

Project Fiche – IPA National programme 2013 / Component I, Bosnia and Herzegovina

1 IDENTIFICATION

Project Title	Support to the Fight Against Money Laundering
CRIS Decision number	2013/23590
Project no.	2
MIPD Sector Code	2. Justice and Home Affairs
ELARG Statistical code	24 - Justice, freedom and security
DAC Sector code	15113 Anti-corruption organisations and institutions
Total cost (VAT excluded)	EUR 2 690 000
EU contribution	EUR 2 500 000
Management mode	Centralised
EU Delegation in charge	Delegation of the European Union to Bosnia and Herzegovina
Implementation management	Delegation of the European Union to Bosnia and Herzegovina
Implementing modality	Stand-alone project
Project implementation type	C01 – Project-type interventions
Zone benefiting from the action(s)	Bosnia and Herzegovina (BiH)

2 RATIONALE

2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

Money laundering is the ability to sanitize ill-gotten gains by moving them through tax or corrupt national financial systems. The laundering allows criminals and terrorists to operate freely, using their financial gains to expand their criminal pursuits and fostering illegal activities such as corruption, drug trafficking, arms trafficking, smuggling, and financing of terrorism. In recent years worldwide efforts to combat money laundering have gained importance as a result of increased global terrorism. Money laundering not only threatens the security of a country, but also compromises its stability, transparency, and the efficiency of its financial systems, thus undermining economic prosperity. It can have devastating economic and social consequences for countries, especially those in the process of transition such as Bosnia and Herzegovina (BiH). The economy, society, and ultimately the security of countries used as money-laundering platforms are endangered. Financial institutions that accept laundered funds cannot rely on those funds as a stable deposit base. Large amounts of

laundered funds are likely to be suddenly wired out to other financial markets as part of the laundering process, threatening the institution's liquidity and solvency. A financial institution's reputation and integrity can be irrevocably harmed if involved in money laundering.

A dysfunctional system for the prevention of money laundering and financing of terrorist in BiH provides the grounds for organised crime to launder profit and further invest in criminal activities. It is further compromising private sector development and weakening financial institutions. BiH has taken measures for fight against money laundering and financing of terrorist activities but strategic priority measures are not implemented timely and efficiently. As well, BiH prevention of money laundering system is not strong enough and must be reinforced.

In order to improve this situation, standards of FATF, the Conventions of UN and the Council of Europe, the EU directives and the recommendations of the EGMONT group in the field of money laundering and financing of terrorist activities need to be fully implemented through an appropriate institutional and legal framework.

This project will increase the competence of the institutions of Bosnia and Herzegovina competence on the fight against money laundering up to the level required for EU accession and assist in improving legislation, capacities and capabilities of relevant bodies, institutions and agencies to strengthen cooperation and coordination in the area of fight against money laundering.

2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES

The main strategic objective of the pre-accession assistance to Bosnia and Herzegovina is to support the country in its transition from a potential candidate country to a candidate country.

Inter alia the following objectives and choices are outlined in the area of Justice and Home Affairs under 3.1.3. Sector Objectives of the MIPD 2011-2013: "Support the harmonisation of law enforcement legislation between the different levels of governance and with EU standards and enhanced cooperation and coordination among the law enforcement institutions, including with the judiciary and international counterparts.

Indicators:

- Assessment of the existing legal framework accomplished and legal drafting process completed;
- Data management and exchange improved, better trained staff;
- Strengthened capacities of the law enforcement bodies to better fight organised crime and corruption";

There are close links primarily to the National Strategy and Action plan for the Prevention of Money Laundering and Financing of Terrorist Activities in Bosnia and Herzegovina, and to the National Anti-Corruption Strategy (2009 – 2014) and its Action Plan, and the Strategy and Action Plan to fight Organised Crime. The proposed project will directly contribute to the implementation of the six strategic objectives of the National Strategy for the Prevention of Money Laundering and Financing of Terrorist Activities in BiH specified under chapter 4.4:

1. Develop the reporting mechanism and public and the private sector cooperation in order to combat money laundering and the financing of terrorism;
2. Enhance exchange of information among authorities in Bosnia and Herzegovina;
3. Ensure comprehensive investigation, prosecution and court proceedings of money laundering, predicate offences and financing of terrorist activities;

4. Develop and apply a proactive approach to international cooperation in the prevention of money laundering and the financing of terrorism;
5. Develop and harmonize the legal framework in Bosnia and Herzegovina concerning money laundering and the financing of terrorism to comply with international standards;
6. Enhance public awareness and develop a joint training programme for the public and private sectors.

Proposed project activities are coordinated with the actions identified in the Action Plan for the Implementation of the Strategy on Prevention of Money Laundering and Financing of Terrorist Activities referred above.

There are also close links to the relevant strategies within the security sector in Bosnia and Herzegovina at the level of the Ministry of Security of BiH and at the levels of entities, cantons and district, especially: development strategies of Ministries of Interior and law enforcement agencies with specific goals in strengthening their capacities in fighting organized crime (special attention on financial investigation and cyber-crime) as well as terrorism, drug related crime etc.; anti-corruption strategies at the entity and district level; strategies for fighting drugs and similar strategies and action plans. The therein mentioned objectives shall also be given a specific emphasis within the scope of this project.

2.3 LINK WITH STABILISATION AND ASSOCIATION AGREEMENT (SAA) / ANNUAL PROGRESS REPORT

Stabilisation and Association Agreement (SAA)

One of the aims of the Stabilisation and Association Agreement (SAA) with Bosnia and Herzegovina is to support the efforts of Bosnia and Herzegovina to strengthen democracy and the rule of law. In Article 6 "Bosnia and Herzegovina commits itself to continue and foster cooperation and good neighbourly relations with the other countries of the region including an appropriate level of mutual concessions concerning the movement of persons, goods, capital and services as well as the development of projects of common interest, notably those related to combating organised crime, corruption, **money laundering**, illegal migration and trafficking, including in particular in human beings, small arms and light weapons as well as illicit drugs. This commitment constitutes a key factor in the development of the relations and cooperation between the Community and Bosnia and Herzegovina and thus contributes to regional stability."

Progress Report 2012

Chapter 4.3.2: " Bosnia and Herzegovina made some progress in the fight against money-laundering. Additional institutional and legislative measures are required to prepare the country to fight money-laundering effectively."

The project takes into account recommendations made from the "**Analysis Report on Money Laundering and Financing of Terrorist Activities and the Mechanism for Prevention of these in BiH**" (EU project "Supporting the Drafting of the BiH Strategy for the prevention of Money Laundering and Financing of Terrorist activities and its Action Plan") such as:

- Recommendation 2: Development of the reporting mechanism on suspicious and cash transactions;
- Recommendation 3: Common Standards for the intelligence process;

- Recommendation 5: Common Standards for the selection Procedure for Targets of Serious Crimes and establishment of Multiagency Investigation Teams;
- Recommendation 6: Further specialise the prosecutors and judges for the proceedings related to financing of terrorist activities, money laundering and other financial crimes;
- Recommendation 7: Common Training Strategy and Program for relevant authorities and private sector concerning prevention of Money Laundering and other Financial Crimes;
- Recommendation 8: Enhancement of public awareness.

