

LAW ON THE PREVENTION OF MONEY LAUNDERING AND FINANCING OF TERRORISM¹

CHAPTER I.

GENERAL PROVISIONS

Article 1

This Law shall regulate the measures, the activities and the procedures that the entities and the competent bodies take for detecting and preventing money laundering, connected crimes, and financing of terrorism (hereinafter: money laundering and financing of terrorism), as well as the operation and the competence of the Financial Intelligence Office (hereinafter: the Office).

Definitions

Article 2

The terms used in this Law shall have the following meaning:

1. **“Money laundering”** are the activities envisaged by the Criminal Code as a crime of laundering money and other proceeds of crime;
2. **“Financing of terrorism”** are the activities envisaged by the Criminal Code as a crime of financing of terrorism;
3. **“Act of terrorism”** is a crime defined in Article 2 of the International Convention for the Suppression of the Financing of Terrorism ratified in accordance with the Law on Ratification of the International Convention for the Suppression of the Financing of Terrorism (“Official Gazette of the Republic of Macedonia” no. 30/2004) as a crime of terrorism and other crimes connected to terrorism envisaged by the Criminal Code;
4. **“Terrorist”** is a natural person who:
 - a) commits or attempts to commit an act of terrorism by any means, directly or indirectly, unlawfully and willingly;
 - b) participates as an accomplice in an act of terrorism;

¹ This law harmonizes the subject matter with the EU Directive 2018/843 of the European Parliament and the Council for the Prevention of Misuse of Money Laundering and Terrorist Financing of 2018 (CELEX No. 32018L0843), which amends the EU Directive 2015/849 of the European Parliament and of the Council on the Prevention of the Misuse of the Financial System for the Purpose of Money Laundering and Terrorist Financing of 2015 (CELEX No.32015L0849).

- c) organizes or directs others to commit an act of terrorism; or
 - d) contributes to the commission of an act of terrorism by a group of persons acting with a common purpose, with the aim of committing the act of terrorism and/or with the knowledge of the intention of the group to commit an act of terrorism;
5. **"Terrorist organization"** is a group of terrorists that:
- a) commits or attempts to commit an act of terrorism by any means, directly or indirectly, unlawfully and willingly;
 - b) participates as an accomplice in an act of terrorism;
 - c) organizes or directs others to commit an act of terrorism; or
 - d) contributes to the commission of an act of terrorism by a group of persons acting with a common purpose, with the aim of committing the act of terrorism and/or with the knowledge of the intention of the group to commit an act of terrorism;
6. **"Proceeds of crime"** are any proceeds of criminal offense in accordance with the Criminal Code;
7. **"Connected criminal offense"** is a crime that generates proceeds which may be the object of commission of the crime of money laundering;
8. **"Property"** means money or other means of payment, securities, deposits, other property of any kind, tangible or intangible, including virtual assets under the law, movable and immovable, other rights on things, claims, as well as public documents and legal documents that prove ownership and assets in written or electronic form or instruments that are evidence of property rights or legal interests;
9. **"Financial institutions"** are:
- a) banks and savings houses established on the basis of a license of the governor of the National Bank of the Republic of North Macedonia, the principal activity of which is to accept deposits and other repayable sources of funds from the public and to extend credits on their own behalf and for their own account;
 - b) legal entities that are not banks or savings houses that carry out one or several of the following activities:
 - crediting, including factoring and financing of commercial transactions,
 - issuance and administration of means of payment (checks, traveler's checks, bills of exchange),
 - issuance of electronic money,
 - financial leasing,
 - currency exchange operations,
 - payment services (payment transactions in the country and abroad, including deposit and withdrawal of cash at the payment account, activities related to opening, keeping/maintaining and closing of the account, making payment transactions, issuance of payment instruments and/or acceptance of payment transactions, money remittances (including also cross-border single payment transactions as money remittance service) and services for initiation of payments,
 - issuance of payment guarantees, avals and other forms of collateral,
 - trade in instruments on the money market,
 - trade in foreign currency, including trade in precious metals,
 - trade in securities,
 - trade in financial derivatives,
 - asset and securities portfolio management for clients and/or investment advising of clients,

- provision of services for safeguarding investment and pension funds' assets,
 - purchase and sale, guaranteeing or placement of securities emission,
 - safeguard of clients' securities,
 - giving advices to legal entities in relation to the structure of the capital, business strategy or other related issues, or provision of services related to merger or acquisition of legal entities,
 - intermediation in the conclusion of credit and loan agreements, and processing and analyzing information on the legal entities' creditworthiness,
- c) legal persons and natural entities performing insurance, representation and/or mediation in life insurance with savings and/or investment component and other related insurance with savings and/or investment component.
- d) companies for management of private investment funds and private funds;
- e) companies for management of open-end investment funds and closed- end investment funds;
- f) companies for management of mandatory and voluntary pension funds;
- g) branch offices of foreign financial institutions referred to in sub-items a) b), c), d), e) and f) of this item in the Republic of North Macedonia;
- h) other legal entities or natural persons who in accordance with law perform one or more activities related to the approval of loans, financial leasing, factoring, forfeiting, provision of investment consulting services, keeping or administrating /distributing cash and other financial activities stipulated by law;
- i) and other legal entities or natural persons that, in accordance with the law, carry out one or several activities related to extension of credits, issuance of electronic money, issuance and administration of credit cards, financial leasing, factoring, forfeiting, provision of investment advisory services, intermediation in micropayment, keeping or administering / distributing cash, and other financial activities determined by a law;
10. **"Business relationship"** is a business, professional or commercial relationship which is connected with the professional and business activities of the entity referred to in Article 5 of this Law and which is expected, at the time when it is established, to have an element of duration;
11. **"Occasional transaction"** is a transaction which is not made within the framework of an established business relationship;
12. **"Client"** is a natural person, legal entity, foreign trust and similar legal arrangement which establishes, has established a business relationship with the entity or makes an occasional transaction;
13. **"Transaction"** is deposit and/or withdrawal of cash, acceptance and withdrawal of deposits, exchange of currencies, money transfers, purchase, sale, exchange, receipt and transfer of virtual assets, conclusion of contracts, purchase and sale of goods and services, sale or assignment of basic capital, sale or assignment of stocks or shares, registration of securities or transfer of securities or other property, and other activity carried out by the entities in accordance with their legal powers. In the insurance activity it means payment of premium and payment of insured amount upon experience or payment in case of a harmful event, advance payment/loan or life insurance policy buyout;
14. **"Related Cash Transactions"** means two or more cash transactions performed within one business day from the execution of the first transaction by the same customer

or between the same customers or beneficial owners or by several persons for the benefit of the same customer;

15. **"Money (funds)"** denotes the funds pursuant to Article 2 paragraph (1) item 79 of the Law on the Payment Services and Payment Systems²;

16. **"Cash"** are banknotes and coins which, on the basis of a law, are in circulation in the

Republic of North Macedonia or a foreign country;

17. **"Electronic money"** are electronic money in accordance with the law;

18. **"Payment card with subscription (prepaid payment card)"** is a type of payment instrument on which electronic money is stored;

19. **"Virtual assets"** are digital records of values or rights that can be stored, traded or transmitted electronically using distributed encrypted data storage technology or records or any similar technology and may be used for exchange or investment purposes. Virtual assets do not include digital records of fiat currencies or money within the meaning of the law which are legal tender, securities and other financial assets in accordance with the law;

20. **"Virtual Asset Service Provider"** means any natural or legal person whose business or professional activity consists of performing one or more activities or providing one or more virtual asset services for or on behalf of another physical or legal entity;

21. **"Virtual Asset Services or Activities"** are activities and services related to any Virtual Assets and include:

- (a) storage and administration of virtual assets or instruments that enable control over virtual assets;
- (b) organizing a virtual asset trading platform;
- (c) exchange of virtual assets for fiat currency, electronic money or other assets that are legal tender;
- (d) exchange virtual assets for other virtual assets;
- (e) execution of orders for virtual assets for third parties;
- (f) participation and provision of services related to the offer of the issuer and/or sale of virtual assets;
- (g) portfolio management with virtual assets;
- (h) receiving and transferring orders for virtual assets and (i) providing advice on virtual assets.

² This Law enables harmonization with the Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (CELEX No. 32015L0849), Directive 2018/843 of the European Parliament and of the Council of 30 May 2018 on amending the Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU (CELEX No. 32018L0843 and Regulation 2023/11130) of the European Parliament and of the Council of 31 May 2023 on information accompanying transfers of funds and certain crypto-assets and amending Directive 2015/849.6.2023 (CELEX No. 32023R1113).

22. **"Storage and administration of virtual assets or instruments that enable control of virtual assets"** means the storage or control of virtual assets for third parties or assets through which access to virtual assets, where applicable in the form of private cryptographic keys;
23. **"Organization of a virtual asset trading platform"** means the organization and management of one or more virtual asset trading platforms within which it enables and facilitates the merging of buying and selling interests for virtual assets by third parties and which may communicate in a way that results in an agreement, whether it is an exchange of one virtual asset for another or a virtual asset for a legal tender;
24. **"Execution of orders for virtual assets on behalf of third parties"** means the activity of buying or selling one or more virtual assets or ordering one or more virtual assets on behalf of third parties;
25. **"Participation and provision of services related to the issuer's offer and/or sale of virtual assets"** means placement of newly issued virtual assets or virtual assets that have already been issued, but which are not accepted for trading on a virtual asset trading platform, to a certain circle of buyers and which do not include a public offer or an offer for the existing holders of the issuer's virtual assets;
26. **"Virtual asset portfolio management"** means the management of individual virtual asset portfolios, based on a previously concluded agreement with the individual client;
27. **"Receiving and transferring orders for virtual assets"** means a service related to virtual assets provided to legal or natural persons who are participants in trade in accordance with the law which allows the acceptance of a certain value in virtual assets corresponding to the price of goods sold or service to the final consumer and through the exchange of virtual funds in fiat currency, i.e. money in the sense of law, funds are transferred to legal and natural persons participating in trade;
28. **"Virtual Asset Issuer"** is a natural or legal person who offers any kind of virtual assets or requests the acceptance of such virtual assets in a virtual asset-trading platform;
29. **"Virtual assets public offering"** is an offer to third parties for the acquisition of virtual assets in exchange for fiat currency or money within the meaning of law or other virtual assets;
30. **"Providing advice on virtual assets"** means offering, giving or providing personalized or specific recommendations to a third party, or at the request of a third party or at the initiative of a virtual asset service provider giving advice regarding the acquisition or sale on one or more virtual media, or use of virtual media services;
31. **"Cryptomat"** is an automatic machine or electromechanical device through which the provider of a service related to virtual assets trades, exchanges or transfers virtual assets for a legal tender or other virtual assets or provides other services depending on the type of cryptomat;
32. **"Hosted Electronic Wallet for Virtual Assets"** means any asset provided by a provider of services related to Virtual Storage and/or administration of Virtual Assets on behalf and for the account of the Client or User;
33. **"Unhosted electronic wallet for virtual assets"** means any means of storing and/or administering virtual assets other than a hosted electronic wallet in which virtual assets are stored;
34. **"Physically transferable means of payment"** are travelers' cheques, cheques, bills of exchange, money remittances, and other physically transferable means of payment that are payable to the bearer or are transferable without limitations;

35. **“Providers of services to legal entities or trusts”** are natural persons or legal entities that, within the scope of their operation, provide the following services to third parties:

- a) establishment of legal entities;
- b) acting as or engaging another entity to act as a governing body or a member of the governing body of a legal entity;
- c) providing a head office, business address, correspondence address or other related services for a legal entity or a foreign trust;
- d) acting as or engaging another entity to act as a manager of a foreign trust or a similar legal arrangement established by an explicit statement;
- e) acting as or engaging another entity to act as a partner or to act as a stockholder for another entity (except for a trade company listed on the stock exchange);

36. **“Trust”** is a legal relationship which is established in accordance with the regulations of another country between a person-founder, during one’s lifetime (inter vivos) or upon one’s death, where the property is given to be administered to a trustee for the benefit of a beneficiary/a group of beneficiaries or for a particular purpose;

37. **“Beneficial owner”** is any natural person (persons) who ultimately owns the client or controls the client and/or a natural person (persons) on whose behalf a transaction is made. The term also includes a natural person (persons) who ultimately and effectively controls a legal entity or a foreign legal arrangement;

