

**LAW No. 04/L-178  
ON AMENDING AND SUPPLEMENTING THE LAW No. 03/L-196 ON THE PREVENTION  
OF MONEY LAUNDERING AND PREVENTION OF TERRORIST FINANCING**

**Assembly of Republic of Kosovo;**

Based on Article 65 (1) of the Constitution of the Republic of Kosovo,

Approves

**LAW ON AMENDING AND SUPPLEMENTING THE LAW No. 03/L-196 ON THE PREVENTION  
OF MONEY LAUNDERING AND PREVENTION OF TERRORIST FINANCING**

**Article 1**

1. Article 2 of the basic Law, sub-paragraph 1.9 shall be reworded with the following text:

1.9. **Client** - means any person that conducts, or attempts to conduct, a transaction with or use the services of a reporting Subject as defined in Article 16, and shall include any owner or beneficiary or other person or entity on whose behalf the transaction is conducted or the services are received;

2. Article 2 of the basic Law, sub-paragraph 1.13 shall be reworded with the following text:

1.13. **FATF** – means the “Financial Action Task Force”, an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction;

3. Article 2 of the basic Law, sub-paragraph.1.26 shall be deleted from the text of the law.

4. Article 2 of the basic Law, sub-paragraph 1.35 shall be reworded with the following text:

1.35. **Suspicious Act or Transaction** – means an act or transaction, or an attempted act or transaction, that generates a reasonable suspicion that the property involved in the act or transaction, or the attempted act or transaction, is proceeds of crime and shall be interpreted in line with any guidance issued by the FIU on suspicious acts or transactions;

5. Article 2 of the basic Law, after sub-paragraph 1.39. new sub-paragraphs 1.40., 1.41 and 1.42 shall be added with the following text:

1.40. **Criminal activity** – means any kind of criminal involvement in the commission of a criminal offense as defined under the Laws of Kosovo;

1.41. **Politically exposed persons** – means natural persons who are or have been entrusted with prominent public functions and immediate family members, or persons known to be close associates, of such persons. The FIU in consultation with Ministry of Finance may issue a sub-legal act to define the prominent public functions and the immediate family members of such persons.

1.42. **Terrorist act** – means definition as defined in the Criminal Code of Kosovo.

**Article 2**

In the entire text of the basic law references “**UNMIK Regulations**” shall be replaced with the following text: “**according to the law in force in the Republic of Kosovo**”.

### **Article 3**

Article 3 of the basic law shall be reworded with the following text:

#### **Article 3 Special Prosecution Office**

The criminal offences according to this Law and basic Law, fall within the exclusive competence of the Special Prosecution Office of the Republic of Kosovo established by Law No 03/L-052 on the Special Prosecution Office of the Republic of Kosovo.

### **Article 4**

Article 11 of the basic Law paragraph 2. shall be reworded with the following text:

2. Director of FIU nominates the Deputy Director of FIU and delegates tasks in written form.

### **Article 5**

1. Article 15 of the basic law, after paragraph 1 a new paragraph 1.a., shall be added with the following text:

- 1.a. The FIU is able to exchange, domestically as well as internationally, all information accessible or obtainable directly or indirectly by the FIU.

2. Article 15 of the basic law paragraph 2, after the text "**may become public**" the following text shall be added "**at its own initiative or upon request**"; the rest of the sentence remains the same.

### **Article 6**

Article 16 of the basic law, paragraph 1., after sub-paragraph 1.8. new sub-paragraphs 1.9, 1.10, 1.11, 1.12, shall be added with the following text:

- 1.9. Non-Governmental Organizations.
- 1.10. Political entities.
- 1.11. Dealers in precious metals and dealers in precious stones.
- 1.12. Building construction companies.