2.4 PROBLEM ANALYSIS

The key player for prevention of money laundering in BiH is the Financial Intelligence Department (FID) of the State Investigation and Protection Agency (SIPA). At the level of entities and Brčko District the institutions in charge for fighting money laundering are entities Ministries of Interior and Brčko District Police in accordance with entities Criminal Codes (RS Criminal Code article 280). In the RS Ministry of Interior there are specialised units: Department for Financial Investigations and Confiscations Assets Proceeds from Crime that work closely with other Crime police Departments, especially with Economic Crime Department, as well as High Tech Crime Department when it comes to financial flows on the Internet.

FID was founded in 2004, in the same year also the Law on the prevention of money laundering was adopted. The law was revised in 2009 ("Official Gazette BiH no. 53/09"). According to this law, the FID has the authority:

- over "affairs concerning the prevention, investigation and detection of money laundering operations and the financing of terrorist activities in accordance with the regulations of the Law on the state investigation and protection agency, of this and other laws,
- over the promotion of collaboration between the competent agencies of Bosnia and Herzegovina, of the Federation of Bosnia and Herzegovina, Republika Srpska (RS) and the Brčko District of Bosnia and Herzegovina in the field of money laundering prevention and the financing of terrorist activities,
- as well as over the promotion of collaboration and exchange of information with the competent agencies of other countries and international organisations, responsible for the prevention of money laundering and the financing of terrorist activities, which is carried out by the financial intelligence department of the state investigation and protection agency of Bosnia and Herzegovina, under the supervision of the director of the state investigation and protection agency.

The same law establishes the competence of the FID for the reception, collecting, recording, analysing, and when prescribed, the submission to the plaintiff and upon authorisation investigates and forwards to another authorised official information, data and documentation which it receives in accordance with the regulations of the Law on the prevention of money laundering. This competence provides the FID with police powers concerning investigations of criminal acts of money laundering.

The obligations of the FID further include prevention of money laundering such as providing recommendations of amendments to regulations related to the prevention and detection of money laundering and financing of terrorist activities, education and professional training of employed and competent persons in tributary in the competent agencies of Bosnia and Herzegovina, the Federation, RS and Brčko District, publishing statistical data in the area of

money laundering and financing of terrorist activities, and informing the public through other appropriate means about the forms of money laundering and financing of terrorist activities.

In the period from 2005 to 2008, FID presented to the Prosecutor's Office of BiH 59 reports about criminal acts, which were the basis for 19 indictments, and 23 verdicts. However most of these verdicts were linked to fictional companies engaging in tax evasion. With the introduction of VAT this problem was tackled. Overall, the method of recording reports of suspicions within the FID is however weak. It does not provide reliable statistical information necessary for risk assessment of money laundering and financing of terrorism and decision-making on prevention and investigation.

Further impediments for a fully functioning FID are a weak human resource policy which does not lead to an appropriate filling of positions in quantity and quality and the lack of appropriate budgetary means to acquire equipment and training needed to carry out analytical tasks. According to international standards and the Law on the prevention of money laundering, the FID should also have bigger independence in the execution of operational affairs and tasks from within its scope of work. The FID needs to develop into a trusted institution, since it receives intelligence data, most frequently as banking secrets, and which can only be used for purposes regulated by the law.

The basic and most important task of the FID is the detection and investigation of illegally acquired money as a result of organised crime activities and corruption. In this regard the FID shows a poor performance. In case suspicious transactions are highlighted by the FID, further investigations need to be started by either the Investigative Section of the FID, which currently has however only limited capacities, or other sections within SIPA or the tax authorities, other law enforcement agencies (LEA) etc. Unless there is a request from a prosecutor, the initiative for further investigations lies with the Director of SIPA on the suggestion of the FID. This possibility is currently not sufficiently used. If the case is prepared for the prosecutor, the prosecutor will then again turn to a respective body for further investigation. This bears the risk of lengthy procedures and duplication of investigation.

In addition financial investigations are not systematically utilised when investigating organised crime. There is a need to raise awareness for evidence and assets tracing among prosecutors and investigators and to develop skills accordingly.

The cooperation between prosecutors and the FID is improving; however different prosecutors are dealing with money-laundering cases and there are differences in approaches for the same or similar cases. A common understanding and approach is needed. Prosecutors and judges for the proceedings related to the financing of terrorist activities, money laundering and other financial offences need to specialise much further on the respective fields as well.

The FID gets most intelligence from obliged persons and then requests additional intelligence from other LEAs. However, common standards for intelligence related to Money laundering and financing of terrorist activities are not yet established. Most obliged persons report electronically to the FID. The FID has access to the Central Bank database of accounts of companies, but it does not have access to other crime report databases. Initially only banks reported, to FID, now post offices and leasing companies are put under supervision. However, there is – as recommended by MONEYVAL, a range of other persons such as notaries, lawyers or audit offices that need to be included in the reporting obligations and mechanisms.

While the bulk of money laundering in many countries still tends to use the formal banking system, money laundering through non-banking financial institutions appears to be growing in importance – through security brokers, leasing and insurance companies, and others. Money laundering through the banking system is closely related to the standards of accounting and

auditing in the private and financial sectors, and with the quality of the overall regulatory and supervisory framework. The Entity Banking Supervision Agencies in Bosnia and Herzegovina have established money laundering departments and have issued regulations to banks on the reporting of suspicious transactions. The banks however still need further training on how to detect transactions of a suspicious nature. Supervision in the insurance sector is poor. Supervision of security brokers is under the responsibility of the Entity Security Commissions. Further regulatory amendments are necessary to improve their supervisory capacities in detecting suspicious money laundering transactions.

Due to the above weaknesses, legal entities which are required by law to report transactions regulated by law, only formally fulfil this obligation by delivering to the FID unsatisfactory information, while avoiding reporting on suspicious transactions.

The legal framework and regulations linked to the fight against money laundering in BiH are not fully in line with EU requirements. Also following the money-trail in investigations and the improvement of the anti-money laundering prevention system has to be completed by increased possibilities to seize criminally gained assets. Effective systems for forfeiture and seizures of criminally gained assets are not however in place. The existing provisions within the legal framework on confiscation are not fully used and seizures of criminally gained assets across the country remain uneven. Republika Srpska has adopted a law on confiscation of assets and established an agency for the management of assets. In the Federation a similar law is in the Parliamentary procedure. The current EU Support to Law Enforcement funded under IPA 2010 is providing support to the establishment of structures for the confiscation of assets; however, further consolidation of such structures and full use of possibilities will require further support.

The FID is a full member of the Egmont group (international organisation of financial intelligence units), whose primary goal is the advancement of international collaboration between financial intelligence units of the members of the Group. So far SIPA signed 12 Memoranda of Understanding on cooperation with foreign FIDs.

