation referred to in Articles 72 and 73 of this Law or other Laws that regulate work of a persons under obligation, they will order the implementation of adequate control measures and they shall, without delay, notify the FID in writing about detected violations.
2. Notification referred to in paragraph 1 of this Article especially contains the following data:
  - a. Name, surname, date and place of birth and permanent address of natural person i.e. name of company and seat of the legal person that is suspected of violation or minor offence;
  - b. Place, time and manner of committing the suspected violation or minor offence and
  - c. Information as to whether supervising bodies ordered any control measures under their competences.

### **Article 70**

#### **(Procedure of the FID in Case of Irregularities in Work of a Person under Obligation)**

1. FID shall monitor implementation of provisions of this Law by gathering and checking of information, data and documentation submitted in accordance with provisions of this Law.
2. If the FID discovers the case of breaching provisions of this Law, it can:
  - a. Request that the person under obligation removes irregularities, provided that consequences of breaching the Law can be eliminated subsequently;
  - b. Propose to supervising bodies to implement, under within their competencies, adequate monitoring measures;
  - c. Request the competent authority to initiate offence proceedings.
3. While making a decision about the measure referred to in paragraph 2 of this Article, the FID shall take into consideration the circumstances under which the offence was committed, repetition of offence and control measures that another supervisory body imposed against a person under obligation.
4. Eliminating breach of the Law referred to in paragraph 2 item 1 of this Article shall be conducted within 8 working days.

#### **Article 71**

##### **(Notifying the Supervising Body)**

1. FID shall notify competent supervising body upon filling a request for initiation of offence proceedings.

### **XII PUNITIVE PROVISIONS**

#### **Article 72**

##### **(Penalty of Legal Persons and Responsible Persons of the Legal Person for Severe Forms of Offence)**

1. Legal person, referred to in Article 4 of this Law, shall be fined for offence in the amount from 20.000 KM up to 200.000 KM if:
  - a. Fails to identify a client or if identification is not done in accordance with provisions of the article 7 of this Law;
  - b. Opens, issues or enables a client to have a hidden account and other products referred to in Article 27 of this Law;
  - c. Establishes a business relationship with shell banks referred to in Article 28 of this Law;
  - d. Allows cash payment in the amount exceeding 30.000 KM contrary to provisions of the Article 29 of this Law;

- e. Does not inform FID or does not submit information, data or documentation as defined by the Articles 30 and 31 of this Law;
  - f. Does not implement order of FID on temporary suspension of transaction or does not implement instructions issued by FID in connection with the order as prescribed Article 48 of this Law;
  - g. Does not keep information, data and documentation in accordance with provisions of the Article 65 of this Law at least for 10 years after identification, transaction or closing of an account;
2. For the offence referred to in paragraph 1 of this Article a responsible person of the legal person shall be fined from 2.000 KM to 15.000 KM.
  3. For the offence referred to in paragraph 1 of this Article a self-employed natural person conducting activities shall be fined from 5.000 KM to 20.000 KM.

### **Article 73**

#### **(Penalty of Legal Persons and Responsible Persons of the Legal Person for Minor Offence)**

1. For the offence referred to in the Article 4 of this Law, a legal person shall be fined with amount from 10.000 KM to 100.000 KM if:
  - a. Does not obtain all required information for identification in accordance with provisions of the Article 7 of this Law or if identification is not done as per methods referred to in Articles 10, 11, 12, 13, 14, 15 and 17 of this Law;
  - b. Does not re-check identification of foreign legal person at least once a year in accordance with provisions of the Article 10 paragraph 7 of this Law;
  - c. Does not forward information to FID or does not submit information as defined by provisions of the Article 47 of this Law;
  - d. Does not ensure internal control or does not draw up a list of indicators that show suspicious transactions within deadline or in the manner prescribed in Articles 36 and 37 of this Law;
  - e. Does not appoint an authorised person and his/her deputy and to notify the FID on such appointment as prescribed in Article 32 of this Law;
  - f. Does not ensure professional training of personnel in accordance with provisions of the Article 35 of this Law;
  - g. Does not keep information on authorized person and his/her deputy, on professional training of employees and on internal control carried out at least four year after appointment of authorized person and his/her deputy, after completion of professional training



and carrying out of internal control in accordance with provision of the Article 65 paragraph 2 of this Law;

2. For a minor offence referred to in paragraph 1 of this Article, a responsible person of the legal person shall be fined an amount from 1.000 KM to 5.000 KM.
3. For a minor offence referred to in paragraph 1 of this Article, a self-employed natural person conducting activities referred to in Article 4 of this Law, shall be fined an amount from 2.000 KM to 20.000 KM.

### **XIII JURISDICTION FOR ISSUING SUB-LEGAL ACTS**

#### **Article 74**

##### **(Sub-legal acts for Implementation of this Law)**

1. The Minister will pass a decision and instruction defined by the Articles 26, 30, 41 and 44 of this Law after consultations with FID and in accordance with international standards on prevention of money laundering and financing of terrorist activities within 3 months as of the date of enforcement of this Law.
2. The Minister can further prescribe additional instructions on issues referred to in paragraph 1 of this Article.

### **XIV TRANSITIONAL AND FINAL PROVISIONS**

#### **Article 76**

##### **(Deadline for Development of the List of Indicators)**

1. Persons under obligations are obliged to draw up a list of indicators for recognizing suspicious transactions in accordance with provisions of this Law, not later than six months after this Law enters into force.

#### **Article 76**

##### **(Implementation of other regulations)**

1. If some issues are not regulated by this Law, appropriate measures of other Law regulations shall be implemented.

2. Within the year from the date of entering into force of this Law, other Law regulations, by which this matter is governed, shall be complied with.

**Article 77**  
**(Taking out of force)**

On the day of entry into force of this Law, the Law on the Prevention of Money Laundering (Official Gazette of Bosnia and Herzegovina, No. 29/04) shall cease to be applied.

**Article 78**  
**(Entry into force)**

1. This Law shall enter into force on the eight day after its publication in the "Official Gazette of BiH".

PABiH no. 362/09

June 15<sup>th</sup> 2009, Sarajevo

Chairman of the House of Representatives  
of Parliamentary Assembly of BiH

**Beriz Belkić, s.r.**

Chairman of the House of Peoples  
of Parliamentary Assembly of BiH

**Ilija Filipović, s.r.**