### **Article 7**

1. Article 17 of the basic law, paragraph 1. sub-paragraphs 1.1, 1.2 and 1.3 shall be reworded with the following text:

1.1. all reporting subjects shall determine, on an ongoing basis, the risk of money laundering and terrorist financing presented by their customers and any other persons to whom they provide financial services. Where reporting subjects determine that the risk of money laundering and terrorism finance is elevated, they shall take the measures set out in paragraph 1. of Article 21, in addition to the measures set out in this Article.

1.2. all reporting subjects shall identify the beneficial owner and/or a natural person or persons who directly or indirectly control 20% or more of a legal person. Where reporting entities consider that the risk of money laundering or terrorism finance is high, they shall take reasonable measures to verify his or her identity so that the institution or person covered by this law is satisfied that it knows who the beneficial owner is, including, as regards legal

persons, trusts and similar legal arrangements, taking risk-based and adequate measures to understand the ownership and control structure of the customer.

1.3. all reporting entities shall obtain information on the purpose and intended nature of the business relationship, and monitor the business relationship, including scrutiny of transactions made throughout the course of the relationship to ensure that the transactions being conducted are consistent with the reporting entity's or person's knowledge of the customer. The competent regulator may issue binding instructions in connection therewith.

2. Article 17 of the basic law, paragraph 1, sub-paragraph 1.4 shall be deleted from the text of the law.

3. Article 17 of the basic law, paragraph 2, sub-paragraph 2.2.1 shall be reworded with the following text:

2.2.1. a transaction in currency in an amount equal to or above ten thousand (10, 000) Euros whether conducted as a single transaction or several transactions that appears to be linked. If the amount of the transaction is unknown at the time of the operation, the identification shall be done as soon as the amount becomes known or the threshold is reached; or

### **Article 8**

1. Article 18 of the basic law, paragraph 1, shall be reworded with the following text:

1. Banks, credit and financial institutions are prohibited from keeping anonymous accounts or anonymous passbooks. Banks and financial institutions shall; apply the measures set out in this Act to customers and their accounts who are anonymous, and such accounts may not be used to process transactions until the owners and beneficiaries of existing anonymous accounts or anonymous passbooks are made the subject such measures as soon as possible.

2. Article 18 of the basic law, paragraph 2, sub-paragraph 2.5 shall be reworded with the following text:

2.5. engaging in any single transaction in currency of ten thousand (10, 000) euros or more. Multiple currency transactions shall be treated as a single transaction if the bank or financial institution has knowledge that the transactions are conducted by or on behalf of one person or entity and total ten thousand (10, 000) euros or more in a single day.

3. Article 18 of the basic law, paragraph 6, reference "**paragraph 1 Article 21 of this law**" shall be deleted and replaced with the reference "**paragraph 2 Article 22 of this Law.**"

4. Article 18 of the basic law, paragraph 7. shall be deleted from the text of the law.

### **Article 9**

1. Article 19 of the basic law, paragraph 1, shall be reworded with the following text:

1. Banks and financial institutions whose activities include wire transfers shall obtain and verify the full name, account number, the address, or in absence of address the national identity number or date and place of birth, including when necessary the name of the financial institution, of the originator of such transfers. The information shall be included in the message or payment form accompanying the transfer. If there is no account number, a unique reference number shall accompany the transfer.

2. Article 19 of the basic law paragraph 4. shall be reworded with the following text:

4. Paragraphs 1 and 2 of the Article shall not apply to transfers executed as a result of credit card or debit card transactions, provided that the credit card or debit card number accompanies the transfer resulting from the transaction, nor shall they apply to transfers

between banks and/or financial institutions where both the originator and the beneficiary are banks or financial institutions acting on their own behalf.

#### Article 10

1. Article 21 of the basic law, paragraph 1, shall be reworded with the following text:

1. When the reporting subjects determine, in accordance with paragraph 1 of Article 17, that the risk of money laundering or terrorism finance is elevated, they shall take reasonable measures to keep up to date the information collected pursuant to Article 17, and apply reasonable enhanced measures to monitor the business and risk profile, including the source of funds, and ensure that records and other information held are kept up to date. The competent regulator may issue binding instructions in connection therewith.