38. **“Register of beneficial owners”** is an information system which enables receipt, recording, processing, keeping and exchange of data and/or documents about the beneficial owners in an electronic form;

39. **“Public office holders”** are:

- a) natural persons who hold or who have held a public office in the Republic of North Macedonia or in another country, such as:
 - presidents of states and governments, ministers and deputy ministers or assistant ministers;
 - elected representatives in the legislative power;
 - judges in supreme or constitutional courts or other holders of high- ranked judicial offices against whose decision, except in exceptional cases, legal remedies are not allowed;
 - members of governing bodies of supervisory and regulatory bodies and agencies, state audit institution and members of the board of a central bank;
 - ambassadors;
 - officers of high military rank (ranks higher than a colonel);
 - elected and appointed persons in accordance with the law and members of the governing and supervisory bodies in legal entities established by the state;
 - persons holding offices in political parties (members of the executive bodies of political parties);
 - persons who hold or have held a prominent office in an international organization, such as directors, deputy directors, members of governing and supervisory boards, or other equivalent offices and
 - mayors and presidents of municipal councils.
- b) The persons referred to in sub-item a) of this item shall be considered public office holders at least two years upon termination of the public office, based on a previously carried out risk assessment by the entities.
- c) The term “public office holders” also includes:

- family members of the public office holder such as: a spouse or an unwed partner of the public office holder, children and their spouses or unwed partners of the children of the public office holders or parents of the holder of public office.
 - a person considered a close associate with the public office holder is a natural person known to have a joint legal or beneficial ownership of a legal entity, has concluded contracts, or has established other close business relationships with the public office holder or is the only beneficial owner of the legal entity or the legal arrangement which are known to have been established for the benefit of the public office holder;
40. **“Preliminary injunctions”** are temporary prohibitions on using or managing money, securities, funds or any other property, temporary keeping and securing on the basis of a decision issued by a court or by another competent body in a procedure laid down by a law;
41. **“Correspondent relationship”** is:
- a) when a bank as a “correspondent” provides bank services to another bank as a “respondent”, including keeping an account and providing services related to keeping an account such as cash management, international funds transfers, cheque clearing, payment which is used directly by third parties for the purpose of carrying out an operation on their own behalf and foreign exchange services and/or
 - b) the relationships between and among banks and other financial institutions where similar services are provided by a financial correspondent institution to a financial respondent institution, as well as relationships established for securities transactions or funds transfers;
 - c) relationship between and within financial institutions and virtual asset service providers when similar services are provided through a virtual asset-related service provider corresponding to the respondent financial institution, as well as relationships established for virtual asset transactions or virtual transfer funds;
 - d) when a virtual asset service provider as a "correspondent" and provides services to another virtual asset-related service provider as a "correspondent", including the management of instruments that provide control over virtual assets and services related to the management of virtual assets enable control of virtual assets, international transfers of virtual assets as well as other relationships established for transactions with virtual assets or transfer of virtual assets;
42. **“Transfer of funds”** is any transaction, including money remittances, which is at least partially conducted electronically on behalf of the payer through a payment service provider in order the funds to be made available to the recipient through a payment service provider, regardless whether the payer and the recipient are the same entity and regardless whether the payment service provider is the same for the payer and for the recipient;
43. **“Virtual Asset Transfer”** means any virtual asset transaction performed electronically on behalf of the Client through a Virtual Asset Service Provider in order to make the Virtual Assets available to the Recipient regardless of whether the Client and the recipient is the same person and regardless of whether the provider of virtual services related to the client and the recipient are one and the same;
44. **“Program”** is a document of the entity that determines rules, procedures and instructions for application of measures and activities for prevention of money laundering and financing of terrorism for the purpose of efficient reduction and management of the identified risk of money laundering and financing of terrorism;
45. **“Authorized person”** is a person employed with the entity and appointed by the governing body of the entity, in charge of the implementation of the measures and

activities for prevention of money laundering and financing of terrorism and cooperation with the Office;

46. **“Senior management of the entity”** is a person who, by law and internal acts, is authorized to manage and is responsible for the operation of the entity and who has adequate authorizations and a position to make decisions that may affect the exposure of the entity to a risk of money laundering and financing of terrorism;

47. **“Responsible person in a legal entity”** is a responsible person in accordance with the Law on Misdemeanors;

48. **“Shell bank”** is a financial institution that, in the country of registration, has no business premises, employees and governing bodies and is not a member of a bank or another type of a group that is subject to supervision on a consolidated basis;

49. **“Games of chance”** are games of chance in accordance with the Law on the Games of Chance and Entertainment Games;

50. **“Group”** is a group of legally independent trading companies in which a certain trading company (parent company) has control over one or more trading companies (subsidiaries) and consists of the parent company, its subsidiaries, the companies with which the parent company or its subsidiaries are linked by way of participation in the principal, and also the companies that are related to companies from the group through control or are controlled by the same company that is included in the group.

50-a) **“Financial group”** is a group the parent company of which is a financial institution with the main office in the Republic of North Macedonia.

51. **“National risk assessment”** is a comprehensive process for identification and analysis of the risks of money laundering, financing of terrorism and financing and proliferation of weapons of mass destruction (financing of proliferation) and other relevant risks in a particular state, in order to develop adequate measures for prevention of money laundering and financing of terrorism and efficient allocation of the available resources for the purpose of controlling, reducing or eliminating the established risks and improving the system for prevention of money laundering and financing of terrorism;

52. **“Financial intelligence unit”** is a central national body responsible for receipt and analysis of reports of suspicious transactions and other information of importance for the money laundering and financing of terrorism and submission of the results from the analysis and other additional relevant information to the competent bodies in case of grounds for suspicion of money laundering and financing of terrorism;

53. **“Legal entity”** is a unit of local self-government, political party, public enterprise, trade company, law firm, institution, association, foundation, union and organizational form of a foreign organization, sports association and other legal entity in the field of sports, financial organization and another by law a certain organization registered as a legal entity and another organizational form to which the status of a legal entity is recognized;

54. **“Legal arrangement”** is a trust and another similar legal form established in accordance with the regulation of a foreign country;

55. **“High-risk countries”** are countries that have not implemented or insufficiently implemented international standards for the prevention of money laundering and financing of terrorism, as well as countries identified by the FATF, the European Union and countries for which competent international bodies seek to take over appropriate countermeasures or countries determined in accordance with the national risk assessment;

56. **“FATF – Financial Action Task Force”** is an intergovernmental body established by the G7 countries in 1989 to set standards and promote the effective implementation

and promotion of standards as well as the effective implementation of legal, regulatory and operational measures to prevent on money laundering, financing of terrorism and financing the proliferation of weapons of mass destruction (proliferation financing) internationally;

57. **"FATF Recommendations"** are international standards for the prevention of money laundering, financing of terrorism and financing the proliferation of weapons of mass destruction (proliferation and financing) issued by the FATF;

58. **"Non-profit organizations"** are legal entities, legal arrangements or organizations which are primarily involved in fundraising or allocation of funds for charitable, religious, cultural, educational or social purposes or any other type of charitable activities;

59. **"Financing the proliferation of weapons of mass destruction"** means the provision of funds or financial services used, in whole or in part, for the production, acquisition, possession, development, export, transnational transport, intermediation, transport, transfer, storage or use of nuclear, chemical or biological weapons ;their means of delivery and related materials (including both technologies and dual-use goods used for illegitimate purposes), contrary to the law or legal act of an international organization;

60. The terms interoperability, electronic document, means of electronic identification, issuer of means of electronic identification and electronic identification scheme have the same meaning as defined under the Law on Electronic Management and Electronic Services and the Law on Electronic Documents, Electronic Identification and Confidential Services;

61. **"Payment service provider"** is a bank or a payment institution or an electronic money institution with a license to provide payment services, i.e. a license to issue electronic money in accordance with the Law on Payment Services and Payment Systems²;

62. **"Intermediary payment service provider"** is a payment service provider that is not the payment service provider of the payer or of the payee, and that receives and transfers funds on behalf of the payment service provider of the payer or of the payee or of another intermediary payment service provider;

63. **"Payer"** is a natural person or legal entity that holds a payment account and allows a payment order from that payment account, or, where there is no payment account, natural person or legal entity that gives a payment order;

64. **"Payee"** is a natural person or legal entity that is the intended payee of transferred funds;

65. **"Crypto asset address"** is an alphanumeric code that identifies an address on a network of technology of distributed storage of encrypted data and records or any similar technology and through which crypto assets are sent or received;

66. **"Supranational risk assessment"** is an assessment of the risk of money laundering and terrorist financing carried out by the European Commission;

67. **"Batch file transfer"** is a bundle of several individual transfers of funds or transfers of crypto-assets put together for transmission;

68. **"Originator"** is a natural person or legal entity that has an account, i.e. a hosted electronic wallet for crypto assets with a crypto-asset service provider or a device that allows the storage of crypto assets and allows the transfer of crypto assets from the account, the hosted electronic wallet, or the device, or the person that initiates or orders the transfer of crypto assets when there is no account, hosted electronic wallet or device;

69. **"Beneficiary"** is a natural person or legal entity who is the intended recipient of the transfer of crypto assets;

70. **"Person-to-person transfer of crypto-assets"** is the transfer of crypto assets without the involvement of crypto assets service providers and

71. **"Legal entity identifier"** is a unique alphanumeric reference code assigned to a legal entity in accordance with the international standard ISO 17442 or higher for assigning identification marks.

CHAPTER II.

NATIONAL RISK ASSESSMENT

National risk assessment of money laundering and financing of terrorism, financing the proliferation of weapons of mass destruction and other related risks

Article 3

(1) The Republic of North Macedonia shall conduct a national risk assessment of money laundering, financing of terrorism, financing the proliferation of weapons of mass destruction and other related risks, for the purpose of identifying, assessing, understanding and reducing the risk related to money laundering and financing of terrorism and shall update it every four years at the least.

(2) When implement the national risk assessment referred to in paragraph (1) of this Article, the findings of the Supranational risk assessment are also taken into account.

(3) The Council for Combating Money Laundering and Financing of Terrorism referred to in Article 125 of this Law shall be responsible for coordination of the activities for conducting the national risk assessment in the Republic of North Macedonia and preparation of a report on national risk assessment of money laundering and financing of terrorism.

(4) The Council for Combating Money Laundering and Financing of Terrorism referred to in this Law shall submit the report on the national risk assessment of money laundering and financing of terrorism to the Government of the Republic of Macedonia for adoption.

(5) The report on the national risk assessment as well as all amendment and supplements to the report shall be published on the internet site of the Office. The published report does not contain confidential data in accordance with the Law.

Purposes of the national risk assessment

Article 4

(1) The findings of the report on the national risk assessment shall be used for the following purposes:

- defining and implementing measures and actions for prevention of money laundering, financing of terrorism, financing of proliferation of weapons of mass destruction and other related risks in accordance with the identified risk;
- identifying the flaws in the system for prevention of money laundering and financing of terrorism and measures for their overcoming;
- improving the national regulations and system to prevent money laundering and financing of terrorism;

- identifying sectors or activities with a lower or higher risk of money laundering and financing of terrorism;
 - identifying sectors or activities where the entities are obliged to apply enhanced measures of analysis and, if necessary, specifying other measures that the entities are obliged to apply;
 - defining of priorities and allocating resources in order to prevent money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction; - preparing and adopting relevant regulations for particular sectors or activities and implementing measures in accordance with the identified risks of money laundering, financing of terrorism and financing the proliferation of weapons of mass destruction; - informing and assisting the entities in the implementation of their internal risk assessment of money laundering, financing of terrorism and financing the proliferation of weapons of mass destruction and other related risks;
 - informing about the institutional structure and actions of the competent institutions in the system for prevention of money laundering, financing of terrorism, financing of the proliferation of weapons of mass destruction and other related risks as well as the allocated resources to the extent that this information is available and
 - informing on national measures and resources intended to combat money laundering, financing of terrorism, financing the proliferation of weapons of mass destruction and other related risks.
- (2) The Council for Combating Money Laundering and Financing of Terrorism referred to in this Law, on the basis of the findings from the report on the national risk assessment, shall prepare a draft national strategy for combating money laundering and financing of terrorism together with an action plan of measures and activities for reducing and managing the identified risks and the consequences of money laundering, financing of terrorism, financing the proliferation of weapons of mass destruction and other related risks and shall monitor its implementation as well as compliance with the action plan.
- (3) The Government of the Republic of North Macedonia shall adopt the national strategy for combating money laundering and financing of terrorism together with the action plan of measures and activities referred to in paragraph (2) of this Article for a period of four years.