Effective prevention measures for money laundering and financing of terrorist activities are still missing. The FID has not been very active in advancing relevant regulations or developing training capacities or organising educational activities. Some trainings were carried out through the IPA 2007 project "Joint training of SIPA Financial Intelligence Unit and Crime Investigation Unit, Prosecutors, financial regulatory agencies and institutions" which was implemented in 2010/2011.

Current project will address the problems related to the capacities of the FID and other specialised financial investigation units at all administrative levels to carry out their tasks. It will strengthen the cooperation and coordination of FID with these units and all other law enforcement agencies within BiH and internationally.

Very important part of the project will be the assistance to bring BiH legal framework in line with the EU requirements and increase the effectiveness in forfeiture and seizures of criminally gained assets. Special attention will be given to increasing the financial investigation capacities at all levels and assist prosecutors and judges to further specialise in relevant fields related to money laundering and financing of terrorist activities and to other financial offences. Development and implementation of respective joint training strategy(ies) and increased public awareness are also important components of this project fiche. All proposed results and activities have been carefully analysed against the current situation and level of implementation of the National Strategy for the Prevention of Money Laundering and Financing of Terrorist Activities in BiH and its Action Plan.

2.5 LINKED ACTIVITIES AND DONOR COORDINATION

The project is built on the achievements of the "Joint training of SIPA Financial Intelligence Unit and Crime Investigation Unit, Prosecutors, financial regulatory agencies and institutions" project which was funded under IPA 2007 and implemented in 2010/2011.

The IPA 2010 funded EU Support to law enforcement project that started in May 2012 is addressing the issue of assets forfeiture and structures for the management of confiscated assets in its Component IV. Improving the anti-money laundering system is also part of activities aiming at strengthening the fight against organised crime and corruption in component II and III. This project shall build on and continue activities related to the above results.

The supply component of this project shall upgrade and extend the Anti Money Laundering System (AMLS). This builds on an existing system that was provided by the Government of Spain.

International Criminal Investigative Training Assistance Program funded by the US (ICITAP) is advising the law enforcement sector on the fight against money laundering and financing of terrorism and the project shall closely cooperate with it.

2.6 LESSONS LEARNED

First experiences with the ownership approach taken by the EU Support to Law Enforcement project financed under IPA 2010 and other ongoing support in the area of law enforcement show that an inclusive cooperation structure for the implementation of the project which involves all stakeholders is key to successful implementation. This project will involve a number of agencies and departments. It is therefore important that all parties cooperate throughout all phases of the project.

3 DESCRIPTION

3.1 OVERALL OBJECTIVE OF THE PROJECT

Increased competence of the bodies in Bosnia and Herzegovina on fight against money laundering, financing of terrorism and financial crime up to the level required for EU accession

3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT

Strategic priority measures for fight against money laundering and financing of terrorist activities and reinforced prevention of money laundering system are implemented by relevant stakeholders in BiH timely and efficiently

3.3 RESULTS

1. FID functions according to the FATF recommendations, Egmont Group principles and of EU standards, including personal data protection requirements;
2. The legal framework and regulations linked to the fight against money laundering in BiH are in line with EU requirements;
3. Effective structures for forfeiture and seizures of criminally gained assets in place;
4. FID operates in cooperation and coordination with other law enforcement agencies and other relevant institutions within BiH and internationally;
5. The specialised investigation units for financial investigation, money laundering and financial offences on all administrative levels are strengthened according to the relevant international standards;
6. Standards for the selection procedure for targets of serious crimes and for the multiagency investigation teams improved;
7. Prosecutors and judges for the proceedings related to the financing of terrorist activities, money laundering and other financial offences have further specialised on respective fields;
8. Effective prevention measures for money laundering and financing of terrorist activities developed and implemented;
9. Monitoring system for financial institutions, for the designated non-financial business and professions, and for non-profit sector established and operational.

3.4 MAIN ACTIVITIES

Activities related to Result 1

- 1.1 Reviewing various FID capacity plans and doing the gap analysis related to capacity development;
- 1.2 Providing relevant capacity building;
- 1.3 Establishing a strategic analysis of the current situation in BiH with regard to money laundering, financing of terrorist activities and effectiveness of the prevention mechanisms of this crime types procedure;
- 1.4 Developing proactive financial investigation practise;
- 1.5 Upgrading the system (AMLS) for FID for an efficient and comprehensive electronic reporting system;
- 1.6 Establishing for FID efficient connection to the crime report databases of the other institutions and law enforcement agencies to allow cross checks between the FID database and these external sources of information¹;
- 1.7 Establishing for FID efficient connection to population registers, company registers, registers for non-profit organizations and associations, vehicle registers and cadastral

¹ This should be accomplished in agreement with all involved institutions which are to define the conditions for access to specific data.

registers to allow cross checks between the FID database and these external sources of information²;

- 1.8 Developing financial analytical capacities and capabilities of FID, including the provision of relevant software and needed hardware.

Activities related to Result 2

- 2.1 Harmonising the law on the prevention money laundering and fight against terrorism with EU standards;
- 2.2 Harmonising the criminal legislation in the area of prevention of money laundering and financing of terrorism in BiH with relevant international conventions;
- 2.3 Harmonising all the relevant laws governing the operation of the financial and non-financial sector with the Law on the prevention of money laundering and financing of terrorist activities.

Activities related to Result 3

- 3.1 Assessing respective institutional and legal framework and its implementation;
- 3.2 Identifying potential gaps;
- 3.3 Proposing amendments and making proposals;
- 3.4 Assisting the law enforcement by trainings, on the job coaching etc.

Activities related to Result 4

- 4.1 Identifying and implementing measures to improve cooperation and coordination with all competent bodies for fight against money laundering and financing of terrorism in accordance with positive legal provisions;
- 4.2 Ensuring that requirements related to the prevention of money laundering and financing of terrorist activities defined in EU Integration process are fulfilled;
- 4.3 Ensuring efficient implementation of the recommendations defined in the evaluation reports of the Council of Europe Committee for the Prevention of Money Laundering (MONEYVAL) on state and entity level and in Brčko;
- 4.4 Enhancing international cooperation and exchange of information related to the analysis of the Suspicious and Cash Transaction Reports by signing MOU's between FID and relevant foreign FIU's;
- 4.5 Supporting establishment of access of law enforcement agencies to the FID respective analysis.

Activities related to Result 5

- 5.1 Gap analysis related to capacity development for financial investigations carried out in all relevant LE Agencies;

² This should be accomplished in agreement with all involved institutions which are to define the conditions for access to specific data.

- 5.2 Carrying out Training Needs Assessment and establishing a joint Training Strategy and Program on financial investigations for the relevant police education institutions implementing the program;
- 5.3 Developing and delivering joint training of police and prosecutors in view of carrying out financial investigations;
- 5.4 Developing and delivering performance training for specialised units for financial investigations and money laundering;
- 5.5 Procuring software to facilitate the work related to financial investigations;
- 5.6 Procuring equipment to facilitate the work related to financial investigations;
- 5.7 Establishing common standards for the intelligence process on money laundering and financing of terrorist activities, predicate offences and implementing capacity plan financing of terrorist activities.