2. Article 21 of the basic law, paragraph 5. shall be reworded with the following text:

5. Reporting subjects shall take reasonable measures to determine if their clients are domestic politically exposed persons, and if such determination results in a client being determined to be a domestic politically exposed persons, then reporting subjects shall take measures set out in Article 19 paragraph 1, in respect of such clients.

5.1. reporting subjects shall ensure they determine whether their clients are foreign politically exposed persons, and if such determination results in a client being determined to be a foreign politically exposed persons then reporting subjects shall take the following measures.

5.1.1. obtain the approval of a senior officer of the reporting subject;

5.1.2. take adequate measures to establish the origin of the assets used in the relationship or transaction; and

5.1.3. ensure continuous and strengthened monitoring of the account and the relationship.

3. Article 21 of the basic law, paragraphs 6. and 7. shall be reworded with the following text:

6. Financial intermediaries cannot open or maintain correspondent accounts with a shell bank or a bank which is known to allow the use of shell accounts.

7. The institutions and persons subject to this law shall pay particular attention to any risk of money laundering or terrorist financing related to products or transactions which promote anonymity and take any measures necessary to prevent its use for the purpose of money laundering or terrorist financing.

4. Article 21 of the basic law, after paragraph 7. new paragraphs 8. and 9. shall be added with the following text:

8. Dealers in precious metals and dealers in precious stones shall report any suspicious act or transaction to the FIU within three (3) working days and prior to taking further action in connection with any such act or transaction. Reports shall be made in a form and manner prescribed by the FIU.

9. Building construction companies shall report any suspicious act or transaction to the FIU within three (3) working days and prior to taking further action in connection with any such act or transaction. Reports shall be made in a form and manner prescribed by the FIU.

#### Article 11

1. Article 22 of the basic law, paragraph 2., reference “**paragraph 1. Article 21 of this law**” shall be replaced with the reference “**paragraph 1. Article 22 of this law.**”

2. Article 22 of the basic law, paragraph 3., reference “**paragraph 1. Article 21 of this law**” shall be replaced with the reference “**paragraph 1. Article 22 of this law**”.
3. Article 22 of the basic law, paragraph 6., reference “**paragraph 5. Article 21 of this law**” shall be replaced with the reference “**paragraph 5. Article 22 of this law**”.

#### **Article 12**

1. Article 23 of the basic law paragraph 1. the phrase “**contact person**” shall be deleted and replaced with the phrase “**compliance officer**”; the rest of the sentence remains the same.
2. Article 23 of the basic law in paragraphs 1. and 3., after the abbreviation “**FIU**”, the following conjunction and abbreviation “**and CBK**” shall be added; the rest of the sentence remains the same.

#### **Article 13**

1. Article 24 of the basic law, after paragraph 9. new paragraph 10. shall be added with the following text:

10. Directors, officers, employees and agents of an NGO who make or transmit reports pursuant to the present article shall not provide the report, or communicate any information contained in the report or regarding the report, to any person or entity, including any person or entity involved in the transaction which is the subject of the report, other than the FIU, unless authorized in writing by the FIU, a Prosecutor, or a Court.

#### **Article 14**

- Article 25 of the basic law, after paragraph 8., a new paragraph 9., shall be added with the following text:

9. Directors, officers, employees and agents of Political Parties and registered Candidates who make or transmit reports pursuant to the present article shall not provide the report, or communicate any information contained in the report or regarding the report, to any person or entity, including any person or entity involved in the transaction which is the subject of the report, other than the FIU.