CHAPTER III.

MEASURES AND ACTIVITIES TAKEN BY THE ENTITIES FOR THE PURPOSE OF DETECTING AND PREVENTING MONEY LAUNDERING AND FINANCING OF TERRORISM

1. GENERAL PROVISIONS

Entities

Article 5

Entities shall be the entities that are obliged to take the measures and activities for detection and prevention of money laundering and financing of terrorism envisaged by this Law (hereinafter: the entities), such as:

1. Financial institutions and subsidiaries, branches and business units of foreign financial institutions that carry out an activity in the Republic of North Macedonia in accordance with the law;
2. Legal entities and natural persons that provide the following services as a business or professional activity:
 - a) intermediation in the real estate trade, including and/or mediation in concluding real estate lease agreements only when the value of the monthly lease is EUR 10,000 or more in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia;
 - b) audit and accounting services;
 - c) advising in the field of taxes or any form of assistance, support or advice, directly or through another person in the field of taxation
 - d) providing investment advisor services; and
 - e) providing services for organization and conducting auctions;
3. Notaries public, lawyers and law companies that exercise public authorizations in accordance with the law;
4. Organizers of games of chance which in accordance with the law organize games of chance in the Republic of North Macedonia;
5. Service providers to trusts or legal entities;
6. The Central Securities Depository;
7. Legal entities that carry out an activity of accepting movable items and immovable property as pledge (pawnshops);
8. Persons trading or acting as intermediaries in trade in works of art, including when the activity is performed by art galleries or auction houses, where the value of the individual transaction or several related transactions is EUR 10,000 in MKD equivalent or more according to the middle exchange rate of the National Bank of the Republic of North Macedonia;
9. Persons storing, trading or acting as intermediaries in the trade of works of art, when the activity takes place in free zones and where the value of the individual transaction or several related transactions is EUR 10,000 in MKD equivalent or more according to the middle exchange rate of the National Bank of Republic of North Macedonia and
10. Virtual asset service providers.

Exceptions in relation to legal entities and natural persons that carry out financial activities on an occasional or limited basis

Article 6

- (1) The entities referred to in Article 5 of this Law that carry out financial activities on an occasional or limited basis and for which a low risk of money laundering and financing of terrorism is determined by the national risk assessment, shall not be obliged to apply the measures and activities for prevention of money laundering and financing of terrorism foreseen by this Law, provided that the following requirements are met:
- the financial activity is ancillary and directly related to the main business activity,
 - the annual net turnover of the financial activity does not exceed EUR 100,000 in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia or 5% of the total annual turnover of the entity,

- the main business activity is not provision of audit services, organization and conducting games of chance, accounting services, tax advisor services, activities of mediation in trade in immovable properties, provision of services to trusts or legal entities or notarial and lawyers services,
 - the highest amount of the transaction per client and per individual transaction regardless whether it is conducted as one or several transactions that appear to be linked with each other must not exceed EUR 500 in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia and
 - the financial activity is carried out only for entities that are clients in view of the main business activity and is generally not available to the public.
- (2) The provisions of paragraph (1) of this Article shall not apply to legal entities, sole proprietors or natural persons that carry out a business activity on their own if they make money remittances in accordance with the law.
- (3) The entity referred to in paragraph (1) of this Article shall submit a request not to apply the provisions of this Law to the Office. Documentation from which it can be determined that the requirements referred to in paragraph (1) of this Article are met and documentation for the conducted risk assessment of money laundering and financing of terrorism for each financial activity shall be attached to the request.
- (4) The Office shall adopt a decision on the request referred to in paragraph (3) of this Article in accordance with the provisions of the Law on the General Administrative Procedure.
- (5) The decision referred to in paragraph (4) of this Article shall have a validity period of two years as of the day of its adoption. Upon expiry of the validity of the decision, the entity shall submit a new request referred to in paragraph (3) of this Article for exemption from application of the provisions of this Law.
- (6) If the circumstances on the basis of which the decision is issued change before the expiry of the validity of the decision, the entity referred to in paragraph (1) of this Article shall be obliged to notify the Office of such changes within a period of fifteen days as of the day of their occurrence. On the basis of this notification or on the basis of other information, the Office shall ex officio adopt a new decision valid for two years that annuls the previous decision and shall decide on the application of the provisions of this Law.

Article 7

- (1) The notaries public, lawyers and law companies that carry out public authorizations in accordance with the law shall be obliged to apply the measures and activities for prevention of money laundering and financing of terrorism in the cases when they provide legal services to their clients that refer to the following activities:
- a) purchase and sale of real estate and movable property or leasing the property;
 - b) management of money, securities or other property or assets of the client;
 - c) opening and managing bank accounts, savings accounts, or securities trading accounts;
 - d) organizing fundraising for the establishment, operation or management of legal entities;
 - e) the establishment, operation or management of legal persons or legal arrangements, the purchase and sale of legal persons or legal arrangements and any form of assistance, support or advice, directly or through another person for the purposes of sale or purchase to legal persons or legal arrangements.

(2) The obligations under this Law shall not apply to the entities under Article 5 item 2) sub-items b) and c) and item 3) of this Law when perform defense, representation, i.e. other activities authorized by law for the account of the client in court proceedings. In this case, at the request of the Office, the entity referred to in this paragraph should submit a written explanation within seven days about the reasons for not taking actions in accordance with the provisions of this Law.

Virtual asset service providers

Article 8

(1) The Office shall maintain and maintain a Register of virtual assets service providers in electronic form, which shall be published on its website.

(2) The Register of virtual assets service providers shall contain:

- 1) name of the legal entity, registered office, electronic address, personal identification number of the entity (PINE) and tax identification number (TIN), date of establishment and code of activity;
- 2) data on the members of the management body (name and surname, personal identification number or other identification number, address i.e. address of residence, date of birth and citizenship and capacity in the management body);
- 3) description of the type of services and activities that it performs in terms of this Law, including if it performs them using a cryptomat(s);
- 4) data on the domain through which the virtual assets service provider performs professional and business activity if it performs it through electronic communication network (internet) and
- 5) data and information on established business relations with legal entities necessary for performing activities of a virtual assets service provider.

(3) Virtual assets service providers shall be obliged to inform the Office that they perform activities prescribed by this Law within 30 days from the day of registration in the Central Register of the Republic of North Macedonia, i.e. 30 days from the day they began providing virtual assets service on the territory of the Republic of North Macedonia for service providers that are not registered in the Central Register of the Republic of North Macedonia and to submit data, information and documents from reliable and independent sources in accordance with paragraph (2) of this Article.

(4) If in doubt about the accuracy of the submitted data referred to in paragraph (2) of this Article, the Office may at any time request additional documents, data and information on the activities and services of the virtual assets service provider.

(5) The service providers shall be obliged to submit the additional documents, data and information on the activities and services related to virtual assets referred to in paragraph (4) of this Article within ten working days from the day of receipt of the request referred to in paragraph (4) of this Article.

(6) The Minister of Finance shall prescribe the manner of keeping, the form and the content of the register referred to in paragraph (1) of this Article.

2. MEASURES AND ACTIVITIES FOR DETECTING AND PREVENTING MONEY LAUNDERING AND FINANCING OF TERRORISM

Article 9

Measures and activities for detecting and preventing money laundering and financing of terrorism (hereinafter: measures and activities), taken by the entities shall be:

- preparation of a risk assessment of money laundering and financing of terrorism and its regular updating,
- introduction and application of programs for efficient reduction and management of the identified risk of money laundering and financing of terrorism,
- client due diligence,
- information and submission of data, information and documentation to the Office in accordance with the provisions of this Law and the bylaws adopted on the basis of this Law,
- storage, protection and keeping records of data,
- appointment of an authorized person and his/her deputy and/or formation of a department for prevention of money laundering and financing of terrorism,
- conduct of internal control, and
- other measures deriving from the provisions of this Law.

Article 10

(1) The obligation to take the measures and activities foreseen by this Law shall also exist in the cases where the entities are undergoing bankruptcy and liquidation procedure.

(2) The obligation referred to in paragraph (1) of this Article shall be fulfilled by the bankruptcy manager until the closing or concluding the bankruptcy procedure, that is, by the liquidator until the closing of the liquidation procedure.

Preparation of risk assessment of money laundering and financing of terrorism

Article 11

(1) The entities shall be obliged to prepare a risk assessment of money laundering and financing of terrorism in order to identify, assess, understand and reduce the risks of money laundering and financing of terrorism, taking into consideration the risk factors that refer to:

- a) the client;
- b) the states or the geographical areas;
- c) the products, services or transactions; and
- d) distribution channels.

(2) The risk assessment referred to in paragraph (1) of this Article must be documented and appropriate to the size of the entity, the type, scope and complexity of its business activity.

(3) The entity shall be obliged to regularly update the risk assessment referred to in paragraph (1) of this Article.

(4) The entity shall be obliged to submit the risk assessment referred to in paragraph (1) of this Article to the competent supervisory bodies referred to in Article 151 of this Law at their request.

(5) The entity shall be obliged to harmonize the risk assessment referred to in paragraph (1) of this Article with the national risk assessment, risk factors that may indicate a potentially low or high risk, determined by the European Union, as well as with the other acts, documents and information published by the competent supervisory authorities referred to in Article 151 of this Law.

(6) Before making significant changes in its business activities and processes that may affect the measures that are taken in order to prevent money laundering and financing of terrorism, as well as before introducing a new product, service, activity or distribution channel, as well as before introducing new technologies, the entity shall be obliged to conduct a risk assessment in order to determine and assess the way in which the changes affect the exposure to the risk of money laundering and financing of terrorism and shall be obliged to take appropriate measures for reduction and for efficient risk management.

(7) The supervisory bodies referred to in Article 151 of this Law shall be obliged to prepare guidelines for conducting a risk assessment for the entities they supervise that include the risk factors that may indicate potentially low or high risk, determined by the European Union, but not limited to that.

Introduction and application of Programs for efficient reduction and management of the identified risk of money laundering and financing of terrorism

Article 12

(1) The entities shall be obliged to prepare and apply a Program for efficient reduction and management of the identified risk of money laundering and financing of terrorism which contains:

- aims, scope and manner of operation of the system for prevention of money laundering and financing of terrorism of the entity,
- organizational structure of the entity, position of the authorized person and his/her deputy in the organizational structure,
- data on the authorized person and his/her deputy,
- authorization and responsibilities of the authorized person and his/her deputy,
- authorization and responsibilities of all employees in the entity that participate in the implementation of the provisions of this Law and the bylaws adopted on the basis of this Law,
- conclusions from the conducted risk assessment and manner of management of the risk of money laundering and financing of terrorism,
- measures related to client due diligence and acceptability of clients,
- manner of recognizing unusual transactions and suspicious transactions of money laundering and financing of terrorism,
- manner of introducing internal mechanism for timely and adequate informing,
- manner of keeping the data and documents,
- manner of submitting reports to the Office,
- plan for continuing training of the employees in the entity in the field of prevention of money laundering and financing of terrorism that provides delivery of at least two training events during the year,

- procedure and plan for conducting internal control for carrying out the measures and the activities for prevention of money laundering and financing of terrorism that are adequate to the size and the type of the entity;
 - employment screening procedures and screening procedures for the employees in order to ensure high standards for prevention of money laundering and financing of terrorism and
 - policies, procedures and internal controls on the implementation of restrictive measures pursuant to the law
- (2) For the entities referred to in this Law that are obliged to establish a special department according to this Law, in addition to the elements referred to in paragraph (1) of this Article, the program should also contain elements for independent audit function for testing the entire internal system for prevention of money laundering and financing of terrorism depending on the size and nature of the activity of the entity.
- (3) The senior management of the entity shall be obliged to adopt the program referred to in paragraph (1) of this Article, to regularly monitor and assess its adequacy, harmonization and efficiency and if necessary, to enhance the measures taken by the entity.

