



**Republic of Serbia
MINISTRY OF FINANCE
Administration for the Prevention
of Money Laundering**

Ref. No.: OP-000347-0002/2025

Belgrade, 10 April 2025

Pursuant to Article 114 of the Law on the Prevention of Money Laundering and Terrorism Financing (Official Gazette of the Republic of Serbia, 113/17, 91/19, 153/20, 92/23, 94/24 and 19/25, hereinafter: AML/CFT Law), the Director a.i. of the Administration for the Prevention of Money Laundering issues the

**GUIDELINES FOR IDENTIFYING THE BENEFICIAL OWNER OF THE
CUSTOMER AND
GUIDELINES FOR ENTERING THE BENEFICIAL OWNER OF A REGISTERED
ENTITY INTO THE CENTRAL RECORDS**

Purpose

These Guidelines are intended for the obliged entities under the AML/CFT Law as they provide guidance on identifying and verifying the identity of the beneficial owner (BO) of a customer for the purpose of uniform implementation of the AML/CFT Law provisions on beneficial owners.

These Guidelines also provide an overview of the Law on Centralized Records of Beneficial Owners (LCRBO), which among other things governs the obligation to identify a BO of the Registered Entity and entering the BO into the Centralized Records of Beneficial Owners of legal persons and other registered entities in Serbia in accordance with the law (Central Records), kept by the Serbian Business Registers Agency (SBRA), and whose provisions are relevant for the obliged entities under the AML/CFT Law.

The Financial Action Task Force (FATF) Recommendations 24 and 25¹ set out criteria with which a country needs to align in order to ensure full transparency of beneficial ownership, both for companies and trusts and other persons under foreign law.

FATF Recommendation 24 requires from countries to assess the risk of misuse of legal entities for money laundering (ML) or terrorism financing (TF) and to take measure to prevent their misuse, and to ensure there are adequate, accurate and up-to-date information available on BOs and controls of legal entities so that the competent authorities may obtain or access such information in a rapid and efficient manner, either through a BO register or an alternative mechanism.

FATF Recommendation 25 regulates transparency and beneficial ownership of trusts, and it requires countries to take measures to prevent misuse of trusts for ML or TF, and to ensure that the information on trusts, including the information on the settlor, trustees and beneficiaries

¹ <http://www.apml.gov.rs/cyr192/saradnja/Međunarodni-standardi.html>

is adequate, accurate and up-to-date and that relevant authorities may obtain or access it in a timely manner.

The definition of BO of a customer was first introduced in the Serbian legislation in 2009 through the Law on the Prevention of Money Laundering and the Financing of Terrorism (AML/CFT Law) (Official Gazette of RS, 20/2009). This law required the obliged entities to identify the BO wherever the client is a legal person or person under foreign law.

Serbia also passed the LCRBO in an urgent procedure, in order to meet one of the MONEYVAL recommendations and to align with the EU Directive 2015/849.² The LCRBO came into force on 8 June 2018. The main aim of the LCRBO is to introduce a single database on beneficial owners of legal persons and other entities registered in the respective registers in Serbia in order to enhance the current AML/CFT system by facilitating the actions and measures aiming to detect and prevent ML and TF, i.e. the identification of the beneficial owner of a customer. The purpose of the LCRBO is also to align national legislation with relevant international standards.

Thus the AML/CFT Law governs the identifying and verifying of the client's BO by the obliged entities under the AML/CFT Law, whereas the LCRBO regulates the requirements for authorised representatives of entities to identify the BO of the Registered Entity and to enter the BO details into the Central Records of BOs.

The introduction of the Central Records does not free the AML/CFT obliged entities from the obligation to obtain the appropriate documentation, which has established and governs the business operations of a legal entity, person under foreign law or trust, such as articles of association, founding contracts or other documentation containing the information concerning the ownership, management and control over such person. In other words they are not relieved from the obligation to identify the BO in the manner laid down in the AML/CFT Law, and this is in line with international standards and EU Directive 2015/849³, which require the obliged entities to rely not only on the information from such records. Therefore, using the information from the records does not free obliged entities from their obligation to perform CDD.

² <https://eur-lex.europa.eu/eli/dir/2015/849/oj>; <https://eur-lex.europa.eu/legal-content/HR/TXT/?uri=celex%3A32015L0849>

³ Article 30, para 8 of EU Directive 2015/849

GUIDELINES FOR IDENTIFYING THE BENEFICIAL OWNER OF A CLIENT

Definition of beneficial owner

The BO of a customer which is a legal person or person under foreign law means the natural person who owns or controls the customer, indirectly or directly; or natural person for and on behalf of whom a transaction is carried out; the customer also includes a natural person.⁴

Definition of person under foreign law and trust

Person under foreign law means a legal form of organisation whose aim is to manage and handle assets, that does not exist in national legislation (e.g. *trust*, *anstalt*, *fiduciae*, *fideicommissum*, etc.).⁵

Trust is a person under foreign law, formed by a founder (settlor, trustor) during lifetime or upon death, who entrusts a trustee with assets to use and manage in favour of a beneficiary or for a specific purpose. It is done in a manner that the property should not be a part of the founder's property; trust-related property rights rest on the trustee holding, using and disposing with the property in favour of beneficiary or founder in line with the terms of the trust. Under a trust agreement, certain operations may also be entrusted to a trust protector, whose main role is to ensure that the assets are used and managed in the manner that meets the purpose of the trust. The beneficiary is a natural person or a group of persons in whose interest trust has been settled or operates, regardless of whether the person or the group of persons is identified or identifiable.⁶

The BO of a trust, and/or of another person under foreign law means the founder, trustee, protector, beneficiary, if identified, as well as the person holding dominant position in controlling the trust and/or another person under foreign law.⁷

Trust is essentially conceived as having a trustee as a nominal owner and a beneficiary as the BO or usufructuary.

For clarification, a trust (in common law) means a transfer of property title from one person to another, where the acquirer of property title does not use the object of property, but rather manages the object for the benefit of a third party (which can also be the trust settlor himself) or of a certain group of persons, who do not have to be identified in person (for example, students with insufficient means). This acquisition is most often gained in a legal transaction but sometimes a trust is formed on the basis of mandatory regulations. A person conducting the transfer is a *settlor* or *trustor* - founder; a person onto whom the property title is formally transferred and who is only entrusted with the assets is a trustee; a person for whose benefit the trustee manages the property title, therefore, the person who benefits from the trust is called a *beneficiary*; property that is being transferred is called a *trust property*. Thus a trust is a kind of fiduciary business. It is widely used in Anglo-American law. In Anglo-American law, a trust substitutes plenty of legal concepts from continental law, such as fiduciary legal transactions⁸,

⁴ Article 3, para 1, item 10 of the AML/CFT Law

⁵ Article 3, para 1, item 4 of the AML/CFT Law

⁶ Article 3, para 1, item 6 of the AML/CFT Law

⁷ Article 3, para 1, item 12 of the AML/CFT Law

⁸ A fiduciary legal transaction occurs when a *fiduciant* (transferor) transfers a right onto another person - *fiduciary* (acquirer) without making him the ultimate acquirer, and so the *fiduciary* (acquirer) will be required, upon occurrence of certain circumstances, to return the right to the *fiduciant* (transferor) or transfer it to a third party -

commission, agency, custody, founding an endowment (an endowment is the beneficiary), partnership agreement, guarantee, pledge, whereas in enforced trust, which is formed on the basis of a court decision, it replaces restitution, claim for unjust enrichment, legacy, mandate and inheritance-law substitution.

Identification and verification of BO

Identification and verification of beneficial owner of a customer is a part of the CDD process the obliged entity is required to undertake:

- before establishing a business relationship with a customer;⁹
- before performing a transaction amounting to the RSD equivalent of EUR 15,000 or more, at the National Bank of Serbia (NBS) official median rate on the date of transaction, regardless of whether this is a single transaction or several interrelated transactions, where a business relationship has not been established;¹⁰
- when executing a money transfer exceeding the amount of EUR 1,000 or its RSD equivalent, regardless of whether it is a single transaction or several interrelated operations, in case when a business relationship has not been established;
- whenever there are reasons to suspect money laundering or terrorism financing with respect to a customer or transaction, as well as when there is suspicion as to the veracity or credibility of data obtained on the customer and BO;¹¹
- before executing a money transfer exceeding the amount of EUR 5,000 or its RSD equivalent, regardless of whether it is a single transaction or several interrelated operations, in case of obliged entities performing the currency exchange business;¹²
- when withdrawing gains, placing bets or in both cases, whenever transactions amounting to the RSD equivalent of EUR 2,000 or more are carried out, irrespective of whether they are carried out in one or more than one interrelated operations, in case of obliged entities operating games of chance.¹³

The obligation to identify the BO of the client exists regardless of the category of risk, except where exceptions are provided.

fideicommissary. All rights entrusted are passed on the fiduciary (acquirer) trustee and the trustee must exercise them on their own behalf, but they exercise them for the account of the settlor or for the account of a person identified by the trustee - *fideicommissary*, as the trust agreement in place requires so. In relation to third parties, the fiduciary (acquirer) appears as ultimate acquirer and acts accordingly in legal transactions. A *fiduciary* (acquirer) can abuse trust placed in them and their action will cause a *bona fide* third party to acquire a certain right, while the *fiduciant* (transferor) will be damaged. In legal nature, a fiduciary legal transaction is a specific mandate agreement and requires a special kind of trust, therefore it is as a rule, *intuitu personae*. For example, a person gives some money to another person so that the latter purchases stocks/shares in a company in his/her name but on behalf and for the benefit of the former so the former could not be seen in the ownership structure of the company, and the latter acts on all occasions in line with the instructions given by the former.