Activities related to Result 6

- 6.1 Improving standards for the investigation process on money laundering, predicate offences and financing of terrorist activities consisting of models for the financial investigations related to the evaluation of the amount and type of proceeds and tracing of proceeds of crime;
- 6.2 Improving and introducing a Standardised Procedure for the Selection of Targets of Serious Crimes;
- 6.3 Improving Standardised Procedure for the establishing of Multiagency Investigation Teams.

Activities related to Result 7

- 7.1 Reviewing the situation related to specialisation;
- 7.2 Integrating AML relevant modules in the existing structures of training institutions;
- 7.3 Conducting relevant trainings for trainers and trainees.

Activities related to Result 8

- 8.1 Developing and implementing a public awareness campaign against money laundering, most common predicate offences and financing of terrorist activities;
- 8.2 Conducting Training Needs Analysis (TNA) for the legal persons and entities under obligation to report about suspicious and cash transactions and developing relevant Training Strategy and Program and carrying out trainings;
- 8.3 Developing partnerships with private sector, especially with banks and insurance companies, notaries and others;
- 8.4 Assessing and updating the current strategy on Prevention of Money Laundering and Financing of Terrorist Activities, and respective action plan and its implementation.

Activities related to Result 9

- 9.1 Making AMLS available for all parties under obligation to report;
- 9.2 Establishing standardized process for the feedback to the parties under obligation to report;

9.3 Developing functions of the FID and establish an efficient supervision mechanism for all parties under obligation to report to ensure their compliance with the Anti Money Laundering (AML)/ Combating the Financing of Terrorism (CFT) regulations.

These activities will be contracted via a Twinning contract covering 1.1 – 1.4; 2.1 – 2.3; 3.1 – 3.4; 4.1 – 4.4; 5.1-5.4; 5.7; 6.1 – 6.3; 7.1-7.3; 8.1 – 8.4; 9.2 – 9.3 and Supply contracts covering activities 1.5 – 1.8; 4.5; 5.5 - 5.6 and 9.1.

3.5 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT

A long term impact of the project shall be ensured through a strict local ownership approach and the inclusion of all relevant stakeholders and beneficiary institutions.

An improved prevention system of money laundering and financing of terrorism shall contribute to build trust in the relevant institutions and structures in BiH and thus increase international operational cooperation. Organised crime groups would be deprived of the possibility to launder proceeds of crime and the vicious circle of intensification of criminal activity through injection of laundered assets could be interrupted. A functioning system for the confiscation of assets would change the cost-benefit considerations and have a discouraging effect on criminals that are currently enjoying the proceeds of illegal activities.

Assuming that all expected results will be achieved, law enforcement institutions, bodies and agencies could attain more trust and reputation in the society. Moreover such improved conditions could also attract international investments and foster the economic situation of the country.

The project will enable and strengthen cross border cooperation in the area of fighting organised crime, following the money trail of internationally operating crime groups by supporting the establishment of preconditions for closer regional and international cooperation.

3.6 SUSTAINABILITY

This activity will institutionalise measures for combating money laundering within a larger number of responsible agencies as well as improve cooperation among the agencies in a sustainable manner. This will be completed through both the training activities and the development of guidelines and regulations within the financial regulatory agencies.

This activity will be a comprehensive approach to increasing awareness and skills for all parties involved in the anti-money laundering chain and should result in more cases being successfully prosecuted, thereby decreasing BiH's vulnerability as a country susceptible to money laundering.

3.7 ASSUMPTIONS AND PRE-CONDITIONS

All conditions are in place for this project to be carried out. Legislation has been adopted; the Financial Intelligence and Criminal Investigative Units are operating and are staffed, as well as the financial regulatory agencies. As referred under section 2.6 Lessons Learned of the Project

Fiche this project will involve a number of agencies and departments and it is therefore important that all parties cooperate throughout all phases of the project. The relevant agencies and departments have been involved already in the preparation of the Project Fiche.

4 IMPLEMENTATION ISSUES

The assistance will be implemented in the centralised mode, in accordance with PRAG rules.

4.1 INDICATIVE BUDGET

Indicative Project budget (amounts in EUR)³

PROJECT TITLE			TOTAL EXPENDITURE	SOURCES OF FUNDING								
				IPA CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activity 1	X											
contract 1.1: Twinning contract	X	–	2 100 000	2 000 000	95	100 000	5	100 000				
Activity 2		X										
contract 2.1: Supply contract	–	X	590 000	500 000	85	90 000	15	90 000				
TOTAL IB			2 100 000	2 000 000	95	100 000	5	100 000				
TOTAL INV			590 000	500 000	85	90 000	15	90 000				
TOTAL PROJECT			2 690 000	2 500 000	93	190 000	7	190 000				

³ Under centralised mode of implementation of IPA assistance the co-financing is implemented as parallel co-financing.

4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Contracts	Start of Tendering/ Call for proposals	Signature of contract	Project Completion
Contract 1.1: Twinning contract	Q4/2013	Q4/2014	Q4/2016
Contract 1.2: Supply contract	Q4/2013	Q3/2014	Q3/2016

The technical specifications will be elaborated in close collaboration between the EU Delegation to BiH and the beneficiaries of the equipment supplies (Financial Intelligence Department, other law enforcement agencies). No additional expert assistance will be required to complete the technical specifications. The beneficiaries for the supplies are specified in Annex 4 of the Project Fiche.

No particular sequencing between the two contracts is required.

4.3 CROSS CUTTING ISSUES

4.3.1 *Equal Opportunities and non-discrimination*

The project is a technical intervention aiming at strengthening administrative capacities with a view to EU accession. Equal opportunity principles and practices in ensuring equitable gender participation and non-discrimination within the project will be guaranteed.

4.3.2 *Environment and climate change*

The project is a technical intervention aiming at strengthening administrative capacities with a view to EU accession; it will not lead to any negative environmental effects.

4.3.3 *Minorities and vulnerable groups*

Participation in the project activities will be guaranteed on the basis of equal access regardless of racial or ethnic origin, religion or belief, disability, sex or sexual orientation.

4.3.4 *Civil Society/Stakeholders involvement*

There are different groups of stakeholders in this project, since the FID, as key player in the prevention of money laundering has to closely cooperate with all law enforcement agencies, tax authorities, prosecutor offices on the one hand and financial regulatory and supervisory institutions, banking and non-banking financial institutions on the other hand. Most relevant stakeholders for this project have been identified and their roles described in Annex 2 of the project fiche. All relevant institutions from various levels of government in BiH participated in the preparation of the project proposal.

IPA programming process included consultations with Civil Society and Donor Community in BiH, through two consultation meetings and exchange of relevant information on the process and individual proposals.