Client due diligence

Article 13

The entities shall be obliged to carry out client due diligence in the following cases:

- a) upon establishment of a business relationship with the client;
- b) where an occasional transaction in the amount of EUR 15,000 or more in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia is made, regardless whether the transaction is made in a single operation or in several operations which are obviously linked;
- c) where an occasional transaction is made constituting transfer of funds or wire transfer, including also the crypto assets in the amount of Euro 1 000 or higher in denar counter value according to the middle exchange rate of the National Bank of the Republic of North Macedonia;
- d) regarding games of chance, in the case of deposit and withdrawal of a prize, as well as during buying or cashing-in chips or credits in the amount of EUR 1,000 or more in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia, regardless whether the transaction is made in a single operation or in several operations which are obviously linked and which reach a total amount of EUR 1,000 or more in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia;
- e) in the case of suspicion of the veracity or adequacy of the previously obtained data about the identity of the client or the beneficial owner; and
- f) in the case of suspicion of money laundering or financing of terrorism, regardless of any kind of exception or amount of the funds.

Cases where client due diligence is not conducted

Article 14

(1) The entities shall not be obliged to implement the measures referred to in Article 15 of this Law in relation to electronic money, provided that the National Risk Assessment determines a low risk of money laundering and financing of terrorism and provided that the following requirements are met:

1. The payment instrument are not replenished, or the total amount of monthly transactions is limited to EUR 150 in MKD equivalent, according to the middle exchange rate of the National Bank of the Republic of North Macedonia and can be used only in the Republic of North Macedonia;
 2. The maximum amount of the payment instrument does not exceed EUR 150 in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia;
 3. The payment instrument is used solely for purchase of goods or services;
 4. The payment instrument should not be issued as anonymous and
 5. The issuer of the payment instrument monitors and controls the transactions or business relations, in order to detect complex or unusual or suspicious transactions.
- (2) The exception referred to in paragraph (1) of this Article shall not apply in the case of redemption of electronic money in cash or withdrawal of money in cash in equivalent value of the electronic money which is higher than EUR 50 in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia.
- (3) The provisions of paragraph (1) of this Article shall not apply in cases where there are reasons of suspicion for money laundering or financing of terrorism.

Measures for client due diligence

Article 15

- (1) The client due diligence referred to in Article 13 of this Law shall include:
- a) identification of the client and verification of its identity by using documents, data and information from reliable and independent sources, including the use of electronic identification means issued within a registered scheme for electronic identification of a high level of security in accordance with law if is possible;
 - b) identification of the person acting on behalf and for the account of the client and confirmation that he/she is authorized to do so, as well as verification of his/her the identity by using documents, data and information from reliable and independent sources, including the use of electronic identification means issued under a registered scheme for electronic identification of a high level of security in accordance with the law if possible;
 - c) identification of the beneficial owner of the client and taking appropriate measures for verification of its identity by using documents, data and information from reliable and independent sources in order for the entity to be confident that it knows who the beneficial owner is;
 - d) understanding and adequate obtaining of information about the aim and purpose of the business relationship; and
 - e) continuous monitoring of the business relationship which consists of:
 - continuous monitoring the transactions that are made within the established business relationship for the purpose of ensuring that such transactions are

- consistent with the risk profile and the business of the client and, if necessary, determination of the sources of funds and;
- ensuring that the documents and data provided within the client analysis are valid, up-to-date and relevant through regular verification, especially for higher risk clients.
- (2) If the client is a legal entity or a legal arrangement, the entity shall be obliged to take measures for determination of the nature of its business activity and the ownership and control structure.
- (3) The entity shall be obliged to provide sufficient information to ensure that it will be able to establish the identity of the beneficiary or group of beneficiaries of the trust or other legal arrangement, at the time of payment or at the time when the beneficiary or group of users of the property decides to use the rights granted.
- (4) The entities shall be obliged to perform a risk assessment for each client shall apply each measure under the client due diligence in accordance with the risk profile of the client.
- (5) The entities shall be obliged to make the documents for the client's risk assessment available to the competent supervisory authorities referred to in Article 151 of this Law in order for them to confirm that the established risk of money laundering and financing of terrorism is adequate and that the scope of the measures taken is proportionate to the risk of the client.
- (6) The entities shall be obliged to apply the measures for the client's due diligence to the existing clients on the basis of relevance, significance, risk and to implement them within a appropriate time period and taking into account the previous activities that were undertaken within the client due diligence and the adequacy of the data obtained.

Identification and verification of the identity

Article 16

- (1) The entities shall be obliged to make the identification and the verification of the identity of the client, the person acting on behalf for the account of the client, the principal of the power of attorney and the beneficial owner before they establish a business relationship or before they make an occasional transaction.
- (2) As an exception to paragraph 1 of this Article, the entities may verify the identity of the client and the person acting on behalf and on behalf of the client, the principal of the power of attorney or the beneficial owner during the establishment of the business relationship, in order not to disturb the course of the business relationship and in the case of a low risk of money laundering and financing of terrorism.
- (3) In matters related to life insurance, it is allowed to verify the identity of the client, the person acting on behalf and for the account of the client, the proxy or the beneficial owner of the policy, after the business relationship has been established. In this case the verification should be done before or during the payment of the policy or before or when the user intends to exercise the rights arising from the insurance policy.
- (4) The entity has the obligation to identify the beneficiary of the life insurance policy where the name of the beneficiary is known and stated, as well as where the name of the beneficiary in the life insurance policy is not stated, but their relationship with the insured is defined.

(5) The entity has the obligation to identify the beneficiary of the life insurance policy as a relevant risk factor when conducting the risk assessment, i.e. it is necessary to introduce enhanced monitoring by identifying and verifying the identity of the true beneficiary owner of the insurance at the time of payment of the damage whenever the entity determines that the beneficiary which is a legal entity or legal arrangement is of high risk.

Identification and verification of client's identity

Article 17

(1) If the client is a natural person, he/she shall be identified and his/her identity shall be verified by submitting an original and a valid document for identification, issued by a competent body, and where possible, by using electronic identification means issued under the notified electronic identification scheme at a high level of security in accordance with the law.

(2) The document referred to in paragraph (1) of this Article, and if possible, the data for identification of persons that use electronic identification means, shall determine the name, the surname, the date and place of birth, the place and address of the permanent or temporary residence, the personal identification number or the identification number, and the number of the valid identification document or the serial number of the electronic identification means, the body that has issued it, and the validity date, that is, the name of the issuer of the electronic identification means and the period of validity of the electronic identification means.

(3) It shall be identified and its identity shall be verified by a registration document in original or a notary verified copy, issued by a competent body in the state of legal entity's registration which must not be older than six months, including by using electronic means of identification issued under a registered electronic identification scheme at a high level of security in accordance with the law if possible. The registration or incorporation document shall be submitted in a paper and/or electronic form. The registration documents issued by a competent body of a foreign country should be translated into Macedonian by a certified court translator.

(4) The document referred to in paragraph (3) of this Article, and if it is possible the identification data of legal entities that use means for electronic identification, shall determine the name, the legal form, the head office, the tax number or other registration number of the legal entity, legal representative, management body or persons authorized to establish a business relationship, i.e. to perform a transaction on behalf of the client and according to the risk of the legal entity, a chronology document issued by a competent authority can be used when these data are changed.

(5) When the client is a legal arrangement, its identity is identified and confirmed by an incorporation act of the legal arrangement in the original or a notarized copy which determines the form, head office, tax number or other registration number of the legal arrangement, the founder(s), the trustee(s), user or group of users of the legal arrangement, legal representative, the governing body, and the persons authorized to establish a business relationship, i.e. perform a transaction on behalf of the client.

(6) The entities shall mandatorily keep a copy in paper and/or electronic form of the documents referred to in paragraphs (1), (3) и (5) of this Article, as well as electronic records of the data referred to in paragraphs (1), (3) and (5) of this Article for identification of persons who have used means of electronic identification provided through the use of

means of electronic identification issued within a registered scheme for electronic identification of a high level of security, applying technical and organizational measures in accordance with the regulations for protection of personal data in accordance with law.

(7) The entities may request other data, information and documents from the client and/or reliable and independent sources for confirmation of the client's identity.

(8) Identification and verification of the identity of the client by using means of electronic identification issued within a registered scheme for electronic identification of high level of security according to this Law is not allowed:

- 1) for products, services, transactions or distribution channels for which a high risk of money laundering and financing of terrorism has been determined in accordance with the provisions of this Law;
- 2) if the client is a minor natural person;
- 3) if the client is a natural or legal person who is a citizen or has a domicile or residence, i.e. a head office in a high-risk country in accordance with the provisions of this Law;
- 4) if the entity determines that the means of electronic identification is not valid and the issuer of the registered electronic identification scheme has not yet suspended it;
- 5) if the means of electronic identification does not contain the necessary data in accordance with this Article.

Identification and verification of the person acting on behalf and for the account of the client

Article 18

(1) The entities shall be obliged to determine whether the person acts on behalf for the account of the client.

(2) In the cases referred to in paragraph (1) of this Article, the entities shall be obliged to identify and confirm the identity of the person acting on behalf and for the account of the client, the client or the holder of the rights and the power of attorney on the basis of documents, data and information from reliable and independent sources, and if possible with the use of means of electronic identification issued within a registered scheme for electronic identification of a high level of security in accordance with law.

(3) The entities shall be obliged to provide the power of attorney referred to in paragraph (2) of this Article in the original or a copy certified by a notary public.

(4) The entities shall be obliged to keep a copy in paper and/or electronic form of the documents referred to in paragraphs (2) and (3) of this Article, as well as electronic records from the data referred to in paragraph (2) of this Article for the purposes of identification of persons that used electronic identification means obtained by using electronic identification means issued under the notified electronic identification scheme at a high level of security, and shall apply the technical and organizational measures in accordance with the regulations for personal data protection.

(5) The documents referred to in paragraphs (2) and (3) of this Article, issued or certified by a competent authority in a foreign country, should be translated into Macedonian by an authorized court translator.

Identification and verification of the identity of the beneficial owner

Article 19

- (1) The entities shall be obliged to identify the beneficial owner of their client and to take appropriate measures to verify the identity of the beneficial owner on the basis of data and information from reliable and independent sources, which will convince them and make them know who the beneficial owner of the client is to the extent which is adequate to the conducted risk assessment.
- (2) The entities shall obtain the data on the beneficial owner from the original or verified documentation from a trade, court or another public register, which must not be older than six months.
- (3) The entities, in addition to the measures referred to in paragraphs (1) and (2) of this Article, shall be obliged to check the data from the register of beneficial owners, and must not rely exclusively on the data entered in this register.
- (4) In case when the trustee/manager of the trust, i.e. the person performing similar functions in the legal arrangement acts on behalf and for the account of the trust or the legal arrangement, when establishing a business relationship or when performing a transaction, the entity shall be obliged to provide information supported by documents that will determine that the person acts in that capacity, to provide information on the identity of the persons determined in Article 22 of this Law, as well as to provide data on the title, address, the legal form of the trust or other legal arrangement.
- (5) In case when the trustee/manager of the trust, i.e. the person performing similar functions in the legal arrangement acts on behalf and for the account of the trust or the legal arrangement, establishing a business relationship or when performing a transaction with the entity referred to in Article 5 of this Law, shall be obliged to provide information supported by documents that will notify that the person acts in that capacity as well as to provide information on the identity of the persons determined in Article 22 of this Law.
- (6) The entities shall obligatorily keep a copy in paper and/or electronic form of the documents and information referred to in paragraphs (1), (2), (3), (4) and (5) of this Article, applying technical and organizational measures in accordance with the regulations for protection of personal data.
- (7) If the entities cannot obtain all the data on the beneficial owner of the client from the trade, court or another public register or the register of beneficial owners, they should obtain the necessary data by checking the original or the verified documents and business records submitted by the legal representative of the client or a person authorized by the legal representative.
- (8) If the client is not subject to entry into an appropriate register and the entities cannot obtain the necessary data on the beneficial owner in the manner described in paragraphs (2), (3), (4), (6) and (7) of this Article, the entities shall be obliged to obtain the data directly from the legal representative or a person authorized by the legal representative by a written statement which is notary verified under full moral and material liability, prior to establishing a business relationship or before performing a transaction.
- (9) If, after the verification of the beneficial owner, the entities have suspicions about the authenticity of the submitted data or the authenticity of the documents or the other business documentation, they shall be obliged to require a written statement from the legal representative or a person authorized by the legal representative which is verified by a notary under full moral and material liability before they establish a business relationship or before they make a transaction.