⁹ Article 9 of the AML/CFT Law

¹⁰ Article 10 of the AML/CFT Law

¹¹ Article 47, para 2, and Article 99, para 1, item 13 of the AML/CFT Law

¹² Article 10 of the AML/CFT Law. Note: In this case the obliged entity identifies the BO of the client who is a natural person, from whom it takes a statement indicating that it acts on his/her own behalf

¹³ Article 10 of the AML/CFT Law. Note: In this case the obliged entity identifies the BO of the client who is a natural person, by taking e.g. a statement indicating that it participates in the games of chance on his/her own behalf

Exemption to the obligation to obtain BO information

The exemption to the obligation of identifying and verifying the identity of the BO of the customer provided by AML/CFT Law includes the situation where the customer is a state authority, an authority of autonomous province, authority of a local self-government unit, public enterprise, public agency, public service, public fund, public institute or chamber, a company whose issued securities are included in an organised securities market located in the Republic of Serbia or in the country where the international standards applied on reporting and provision of data to the competent regulatory body are at the European Union level or higher.¹⁴

Where any of the above entities appear in the course of establishing the ownership structure as majority owner of more than 50% of the stake, there is no obligation to identify the BO.¹⁵

Given that the member of a managing board in a public enterprise or a company majority-owned by the state is an official of the Republic of Serbia,¹⁶ two situations should be differentiated:

- If the above person establishes a business relationship/performs a transaction on their own behalf and for themselves, or on behalf of and for the company whose beneficial owners they are, it is necessary to apply enhanced CDD, because in this case the official (PEP) is the client, or beneficial owner of the client.
- However, in case of business relationship/execution of transaction with with a client which is a public enterprise or company majority-owned by the state, and the member of its governing board is the representative of the public enterprise or company majority-owned by the state who establishes a business relationship/executes a transaction on behalf of the client, the obliged entity should, before classifying the client as low risk, use publicly available information or other mechanisms to establish whether the client representative is adversely known and apply the appropriate CDD.

Grounds and procedure for identifying the BO

Beneficial owner of a customer which is a legal person

The BO of a company or any other legal person is as follows:

1. a natural person who owns, directly or indirectly, 25% or more of the business share, shares, voting right or other rights, based on which he/she participates in control of the legal person, or who participates in the capital of the legal person with 25% share or more, or a natural person who indirectly or directly has a dominant influence over the management of business and decision-making¹⁷;

¹⁴ Article 43, para 1, item 1, subitem 2, and item 2, subitem 2 of the AML/CFT Law

¹⁵ Article 62, para 4, of the Law on Companies - Majority ownership in the basic capital exists where one person, individually or together with other individuals acting jointly with that person, owns more than 50% of the voting rights in the company

¹⁶ Article 3, paragraph 1, item 27, sub-item 7 of the AML/CFT Law

¹⁷ Article 3, paragraph 1, item 11, sub-item 1 of the AML/CFT Law. What dominant influence means is explained in the Guidelines for entering the BO of the registered entity in the Central Records

2. a natural person who has provided or provides funds to a company in an indirect manner, which gives him the right to influence substantially the decisions made by the managing bodies of the company concerning its financing and business operations.¹⁸

The criteria prescribed for identifying a BO are not cumulative for one natural person, which practically means that a natural person need not meet all these conditions to be identified as the BO in terms of AML/CFT Law.

When identifying the BO of the customer, the obliged entity should bear in mind that a BO is also a natural person holding the sum of 25% or more in total, as it is possible for a natural person to hold 25% or more of ownership through smaller shares in several related legal persons.

However, when identifying the BO of a customer, it is not sufficient only to identify a natural person who owns, directly or indirectly, 25% or more of the business share, shares, voting rights or other rights, based on which they participate in control of the legal person, or who participate in the capital of the legal person with 25% share or more, but, rather, it is necessary to establish if in addition to the mentioned person there is another natural person who has dominant influence or who indirectly provides funds in the same legal person. Specifically, when identifying the BO of a customer which is a legal person or person under foreign law, it is necessary to go through all the criteria above, and if there is a natural person who owns, directly or indirectly, 25% or more of the business share, shares, voting rights or other rights, based on which they participate in control of the legal person, or participate in the capital of the legal person with 25% share or more, but there is as well a natural person who on another basis, provided for by law, has influence on decision-making, the latter is also regarded the BO, so it is necessary to identify and verify the latter person's identity, given the fact that the person has influence on the customer's decision-making to a significant extent. Therefore, when identifying the BO of a customer, it is necessary to check if there is a natural person who has influence on decision-making and not only to identify a natural person who owns 25% or more of the business share, shares, voting rights or other rights, based on which they participate in control of the legal person, or participates in the capital of the legal person with 25% share or more. However, this person should not be considered the same as a person registered for representation as a member of management board of a company or another legal person, as the AML/CFT prescribes how the representative of a legal person or a person under foreign law is identified.¹⁹ Therefore, a person registered as the representative of a legal person or a person under foreign law is not per se the beneficial owner of the customer, unless they meet one of the above mentioned criteria.

In addition, when identifying the BO of the customer one should bear in mind the following:

- a person can be both direct and indirect owner in the same legal person, in which case the ownership percentages of the natural persons are added one to another;
- the sum of shares of all members of the legal person must be 100%;
- for natural persons having less than 25% share, other criteria provided under the AML/CFT Law for identifying the BO should be applied, in order to establish whether such persons have dominant influence on the running of business or decision making, or provide funds indirectly for the legal person, and on these grounds have the right to influence significantly the legal entity's governing board decision making when deciding on the financing and business operations, as described above;

¹⁸see Article 3, paragraph 1, item 11) sub-item (2) of AML/CFT Law. What dominant influence means is explained in the Guidelines for entering the BO of the registered entity in the Central Records

¹⁹Article 21 of the AML/CFT Law

- if the founder of the customer which is a legal person is another legal person or several other legal persons, the ownership structure of legal person(s) which are in the ownership structure of the customer should be established, in order to identify the BO of the customer, who is always a natural person.

Procedure for identifying the BO of a legal person and person under foreign law

The obliged entity must, based on the above described criteria, identify the BO of a customer that is a legal person or person under foreign law, including trust, and obtain the following details: name, surname, date and place of birth, and permanent or temporary residence of the client's BO. The obliged entity must include these details into the records of clients, business relationships and transactions.²⁰

Article 25 of the AML/CFT Law governs the procedure, i.e. how the identity of BO of a customer which is a legal person or person under foreign law, and obliged entities are required, when establishing the identity, to do so by applying the following sequence:

1. The obliged entity shall obtain the name and surname, date and place of birth and permanent or temporary residence of the customer's BO by inspecting the original or a certified photocopy of the documentation from a register maintained by the country where the customer has a registered office, which may not be older than six months from the date of its issue, a photocopy of which the obliged entity keeps according to the law. The data may also be obtained by directly accessing the register maintained by the competent body of the country where the customer has a registered office or other official public register, in which case the obliged entity shall obtain a photocopy of the extract from the register which it shall keep according to law. If the obliged entity has doubts as to the veracity of the obtained data or the credibility of the presented documentation, it shall obtain a written statement from the customer. Digitalised document referred to in this paragraph shall also be considered a photocopy of the documentation. The photocopy of the document kept in paper form shall contain the date, time, and the name of the person who inspected that document. The photocopy of the document in the electronic form shall contain a qualified electronic stamp or qualified electronic signature in line with the law governing electronic signature, with an attached time stamp. The obliged entity shall keep the photocopies referred to in this paragraph in paper or electronic form in accordance with law.²¹

Where the obliged entity obtains the data by inspecting the documentation from a register kept by the competent authority of the country of the registered office of the client or by inspecting directly the official public register, it must obtain all the necessary details of the BO.