ANNEXES

Documents to be annexed to the Project fiche

- 1. Log frame**
- 2. Description of Institutional Framework**
- 3. Reference list of relevant laws and regulations only where relevant**
- 4. Details per EU funded contract**
- 5. Project visibility activities**

ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number: Fight against Money Laundering	
		Contracting period expires: Three years following the date of the conclusion of Financing Agreement	Execution period expires: Two years following the contracting expiry date
		Total budget: EUR 2 690 000	
		IPA budget: EUR 2 500 000	
Overall objective	Objectively verifiable indicators (OVI)	Sources of Verification	
To contribute to bring bodies in Bosnia and Herzegovina competent for fight against money laundering, financing of terrorism and financial crime up to the level required for EU accession			
Specific objective	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions
Strategic priority measures for fight against money laundering and financing of terrorist activities and reinforced prevention of money laundering system are implemented by relevant stakeholders in BiH timely and efficiently	National Strategy and Action plan for the Prevention of Money Laundering and Financing of Terrorist Activities in BiH is implemented according to the agreed timeframe and it is regularly monitored	Minutes of the meeting and decisions of the working group ⁴ FID (bi)annual reports EC Annual Progress Report	There is continued political will to fight against money laundering and financing of terrorist activities
Results	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions
<p>1. FID functions according to FATF recommendations, Egmont Group principles and of EU standards, including personal data protection requirements;</p> <p>2. The legal framework and regulations linked to the fight against money laundering in BiH are in line with EU requirements;</p> <p>3. Effective structures for forfeiture and seizures of criminally gained assets in place;</p> <p>4. FID operates in cooperation and coordination with other law enforcement agencies and other relevant institutions within BiH and internationally;</p> <p>5. The specialised investigation units for financial investigation , money laundering and financial offences on all administrative levels are strengthened according to relevant international standards;</p> <p>6. Standards for the selection procedure for targets of serious crimes and for the multiagency investigation teams improved;</p> <p>7. Prosecutors and judges for the proceedings related to the financing of terrorist activities, money laundering and other financial offences have further specialised on respective fields;</p>	<p>1.FID provides regularly reliable information for further investigations by beginning of 2016;</p> <p>2. Relevant proposals for <i>Acquis</i> harmonisation available and incorporated in the formal legal drafting process;</p> <p>3. Increased nr of convictions on forfeiture and seizure of criminally gained assets (related to the concrete available figure of the last annual statistical data);</p> <p>4. FID shares systematically relevant information between law enforcement agencies within BiH and internationally;</p> <p>5. Specialised investigation units have competent staff performing according to the international standards by beginning of 2016;</p> <p>6. Standards for the selection procedure for targets of serious crimes and for the multiagency investigation teams established by the end of the project;</p> <p>7. Increased nr of convictions related to</p>	<p>FID reports EC Annual Progress Report Project Reports; Training reports</p> <p>Court decisions Case management system statistics</p> <p>FID Reports EC Annual Progress Report</p> <p>Project Report, Training reports EC Annual Progress Report</p> <p>Court decisions</p>	Relevant stakeholders cooperate proactively throughout the project

⁴ Working group responsible for monitoring the implementation of the National Strategy and Action plan for the Prevention of Money Laundering and Financing of Terrorist Activities in BiH

<p>8. Effective prevention measures for money laundering and financing of terrorist activities developed and implemented;</p> <p>9. Monitoring system for financial institutions, for the designated non-financial business and professions, and for non-profit sector established and operational.</p>	<p>respective fields (related to the concrete available figure of the last annual statistical data);</p> <p>8.1 Number of quality reports by the legal persons and entities under obligation to report about suspicious and cash transactions is increased by 30% (related to the concrete available figure of the last annual statistical data);</p> <p>8.2 Updated Strategy and Action Plan for on Prevention of Money Laundering and Financing of Terrorist Activities available and agreed among relevant stakeholders;</p> <p>9. All respective stakeholders report regularly in compliance with the AML/CFT regulations.</p>	<p>FID reports</p> <p>Case management system statistics</p> <p>Project Reports, minutes of the relevant meetings</p> <p>AML System reports</p>	
<p>Activities to achieve results</p>	<p>Means / contracts</p>	<p>Costs</p>	<p>Assumptions</p>
<p>1.1 Reviewing various FID capacity plans and doing the gap analysis related to capacity development;</p> <p>1.2 Providing relevant capacity building;</p> <p>1.3 Establishing a strategic analysis of the current situation in BiH with regard to money laundering, financing of terrorist activities and effectiveness of the prevention mechanisms of these crime types procedure;</p> <p>1.4 Developing proactive financial investigation practise;</p> <p>1.5 Upgrading the system (AMLS) for FID for an efficient and comprehensive electronic reporting system;</p> <p>1.6 Establishing for FID efficient connection to the crime report databases of the other institutions and law enforcement agencies to allow cross checks between the FID database and these external sources of information;</p> <p>1.7 Establishing for FID efficient connection to population registers, company registers, registers for non-profit organizations and associations, vehicle registers and cadastral registers to allow cross checks between the FID database and these external sources of information;</p> <p>1.8 Developing financial analytical capacities and capabilities of FID, including the provision of relevant software and needed hardware.</p> <p>2.1 Harmonising the law on the prevention money laundering and fight against terrorism with EU standards;</p> <p>2.2 Harmonising the criminal legislation in the area of prevention of money laundering and financing of terrorism in BiH with relevant international conventions;</p> <p>2.3 Harmonising all relevant laws governing the operation of the financial and non-financial sector with the Law on prevention of money laundering and financing of terrorist activities.</p> <p>3.1 Assessing respective institutional and legal framework and its implementation;</p> <p>3.2 Identifying potential gaps;</p> <p>3.3 Proposing amendments and making proposals;</p> <p>3.4 Assisting the law enforcement by trainings, on the job coaching etc.</p> <p>4.1 Identifying and implementing measures to improve cooperation and coordination with all competent bodies for fight against money laundering and financing of terrorism in accordance with positive legal provisions;</p> <p>4.2 Ensuring that requirements related to the prevention of money laundering and financing of terrorist activities defined in EU Integration process are fulfilled;</p> <p>4.3 Ensuring efficient implementation of the recommendations defined in the evaluation reports of the Council of Europe Committee for the Prevention of Money Laundering (MONEYVAL) on state and entity level and in Brčko;</p>	<p>Twinning contract</p> <p>Supply contract</p> <p>Co-financing</p>	<p>EUR 2 000 000</p> <p>EUR 500 000</p> <p>EUR 190 000</p>	