#### **Article 15**

1. Article 26 of the basic law, paragraph 12 sub-paragraph 12.3. reference “**paragraph 3 to 9 of Article 24 of this law**” shall be deleted and replaced with the reference “**paragraphs 3 to 9 of Article 26 of this law**”.
2. Article 26 of the basic law, after sub-paragraph 13, a new paragraph 13.a, shall be added with the following text:

13.a. Directors, officers, employees and agents of any “covered professionals” who make or transmit reports pursuant to the present article shall not provide the report, or communicate any information contained in the report or regarding the report, to any person or entity, including any person or entity involved in the transaction which is the subject of the report, other than the FIU, unless authorized in writing by the FIU, a Prosecutor, or a Court.

#### **Article 16**

- Article 27 of the basic law, paragraph 1. shall be reworded with the following text:

1. When conveyance of immovable property rights involves a transaction or transactions of a monetary amount of ten thousand (10,000) euros or more, each transaction shall be made by payment order or bank transfer.

#### **Article 17**

Article 28 of the basic law shall be reworded with the following text:

**Article 28**  
**Additional Obligations of Casinos and Other Gaming Houses**

1. Casinos and Licensed Object of Games of Chance as defined in Article 2 are subject to the anti-money laundering and anti-terrorist financing provisions of this Law and are obligated to take specific measures to address the risk of money laundering and the financing of terrorism in providing gambling services.

2. Casinos and Licensed Object of Games of Chance shall verify and record in permanent fashion the identity of a client before entering into a transaction or multiple or linked transactions to sell, purchase, transfer, or exchange gambling chips, tokens, or any other evidence of value in an amount of two thousand (2 000) euros or more or the equivalent value in foreign currency. The identity verification and recordation requirement also extends to financial transactions such as the opening of an account (including safekeeping), a wire transfer or a currency exchange in the amount of two thousand (2 000) euros or more or the equivalent in foreign currency. If the Casino, Gaming House, or Licensed Object of Games of Chance is not able to verify the identity of a client, it shall not enter into the transaction.

3. Casinos and Licensed Object of Games of Chance shall report to the FIU, in the manner and in the format specified by the FIU:

3.1. all suspicious acts, transactions or attempted transactions within twenty four (24) hours of the time the act, transaction, or attempted transaction was identified as suspicious;

3.2. all single transactions in currency of ten thousand (10, 000) euros or more. Multiple or linked transaction shall be treated as a single transaction if the Casino, Gaming House and Licensed Object of Games of Chance knows, or reasonably should have known, that the transactions as by or on behalf of one person or entity and total more than ten thousand (10, 000) euros in a single gaming day;

4. Gaming houses shall not engage in any of the following transactions:

4.1. exchange cash for cash with a client, or with another recipient on behalf of the client, in any transaction in which the amount of the exchange is two thousand (2 000) euros or more;

4.2. issue a check or other negotiable instrument to a client, or to another recipient on behalf of the client, in exchange for cash in any transaction in which the amount of the exchange is two thousand (2 000) euros or more;

4.3. transfer funds by electronic or wire transfer or other method to a client, or to another recipient on behalf of the client, in exchange for cash in any transaction in which the amount of the exchange is two thousand (2 000) euros or more.

5. These prohibitions do not restrict a gaming house from paying a client's winnings by check or other negotiable instrument or by electronic or wire transfer if the check, negotiable instrument, or electronic or wire transfer is made payable to the order of the client.

6. Casinos, Gaming Houses and Licensed Object of Games of Chance shall:

6.1. develop and implement internal policies, procedures and controls, including appropriate compliance regimes, and adequate screening procedures to ensure high standards when hiring employees;

6.2. conduct ongoing employee training programs; and

6.3. implement procedures to test compliance with the Law and related sub-legal acts.

7. Each Casino, Gaming House and Licensed Object of Games of Chance shall in a manner required by the FIU, create, and keep accurate, complete, legible, and permanent original records to ensure compliance with this Law and related sub-legal acts within Kosovo for a minimum period of five (5) years.

8. The FIU shall from time to time, adopt, amend, or repeal sub-legal acts consistent with the policy, objects and purposes of this section of the Law as it may deem necessary or desirable in the public interest in carrying out the policy and provisions of this Law.