In case of legal entities registered in the Republic of Serbia, the obliged entity may obtain, by inspecting the SBRA decision or extract with company registration data issued by SBRA, the name and surname and unique personal identification number of the natural person who is the citizen of the Republic of Serbia, rather than the data concerning the date and place of birth, permanent or temporary residence.

If a client's BO is a natural person who is a foreign citizen, then the SBRA's decision or extract will include his/her name and surname, passport number and the state of issuing, or

²⁰Article 25, para 1, and Article 99, para 1, item 13 of the AML/CFT Law

²¹see Article 25, paragraph 2 of the AML/CFT. It should be borne in mind that as opposed to the documentation needed for identifying and verifying the identity of a client which is a legal person, and which should not be older than three months from the date of issuing (Article 20 para 3 of the AML/CFT Law), the documentation required for identifying the identity of the BO of legal person or person under foreign law should not be older than six months from the date of issuing.

registration number for the foreigner or ID card number for the foreigner and country of issuing, rather than the date and place of birth, permanent or temporary residence.

The obliged entity may directly inspect the official public register in Serbia by accessing SBRA website using the link <https://www.apr.gov.rs/%d0%bf%d0%be%d1%87%d0%b5%d1%82%d0%bd%d0%b0.3.html>, and in case of legal entities registered in a foreign country, this can be done using the followign links of the official public registers of the foreign countries <http://www.ebr.org/>, <https://opencorporates.com/>, <https://www.gov.uk/get-information-about-a-company> и <https://www.step.org/>

The obliged entity obtains other missing data in any other legally permitted manner.

The obliged entity must acquire a copy of the extract from the register, write on it the date, time and name of the person who inspected the document. If the printout of the public register extract already includes date and time, it is not necessary to write this data. It suffices to indicate the name of the person inspecting the document.

The AML/CFT Law does not require that the extract or documents taken from the website of the foreign public company register be translated into Serbian.

2. If it is not possible to obtain all the information from the official public register or the register maintained by the competent body of the country where the customer has a registered office, the obliged entity shall obtain the missing data from the original or a certified photocopy of the document or other business documentation submitted by the representative, procura holder or empowered representative of the customer.²²

Specifically, this is the documentation which establishes and governs the business operations of a legal entity, person under foreign law or trust: articles of association, founding contracts or other documentation containing the information concerning the ownership, management and control over such person.

It can vary, especially when it comes to foreign legal entities, and it can also include, in addition to the above documents, articles of association, decisions of governing and supervisory boards, various authorisations, member's agreements, book of shareholders, reliance agreements, annual reports, incorporation certificates in line with the applicable legislation of a specific country, certificates concerning the registered office address, certificates of good standing, various shareholder certificates, certificates on BOs, controllers or representatives of a given company, various register extracts which mainly include the date of incorporation, name of the agent through which the company was registered, address, etc.

It is allowed to use registers kept by registration agents with an operating licence in their countries, under the condition that the identity of BOs can be clearly established from these registers and the above listed documents, i.e. that the necessary BO information can be thus obtained.

In regard of foreign legal entities, it merits mentioning that the AML/CFT Law does not require that the mentioned documetnation be translated in Serbian.

3. If, for objective reasons, the data cannot be obtained as described above, the obliged entity may obtain it by accessing commercial and other available databases and sources of information, or from a written statement given by the representative, *procura* holder or empowered representative and the BO of the customer. When identifying the BO, the obliged entity may

²²see Article 25, paragraph 3 of the AML/CFT.

obtain a photocopy of a personal document of the BO of the customer, or a print-out of that document.²³

Obligated entities have a wide range of commercial, general and specialised databases at their disposal which they can use to identify and verify BO identity, stock exchanges, databases of domestic and foreign officials (PEPs), open source databases, print media information, etc. Available domestic commercial databases are for example: Bisnode, Poslovi, Bonitet or Intelligence, and foreign commercial databases such as: Amadeus, Scoring, World-Check, Factiva, Lexis Nexis, Thomson Reuters, Targens, Orbis and First Pass.

The written statement must also be given by the BO in addition to the representative, procura holder or empowered representative, whereas when identifying the BO, the obliged entity may obtain a photocopy of a personal document of the BO of the customer.

Obligated entities should bear in mind that they can obtain the written statement only after they document that they have exhausted all the prior options for identifying their client's BO.

4. If after undertaking all the above mandatory actions the obliged entity is still unable to identify the BO, it shall identify one or more natural persons who hold top management positions at the customer.²⁴ The obliged entity must document the actions and measures taken under this Article²⁵, that is, it must have material evidence in the form of documentation obtained testifying that it has taken all the prior steps, but nevertheless still was not able to identify the clients BO.

The obliged entity shall undertake reasonable measures to verify the identity of the BO of a customer as to know at any time the ownership and management structure of the customer and its BOs.²⁶

If it obtains beneficial ownership data from Central Records of Beneficial Owners, the obliged entity shall not be exempt from the obligation to take actions and measures for identifying the BO under the AML/CFT Law which it shall perform based on the customer risk assessment.²⁷

Where the obliged entity, when undertaking the actions and measures referred to in this article, finds that the BO data does not match the BO data recorded in the central records of BOs, the further procedure shall be subject to application of the provisions of the law governing central records of BOs on harmonising the BO data.²⁸

BO of a customer which is a natural person

²³see Article 25, paragraph 4 of the AML/CFT.

²⁴Article 3, para 1, item 30 of the AML/CFT Law - Top management means a person or a group of persons who, in accordance with the law, run and organise the business operations of an obliged entity and is responsible for ensuring compliance of business operations with the law. SBRA has made top management members' personal names and unique personal ID numbers (JMBG) available on its official website, and this data can be a starting point for collecting other required data. In accordance with the Law on Companies, depending on the legal form of the company, top management can mean any of the following: director, directors, board of directors, executive board and supervisory board; the governing board can be considered as such if its being a mandatory management body has been provided in a special law (Article 10d of the Law on Financial Leasing (Official Gazette of the Republic of Serbia, No 55/03, 61/05, 31/11 and 99/11 – other laws))

²⁵ see Article 25, paragraph 5 of the AML/CFT Law.

²⁶see Article 25, paragraph 6 of the AML/CFT. FATF guidance defines what is meant by reasonable measures : “Appropriate measures which are commensurate with the money laundering or terrorist financing risks.”

²⁷ Article 25, paragraph 7 of the AML/CFT Law, and Article 30, paragraph 8 of EU Directive 2015/849

²⁸ Article 25, paragraph 8 of the AML/CFT. Note: The provisions of Article 16 of the Law on Central Records of BOs on the follow up in case of BO data discrepancy will take effect on 15 September 2026. Follow up by obliged entities and supervisors in case of discrepancy of BO data up to 15 September 2026 is explained under the section on recording Registered Entity's BO in the Central Records

In this case, it is necessary to ascertain whether a natural person indirectly or directly controls the customer.

Customer control means controlling a transaction or business relationship the result of which is that the client does not act on its own behalf, e.g. if a client who is a natural person establishes a business relationship or carries out a transaction in the presence of another natural person from whom it receives instructions or if he/she carries out a transaction by reading a note with instructions etc., there could be suspicion that some other person controls the customer where a customer opens an account on his/her behalf whereas the owner of the funds and transaction originator is a different person.

The obliged entity can specify in more detail in its internal procedures the way in which it will identify the BO of a client that is a natural person, and thus regulate, in line with an ML/TF/PF risk assessment, that the natural person establishing the business relationship or carrying out a transaction should fill in a statement in which they will indicate for whom and on whose behalf they are acting.

Associations

An association acquires the status of legal entity on the date of its registration in the Register²⁹. Legal rules on civil partnership shall apply *mutatis mutandis* on association without legal personality, unless otherwise regulated under this law.³⁰

The Register of Associations is maintained by SBRA as a delegated (entrusted) responsibility.³¹

Where the association does not have legal personality, when establishing a business relationship (e.g. opening a bank account) or carrying out a transaction, the obliged entity identifies and verifies the identity of the legal entity and its representative as laid down under Articles 20 and 21 of the AML/CFT Law, by obtaining the following information on the legal entity: business name and legal form, address, registered office, company registration number and tax identification number (TIN), and the following data on the legal entity's representative who is establishing the business relationship/carrying out a transaction for and on behalf of the legal entity: the name and surname, date and place of birth, permanent or temporary residence, unique personal ID number, type and number of personal document, name of issuer, date and place of issue.

Under the AML/CFT Law, a person under civil law means an association of individuals who pool or will pool money or any other property for a certain purpose.³² Where the association does not have legal personality, at the time of establishing a business relationship/carrying out a transaction, the obliged entity must identify and verify the identity of the empowered representative, by obtaining the written power of attorney for representation and the following data: name and surname, date and place of birth, permanent or temporary residence, unique personal number of the empowered representative, who establishes a business relationship/carries out a transaction for and on behalf of the customer, as well as the type and number of their identity document, its date and place of issue, and name of the person under civil law³³.