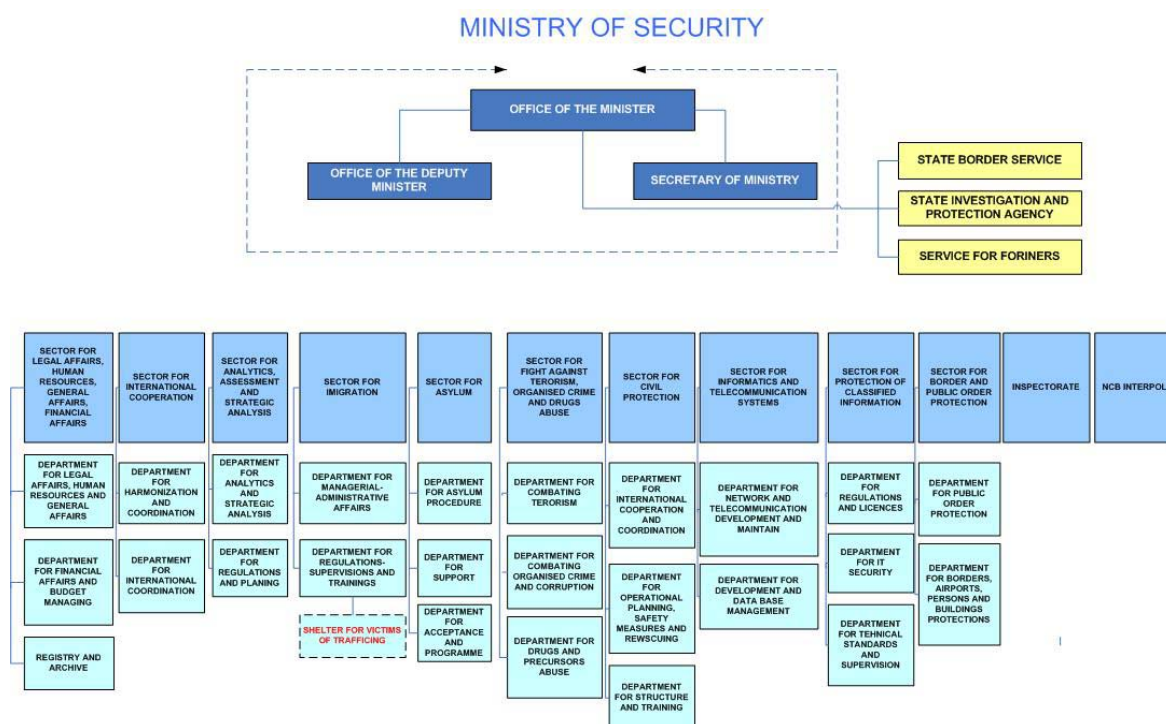
<p>4.4 Enhancing international cooperation and exchange of information related to the analysis of the Suspicious and Cash Transaction Reports by signing MOU's between FID and relevant foreign FIU's;</p> <p>4.5 Providing access to the law enforcement agencies to the FID respective analysis.</p> <p>5.1 Gap analysis related to capacity development for financial investigations carried out in all relevant LE agencies;</p> <p>5.2. Carrying out Training Needs Assessment and establishing a joint Training Strategy and Program on financial investigations for the relevant police education institutions implementing the program;</p> <p>5.3 Developing and delivering joint training of police and prosecutors in view of carrying out financial investigations;</p> <p>5.4 Developing and delivering performance training for specialised units for financial investigations and money laundering;</p> <p>5.5 Procuring software to facilitate the work related to financial investigations;</p> <p>5.6 Procuring equipment in the form of portable computers;</p> <p>5.7 Establishing common standards for the intelligence process on money laundering, predicate offences and implementing capacity plan financing of terrorist activities.</p> <p>6. Improving standards for the investigation process on money laundering, predicate offences and financing of terrorist activities consisting of models for the financial investigations related to the evaluation of the amount and type of proceeds and tracing of proceeds of crime;</p> <p>6.2. Improving and introduce a Standardised Procedure for the Selection of Targets of Serious Crimes;</p> <p>6.3. Improving Standardised Procedure for the establishing of Multiagency Investigation Teams.</p> <p>7.1 Reviewing the situation related to specialisation;</p> <p>7.2 Integrating in the existing structures of training institutions modules, course for relevant courses;</p> <p>7.3 Conducting relevant trainings for trainers and trainees.</p> <p>8.1 Developing and implementing a public awareness campaign against money laundering, most common predicate offences and financing of terrorist activities;</p> <p>8.2 Conducting TNA for the legal persons and entities under obligation to report about suspicious and cash transactions and developing relevant Training Strategy and Program and carrying out trainings;</p> <p>8.3 Developing partnerships with private sector, especially with banks and insurance companies, notaries and others;</p> <p>8.4 Assessing and updating the current strategy on Prevention of Money Laundering and Financing of Terrorist Activities, and respective action plan and its implementation.</p> <p>9.1 Making AMLS available for all parties under obligation to report;</p> <p>9.2 Establishing standardized process for the feedback to the parties under obligation to report;</p> <p>9.3 Developing functions of the FID and establish an efficient supervision mechanism for all parties under obligation to report to ensure their compliance with the AML/CFT regulations.</p>			
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ANNEX 2: Description of Institutional Framework

Institutions involved in the project and their respective role in Bosnia and Herzegovina are shortly described as follows:

The **Ministry of Security of Bosnia and Herzegovina** was established at the state level in February 2003 and is composed of the following administrative organisations: Border Police, State Investigation and Protection Agency, Service for foreigner's affairs and Bureau for cooperation with Interpol.

The Ministry of Security is responsible for protection of international borders, domestic border crossings and traffic regulation at border crossings, prevention and tracing of perpetrators of criminal offences of terrorism, drug trafficking, counterfeiting of domestic and foreign currencies and trafficking in persons and of other criminal offences with an international or inter-Entity element, international co-operation in all areas within the remit of the Ministry, protection of persons and facilities, collection and use of data relevant for security of, organisation and harmonization of the activities of the Entity Ministries of Internal Affairs and of the District of Brcko in accomplishing the tasks of security, meeting of international obligations and co-operation in carrying out of civil defence, co-ordination of activities of the Entity civil defence services and harmonization of their plans in the event of natural or other disasters and adoption of protection and rescue plans and programs, implementing immigration and asylum policy and regulating procedures concerning movement and stay of aliens.



The State Investigation and Protection Agency was established in 2002 upon the adoption of the Law on the Agency for Information and Protection, which defines the Agency as an independent institution of Bosnia and Herzegovina in charge of collection and processing of information of interest for implementation of international laws and Criminal Codes, as well as for protection of VIPs, diplomatic and consular missions and government institutions of Bosnia and Herzegovina. In June 2004, after the adoption of the Law on the State Investigation and Protection Agency, the Information and Protection Agency was transformed into the State Investigation and Protection Agency. **The Financial Intelligence Department** which is one of the key stakeholders in this project is set up within SIPA.

The Ministry of Interior of the Republic of Srpska carries out police duties and is in charge of the security in the Republic of Srpska. As for policing functions, the duties of the Ministry of Interior are to: protect life, human rights, freedom and private property; maintain public order and protect society against violent threats; prevent crime, trace, arrest and hand over the perpetrators of criminal acts to the competent bodies; conduct criminal investigation in cases of criminal offences of terrorism, war crimes, organised crime, illegal production and drug trafficking, trafficking in human beings, economic crime, cyber crime, money laundering, corruption, financial crime; protect certain persons and facilities; provide security at public gatherings, public events, cultural and sports ceremonies and other approved types of gatherings; provide safety and traffic control on roads; civil protection and fire protection; police training and professional education. Related to this project, within the RS MoI exists Unit for Fight Against Organised Crime and Corruption which consists of Department for Financial Investigations and Detection of Assets Proceeds from Crime, Department for Fight Against Economic Crime, Department for Fight Against Organised Crime and Department for Fight Against Drug Abuse. There is also Unit for Operational and Technical Support with Department for Fight Against Cyber Crime, that gives technical support when it comes of financial investigations on the Internet.