#### **Article 18**

1. Article 29 of the basic law, paragraph 3., at the end of paragraph the following text shall be added **“The FIU shall be notified of false declarations or disclosures.”**

2. Article 29 of the basic law, paragraph 4, at the end of paragraph shall be added the following text **“for which they had an obligation to declare. “**

3. Article 29 of the basic law, paragraph 14. reference **“paragraph 3 of this Article”** shall be deleted and replaced with reference **“paragraph 12 of this Article.”**

4. Article 29 of the basic law, after paragraph 20, a new paragraph 21 shall be added with the following text:

21. against the decision brought according to Article 29 of this law, the party has the right to submit a request for review of decision to the Customs within thirty (30) days from the date the decision or customs declaration is received.

#### **Article 19**

Article 30 of the basic law, paragraph 1. shall be reworded with the following text:

1. For reporting entities as determined in sub-paragraphs 1.1 to 1.11., paragraph 1. of Article 16 of this law, an official or officials of the FIU who have been authorized by the Director of the FIU for this purpose (hereafter an “authorized official or officials”), may, at any time during ordinary business hours, enter any premises other than a living house or residence, if there is a reasonable suspicion that it contains records which are maintained pursuant to Articles 16 to 28 of this law or documents relevant to determining whether obligations under Articles 16 to 28 of this law have been complied with. The authorized official or officials may demand and inspect the records or documents; copy or otherwise reproduce any such record or document; and ask questions in order to locate and understand such records or documents. The authorized official or officials shall limit the inspection to that part of the premises in which the relevant records or documents are reasonably likely to be found and they shall only perform actions which are necessary for, and proportionate to, the purpose of inspection of such records.

#### **Article 20**

Article 31 of the basic law shall be reworded as following:

#### **Article 31 Administrative Sanctions**

1. A determination made by the FIU notifying the obligor of a failure to comply with this law shall constitute a violation of the obligations set under this Law which shall be subject to an administrative sanction in a form of a fine of five hundred (500) euros for each day of non-compliance following the date of notification.

2. The FIU in consultation with Minister of Finance, may issue a sub-legal act to define the administrative offence procedure.
3. The imposition of the sanction may be contested before a court of competent jurisdiction.

### **Article 21**

After Article 31 of the basic law, two new Articles 31.A and 31.B shall be added with the following text:

### **Article 31.A**

1. A pecuniary penalty from five hundred (500) to seven thousand (7,000) euros shall be imposed on legal persons for the following infringements:

1.1. failure to develop a risk analysis, i.e. failure to make a risk assessment for individual groups or types of customers, business relationships, products or transactions or failure to make the risk analysis and assessment compliant with guidelines passed by the competent supervisory body.

1.2. failure to apply the customer due diligence measures in instances prescribed by this Law or the Administrative Instruction.

1.3. establishing a business relationship with a customer without conducting a prior customer due diligence.

1.4. conducting transactions valued at ten thousand (10,000) euros or greater, i.e. conducting mutually linked transactions without prior conducting the prescribed measures with this Law.

1.5. failure to identify and verify customer's identity at customer's entry into a casino or at a point of conducting the transaction at the cashier or when the customer wants to take part in games of chance of the organizer, who conducts games of chance on Internet or through other telecommunication means, i.e. electronic communications, or for failure to obtain the prescribed customer information or failure to obtain such information in the prescribed manner.

1.6. if, when conducting wire transfers or cash remittances in the prescribed manner are not summarized, failure to collect or include in the form or a message accompanying a wire transfer, accurate and valid data on the sender or the issuer of the order, or if pertinent data fail to follow the transfer at all times throughout the course of the chain of payment.

1.7. if a payment service provider, acting as an intermediary or receiver of the transfer, on the occasion of the transfer of means which do not contain full information for the payer, fails to refuse a wire transfer which does not contain complete payee data or fails to supplement the payer data within a given deadline.