²⁹ Article 4, paragraph 2, of the Law on Associations (Official Gazette of RS, 51/2009, 99/2011 - other laws and 44/2018 - other law)

³⁰ Article 2, paragraph 3, of the Law on Associations

³¹ Article 26, paragraph 1, of the Law on Associations

³² Article 3, para 1, item 9 of the AML/CFT Law

³³ Article 23 of the AML/CFT Law

As stated above, client under the AML/CFT Law means the natural person, entrepreneur, legal entity, person under foreign law and person under civil law who carries out a transaction or establishes a business relationship with an obliged entity, whereas the BO is a natural person who owns or controls the customer, indirectly or directly; or natural person for and on behalf of whom a transaction is carried out. Thus the obliged entity must identify the BO of an association in the manner and in the order set out in Article 25 of the AML/CFT Law. This means that, where the obliged entity is unable to identify a natural person who owns 25% or more of the business share (ownership interest), shares, voting right or other rights, it will identify the natural person who has a dominant influence over the management of business and decision-making. If it is still unable to identify the BO, it will identify the natural person who has provided or provides funds, which entitles him/her to influence significantly the decision-making process. Finally, where even after undertaking all the actions laid down in the law the obliged entity is still unable to identify the BO, it shall identify one or more natural persons who hold top management positions in the customer.

Relying on third parties for identification and verification of identity of the BO

When establishing a business relationship the obliged entity may, under the conditions set out in the AML/CFT Law, rely on a third party to perform certain customer due diligence actions and measures, including identification and verification of identity of a client's BO.³⁴

The AML/CFT Law has limited the circle of persons that can be third parties, and these are: banks, investment fund management companies, voluntary pension fund management companies, broker-dealer companies, auditing companies and independent auditors, e-money institutions, payment institutions, factoring companies, public postal service operator, offering payment services under the law governing the provision of payment services, and companies licensed to engage in life-insurance business and life insurance agents, the above-mentioned persons from a foreign country if they are required by law to be licensed to perform business, must apply CDD, keep records in an equal or similar manner as laid down in the AML/CFT Law, and is supervised for AML/CFT compliance in an adequate manner, as well as authorised currency exchange operators, business entities performing money exchange operations based on a special law governing their business activity, only if they act as agents in the provision of payment services and in relation to such agency.

For instance, when opening a bank account for a newly-established legal entity, the bank, being an obliged entity under the AML/CFT Law, is required to identify the BO of the customer (except in cases set out in the AML/CFT Law). The same customer may become a customer to any other obliged entity under the AML/CFT Law which can rely on the bank for identification of the BO of the customer, or obtain from the bank the required data.

By relying on a third party in applying certain customer due diligence actions and measures, the obligor shall not be exempt from responsibility for a proper application of customer due diligence actions and measures in accordance with this Law.

No tipping off, collection of data and documentation from third parties and prohibition on entering into business relationship are governed in Articles 31-33 of the AML/CFT Law, and these Articles as well as Article 30 of this law are not applied when reliance is made under a reliance or agency agreement where the service provide or agent is considered part of the obliged entity.

³⁴Article 30 of the AML/CFT Law

GUIDELINES FOR ENTERING THE BO OF A REGISTERED ENTITY INTO THE CENTRAL RECORDS

Introductory remarks

Central Records of BOs established at the SBRA already on 31 December 2018 as a public, single, central electronic database on natural persons who are BOs of a registered entity.

The National Assembly of the Republic of Serbia passed a new LCRBO which was published in the Official Gazette of RS, 19/25.

This law will come into effect upon the expiry of 18 months from its entry into force, more specifically on 15 September 2026, except for the provisions of Article 12, paragraph 4, and Article 19, paragraph 3, which shall apply as of the date of entry into force of this law.

Given the above, these guidelines have only been updated with regard to the provisions of the new law that came into effect on the entry into force of the law, whereas the other areas will have been updated by the coming into effect of the other provisions of this law, i.e. by 15 September 2026.

Therefore, the current provisions of the LCRBO (Official Gazette of RS, 41/18, 91/19, 105/21 and 17/23) will remain in effect up to 15 September 2026.

The Registered Entities are the following:

- 1) companies, other than open joint-stock companies;
- 2) cooperatives;
- 3) branches of foreign companies;
- 4) business associations and associations, other than political parties, trade unions, sports organisations and associations, churches and religious communities;
- 5) foundations and endowments;
- 6) establishments;
- 7) representative offices of foreign companies, associations, foundations and endowments.

Further, Article 3, paragraph 1, item 3, of the LCRBO provides that the BO of the Registered Entity is as follows:

(1) natural person who owns, directly or indirectly, 25% or more of the share, shares, voting right or other rights, based on which they participate in the management of the Registered Entity, or who participates in the capital of the Registered Entity with 25% or more of the share;

(2) a natural person who indirectly or directly has a dominant influence over the management of business or decision-making;

(3) a natural person who has provided or provides funds to a Registered Entity in an indirect manner, and thus significantly influences the decisions made by the managing body of the Registered Entity concerning its financing and business operations;

(4) natural person who is the settlor, trustee, protector, beneficiary if designated, of a trust, and the person who has a dominant position in controlling the trust or in any other person under foreign law.

(5) natural person registered to represent cooperatives, associations, foundations, endowments and establishments, if the authorised representative did not report any other natural person as the BO.

Paragraph 2 of the same Article of LCRBO provides that, by way of exception, if the natural person referred to in paragraph 1, item 3, sub-items 1 to 4, of this Article cannot be identified as set out, the natural person registered to represent or the person registered as member of a body of the Registered Entity will be considered the BO of such Registered Entity.

How to apply the criteria for identifying and recording the BO?

Having in mind the above LCRBO requirements, open joint-stock companies registered in Serbia are exempt from the obligation to identify and record the BO, which means that all other companies, i.e. other Registered Entities, have the obligation to record the BO despite the fact, for instance, that the owner of the Registered Entity can be a domestic or foreign open joint-stock company. Another reason is that one needs to get to the ultimate BO of the Registered Entity who must always be, within the meaning of the LCRBO, a natural person.

Further, when identifying the BO of a Registered Entity, all criteria must be checked, and if the check finds any natural person that owns, directly or indirectly, at least 25% of the ownership interest (share), shares, voting rights or other rights, but there is also another natural person meeting the criteria for being recorded as a BO on different grounds (dominant influence, indirect provision of assets, trust), the BO in that case should be recorded by that other person, given the fact that it has significant influence on the Registered Entity's decision-making. Therefore, when identifying the BO, it is necessary to check if there are any persons who have a dominant influence or natural persons indirectly providing resources thereby having a significant influence on financial and operational decision-making, or natural person who is the settlor, trustee, protector, beneficiary or a person with a dominant position in controlling a trust or other legal arrangement, rather than only identify the natural person with at least 25% or more of the ownership interest (share), shares, voting rights or other rights.

Also, the requirements (laid down in Article 3, paragraph 1, item 3 of the LCRBO), are not cumulative, meaning that one single natural person need not meet all the requirements to be recorded as a BO of a Registered Entity.

A BO of a Registered Entity is recorded in the Centralised Records only based on one of the grounds specified in Article 3, paragraph 1, item 3 of the LCRBO.

Special cases

I The provisions of Article 2, paragraph 2 of the LCRBO provides that that the LCRBO does not apply to companies and establishments whose only shareholder or founder is the Republic of Serbia or autonomous province or local self-government unit.

However, where the Republic of Serbia, autonomous province or local self-government unit appears in the ownership structure of a Registered Entity, as having at least 25% of the ownership interest (share), shares, voting rights or other rights, and no other natural person on any other grounds (dominant influence, indirect provision of assets, trust) meets the criteria to be recorded as the BO, the BO of the Registered Entity to be recorded in that case, with respect to the Republic of Serbia, autonomous province, or local self-government unit as the Registered Entity's shareholder, would be the natural person registered to represent the Registered Entity or the natural person registered as the member of a body of that Registered Entity. The same applies where other country or its territorial units appear in a Registered Entity's ownership structure.

Where a fund founded by the Republic of Serbia, autonomous province or local self-government unit appears in the ownership structure of a Registered Entity, as having at least 25% of the ownership interest (share), shares, voting rights or other rights, and no other natural person on any other grounds (dominant influence, indirect provision of assets, trust) meets the criteria to be recorded as the BO, the BO of the Registered Entity to be recorded in that case, with respect to the fund founded by the Republic of Serbia, autonomous province, or local self-government

unit as the Registered Entity's shareholder, would be the natural person registered to represent the Registered Entity or the natural person registered as the member of a body of that Registered Entity.