The **Ministry of Interior of Federation Bosnia and Herzegovina** is responsible for administrative, expert and other tasks, such as: administrative issues related to citizenship, monitoring the implementation of laws, procurement of weapon, equipment and material-technical means, elaboration and implementation of educational programs, professional development and specialized trainings for the Ministry's personnel, scientific researches necessary for improvement of police work and technical-criminal, researches and expertise, in cooperation with relevant authorities or economic societies, organisation, development, modernization and maintenance of functional liaison systems and transmission of protected information of the Ministry, organisation of unified information system which is required for effective operations, collection and maintenance of statistics and operational data which are required for effective operations.

Ten Cantonal Ministries of Interior exist within the Federation of Bosnia and Herzegovina. Inter alia, tasks and duties of Cantonal Ministries of Interior are as follows: to secure public gatherings, to protect life and personal safety of citizens, properties, facilities and other material goods in case of general danger or major violation of public order and peace, as well as in case of terrorists' attacks and other violent activities such as armed rebellion, issuance of ID cards, social number, motor vehicles registration, driving exams and issuance of driving licenses, procurement, keeping and carrying of weapons and ammunition. In all Cantonal Ministries of Interior, tasks and duties within the scope of public security are performed by police. Pursuant to the Law on Internal Affairs of Cantons, police performs administrative, professional and other work and tasks related in particular to: protection of life and personal security of the people, protection of property,

prevention and detection of criminal acts, locating and capturing the perpetrators and their apprehension to authorized bodies in those cases which are not under jurisdiction of the Court Police, maintaining public peace and order, crime investigation tasks, security, checking and regulating traffic on roads and protection of designated persons.

The Brcko District Police was established in January 2000 on the basis of the former Public Security Station Brcko. It is a multi-ethnic police service. Duties of the Brcko District Police are to: maintain public safety and order in the entire District, ensure full freedom of movement within the District with a special emphasis on the freedom of movement between the eastern and western part of Republic of Srpska and between the Federation of Bosnia-Herzegovina and the Republic of Croatia, co-operate with the various police forces of the country.

Border Police of Bosnia and Herzegovina has been established on the basis of the Law on State Border Service. It is defined as an administrative organisation within the Ministry of Security with operational independency was established for the purpose of performing police tasks linked to the border surveillance and border crossing control. The tasks of the Border Police are e.g. as follows: implementation of the provisions of the Law on surveillance and state border crossing control, implementation of the provisions of the Law on Movement and Stay of Aliens and Asylum, prevention, detection and investigation of the criminal acts, prevention, detection and investigation of other criminal acts upon the request of the competent body, providing of the police support to the organisational units within Ministry of Security, undertakes security measures aiming to protect air civilian traffic and facilities at International Airports.

Directorate for Coordination of Police Bodies of Bosnia and Herzegovina was established by the Police Reform laws of 2008 and has the status of an administrative organisation within the Ministry of Security with operational autonomy. Their competency is:

- communication, cooperation and coordination amongst police bodies of BiH, Communication, cooperation and coordination amongst police bodies of BiH with relevant bodies in Bosnia and Herzegovina in relation to police matters of international character or of international significance or in relation to matters within jurisdiction of the Court of BiH,
- communication and cooperation with relevant foreign and international bodies in police matters of international significance or common interest,
- communication, cooperation and coordination between police bodies of BiH and relevant bodies in Bosnia and Herzegovina with relevant foreign and international bodies;
- the standardisation of work pertaining to police matters in BiH;
- the integration of security-related information of relevance for BiH and of relevance for the execution of the tasks and duties that fall within the competence of police bodies of BiH on a daily basis, continued cooperation with relevant police and other bodies, undertaking necessary measures with the aim of coordination of operational tasks of police bodies of BiH and monitoring of security status on daily basis and informing competent police and other bodies of BiH;
- gathering, monitoring, analysis and use of data of relevance for security of Bosnia and Herzegovina, Application of the best European and other international practices pertaining to police matters in Bosnia and Herzegovina, Implementation of international agreements on police cooperation that fall within the competence of the Directorate.

The **High Judicial and Prosecutorial Council and Prosecutor's Office (state and entities level and Brcko District)** are pertaining to the project beneficiaries and have decisive roles to implement improved police-prosecutor cooperation in the fight against money laundering and financing of terrorist activities.

In addition to the above institutions from the law enforcement sector, financial regulatory and supervisory institutions, banking and non-banking financial institutions and any other institutions under the obligation to report on suspicious transaction are project beneficiaries.

All above mentioned stakeholders shall be represented in a **Steering Committee** to be established which shall regularly meet and if necessary, even on ad hoc basis discuss project implementation and developments. For the day to day project work it is necessary, that all stakeholders assign **competent counterparts** for the project team in order to deal with all project related measures and possible problems.

ANNEX 3: Reference list of relevant laws and regulations

Law on the State Investigation and Protection Agency („B&H Official Gazette“ No 29/04);

Law on Prevention of Money Laundering („B&H Official Gazette“ No 29/04);

Rulebook on data, information, documents, methods of identification and minimum of other necessary indicators for effective implementation of the Law on Prevention of Money Laundering („B&H Official Gazette“ No 17/05);

Strategy for fight against organized xxx - to be completed with exact title;

Strategy for ML - to be completed with exact title - we might put in here other strategies as well as mentioned in the PF first part;

Criminal Code of Bosnia and Herzegovina („B&H Official Gazette“ No 37/03);

Criminal Procedure Code of Bosnia and Herzegovina (“Official Gazette” of Bosnia and Herzegovina, 3/03);

Republic Srpska: Law on Banks (Official Gazette of Republika Srpska Number 44/03);

FB&H: Law on Banks (The FBiH Official Gazette, 39/98 and 32/00, 04/02);

Criminal Code of the Republic of Srpska (Official Gazette of the Republic of Srpska Number 12/10);

Law on Criminal Procedure of Republic of Srpska (Official Gazette of the Republic of Srpska Number 100/08);

Law on Confiscation of Assets Proceeds from Crime of Republic of Srpska (Official Gazette of the Republic of Srpska Number 49/12);

Criminal Procedure Code of the Federation of Bosnia and Herzegovina (“Official Gazzete of the Federation of Bosnia and Herzegovina, 36/03);

Criminal Code of the Federation of Bosnia and Herzegovina (“Official Gazzete of the Federation of Bosnia and Herzegovina, 36/03);

Law on Criminal Procedure of the Brčko District of Bosnia and Herzegovina (“Official Gazette” of the Brcko District of Bosnia and Herzegovina, 10/03);

Criminal Code of the Brčko District of Bosnia and Herzegovina (“Official Gazette” of the Brcko District of Bosnia and Herzegovina, 10/03).