(10) In the cases referred to in paragraphs (7), (8) and (9) of this Article, the entities shall be obliged to apply one or several measures for enhanced due diligence in accordance with the provisions of this Law.

(11) The director of the Office shall determine the manner of identification of the beneficial owner by means of guidelines.

Beneficial owner of a legal entity

Article 20

(1) A beneficial owner of a legal entity shall be:

1) A natural person (persons) who ultimately owns or controls the legal entity through direct and/or indirect ownership of sufficient percentage of stakes, i.e. shares or voting rights, as well as through other ownership interest in that legal entity, including through bearer stockholdings, or another form of control.

2) A natural person (persons) who has a high management position in the legal entity, i.e. who by law and internal acts is authorized to manage and is responsible for the operation of the legal entity.

(2) An indicator of direct ownership referred to in paragraph (1) item 1) of this Article shall be the ownership of over 25% of the shares, the voting rights or the other rights in the legal entity or the ownership of 25% plus one stock.

(3) An indicator of indirect ownership referred to in paragraph (1) item 1) of this Article shall be the ownership or the control of the natural person (persons) over one or several legal entities that individually or jointly have over 25% of the shares or 25% plus one stock.

(4) If a natural person(s) cannot be determined as a beneficial owner(s) by the application of paragraph (1) item 1) of this Article or the entity is not sure that the natural person(s) identified in accordance with paragraph (1) item 1) of this Article is(are) the beneficial owner(s), in that case the person(s) identified by applying paragraph (1) item (2) of this Article shall be considered beneficial owner(s).

(5) In the cases prescribed by (4), the entity shall be obliged to keep the data, i.e. the records for all undertaken measures and activities in the process of identifying the beneficial owner.

Article 21

A beneficial owner of domestic and foreign associations and their alliances, foundations, institutions, chambers, trade unions, political parties, cooperatives, religious communities, owners' associations or other organizations in which the participation in the governance based on the ownership share in the capital is not possible to be determined, shall be considered any natural person who is authorized to represent or the natural person who has a controlling position in the governance of the property of the organization.

Beneficial owner of a trust or other legal arrangement

Article 22

- (1) A beneficial owner of a trust shall be any natural person who is:
1. settlor;
 2. trustee;
 3. protector (if any);
 4. a beneficiary or a group of beneficiaries under the conditions that the future beneficiaries are determined or may be determined;
 5. another natural person who through direct or indirect ownership or in any other manner controls the trust.
- (2) The beneficial owner of a legal arrangement is a person(s) who perform(s) a function(s) the same or similar to those referred to in paragraph (1) of this Article.
- (3) The beneficial owner of a foundation is a person(s) who perform(s) a function(s) the same or similar to those referred to in paragraph (1) of this Article.

Beneficial owner of a sole proprietor or individuals who carry out a business activity

Article 23

A beneficial owner of a sole proprietor or individuals who carry out a business activity shall be a natural person who is registered to perform the business activity and at the same time is the sole authorized representative.

Beneficial owner of budget users

Article 24

A beneficial owner of a budget user shall be the manager of the budget user.

Beneficial owner of legal entity in state ownership

Article 25

A beneficial owner of a legal entity in state ownership shall be the person heading or managing the governing body of the legal entity in state ownership.

Beneficial owner of legal entity under bankruptcy or liquidation

Article 26

A beneficial owner of a legal entity under bankruptcy or liquidation shall be the bankruptcy manager, that is, the liquidator until the completion of the bankruptcy, that is, liquidation procedure.

Exceptions with regard to the identification of the beneficial owner

Article 27

The entity does not have to identify and verify the identity of the beneficial owner if the client is a legal entity whose securities are listed on a domestic or foreign securities exchange from states which meet the international standards for prevention of money laundering and financing of terrorism and data for beneficial owners are transparent and publicly available.

Obligation to obtain and keep data on the beneficial owner

Article 28

(1) The following entities and trusts and other legal arrangements established in accordance with the law of a foreign country, subject to entry in the registers that are kept in the Central Register of the Republic of North Macedonia (hereinafter: legal entities), shall have an obligation to obtain and keep data and documents on the beneficial owner, as follows:

1. trade companies, sole proprietor, individuals who carry out a business activity, subsidiaries and branch offices of foreign trade companies and foreign sole proprietor;
2. associations, alliances, foundations, chambers, trade unions, political parties, cooperatives, religious communities, owner's associations, representatives of foreign companies or other organizations;
3. notaries, lawyers and other persons who exercise public powers;
4. budget users;
5. legal entities in state ownership;
6. legal entities under bankruptcy or liquidation and
7. Trusts and legal arrangements if:
 - a) the trustee or a person who performs activities equal to or similar to those referred to in Article 22 of this Law and has a head office or domicile in the Republic of North Macedonia or;
 - b) the trustee or a person who performs activities equal to or similar to those of Article 22 of this Law and has no head office or domicile in the Republic of North Macedonia, and on behalf of the trust or legal arrangement acquires property or establishes business relations with the entities prescribed by this Law or;
 - c) have received a tax identification number (TIN) in the Republic of North Macedonia in accordance with law.

(2) The legal entities referred to in paragraph (1) items 1), 2), 3) and 7) of this Article shall be obliged to obtain and keep adequate, accurate and updated data and documents on:

- 1) the beneficial owner(s), that is:
 - a) name and surname;
 - b) address of permanent residence, that is, temporary residence;
 - c) day, month and year of birth;
 - d) personal identification number or another identification number and data on the type, number, issuer, state and date of issuance of the identification document;
 - e) citizenship; and

- f) data on the type and scope of the beneficial ownership.
- 2) the legal form, ownership structure, and regarding the trade companies, data on the shares, contributions or another form of participation in the ownership of the company as well.
- (3) The legal entities referred to in paragraph (1) items 4), 5) and 6) of this Article shall be obliged to possess and keep adequate, accurate and updated data referred to in paragraph (2) item 1) of this Article.
- (4) The persons that are beneficial owners shall be obliged to submit all data and documents referred to in paragraph (2) of this Article to the legal entities and to the trustee/manager or to a person performing similar activities in the legal arrangement.
- (5) The legal entities referred to in paragraph (1) shall be obliged to provide information and documents for their owner and the beneficial owner of the entities from Article 5 of this Law for the purpose of conducting the client due diligence in accordance with this Law.
- (6) The legal entities referred to in paragraph (1) shall be obliged to keep the data on the beneficial owner of this Article within ten years from the day of the establishment of the legal entity, i.e. from the day of the change of the beneficial owner of the legal entity.
- (7) The manager/trustee of the trust or the person performing similar functions in the legal arrangement acts on behalf and for the account of the trust or similar legal arrangement prescribed by this Law shall be obliged to keep the data and information on the true beneficial owner referred to in Article 22 of this Law, within ten years from the day of ceasing the performance of the activities on behalf and for the account of the trust or the legal arrangement.

Register of beneficial owners

Article 29

- (1) A register of beneficial owners (hereinafter: a register) shall be established for the purpose of ensuring transparency of the ownership structure of the legal entities, containing information and data on the beneficial owners in accordance with this Law.
- (2) The Central Register of the Republic of Macedonia (hereinafter: register's administrator) shall establish, keep, maintain and manage the register in electronic form.

Submitters

Article 30

- (1) The authorized person for representation of the legal entity referred to in Article 28 paragraph (1) of this Law shall be obliged to enter the data in the register.
- (2) The legal entities may authorize another person through the register's administrator system to enter the data for their beneficial owners, as well as the data on the changes of the beneficial owners in the register on their behalf.
- (3) The legal entities referred to in Article 28 paragraph (1) of this Law shall be responsible for the accuracy, adequacy and updating of the data entered in the register.

(4) The registration agent or the administrator of the register in the registration procedure shall be obliged to inform the legal entity about the obligation for obligatory registration of the data for the beneficial owner.

Entry of the data in the register

Article 31

(1) Trade companies, subsidiaries and branches of foreign trade companies and foreign sole proprietors, associations, unions, foundations, chambers, trade unions, political parties, cooperatives, religious communities, owners' associations, representative offices of foreign trade companies or other organizations shall enter the data on their beneficial owners in the register within fifteen days from the entry of the business entity in the trade register, as well as in the register of other legal entities within fifteen days from the change of the data on the beneficial owner.

(2) The trusts and legal arrangements shall enter the data on their beneficial owner/s in the register within fifteen days from the day when the trustee/manager or a person performing activities, equal or similar to those described in Article 22 of this Law, has acquired a head office or residence in the Republic of North Macedonia, i.e. in the name of the trust or legal arrangement has acquired property or established business relations with the entities prescribed by this Law or from the day when it received a tax identification number (TIN) in the Republic of North Macedonia according the law. The trusts and the legal arrangements shall be obliged to insert the data on their true beneficiary owner/s in the registry within 15 days from the day of changing the data on the true beneficiary owner pursuant to Article 22 of this Law.

(3) The following data shall be entered in the register:

- 1) data on the legal entity with the exception of legal arrangements: name, head office, PINE and tax number, date of incorporation and deletion of the business entity, that are taken and registered ex officio and automatically from the single trade register and the register of other legal entities;
- 2) data on legal arrangement: name, date and place of establishment, tax number or other identification number and country in accordance to whose law it is established;
- 3) data on the beneficial owner: personal name, personal identification number or another identification number, address of permanent, that is, temporary residence, date of birth and citizenship, that are taken ex officio and by using electronic means from the Central Register of Population by entering the personal identification number of the citizen, with regards to citizens of the Republic of North Macedonia living in the state or abroad, as well as foreign citizens having their stay in the Republic of North Macedonia regulated for more than one year or entered by the applicant for a foreign citizen in Latin script, as recorded in the valid identification document;
- 4) data on the ownership of the beneficial owner and
- 5) data on the day from which the person has acquired the capacity of beneficial owner in accordance with this Law.

(4) Foreign citizens with regular residence in the Republic of North Macedonia for more than one year, in addition to the data referred to in paragraph (3) item 3) of this Article, shall also enter data on foreign identification number, foreign address (permanent

residence address) and country of permanent residence in accordance with a valid identification document.

(5) The register's administrator shall keep and manage the register in the manner that:

- in addition to the last status of the data on the beneficial owners, all previous entries, changes in the data and deletions according to the time and type of occurrence are also kept and
- the data in the register are available ten years after the deletion of the legal entity from the competent register.

(6) The entry of the data shall be made electronically, free of charge, through the web portal of the register's administrator, within the prescribed deadlines, applying the technical and organizational measures in accordance with the regulations on personal data protection.

(7) If the applicant in the beneficial owners register has submitted an application that contains obvious technical errors, he/she may correct it within three days from the day of submitting the application.

(8) In case of unavailability of the system of the Central Population Register, as well as in case when the specific PINC is not registered in it, the data on the: personal name (name and surname), personal identification number of the citizen or other identification number, address of residence, i.e. place of birth, date of birth, citizenship for citizens of the Republic of North Macedonia living in the country or abroad, as well as foreign citizens with regular residence in the Republic of North Macedonia for more than one year, shall be entered manually by the applicant;

(9) The Minister of Finance shall prescribe the manner of entering, reporting, correcting and deleting the data in the register, the manner of expressing the amount of the share (indicator for determination of ownership), the manner of search and use, the manner of maintaining and administrating and the technical requirements (needs) for establishment of the register.

Article 32

(1) In case when through direct check in the electronic system of the Register the entity shall establish that the data and information about the beneficial owner of the legal entity referred to in Article 28 of this Law have not been registered or updated in the beneficial owners register according to this Law, the entity shall be obliged to postpone the establishment of the business relationship, to postpone the transaction within the established business relationship or to postpone the execution of the transaction until the data and information are entered in the register.

(2) In the cases referred to in paragraph (1) of this Article and if the entity determines discrepancies between the information about the beneficial owner(s) entered or updated in the register and the information about the beneficial owner available to them based on the conducted client due diligence in accordance with this Law, the entity shall be obliged to immediately notify the Office electronically. If this method of submission unavailable due to technical reasons, the entities shall inform the Office in writing.