Where an investment fund appears in the ownership structure of a Registered Entity, as having at least 25% of the ownership interest (share), shares, voting rights or other rights, and no other natural person on any other grounds (dominant influence, indirect provision of assets, trust) meets the criteria to be recorded as the BO, the BO of the Registered Entity to be recorded for the investment fund in that case would be the BO of the company managing such investment fund.

II The BO is not to be identified for:

- Registered Entities whose only shareholders are: companies or establishments referred to in Article 2, paragraph 2 of the LCRBO, public enterprises and the Republic of Serbia, autonomous province or local self-government unit;
- Registered Entities in bankruptcy in line with the law governing bankruptcy;
- Registered Entities subject to the involuntary liquidation proceedings in line with the law governing the legal status of companies and other forms of organisation;
- bankruptcy estate in line with the law governing bankruptcy, where bankruptcy estate appears in the capital structure of the Registered Entity;
- *socially-owned* capital or Register of Shares and Ownership Interests, where it appears in the ownership structure of the Registered Entity.

Dominant influence, indirect provision of assets and trust

Dominant influence on the dominant influence over the management of business and decision-making of the company within the meaning of the LCRBO means dominant influence of a natural person (he/she has the absolute decision-making rights, or absolute right to 'veto') in making decisions concerning the financial or business policies of the Registered Entity, such as:

- adoption or amendment of the company's business plan;
- change of a company's registered activity, legal form or manner of operation;
- additional borrowing, through loans and credits;
- decision-making concerning dividends or other distribution of profits

The term "absolute decision-making rights or absolute right to 'veto'" means that the natural person has the capacity of making a decision independently or to 'veto' a decision without interacting with other persons.

A natural person is also considered to have a dominant influence if he/she:

- is entitled to appoint most of the company's directors or supervisory board members;
- is involved to a significant extent in the control and management of the company's business policy (e.g. the natural person is not a member of the board of directors but it regularly directs and influences the decisions of the board of directors, or when a company's shareholder having the majority stake in the basic capital always or almost always takes into account the recommendations of that natural person when using its voting rights).

The following natural persons will not be considered as having a dominant influence: lawyers, accountants, investment consultants, tax or financial consultants, etc. offering professional advice or services in line with the rules of the profession.

The identification of the natural person - BO who has provided or provides funds to a Registered Entity in an indirect manner, and thus significantly influences the decisions made by

the managing body of the Registered Entity concerning its financing and business operations, means that the subject of identification should be the natural person who is not visible in the ownership structure of the Registered Entity but who, based on a certain legal transaction, or legal relationship (e.g. a fiduciary legal transaction) indirectly provides funds to the Registered Entity and significantly influences on that ground the decision-making of the entity's managing body when it makes decisions on financing and operations.

Where the ownership structure of a Registered Entity involves a trust or other legal arrangement similar to trust by its function or structure, the natural person who is the settlor, trustee, protector, beneficiary if designated, of a trust, and the person who has a dominant position in controlling the trust or in any other person under foreign law, will be recorded in the Centralised Records, with respect to the trust, as the shareholder with at least 25% of the ownership interest, shares, voting rights or other rights .

Representative and member of the managing body as the BO

By way of exception, where the natural person referred to in Article 3, paragraph 1, item 3, sub-items 1 to 4, of the Law cannot be identified as laid down (because not one natural person meets the conditions set out in the LCRBO, or because complete documentation is not available), the BO of the Registered Entity will be the natural person registered to represent or registered as member of a body of such Registered Entity.

In this case the Registered Entity can on its own identify any person (one or more) registered to represent the Registered Entity regardless of the limitations to its representation powers), i.e. identify a different natural person (one or more) that is registered as the member of the entity's body.

Documentation

According to Article 10 of the LCRBO the Registered Entity is required to keep appropriate, accurate and up to date data and documents based on which the BO of the Registered Entity is identified. These can be any relevant documents using which the BO has been identified, so depending on the specific ground listed under Article 3, paragraph 1, item 3, of the LCRBO, this could be, with respect to sub-item 1, an extract from the relevant registry. However, if it is not possible to obtain all the information from the official public register or the register maintained by the competent body of the country where the foreign entity has a registered office, the Registered Entity shall obtain the missing data from the original or a certified photocopy of the document or other business documentation submitted by the representative or empowered representative of such foreign entity (shareholder contract, memorandum of association, etc.). Further, when it comes to the documents required for sub-item 2, item 3, of the same LCRGO Article, this could also be a contact between the shareholders, memorandum of association, or a statement of the representative or other proof demonstrating that the particular person has a dominant influence in a direct or indirect manner, on the conduct of business and decision-making, for sub-item 3, item 3 of the same Article of the LCRGO this could be bank statements, concluded contract about a fiduciary legal transaction or other proof demonstrating the transaction and a statement of the representative that the given reason indirectly provides funds or has provided funds, under which ground it significantly influences the decisions of the Registered Entity's body when deciding on financing and operations. Further, this can be an

documents (public or private law documents) proving that a person meets the conditions set out in Article 3 of the LCRBO or demonstrating that this person is the Registered Entity's BOs.

LCRBO did not specify how the BO is to be identified or the form in which this should be done, i.e. it does not require the Registered Entity to make a statement indicating who is the Registered Entity's BO, under which ground it was identified, etc. In this regard, the LCRBO only requires the Registered Entity to obtain all needed documents based on which it identified the BO. In addition, upon the establishment of the Centralised Records of BOs, the authorised representative will in line with the provisions of the LCRBO be required, in addition to the requirement to identify the BO and to keep the documentation (in paper or electronic form), to enter the required BO data and the grounds under which the BO was identified in the specific case. However, if the Registered Entity desires and considers it appropriate, it may (as the LCRBO does not prohibit it) also have a decision or statement concerning the identification of the Registered Entity's BO, in addition to the documents based on which it identified the BO.

The person authorised to represent the Registered Entity shall, in accordance with the regulations on archival material, retain the documents based on which the BO of the registered entity has been registered for five years from the date of termination of the registered entity.

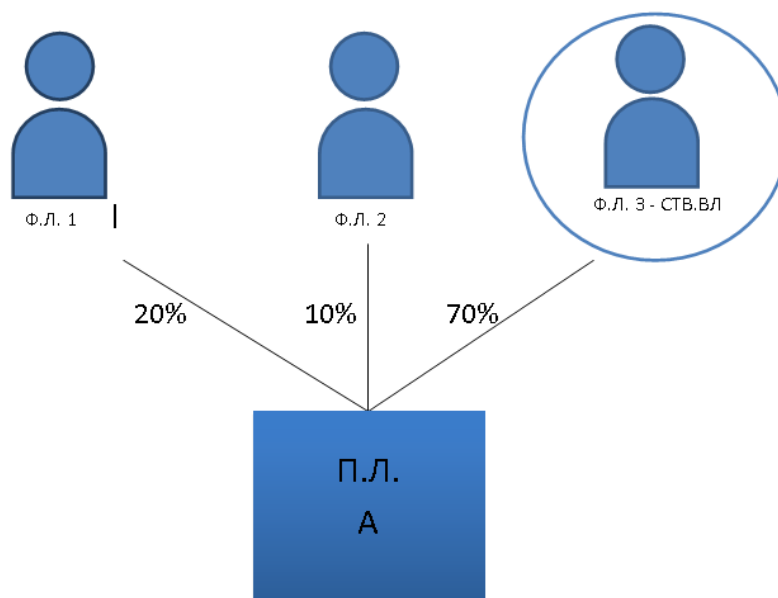
Follow up by obliged entities and supervisors in case of discrepancy of BO data

Until the start of application of the new LCRBO, i.e. 15 September 2026, as a provisional solution for following up in case of BO discrepancies, the obligor shall, when determining the BO of a customer in accordance with the law governing the prevention of money laundering and terrorism financing, act as follows: obtain the data about the BO of its customer from the Central Records and compare such data with the data obtained by applying the actions and measures prescribed by the law governing the prevention of money laundering and terrorism financing. If it finds that the data on the BO of the customer differs from the data registered in the existing Central Records or that such data is not registered in the Records, the obliged entity shall, without delay, notify the authority tasked with supervising that obliged entity in accordance with the AML/CFT Law, while that authority will publish the list of the notified Registered Entities on its website (e.g. if it a commercial bank finds a discrepancy, it will notify the NBS, or if the discrepancy is found by a public notary, they will notify the Chamber of Public Notaries).

When the data are reconciled between the obliged entity and the registered entity, and when the obliged entity, with due professional care, determines that the data in the Central Records are accurate and up-to-date, it shall notify the competent authority which published the list, so that it removes the Registered Entity from the list for the purpose of updating.

