COUNCIL OF EUROPE

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COMMITTEE OF EXPERTS ON THE EVALUATION OF ANTI-MONEY LAUNDERING MEASURES AND THE FINANCING OF TERRORISM

(MONEYVAL)

Public statement under Step 3 of MONEYVAL's Compliance Enhancing Procedures in respect of Bosnia and Herzegovina

19 September 2014

The Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) has been concerned since December 2010[1] with deficiencies in the anti-money laundering/combating the financing of terrorism (AML/CFT) regime in Bosnia and Herzegovina.

At its 35th plenary meeting (between 11-14 April 2011) in Strasbourg, MONEYVAL invited Bosnia and Herzegovina to develop a clear action plan in response to MONEYVAL's third round mutual evaluation report with realistic timescales for remedying the major deficiencies identified. Additionally, MONEYVAL emphasised that, in order to show a firm political commitment, the agreed action plan should be approved at the Government level. At the 37th plenary meeting (13-16 December 2011) MONEYVAL noted that the Council of Ministers of Bosnia and Herzegovina had considered and adopted the action plan on 10 October 2011. MONEYVAL, at its 44th plenary meeting (31 March to 4 April 2014), noted that the majority of the objectives of the action plan had still not been fully addressed, since necessary amendments to remedy important deficiencies in the Anti-Money Laundering and Counter Financing of Terrorism Law had not been adopted and important amendments to the Criminal Code had been rejected. As a consequence of this MONEYVAL issued a public statement on 1 June 2014.

Although the amendments to the Anti-Money Laundering and Counter Financing of Terrorism Law were adopted and came into force on 25 June 2014, the amendments to the Criminal Code have still not been adopted. MONEYVAL urges Bosnia and Herzegovina to immediately and meaningfully address its AML/CFT deficiencies, in particular by adopting necessary amendments to its Criminal Code.

MONEYVAL continues to call on States and territories evaluated by MONEYVAL and other countries to advise their financial institutions to pay special attention by applying enhanced due diligence measures to transactions with persons and financial institutions from or in Bosnia and Herzegovina in order to address the money laundering and financing of terrorism risks.

[1] A graduated series of steps have been applied since December 2010, culminating in February 2014 with a high level mission, under step (iv) of the Rules of Procedure in force at that time, to reinforce MONEYVAL's concerns about Bosnia and Herzegovina's non-compliance with its reference documents.