ANNEX 4: Details per EU funded contract

Twinning component

Current project will address the problems related to the capacities of the FID and other specialised financial investigations units at all administrative levels to carry out their tasks. It will strengthen the cooperation and coordination of FID with these units and all other law enforcement agencies within BiH and internationally. Very important part of the project is assistance to bringing BiH legal framework in line with the EU requirements and increasing the effectiveness in forfeiture and seizures of criminally gained assets. There will be special attention given to the increase of the financial investigation capacities at all levels and assist prosecutors and judges in further specialising in relevant fields related to money laundering and financing of terrorist activities and to other financial offences. Development and implementation of respective joint training strategy and increased public awareness are also important components of this project fiche. The results and activities of the project are further specified under sections 3.3 and 3.4. of the Project Fiche.

The profile of the MS Project Leader should be as follows:

S/he should be a high-ranking official. S/he must have a broad knowledge of all processes in the area concerned, as well as good leadership skills. S/he must have a relevant university degree, minimum 10 years of work experience and a strong command of English. S/he must have also project management experience.

The Project Leader will be tasked with the overall conception and direction of the Member State's inputs. S/he shall ensure the short term expertise in support of the efficient implementation of the project and the full support at senior levels within the Member State administration.

The profile of the Resident Twinning Advisor (RTA) should combine both technical competence and practical experience in the development of assistance programmes and projects in the field of Police Development. The provisions for the required qualifications are as follows:

- university degree in law, political science, security studies or equivalent or any other appropriate discipline or equivalent working experience with five years of relevant professional experience in an area associated to this contract on top of the seven years required below;
- not less than seven years general professional experience and at least three years of experience within a police body at senior management level in the field of financial analysis of suspicious transactions and investigation of money laundering activities;
- knowledge of relevant EU best practices and international instruments and mechanisms of the fight against money laundering and financing of terrorism and financial investigations;
- excellent command of written and verbal English, including familiarity with vocabulary and nomenclature relating to the area of law enforcement.

Additional qualifications:

- experience in transposing the anti-money laundering EU legislation into the national legislation and practice of EU member states or EU (potential and/or) candidate countries;
- excellent analytical, organisational and communication skills and previous experience in working with multi-disciplinary and multi-national teams;

- experience of working with EU funded projects.

The provisions for the profile of the short/medium-term experts should be as follows:

- Demonstrated experience in the fields of expertise required to achieve the results of the project;
- Prior experience in an international and pre-accession context is an advantage;
- Excellent command of English.

Additional inputs from the private sector in particular in the IT sector but not limited to it, could be used.

The working language of the project will be English. Please note that, in order to facilitate communication, it is advisable to engage interpreting services.

Project Leader for the beneficiary country (BC):

Mr. GORAN ZUBAC, Director

State Investigation and Protection Agency

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Supply component – part 1

Related to Result 1, activities 1.5 - 1.8; Result 4, activity 4.5; Result 5; activity 5.5 - 5.6; Result 9, activity 9.1

For the supply component for AMLS system the relevant needs have been identified by the Financial Intelligence Department within SIPA. The intended beneficiaries for the supply component are Financial Intelligence Department and all relevant users of the AML system. The needs concerning the improvement of the AMLS system and the renewal of the IT equipment are presented below. These include a technical solution for the linkage of other agencies for law enforcement.

I. Upgrade of the AMLS system with a module for exchange **of data with other institutions** (WS to agencies and institutions) The module has to make data exchange possible between the institutions from the project of data exchange of the prosecutor's office, the courts and BIH police organisations, as well as institutions and agencies which possess data necessary for the AMLS system (IDDEEA, Tax authority, etc.).

Item	Indicative Cost in EUR
Specific software solution, Hardware and licensing	75 000
Programming of access WS-proxy for applications of the AMLS system, data collecting in the AMLS system from other systems (tax authority, IDDEEA, CB BIH, etc. (for all systems)	100 000
WS programming for exchange with the prosecutor's office, exchange of information about files and cases from the prosecutor's office, data collecting, data transmission upon request (for all files and systems)	
WS programming for the use of data from the AMLS system in other police organisations, according to the rights of use (for all agencies and organisations)	
Reporting to competent institutions about the statistical data from the	

AMLS system, the Banking Agency, MS/B, Court of BiH, international institutions (for all institutions)	
INDICATIVE SUBTOTAL	175 000

II. Upgrade of the external application for the collection of data from the subjects of the law on prevention of money laundering and financing of terrorism with a **security mechanism for data protection, sec TOKEN** devices for subjects, programming and card purchase (for all subjects)

Item	Indicative Cost in EUR
Module for authentication, authorization and security access to the application for collecting data about subjects – hardware and licensing	37 500
Upgrade of the application for the access to the registration system with security module - programming	15 000
Other needed corrections of transcription into AMLS, user training, module admin. of the users with new sec module - training and programming	15 000
INDICATIVE SUBTOTAL	67 500

III. **Interface I2 bridge** – enabling the application I2 access to the data from the data base of the AMLS system by creating an access configuration file for data loading.

Item	Indicative Cost in EUR
Programming of configuration file with data translation from AMLS -	15 000
User training	2 500
Relevant software licences	12 500
INDICATIVE SUBTOTAL	30 000

IV. **Electronic exchange of data with subjects** - admission of documentation about transactions on request of FID through an external application, subjects of the law on prevention of money laundering and financing of terrorism (for all subjects).

Item	Indicative Cost in EUR
Module for admission of electronic documentation about transactions, external application - programming	10 000
Module for documentation about reported transactions in the AMLS system - programming	15 000
Subject training - training	7 500
INDICATIVE SUBTOTAL	32 500

Procuring IT equipment:

Item	Indicative Cost in EUR
Computers	
Lap Tops	
Printers	
Multifunctional devices	
Scanners	
SUBTOTAL FOR IT EQUIPMENT	
INDICATIVE SUBTOTAL Part 1 - AMLS	365 000

Supply component – part 2

Supply for specialised investigation units for financial investigation, money laundering and financial offences on all administrative levels - related to Result 5, activities 5.5 and 5.6

Item	Indicative Costs in EUR
Software solution with licences	
Computers	
Laptop Computers	
Printers	
INDICATIVE SUBTOTAL	55 000

The items above have been identified by the RS Ministry of Interior who will be also the beneficiary for the supply.

Item	Indicative Cost in EUR	
Computers with the accompanying equipment, licensed operating system and accompanying software		
Laptops with mobile printers		
Laser colour printers		
Cameras with integrated hard disks and stands		
External hard drives		
Scanners		
Digital cameras		
Copy machines		
Projectors with the projector screens		
Forensic software		
Porn detection stick		
INDICATIVE SUBTOTAL		EUR 65 000

The items above have been identified by the Federal Ministry of Interior who will be also the beneficiary for the supply.

Item	Indicative Cost in EUR
Laptops	
Personal Computers,	
Multifunction 4 in 1, printers	
INDICATIVE SUBTOTAL	15 000

The items above have been identified by Police of Brcko District who will be also the beneficiary for the supply.

INDICATIVE SUBTOTAL FOR Part 2	135 000
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INDICATIVE TOTAL FOR ALL SUPPLIES IN EUR	500 000
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ANNEX 5: Project visibility activities

The Project visibility activities will be carried out according to the specific project activities implemented, in line with the EU visibility and communication rules and requirements.