Examples of BO identification³⁵

Example 1



Direct BO of legal entity A:

- Natural person 3 (ownership) – 70%

Natural Person 3 is the Direct BO of Legal Entity A, as Natural person 3 owns 25% or more of the share in Legal Entity A.

Natural Person 1 and 2 are not BOs as each of them owns a share that is lower than 25%.

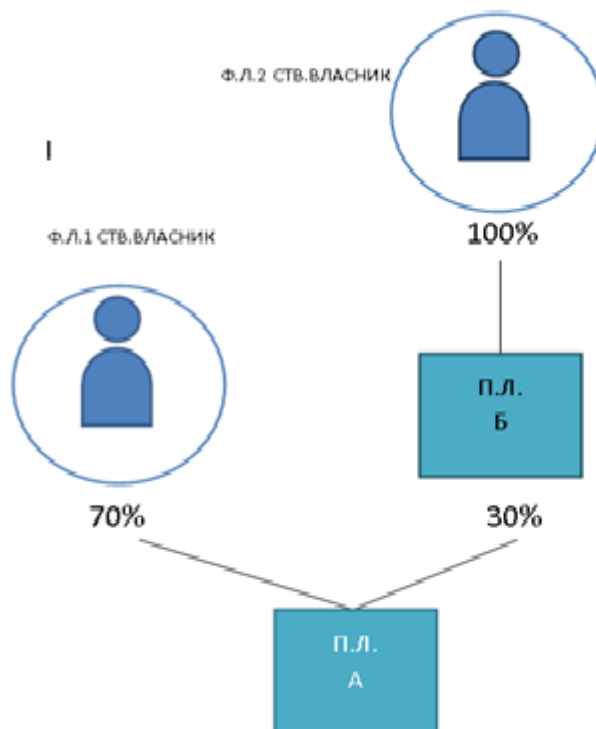
Direct BO: natural person who owns, directly or indirectly, 25% or more of the business share, shares, voting right or other rights, based on which they participate in controlling the legal person.

³⁵ Ф.Л. – natural person

П.Л. – legal entity

СТБ.ВЛ. - BO

Example 2

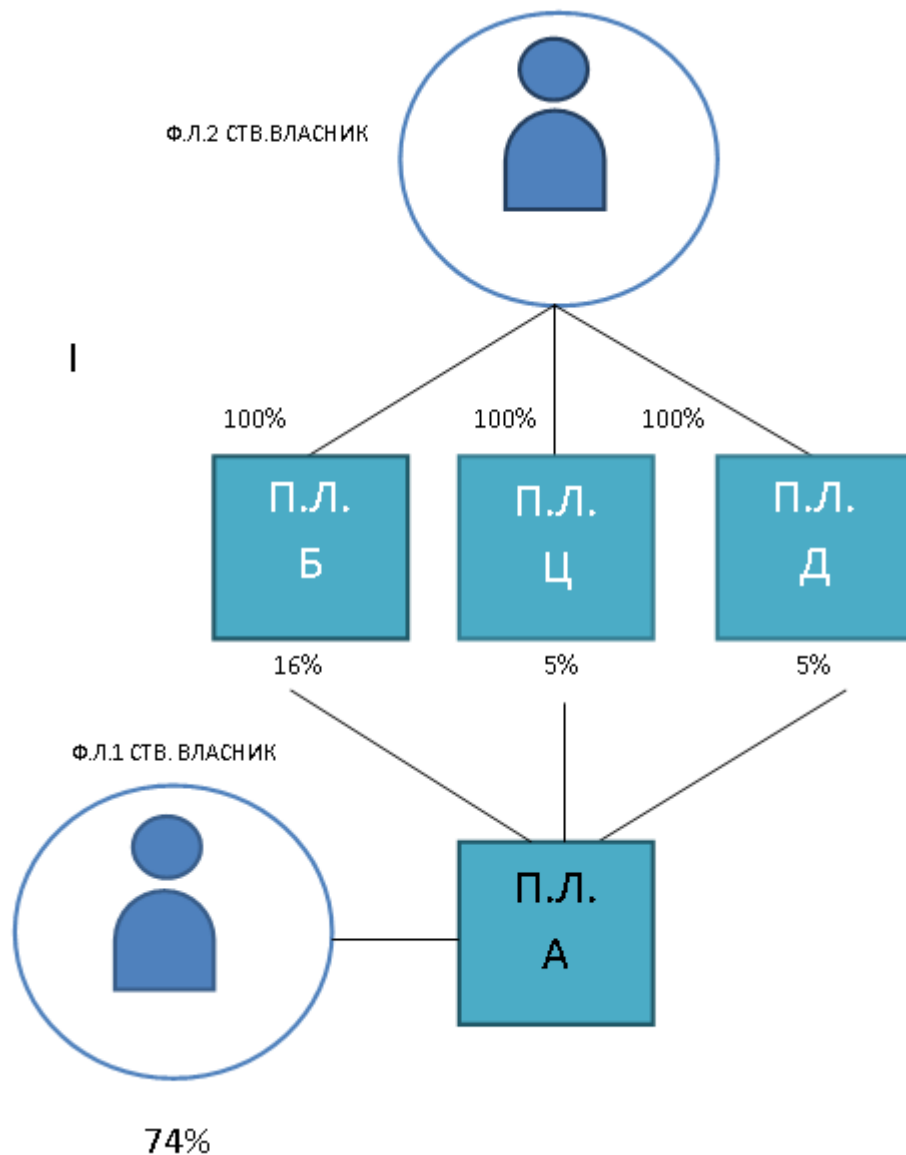


Direct BO of legal entity A: Natural person 1 with a share of 70%.

Indirect BO of legal entity A: Natural person 2 with a share of 30% as it is the only founder of Legal Entity B.

Indirect BO: natural person owning 25% or more of the business share, shares or voting rights in a legal entity (client) by means of the share, shares, voting rights that this person owns in other legal entities figuring in the ownership structure of the legal entity (client).

Example 3

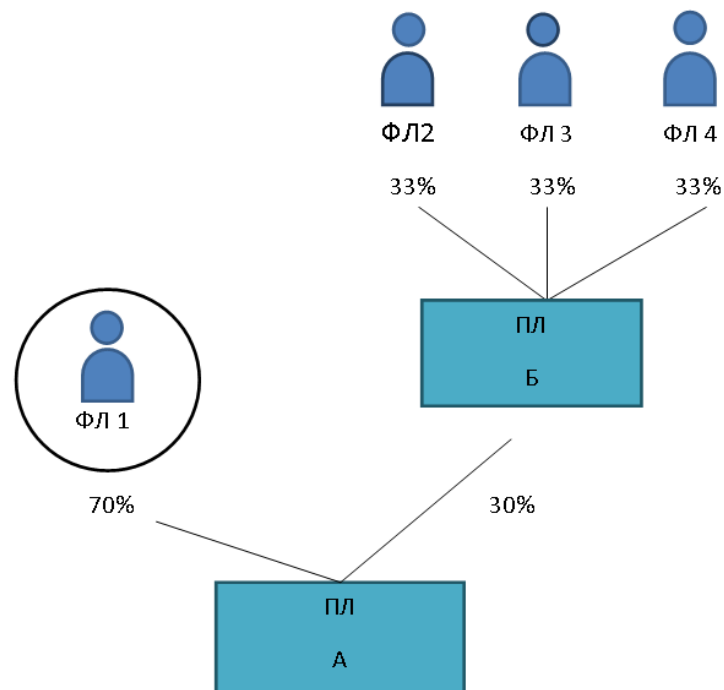


Direct BO of legal entity A: Natural person 1 – share 74%

Natural person 2 is an indirect BO of Legal Entity A with a share of 26%, exercised through Legal Entities B (share 16%), C (5%) and D (5%).

Where one or more legal entities figuring in the ownership structure of a legal entity - client, controlled by the same natural person who indirectly owns 25% or more of the share in the legal entity (client), then this person is to be considered indirect BO of the client.