1.8. failure to identify a customer or verify the customer's identity, or the identity of a legal representative, a person authorized by power of attorney or the customer's beneficial owner, and failure to obtain documentation prescribed for the purposes of identification or identity verification or the power of attorney, in instances when the customer conducts transactions through the person authorized by the power of attorney.

1.9. failure to obtain data on the purpose and intended nature of a business relationship or a transaction and other information within the framework which should be obtained as per this Law.

1.10. establishing a business relationship with a customer in instances when the customer due diligence was conducted by a third person, contrary to this Law and the regulations to be issued by Ministry of Finance.



1.11. failure to conduct the prescribed measures and additionally obtain data, information and documentation or failure to obtain them in the prescribed manner when establishing a correspondent relationship with a bank or other credit institution seated in a third country.

1.12. entering into or extending a correspondent relationship with a bank or other credit institution seated in a third country, contrary to the provisions contained in this Law.

1.13. failure to obtain data on the source of funds and assets when entering into a business relationship with or conducting a transaction with a person who is a politically exposed person, which funds and property are or will be subject to the business relationship or the transaction, or failure to obtain such data in the prescribed manner.

1.14. failure to obtain the required customer data within the framework of the simplified customer due diligence or failure to obtain such data in the prescribed manner with this Law.

1.15. opening, issuing or keeping anonymous customer accounts, coded or bearer passbooks, i.e. accounts or passbooks in the name but containing no additional personal information or accounts registered at false names and other anonymous products.

1.16. entering into or extending correspondent relationships with a bank which operates or might operate as a shell bank, or with a credit institution known to enter into a relationship of account opening and keeping agreements with shell banks.

1.17. receiving from a customer or a third person a cash payment in an amount exceeding ten thousand (10,000) euros or in transactions with non-residents with a value exceeding ten thousand (10,000) euros, respectively receiving the payment ready in several mutually linked cash transactions, which jointly exceed a total amount of the value of ten thousand (10,000) euros.

1.18. failure to refrain from the conducting a transaction for which the entity knows or suspects that transaction is connected with money laundering or terrorist financing, failure to notify the FIU of such transaction before its execution, and failure to indicate in the report the reasons for suspicion of money laundering and terrorist financing, the deadline within which the transaction is to be executed and other prescribed data necessary, or failure to notify the FIU of the customer with which a business relationship was terminated or for whom they refused to conduct a transaction due to the inability to conduct the prescribed measures.

1.19. failure to supply the FIU within the prescribed period with the required data, information and documentation on a transaction or a person for which a reason exists for suspicion of money laundering or terrorist financing or failure to comply with the authorized person's request from the FIU to enable such a person exercise direct examination of the documentation at the legal person's business premises.

1.20. failure to comply with the order issued by the FIU for temporary transaction suspension or failure to comply with the instruction on the course of action in relation to persons to which the temporary transaction suspension shall pertain.

1.21. failure to comply with the order of the FIU for ongoing monitoring of a customer's financial sustainability of operations.

1.22. failure to close within the prescribed deadline set by the FIU the anonymous accounts and coded or bearer passbooks and all other anonymous products enabling the concealment of the customer identity, which were opened before the effective date of this Law being enforced or failure to conduct customer due diligence.

#### **Article 31.B.**

1. A pecuniary penalty from five hundred (500) to ten thousand (10,000) euros shall be imposed on legal persons for the following infringements:

- 1.1. failure to ensure detection and prevention measures for money laundering and terrorist financing defined in this law in its business units, subsidiaries and companies wherein he owns majority of shares and the majority of decision making rights, located in a third country.
- 1.2. failure to carry out the entire prescribed customer due diligence measures or failure to carry them out in compliance with the procedure defined in the sub-legal acts.
- 1.3. failure to obtain a written statement from the customer, the customer's legal representative or a person authorized by power of attorney in instances when there is an existing suspicion of the veracity of data which serve as the foundation for identifying the customer's identity, the customer's legal representative or the person authorized by power of attorney prior to the establishment of a business relationship or conducting a transaction.
- 1.4. failure to apply the prescribed measures in monitoring the customer's business activities.
- 1.5. failure to conduct a repeated annual analysis to obtain the prescribed data and customer's due diligence for the legal entity, or the failure documents, or failure to obtain them in the prescribed manner.
- 1.6. conducting a transaction for a foreign legal person without checking whether or not this person meets all the requirements prescribed by this Law.
- 1.7. entrusting a third person to conduct the customer due diligence without checking whether or not such third person meets all the requirements prescribed by this Law.
- 1.8. accepting due diligence conducted by a third person as adequate, which third person conducted the customer identification and identity verification measure without the customer's prior knowledge.
- 1.9. entrusting a third person with conducting customer due diligence, which third person fails to meet requirements as prescribed in the Law.
- 1.10. failure to exercise appropriate monitoring of transactions and other business activities performed by a foreign politically exposed person with the legal person after entering into a business relationship.
- 1.11. establishing a business relationship with a customer who shall not be physically present during the identification process, without adopting a measure to ensure that the first payment be conducted through the account the customer has established with the credit institution before the execution of any further customer's transaction.
- 1.12. failure to enforce policies and procedures in place for monitoring the money laundering or terrorist financing risk which may stem from new technologies enabling anonymity or for failure to take measures aimed at preventing the use of new technologies for the money laundering and/or terrorist financing purposes.
- 1.13. failure to enforce policies and procedures in place for the risk associated with a business relationship or transaction with customers who are not physically present or for failure to apply these measures when the business relationship is established with a customer and during the course of conducting customer due diligence measures.
- 1.14. failure to supply the FIU within the prescribed period with data on a transaction being conducted in cash in an amount of ten thousand (10,000) euros or more.
- 1.15. failure to appoint the authorized person and one or several authorized person's deputies with the request of the FIU, with the purpose of detecting and preventing money laundering and terrorist financing, as prescribed in this Law and regulations passed on the basis of this Law.

1.16. failure to assign proper authorities for the authorized person and ensure the conditions for the performance of the authorized person's obligations and tasks.

1.17. failure to produce a list of indicators for the detection of customers and transactions for which there shall exist reasons for suspicion of money laundering or terrorist financing, or failure to produce such a list in the prescribed manner and within the timeframe.

1.18. failure to keep data and documentation for five (5) years after the transaction execution, or after the business relationship has terminated, after the entry of a customer to a casino or a safe deposit box.

## Article 22

1. Article 32 of the basic law, paragraph 1. shall be deleted from the text of the law.
2. Article 32 of the basic law, paragraph 2 reference "**Chapter XXIX**" shall be replaced with reference "**Chapter IX**"

## Article 23

1. Article 33 of the basic law, paragraph 1. shall be deleted from the text of the law.
2. Article 33 of the basic law, paragraph 2. shall be reworded with the following text:
  2. Whoever, in providing any information, or in making reports, certifications or declarations pursuant of this Law, knowingly:
    - 2.1. provides a false statement or willfully omits to disclose important information;
    - 2.2. makes or uses any document knowing that the document contains false statement or important notes.
    - 2.3. commits a criminal offense punishable up to five (5) years imprisonment and a fine up to one hundred thousand (100,000) Euros.
3. Article 33 of the basic law, paragraphs 3.1 and 3.2 shall be reworded with the following text:
  - 3.1. destroys or removes any record which must be maintained pursuant to paragraph 3 of Article 20, paragraph 4 of Article 24, paragraph 3 of Article 25, paragraph 10 of Article 26 or paragraph 3 of Article 27 of this law;
  - 3.2. fails to make a report in accordance with paragraph 1. and 2. of Article 22, paragraph 5 of Article 24, paragraph 4 of Article 25, paragraph 3., 7. and 8. of Article 26 or paragraph 3 .of Article 28 of this law;
4. Article 33 of the basic law, paragraph 10., after the text "**for securing property**" reference "**under Article 34**" shall be deleted and replaced with reference "**under this Article**"; and the rest of the sentence remains the same.
5. Article 33 of the basic law, paragraph 11 reference "**Article 32 of this law**" shall be deleted and replaced with the reference "**Article 33 of this law**"; the rest of the sentence remains the same.