(3) The Director of the Office shall determine with instructions the manner of submitting the information referred to in paragraph (2) of this Article.

Access to the data on beneficial owners

Article 33

(1) The data that are entered in the register shall be available directly and on the basis of an electronic access to the following:

- 1) The Office;
 - 2) The courts;
 - 3) The bodies in accordance with Article 130 paragraph (1) and Article 151 paragraph (1) of this Law;
 - 4) The entities referred to in Article 5 of this Law; 5) other legal and natural persons.
- (2) The competent bodies referred to in paragraph (1) items 1), 2) and 3) of this Article may provide all data contained in the register free of charge, in a timely manner in accordance with the Law on Central Registry, as well as forward them to the competent bodies and financial intelligence units of other countries in accordance with their competencies determined by law.
- (3) The entities referred to in paragraph (1) item 4) of this Article shall have timely access to all data contained in the register in accordance with the Law on Central Registry and use them to perform their competencies in accordance with this Law.
- (4) The data in the register on the name and surname, month and year of birth, citizenship, country of stay, ownership share or another form and type of ownership or control, in a form of information, and in accordance with the Tariff of the register administrator shall be publicly available to the legal entities and natural persons referred to in paragraph (1) item 5) of this Article.

Issuance of data on beneficial owners

Article 34

(1) The beneficial owner information for the entities that are subject to entry in the register in accordance with this Law shall be issued in accordance with the latest entered data in the Central Register of Population and the beneficial owners register on the day of its issuance. In case of unavailability of the system of the Central Population Register at the moment of issuing the information, the data on the beneficial owner for the entities that are subject to registration in this register shall be issued in accordance with the latest data entered in the beneficial owners register.

(2) The information about the beneficial owner of a sole proprietor, the individuals who carry out a business activity and the persons who exercise public powers, as well as the budget users, the legal entities in full state ownership and legal entities under bankruptcy and liquidation, shall be issued in accordance with the last entered data in the single trade register and the register of other legal entities and the register of budget users in the competence of the Ministry of Finance.

Check of the data in the register

Article 35

(1) The register's administrator shall check the data in the register and shall determine whether the legal entities referred to in Article 28 paragraph (1) of this Law have entered the data referred to in Article 31 of this Law, the change of such data within the deadline and in the manner prescribed in accordance with Article 31 of this Law.

(2) The register's administrator shall immediately inform the Office electronically about the legal entities referred to in Article 28 paragraph (1) of this Law that have not entered the data referred to in Article 31 of this Law and have not entered the change of such data in the manner and within the deadline in accordance with Article 31 of this Law.

Processing registry data

Article 36

(1) The Office shall continuously process the data entered in Article 31 in the Register by the legal entities referred to in Article 28 paragraph (1) of this Law.

(2) For the purposes of data processing referred to in paragraph (1) of this Article, the Office shall also use software solutions, which should comply with the regulations for personal data protection.

(3) The information from the processing of the ownership structure data, through the beneficial owners register are available to the entities from this Law to be used for the purposes of applying the measures and actions for prevention of money laundering and financing of terrorism.

Ongoing monitoring of a business relationship

Article 37

(1) The entity shall be obliged to carefully monitor the business activities and the transactions carried out under the business relationship with the client, in order to confirm that such transactions are made in accordance with the aim and the purpose of the business relationship, the client risk profile, its financial condition, and its sources of financing.

(2) The entity shall be obliged to regularly check and update the documents and data on the clients, the beneficial owners and the risk profile of the clients with which it has established a business relationship.

(3) The entity shall be obliged to ensure that the scope and the frequency of implementing the measures referred to in paragraph (2) of this Article are in compliance with the due diligence and the assessment of the risk referred to in Article 11 of this Law and that they are adjusted to the risk of money laundering and financing of terrorism to which the entity is exposed during carrying out a particular business activity or transaction, that is, within the framework of the business relationship with the client.

Simplified client due diligence

Article 38

- (1) The entities may apply simplified measures for client due diligence in the cases where, in accordance with the provisions of Article 11 of this Law, they have established a low risk of money laundering and/or financing of terrorism.
- (2) In the course of making a decision on applying simplified measures for client due diligence, the entities shall be obliged to take into consideration the results from the national risk assessment.
- (3) The measures for the simplified client due diligence may be:
- verification of the identity of the client or the beneficial owner upon the establishment of the business relationship,
 - reduction of the frequency of updating the documents and the data about the clients, and/or
 - reduction of the degree of monitoring the business relationship and the client's transactions.
- (4) The entities shall be obliged to provide an appropriate documentation on the basis of which it can be confirmed that the application of simplified due diligence is allowed and that the measures of the simplified client due diligence are appropriate to the risk, as well as to make such documentation available to the supervisory bodies referred to in Article 151 of this Law.
- (5) The simplified client due diligence shall not be allowed where, regarding the client, the transaction, the business relationship, or the property, there is a suspicion of money laundering or financing of terrorism where specific scenarios of high risk of money laundering or financing of terrorism are applied, or in the cases of complex and unusual transactions.
- (6) The entities shall be obliged to implement the measures referred to in paragraph (3) indent 3 of this Article in a volume that will enable to detect complex and unusual or suspicious transactions.

Enhanced client due diligence

Article 39

- (1) In cases of high risk and medium-high risk of money laundering or financing of terrorism determined in accordance with Article 11 of this Law or on the basis of a national risk assessment referred to in this Law or in the case of suspicion of money laundering and/or financing of terrorism, except in the cases prescribed by Articles 40, 41, 42, 43, 44 and 45 of this Law, the entity shall be obliged to take all measures for enhanced client due diligence for proper risk management, as follows:
- obtaining additional data on the client and the beneficial owner(s);
 - more frequent updating of the documents and data on the client;
 - obtaining additional data on the nature of the business relationship and the client's transactions;
 - obtaining additional data about the source of funds and the source of wealth of the client;
 - obtaining information about the reason for the planned or made transactions;
 - obtaining an approval by the senior management for establishment of a new or continuation of the business relationship and

- enhanced monitoring of the business relations.
- (2) The entity shall be obliged to document the implementation of the measures for enhanced due diligence referred to in paragraph (1) of this Article and to make such documentation available to the supervisory bodies referred to in Article 151 of this Law.

Correspondent relationship

Article 40

(1) **When cross-border where correspondent relationships are established, the financial institution shall be obliged to take the following measures of enhanced due diligence:**

- a) to collect sufficient data for the correspondent financial institution in order to fully determine its activity and, from publicly available information, to determine its reputation, as well as the quality of supervision, including whether it has been a subject of investigation of money laundering or financing of terrorism or another supervision measure;
 - b) to evaluate the procedures and control mechanisms for prevention of money laundering and financing of terrorism of the correspondent financial institution;
 - c) to obtain an approval from the senior management prior to establishment of a new correspondent relationship;
 - d) to determine and precisely prescribe the mutual responsibilities arising from the correspondent relationship and
 - e) to determine whether the correspondent financial institution carries out the client due diligence referred to in this Law for the entities with direct access to its correspondent accounts in the financial institutions in the Republic of North Macedonia, at least in the scope and manner laid down by this Law, as well as to determine whether the correspondent financial institution is prepared to provide the data for identification and verification of the identity of a client of a foreign bank or another financial institution and its beneficial owner, and to submit them to the bank or another financial institution upon its request.
- (2) The measures referred to in paragraph (1) of this Article shall also apply in the situations when the financial institutions establish correspondence relations with virtual assets service providers as well as in the situations when the virtual assets service providers establish mutual correspondence relations.

Client that is not physically present

Article 41

- (1) Where the client, as well as the person acting on behalf of and for the account client, is not physically present for the purposes of identification and where their identity cannot be verified by using electronic identification means issued under the notified electronic identification scheme at a high level of security in accordance with the law, the entity should take one or several of the following measures of enhanced due diligence:
- a) to determine the client's identity by additional documents, data or information;

- b) to take additional measures that confirm the provided documents or to request the documents to be confirmed by a financial institution from the Republic of North Macedonia, from a member state of the European Union, or from a country in which the regulations anticipate approximately the same criteria and standards for prevention of money laundering and financing of terrorism as the requirements as required by this law and
- c) to make the first payment through an account on the behalf of the client, opened in a financial institution in a country that meets the international standards for prevention of money laundering and financing of terrorism and which implements at least the same measures of client analysis prescribed as in this Law.

Client – holder of a public office

Article 42

(1) Where the entity carries out transactions or enters into a business relationship with a client - holder of a public office, the entity shall be obliged, besides the measures determined in Article 15 of this Law, to undertake the following measures of enhanced due diligence as well:

- (a) to establish risk management systems so as to determine whether the client or the beneficial owner is a public office holder, including to obtain his/her statement;
 - (b) to obtain an approval from the senior management prior to establishment of a business relationship with the client - public office holder and/or the beneficial owner, as well as to obtain a consent to continue the business relationship with the existing client - public office holder and/or the beneficial owner that has become a public office holder in the meantime;
 - (c) to take appropriate measures to determine the source of wealth and the source of client's funds and beneficial owner(s) identified as public office holder and
 - (d) to constantly monitor intensively the business relationship.
- (2) The entity shall be obliged to take measures to determine whether the beneficiary and/or the beneficial owner of the beneficiary of life insurance and other insurances related to investment is a public office holder.
- (3) In the cases of paragraph (2) of this Article, the entity shall be obliged to notify the senior management before the payment of the insurance policy premium and to review and determine the entire business relationship with the client as well as to determine the need of submission of a report pursuant to Article 65 of this Law .
- (4) The international organizations accredited in the Republic of North Macedonia shall publish on their official websites data on directors, deputy directors, members of the board and other equivalent functions in the international organization.
- (5) The Office shall keep an updated list of official functions in Republic of North Macedonia considered to be public offices in accordance with this Law and shall publish it on its website.

High-risk countries

Article 43

(1) Where the business relationship or transaction includes a high-risk country, the entity shall be obliged to undertake the following measures when establishing the business relationship or making a transaction:

- 1) obtaining additional data on the client and the beneficial owner(s);
- 2) providing additional data on the purpose nature of the business relationship;
- 3) providing additional data on the source of funds and the source of wealth of the client and the beneficial owner(s);
- 4) providing data on the reason for the planned or executed transaction;
- 5) obtaining an approval from the senior management for establishing new business relationships or continuing the existing business relationship and
- 6) intensive monitoring of the business relationship with increased and frequent controls, as well as with further analysis of certain samples of transactions.

(2) When a business relationship or transaction involves a high-risk country, the entity shall be obliged, where applicable, to request the first payment to be made through an account on behalf of the client opened in a financial institution in a country that meets international standards for prevention of money laundering and financing of terrorism and which implements at least the same measures of client due diligence as prescribed in this Law.

(3) In addition to the measures referred to in paragraphs (1) and (2) of this Article, the entity shall be obliged to take one or more risk reduction measures, as follows:

- 1) to take additional measures of intensified due diligence;
- 2) to introduce additional reporting mechanisms for client transactions or;
- 3) to restrict the establishment of business relations or transactions with natural persons or legal entities from high-risk countries.

(4) The Office shall regularly, and at least twice a year, publish a list of high-risk countries for the implementation of the measures referred to in paragraphs (1) and (2) of this Article on its official website based on public announcements for identified high-risk countries published by FATF, decisions taken at European Union level for identified high-risk countries with strategic deficiencies and high-risk countries identified in accordance with the national risk assessment.

(5) At the proposal of the Council for Combating Money Laundering and Financing of Terrorism, the Government shall adopt a decision to introduce measures against high-risk countries, as follows:

- ban on establishing a subsidiary, branch or representative office of entities from a high-risk country;
- ban on establishing a subsidiary, branch or representative office of entities in a high risk-country;
- increase of supervisory controls or increase of the requirements for independent audits of a branch, branch or representative office of entities from a high-risk country;
- increasing the requirements for independent audits of financial groups of subsidiaries or branches in a high-risk country;
- request from the financial institutions to check and supplement or, if necessary, to terminate the correspondent relationship with the correspondent financial institution in a high-risk country.

(6) The proposal referred to in paragraph (5) of this Article shall be prepared by the Council at the request of the FATF or on the basis of assessment reports or other reports from international organizations involved in the combat against money laundering and financing of terrorism and for the purposes of preventing money laundering and financing of terrorism.