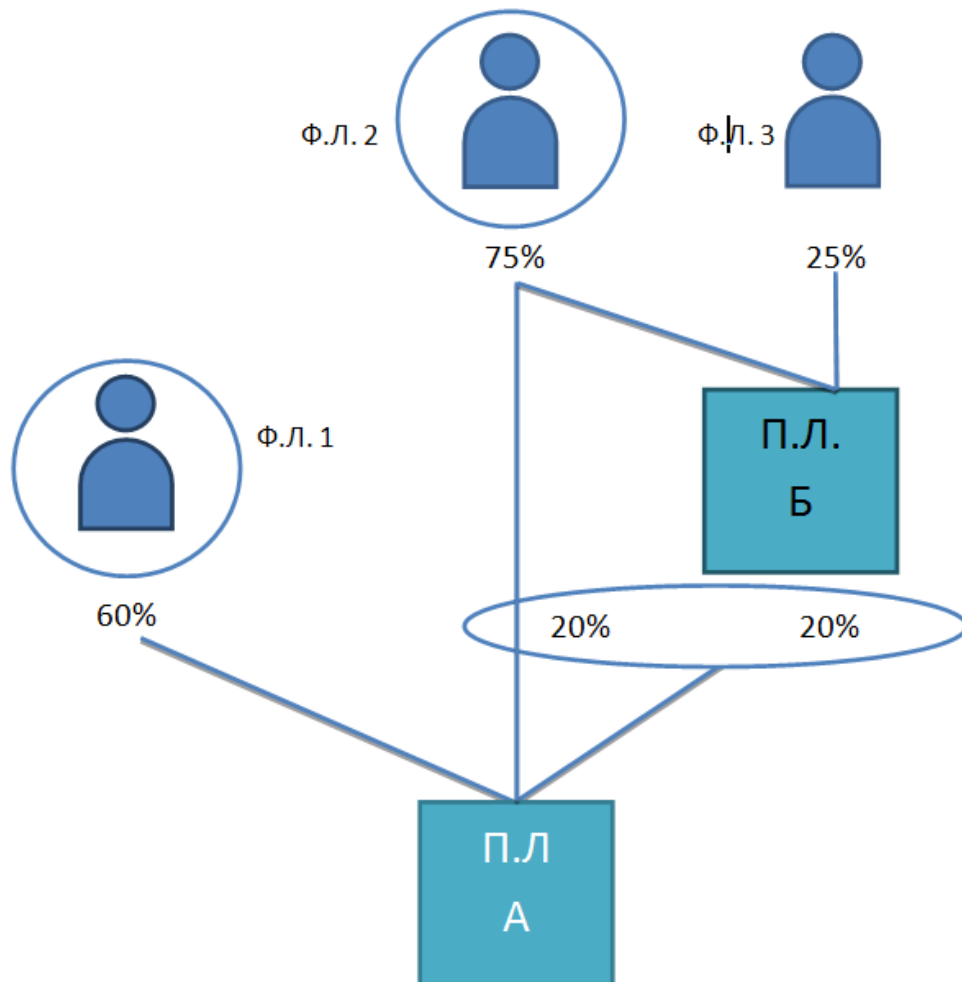
Example 4



Direct BO of Legal Entity A is the Natural Person 1 with a share of 70%.

Natural Persons 2, 3 and 4 each own a 33% share in Legal Entity B which (with 30%) participates in the ownership of Legal Entity A, so we can conclude that none of these entities (except for Natural Person 1) owns 25% or more of the share in Legal Entity A.

Example 5

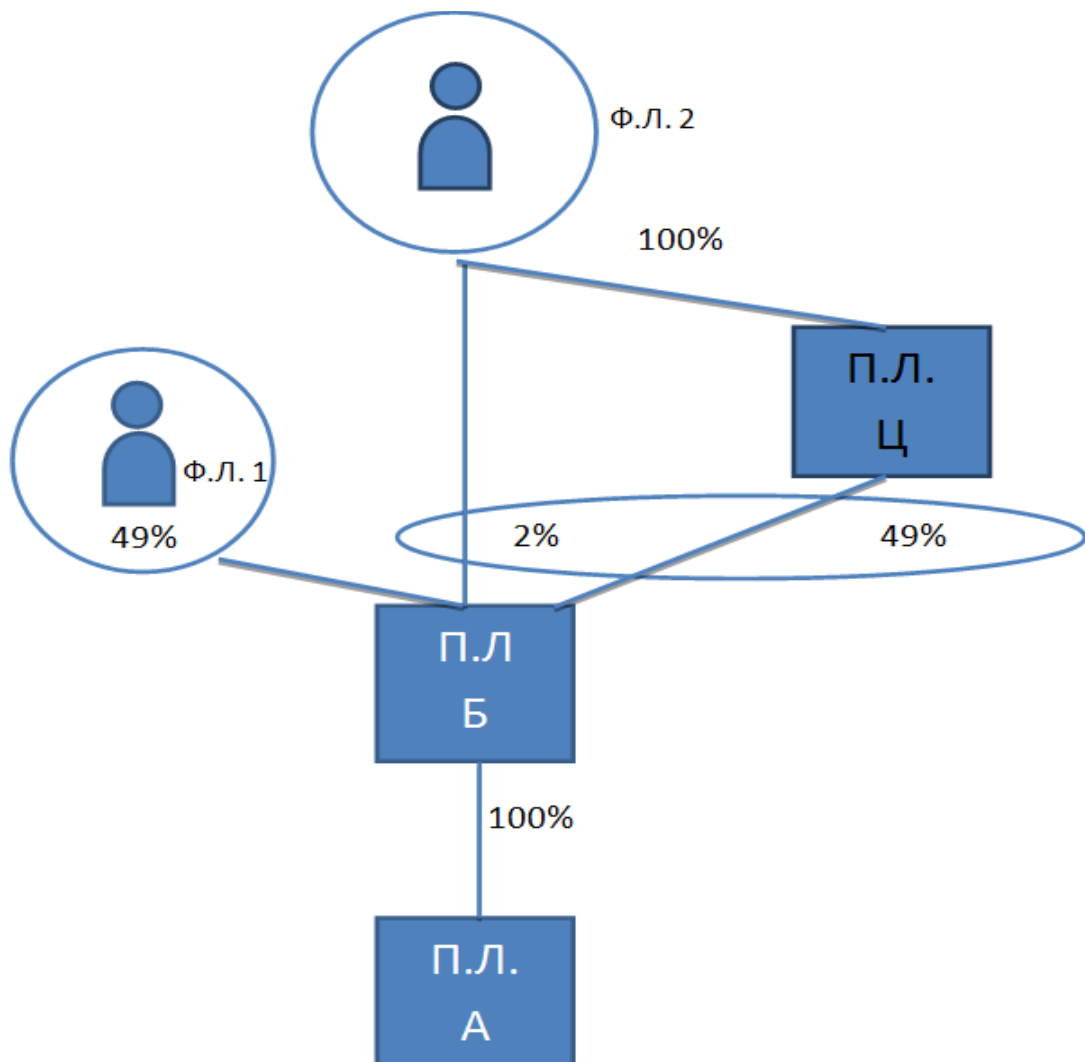


Direct BO of Legal Entity A is Natural Person 1 with a share of 60%.

Indirect BO of Legal Entity A is Natural Person 2 with a share of 20% in the direct ownership of Legal Entity A, and it indirectly owns an additional 15% of Legal Entity A through the 75% of the share in Legal Entity B.

BOs of Legal Entity A: Natural Person 1 with 60% of the share and Natural Person 2 with a share of 35%.

Example 6



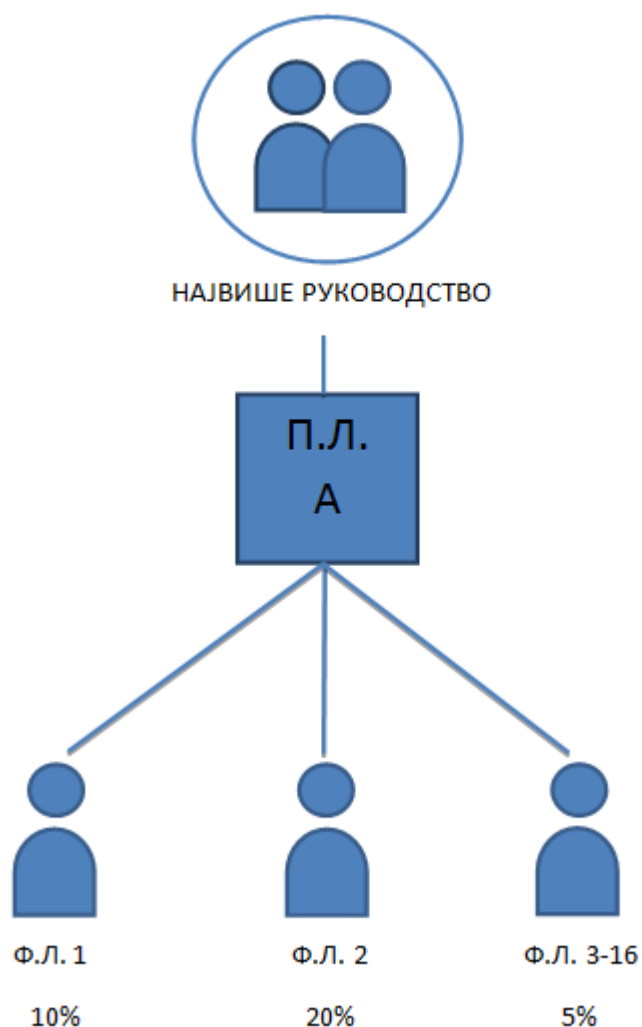
Natural Person 1 - indirect BO of Legal Entity A with a share of 49% in Legal Entity B which is the sole owner of Legal Entity A.