## Article 24

Article 36 of the basic law paragraph 3., shall be reworded with the following text:

3. A request under this Article shall be sent through diplomatic channels pursuant to laws and agreements in force, who shall forward it to the Office of International Legal Cooperation or other competent authority.

## **Article 25**

After Article 36 of the basic law, new Articles 36.A, 36.B, 36.C, 36.D shall be added with the following text:

### **Article 36.A Compliance Inspection by CBK**

The Central Bank of the Republic of Kosovo and other sectoral supervisors in accordance with their competencies stipulated herein and in other relevant laws, remain responsible to supervise the implementation of the provisions of the this law by the entity under their supervision only if the FIU delegates the right for supervisor base in written agreement.

### **Article 36.B Terrorist Financing Criminal Offense**

1. Whoever, when committed intentionally, participates as an accomplice, provides or collects funds or organizes or direct others to provide or collect funds, or attempts to do so, by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are to be used in full or in part:

1.1. to carry out a terrorist act;

1.2. by a terrorist; or

1.3. by a terrorist organization will be deemed to have committed the act of terrorist financing.

2. The offence is committed irrespective of any occurrence of a terrorist act referred to in paragraph 1, or whether the funds have actually been used to commit such act.

3. Terrorist financing shall be punishable by a fine of five hundred thousand (500 000) euros or imprisonment from seven (7) to twenty (20) years or either of these penalties.

4. An attempt to commit the offence of financing of terrorism or aiding, abetting, facilitating or counseling the commission of any such offence shall be punished as if the offence had been completed.

### **Article 36.C Intimidation Regarding Reporting Suspicious Activity or Transactions**

Whoever uses force or serious threat, or any other means of compulsion, or a promise of a gift or any other form of benefit to induce another person to refrain from making a report required under Article 13 of this Law, or to make a false statement or to otherwise fail to state true information to the FIU, CBK, investigative agencies, a prosecutor or a judge, when such information relates to the reporting obligations of Article 13 of this Law shall be punished by a fine of up to one hundred and twenty-five thousand (125 000) euros and by imprisonment of two (2) to ten (10) years.

### **Article 36.D**

1. Customs officers and officials of the Tax Administration of Kosovo recognized as "Judiciary Police" according to the Criminal Procedure Code of Kosovo have the competences, responsibilities and tasks for the investigation and detection of the criminal offences of money laundering and terrorist financing and are authorized to conduct investigations of these offenses under the supervision of a prosecutor.

2. TAK and Customs shall appoint a liaison officer with Special Prosecution Office and other Prosecution Offices for professional cooperation.

#### **Article 26**

Article 37 of the basic law, paragraph 2, shall be reworded with the following text:

2. This Article shall be without prejudice to paragraph 9. of Article 26 and sub-paragraph 3.2, paragraph 3. of Article 30 of this law.

#### **Article 27**

The Ministry of Finance will issue Administrative Instructions for the National Money Laundering and Terrorist Financing Risk Assessment, to bring in force the new future EU Directive for Prevention of Money Laundering and Terrorist Financing and other provisions for implementation of this Law.

#### **Article 28**

This law shall enter into force fifteen (15) days after publication in the Official Gazette of the Republic of Kosovo.

**Law No. 04/L-178**  
**11 February 2013**

**Promulgated by Decree No.DL-003-2013, dated 26.02.2013, President of the Republic of Kosovo Atifete Jahjaga.**