Non-profit organizations

Article 44

Entities shall be obliged to undertake enhanced due diligence measures in relation to business relationships and transactions with non-profit organizations identified as more risky by the national risk assessment, as well as non-profit organizations that pose a higher risk in accordance with the entity risk assessment, which include:

- 1) providing additional information about the client and the beneficial owners;
- 2) frequent updating of the client documents and data;
- 3) providing additional data on the nature of the client's business relationships and transactions and the specific objectives of the non-profit organizations;
- 4) providing additional data on the source of funds and the source of the client's property and additional data on the beneficiaries who receive the funds of the non-profit organization;
- 5) providing information on the reason for the planned or performed transactions and
- 6) enhanced monitoring of business relationships.

Complex and unusual transactions

Article 45

(1) The entity shall be obliged to examine, as far as reasonably possible, the background and purpose of all transactions that meet at least one of the following criteria:

- 1) the transaction is complex;
- 2) the transaction is unusually large;
- 3) the transaction is carried out in an unusual manner;
- 4) the transaction has no obvious economic justification or legal purpose and/or 5) deviates from the usual or expected business operation of the client.

(2) In the cases referred to in paragraph (1) of this Article, the entities shall be obliged to increase the degree and nature of monitoring the business relationship with the client, in order to determine whether those transactions or activities have suspicious elements.

(3) In the cases referred to in paragraphs (1) and (2) of this Article, the entity shall be obliged to prepare an analysis in written or electronic form and determine the need to submit a report to the Office in accordance with Article 65 of this Law.

(4) With regard to the transactions referred to in paragraph (1) of this Article the entity shall be obliged to keep the due diligence referred to in paragraph (3) of this Article and to make it available to the supervisory bodies referred to in Article 151 of this Law at their request.

Rejection of a business relationship and a transaction

Article 46

(1) In the cases where the measures for client due diligence referred to in this Law, the entity shall be obliged:

- 1) to reject the establishment of a business relationship with the client;
 - 2) to terminate the business relationship with the client;
 - 3) not to perform an occasional transaction and/or
 - 4) not to perform a transaction within an established business relationship, until the moment of implementation of the client due diligence measures.
- (2) In the cases of paragraph (1) items 1) and 2) of this Article, the entity shall be obliged to notify the Office electronically. If this method of submission is unavailable due to technical reasons, the entities shall submit the notification in writing.
- (3) In the cases of paragraph (1) of this Article, the entity shall be obliged to prepare a written analysis and to determine the need of submission of a report to the Office in accordance with Article 54 of this Law.
- (4) The entity shall be obliged to keep the due diligence referred to in paragraph (3) of this Article within ten years from its preparation and to make it available at the request of the supervisory bodies referred to in Article 151 of this Law.

Exception to the implementation of the measures for client due diligence

Article 47

- (1) Where the entity has suspicions of money laundering or financing of terrorism and has grounds for assuming that the implementation of the client due diligence measures would lead to the client being informed of their existence, the entity may not conduct the entire process of the client due diligence, but immediately submit a report to the Office in accordance with Article 65 of this Law and explain the reasons for which he acted in accordance with this Article.
- (2) The entities shall be obliged to explain in writing the reasons why they acted in accordance with paragraph (1) of this Article and to make the data available at the request of the supervisory bodies referred to in Article 151 of this Law.

Application of the measures and activities for prevention of money laundering and financing of terrorism by subsidiaries and branch offices of the entity

Article 48

- (1) The entity that has its own subsidiaries or branch offices in another state should ensure application of the measures for prevention of money laundering and financing of terrorism in the subsidiaries or branch offices.
- (2) If the regulations of the state where the subsidiary or the branch office referred to in paragraph (1) of this Article has its head office do not allow application of the measures referred to in paragraph (1) of this Article, the entity should immediately inform the appropriate supervisory body referred to in Article 151 of this Law.
- (3) Entities that are part of a group, including a financial group, shall be obliged to implement a Program for the effective reduction and management of the identified risk of money laundering and financing of terrorism of the group, that is, the financial group, in all subsidiaries and branch offices that are part of the group, i.e., the financial group.

- (4) The Program under paragraph (3) of this Article shall contain:
- goals, volume and manner of operation of the system for preventing of money laundering and financing of terrorism of the entity at the level of the financial group,
 - organizational structure of the entity, the position of the authorized person and their deputy in the organizational structure,
 - data on the authorized person and their deputy,
 - authorizations and responsibilities of the authorized person and their deputy,
 - authorizations and responsibilities of all employees of the entity who participate in the implementation of the provisions of this Law and the by-laws thereof,
 - conclusions of the conducted risk assessment and the manner of managing the risk of money laundering and financing of terrorism,
 - measures of client due diligence and client acceptability,
 - method for recognizing unusual transactions and suspicious transactions of money laundering and financing of terrorism,
 - manner of establishing an of internal mechanism for timely and adequate reporting,
 - manner of keeping the data and documents,
 - manner of submission of reports to the Office,
 - plan for continuous training of the employees in the entity from the area of prevention of money laundering and financing of terrorism that envisages at least two training courses during the year,
 - procedure and plan for carrying out an internal audit of the implementation of the measures and activities for prevention of money laundering and financing of terrorism adequate to the size and type of the entity,
 - employment screening procedures and screening procedures for the employees in order to ensure high standards for preventing money laundering and financing of terrorism,
 - policies, procedures and internal controls for the application of restrictive measures in accordance with the law,
 - policies and procedures for the exchange of information for the purposes of client due diligence and management of the risks of money laundering and financing of terrorism,
 - ensuring compliance at the group level in the application of measures to prevent money laundering and financing of terrorism, in relation to information on the clients, accounts and transactions by branch offices and subsidiaries, for the purposes of preventing money laundering and financing of terrorism and
 - implementation of adequate safeguard measures of confidentiality when using exchanged data and information.
- (5) The entity that has a subsidiary or a branch in another country where the minimum requirements for preventing money laundering and terrorist financing are less stricter than the obligations prescribed by this law, the entity shall implement the obligations for preventing money laundering and terrorist financing in the subsidiaries and branches in accordance with this Law, to the extent permitted by the regulations of the other country.
- (6) If the regulations of the other country where the entity holds subsidiaries or branches do not allow implementation of the measures and activities for preventing money laundering or terrorist financing prescribed by this law, the entity shall implement additional measures for efficient dealing with the risk of money laundering or terrorist financing and immediately inform the supervisory body referred to in Article 151, of this Law.
- (7) If the measures referred to in paragraph (6) of this Article are not sufficient, unless otherwise prescribed by another law, the competent supervisory body referred to in Article 151 of this Law shall implement additional supervisory activities in accordance with their

competences prescribed by this Law, including a demand from the entity not to establish or to terminate business relations and not to execute transactions, and where necessary, to demand from the entity to close its subsidiaries or branches in that country.

Entrusting the obligations for client due diligence to third parties

Article 49

(1) In the cases where the entities implement the measures referred to in Article 15 of this Law, they may entrust the implementation of the measures and the activities referred to in Article 15 paragraph (1) items a), b), c) and d) of this Law to third parties under the conditions set out by this Law.

(2) The responsibility for implementation of the client due diligence measures in the cases referred to in paragraph (1) of this Law shall remain with the entity which entrusts the obligations for undertaking the measures and activities referred to in Article 15 paragraph (1) items a), b), c) and d) of this Law to third parties.

(3) Third parties referred to in paragraph (1) of this Article are the entities listed in Article 5 of this Law, member organizations and federations of those entities or other institutions established in the Republic of North Macedonia, a member state of the European Union or in another country in which the following is mandatory:

- the measures for the client due diligence and the data storage in accordance with and in a way at least identical to the manner determined by this Law and which are in accordance with the international standards are applied;
- The application of measures and actions for prevention of money laundering and financing of terrorism is subject to supervision by a competent authority in accordance with this Law or in accordance with international standards.

(4) The entity shall be obliged to check in advance whether the third party meets the conditions prescribed by this Law, and in case the third party is an entity from another country, it shall be obliged to take into account the degree of risk of money laundering and financing of terrorism of that country.

(5) The entity may not entrust the undertaking of the measures and actions referred to in Article 15 paragraph (1) items a), b), c) and d) to a third party originating or established in a high-risk country in accordance with this Law or to a shell bank.

(6) In the cases referred to in paragraph (1) of this Article, the entity shall immediately obtain from the third party:

a) the necessary information for performing the client due diligence in accordance with this Law;

b) at its request, without delay, shall receive data and information on the performed client due diligence, i.e. copies of the identification and verification documents of the identity, including, if possible, information and data obtained by way of electronic identification means issued within registered scheme for electronic identification of a high level of security in accordance with law or other credible, electronic means of remote identification regulated, approved and accepted by the competent authorities of foreign countries.

(7) The entities may entrust the execution of the measures and actions referred to in Article 15 paragraph (1) items a), b), c) and d) of this Law to third parties, part of the same financial group, if the group:

- applies the requirements for clients due diligence, data storage and procedures for prevention of money laundering and financing of terrorism in accordance with international standards;
- applies requests for client due diligence and storage of data that are subject to supervision at the level of a group of competent authority and
- properly manages the risks associated with high-risk countries.

(8) The provisions of this Article do not refer to a third party in case when it acts as an agent for the entity or when the entity has concluded a service contract with the third party for the purposes of performing activities determined by this Law for the account of the entity.

Transfer of funds Article 50

The payment service provider and the intermediary payment service provider for the purposes of preventing money laundering and terrorist financing shall apply the provisions of this Law regulating the transfer of funds in any currency.

Obligations of the payment service provider of the payer

Article 50-a

(1) The payment service provider of the payer shall ensure accurate data on the payer and the payee of the funds in any currency in paper or electronic form of the payment order and enter them in the e-message accompanying the transfer of funds from the payer to the payee.

(2) Data on the payer referred to in paragraph (1) of this Article shall include the following:

- the name and surname, i.e. full name of the payer,
- the number of the payment account and
- the address, including the name of the country, number of the personal identification document, unique identification number (unique master citizen number) or the date and place of birth if the payer is a natural person, i.e. residence, including the name of the country, unique identification number (unique identification number of the entity or legal entity identifier) if the payer is a legal entity.

(3) The payee's referred to in paragraph (1) of this Article shall include the following:

- name and surname, i.e. full name of the payee,
- number of the payment account and
- unique identification number ((unique identity number of the entity or legal entity identifier) if the payee is a legal entity.

(4) By way of derogation from paragraph (2) indent 2 and paragraph (3) indent 2 of this Article, in case of transfer of funds which is not executed from or towards payment

account, the payment service provider of the payer is obliged to ensure that the transfer of funds is accompanied with an unique payment transaction identifier.

(5) in case of a cross-border batch file transfer by one payer, the individual transfers of funds that are part of such transfer do not have to contain the data referred to in paragraphs (2) and (3) of this Article, provided that the data specified in paragraphs (2), (3) and (4) of this Article are included in the aggregate transfer and that each individual transfer of funds includes at least the payment account number or the unique payment transaction identifier.

(6) When the transfer of funds, including the amount of the transactions related to that transfer, does not exceed Euro 1,000 in denar counter-value according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the day of the payment, the payment service provider of the payer shall be obliged to ensure that the transfer of funds includes at least the following data on the payer and the payee:

- name and surname, i.e. full name of the payer and the payee and
- the account number of the payer and the payee, and if it is missing or cannot be determined, it shall be necessary to determine the unique payment transaction identifier.

(7) The payment service provider of the payer shall confirm the accuracy of data on the payer provided in accordance with Articles 15, 16, 17, 18, and 19 of this Law, before transferring the funds.

(8) The payment service provider of the payer is considered to have confirmed the accuracy of the data received before transferring the funds, if he has previously established a business relationship with the payer and identified and confirmed their identity in accordance with Articles 15, 16, 17, 18 and 19 of this Law and if it acted in accordance with Article 37 of this Law.

(9) By way of derogation from paragraph (7) of this Article, the payment service provider of payer shall not be obliged to confirm the accuracy of payer's data if the amount of the money transfer, including the amount of payment transactions related to this transfer does not exceed Euro 1,000 according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the payment day and if the following conditions are met:

- there are no grounds for suspecting money laundering or terrorist financing and
- the payment service provider has not received the funds to be transferred in cash or as anonymous e-money

(10) The payment service provider of payer shall be obliged to establish and implement procedures to confirm the completeness of the data from this Article.