Natural Person 2 - indirect BO of Legal Entity A with a share of 51% in Legal Entity B as follows:

- directly, with 2% of the share and
- indirectly, as the sole owner of Legal Entity C, with 49% of the share in Legal Entity B.

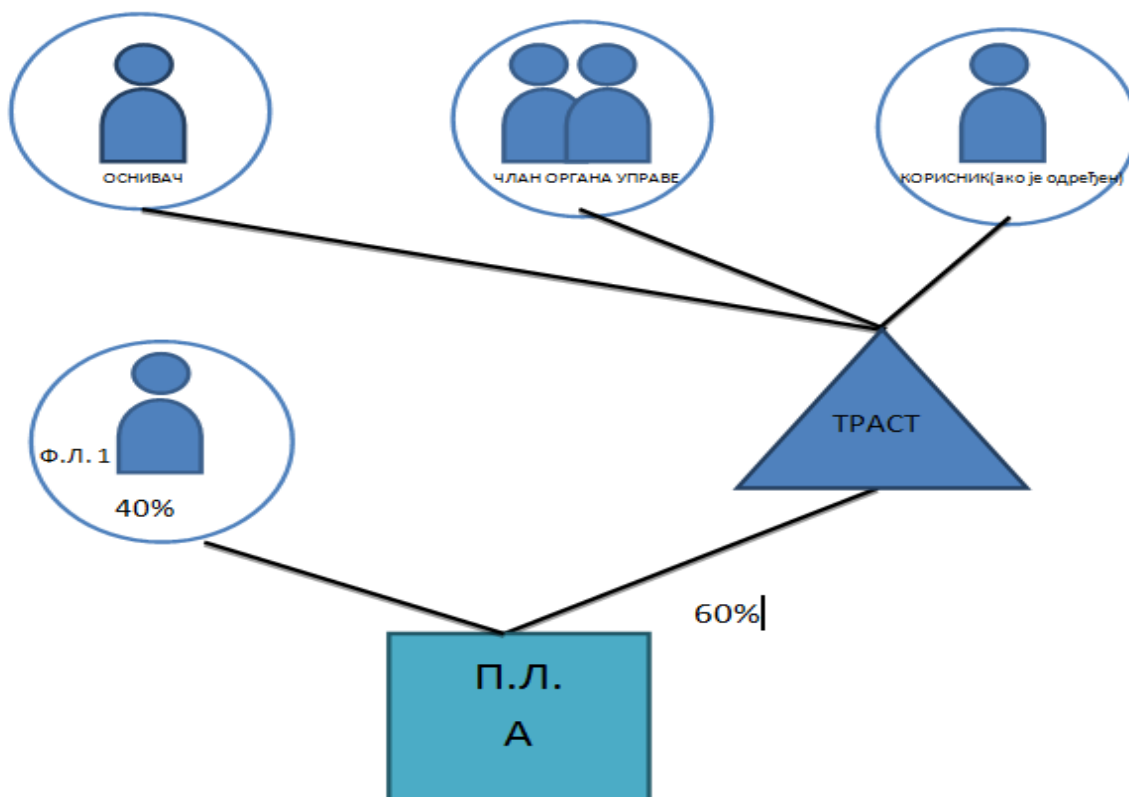
BOs of Legal Entity A: Natural Person 1 with 49% of the share and Natural Person 2 with a share of 51%.

Example 7



Where no one natural person owns 25% or more of the share, and none of them has a dominant influence on the management of bussiness or decision-making, nor provides funds indirectly to the legal entity, then the identity of the members of the top management at Legal Entity A will be recorded. In practice, this can be the members of the board of directors, executive board or supervisory board, or other management body of the legal entity.

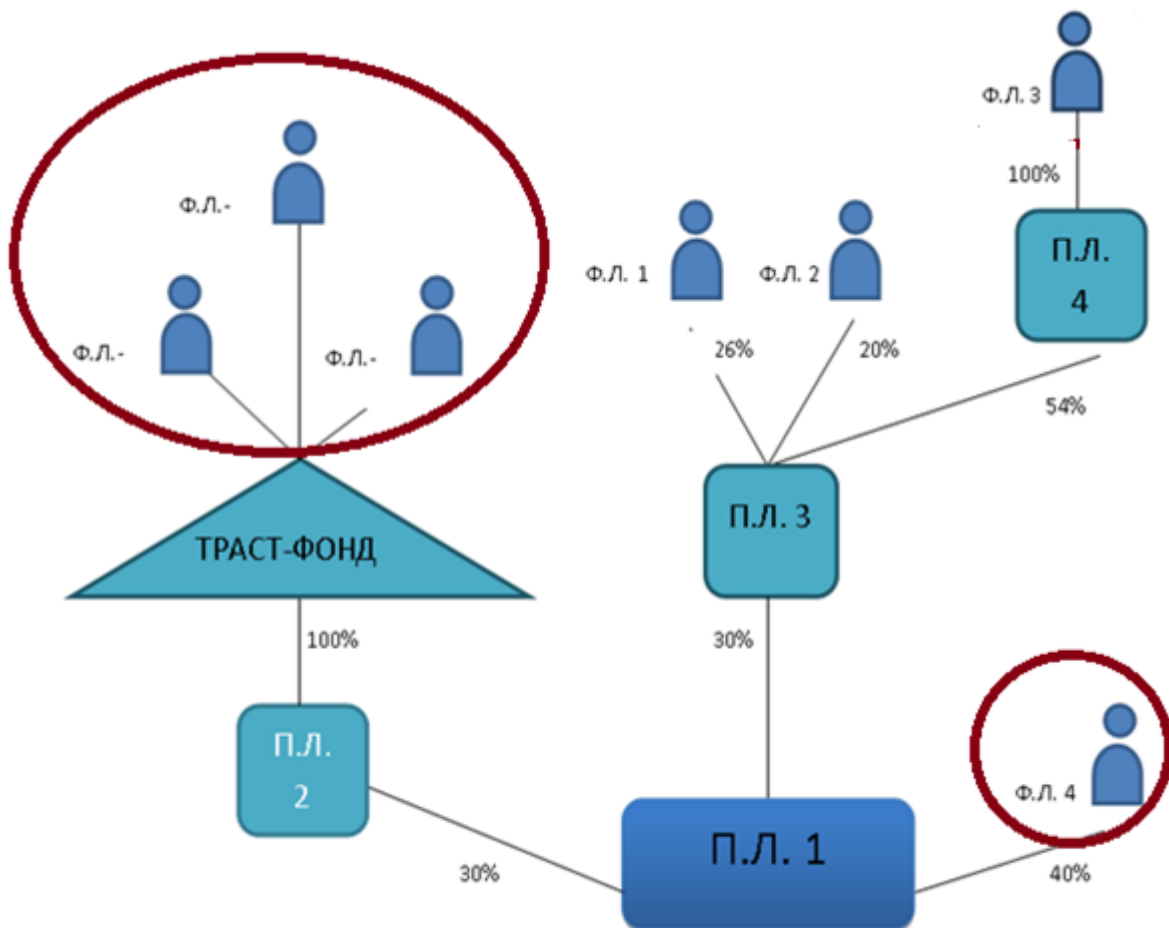
Example 8



Direct BO of Legal Entity A is Natural Person 1 with a share of 40%.

Indirect BOs of Legal Entity A are: the settlor, beneficiary if designated, and potentially also the person who has a dominant position in controlling Trust A (all should be identified).

Example 9



Natural Person 4: direct BO with a share of 40% in Legal Entity 1.

Trust members - indirect BOs with 30% of the share in Legal Entity 1 (the following should be identified: settlor, trustee, protector, beneficiary (if designated)).

Natural Person 1, Natural person 2, and Natural person 3 are not BOs, as they do not own a 25% share or more of Legal Entity 1.

In addition to ensuring transparency of BOs of legal entities and trusts, it is also extremely important that the obliged entities under the AML/CFT Law identify their clients' BOs in a uniform manner and to take other CDD measures laid down in the AML/CFT Law. Proper compliance with the requirements laid down in the AML/CFT Law, including those related to identifying the BO of a client, plays a key role in the potential identification of transactions and persons suspected to be money laundering or terrorist financing. Failure to meet the preconditions for identifying such transactions and persons indirectly challenges the entire AML/CFT system, as the APML has a role to collect and analyze information received from obliged entities and, where it finds reasons to suspect ML/TF, to refer such information to relevant authorities.

By passing these Guidelines, the Republic of Serbia also transposes relevant international AML/CFT/PF standards thereby also showing a clear commitment towards being a reliable partner in the global fight against money laundering and terrorist financing.

Director a.i.

Željko Radovanović