(11) In accordance with the risk assessment, the payer's payment service provider can confirm the accuracy of the data regardless of the amount of transferred funds.

(12) The payment service provider of the payer shall not transfer funds before making sure that there is full compliance with the conditions provided for in this Article.

Obligations of the payment service provider of the payee

Article 50-b

(1) The payment service provider of the payee shall be obliged to confirm whether the data on the payer and the payee of the transferred funds are provided and contained

in the e-message accompanying the transfer of funds, in accordance with Article 50-a of this Law.

(2) The payment service provider shall be obliged to establish and apply procedures for checking the completeness of the data referred to in paragraph (1) of this Article.

(3) If the transfer of funds exceeds Euro 1,000 in denar counter-value according to the middle exchange rate of the National Bank of the Republic of North Macedonia, the day before the payment service provider of the payee approves the payment transaction of the payee or places the funds at the payee's disposal, the payment service provider of the payee shall be obliged to confirm the accuracy of the data obtained for the payee, in accordance with Articles 15,16,17,18 and 19 of this Law, except if the payee is already identified and their identity is confirmed in accordance with Articles 15,16, 17,18 and 19 of this Law and the payment service provider acts in accordance with Article 37 of this Law, and there are no grounds for suspecting money laundering or terrorist financing.

(4) When the amount of the transferred funds, including the value of the payment transactions related to the transfer, does not exceed Euro 1,000 in denar counter-value according to the middle exchange rate of the National Bank of the Republic of North Macedonia, the day before the payment service provider of the payee approves the payment transaction of the payee or places the funds at payee's disposal, the payment service provider of the payee shall not be obliged to confirm the accuracy of the obtained data for the payee, unless:

- the funds are placed at the payee's disposal in cash or in anonymous e-money and
- there are grounds for suspecting money laundering or terrorist financing.

(5) In accordance with the risk assessment, the payment service provider shall be obliged to confirm the identity of the payee regardless of the amount of the funds transferred in accordance with Articles 15, 16, 17, 18 and 19 of this Law.

Obligations at transferring funds in case of incomplete data

Article 50-c

(1) The payment service provider of the payee shall be obliged, by applying the approach based on risk assessment, to establish and apply procedures for transfer of funds that do not include complete data specified in Article 50-a of this Law.

(2) When the transfer of funds does not include complete data as required in Article 50-a of this law, in accordance with the risk assessment, the payment service provider of the payee in its procedures referred to in paragraph (1) of this Article shall be obliged to determine in which cases it:

- will reject to execute the transfer of funds;
- will postpone the execution of the transfer of funds until it provides the data that are missing, which must be required from the intermediary payment service provider or from the payer's payment service provider or
- will make transfer of funds and will require the data that are missing from the intermediary payment service provider or the payer's payment service provider.

(3) If the payer's payment service provider continuously fails to provide accurate and complete data as specified in Article 50-a of this Law, the payment service provider of the payer in the transfer of funds shall be obliged to warn them about it, notifying them about

the deadline within which they should meet the obligations prescribed in the provisions of this Law. If the payment service provider of the payer fails to comply with the obligations prescribed in the provisions of this Law after receiving such warning and after the expiration of the specified deadline, the payment service provider of the payee shall be obliged to reject future transfers of funds or to limit or terminate the business cooperation with the payer's payment service provider.

(4) In the cases referred to in paragraph (3) of this Article, the payment service provider of the payee shall be obliged:

- to inform the National Bank of the Republic of North Macedonia about the payment service provider that fails to provide accurate and complete data as required in Article 50-a of this Law and about all the measures taken in relation to it as required in paragraph (3) of this Article and
- to determine whether the lack of accurate and complete data referred to in Article 50-a of this Law and the existence of other circumstances, point to suspicion of money laundering or terrorist financing, for which it will submit a report to the Office in accordance with Article 65 of this Law.

Obligations on the intermediary payment service provider

Article 50-d

(1) The intermediary payment service provider shall be obliged to forward the received data on the payer and the payee, from the payer's payment service provider to the payment service provider of the payee.

(2) The intermediary payment service provider shall be obliged to determine whether all data on the payer and the payee are stated in the electronic message accompanying the transfer of funds.

(3) The intermediary payment service provider shall be obliged, by applying the risk-based approach, to establish and apply procedures to be applied in case the electronic message for transfer of funds does not include the data referred to in Article 50-a of this Law.

(4) When the transfer of funds does not include the complete data referred to in Article 50-a of this Law, in accordance with the risk assessment, the intermediary payment service provider shall be obliged in its procedures to determine in which cases it:

- will reject to execute the transfer of funds;
- will postpone the execution of the transfer of funds until it provides the data that are missing, that must be required from the intermediary payment service provider or from the payment service provider of the payer or
- will make transfer of funds and will require the data that are missing from the intermediary payment service provider or the payer's payment service provider.

(5) If the payer's payment service provider or the payee's payment service provider fails to provide accurate and complete data as specified in Article 50-a of this Law, the intermediary payment service provider shall be obliged to warn them about it, notifying them about the deadline within which they should meet the obligations prescribed in the provisions of this Law. If the payer's payment service provider or the payee's payment

service provider fails to comply with the obligations prescribed in the provisions of this Law after receiving such warning and after the expiration of the specified deadline, the intermediary payment service provider shall be obliged to reject future transfers of funds received from the payer's payment service provider or the payee's payment service provider or to limit or terminate the business cooperation with them.

(6) In the cases referred to in paragraph (4) of this Article, the intermediary payment service provider shall be obliged:

- to inform the National Bank of the Republic of North Macedonia about the payment service provider that fails to provide accurate and complete data in accordance with Article 50-a of this Law and about all the measures taken in relation to it in accordance with paragraph (4) of this Article and
- to determine whether the lack of accurate and complete data referred to in Article 50-a of this Law and the existence of other circumstances, point to suspicion of money laundering or terrorist financing, for which it will submit a report to the Office in accordance with Article 65 of this Law.

Exceptions to the transfer of funds

Article 50-e

Articles 50, 50-a, 50-b, 50-c and 50-d of this Law shall not apply in the following cases:

- a) when the transfer of funds is made for paying taxes, fines or other public duties in the Republic of North Macedonia;
- b) when the transfer of funds is made only for the purchase of goods or services by using a payment card, an electronic money instrument, a mobile phone or any other digital or IT device, provided that the number of such card, instrument or device, or a single identification sign, accompanies such transfer in a way that enables payer data to be obtained through such a number or identification sign. This exception shall not apply in cases when the payer and the payee are natural persons and the transfer of funds does not result from a business activity and transfer of funds or crypto assets that have the features of electronic money tokens;
- c) when the transfer includes services and payment transactions referred to in Article 3 of the Law on Payment Services and Payment Systems (*);
- d) when the payer and the payee are payment service providers acting on their own behalf;
- e) when the payer withdraws cash from their account;
- f) when the transfer of funds is made to pay the payee for telecommunication services, services for electricity, gas, thermal energy and water distribution, waste collection, treatment and disposal, maintenance of residential buildings or other facilities, where the following conditions are met:
 - the amount of funds transfer does not exceed a denar equivalent of Euro 1,000 according to the middle exchange rate of the National Bank of the Republic of North Macedonia, on the day of receipt of the money transfer order,
 - the payment for services should be made to the payee's payment account used only for this type of payments,

- the payee's payment service provider to be able through the payee, on the basis of a single identification sign of the payment transaction or other data accompanying the transfer of funds, to obtain data on the transfer of funds from the person who has an agreement with the payee in relation to the provision of services referred to in this item,
 - the transfer of funds is made within the Republic of North Macedonia and
 - when the conditions under Article 14 of this law are met and
- g) the person does not perform any activity other than exchanging documents from paper to electronic form or providing another type of support in accordance with an agreement with the payment service provider.".

Obligations of the crypto asset service provider of the originator

Article 51

(1) Crypto asset service provider of the originator shall make sure that the crypto asset transfer is accompanied by the following data and information of the sender:

- name and surname, i.e. full name of the originator,
- address of the hosted or unhosted crypto asset electronic wallet and account number, if any and if used for the purposes of the transfer, and if the address, i.e. the account is missing or cannot be identified, it is necessary to determine the single identification sign of the crypto asset transfer, which allows its tracking and
- address, including the name of the country, number of the personal identification document, unique identification number (unique master citizen number) or date and place of birth if the originator is a natural person, i.e. unique identification number (unique business identifier or business identification mark) if the originator is a legal entity.

(2) crypto asset service provider referred to in paragraph (1) of this Article shall make sure that the crypto asset transfer is accompanied by the following data and information of the sender:

- name and surname, i.e. full name of the beneficiary,
- address of the hosted or unhosted crypto asset electronic wallet and account number, if any and if used for the purposes of the transfer, and if the address, i.e. the account is missing or cannot be identified, it is necessary to determine the single identification code of the crypto asset transfer, which allows its tracking and
- unique identification number (unique business identifier or business identification mark) if the originator is a legal entity.

(3) The crypto asset service providers shall forward the data referred to in paragraphs (1) and (2) of this Article before or during the crypto asset transfer and in a way that ensures data reliability and protection against unauthorized access, not limited to being an integral part of the transmission.

(4) By way of derogation from paragraphs (1) and (2) of this Article, in the case of a crypto asset transfer from or to unhosted electronic wallet, the crypto asset service provider of the originator shall make sure that the transfer is accompanied by a unique identification sign.

(5) The crypto asset service providers shall, within the framework of internal procedures and risk assessment, assess whether the payer and payee addresses are controlled by the same person in a crypto asset transfer that exceeds denar equivalent of Euro 1000 according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the day of the transfer, to an unhosted crypto asset electronic wallet.

(6) The crypto asset service provider shall confirm the accuracy of originator's data provided in accordance with Articles 15, 16, 17, 18 and 19 of this law, before transferring the crypto assets.

(7) The crypto asset service provider is considered to have confirmed the accuracy of received originator's data before the transfer of crypto assets, if it has previously established a business relationship with the payer and identified and confirmed their identity in accordance with Articles 15, 16, 17, 18 and 19 of this law and if it acted in accordance with Article 37 of this law.

(8) The sender's crypto asset service provider shall not transfer the crypto assets before making sure that there is full compliance with the conditions provided for in this Article.

(9) In the case of a batch file transfer by a sender, the individual crypto asset transfers that are part of such transfer do not have to contain the data from paragraphs (2) and (3) of this Article, provided that the data specified in paragraphs (6) and (7) of this Article are included in the aggregate transfer and that each individual assets transfer includes at least the single identification sign of the transaction.

Obligations of the crypto asset service provider of the beneficiary

Article 51-a

(1) The crypto asset service provider of the beneficiary shall develop and apply procedures for verifying the completeness of data under Article 51 paragraphs (1), (2), (3) and (4) of this law during or after the transfer to confirm whether the data of the originator and the beneficiary or the data under Article 51 paragraph (9) of this law are provided.

(2) In the case of crypto asset transfer from an unhosted electronic wallet, the user's crypto asset service provider shall provide and keep the data under Article 51 paragraphs (1) and (2) of this law and make sure that the crypto asset transfer is identifiable.

(3) Crypto asset service provider of the beneficiary shall, adhering to the internal procedures and risk assessment, assess whether the sender and user addresses are controlled by the same person in case of a crypto asset transfer that exceeds denar equivalent of Euro 1000 according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the day of the transfer, from an unhosted crypto asset electronic wallet.

(4) The crypto asset service provider shall, before making crypto assets available to the user, verify the accuracy of beneficiary information under Article 51 paragraph (2) of this law on the basis of data and information from reliable and independent sources.

(5) Data shall be considered verified under paragraph (4) of this Article when the crypto asset service provider referred to in this Article has properly applied the provisions of this law that refer to the client due diligence, continuous monitoring of business relationship and the storage of data and information provided by this law.

Obligations at crypto asset transfer in case of incomplete data

Article 51-b

(1) The crypto asset service provider of the beneficiary shall establish and apply procedures for crypto asset transfer that do not include complete data as specified in Article 51 of this Law, by applying risk based approach.

(2) When the crypto asset transfer does not include complete data as required in Article 51 of this law, in accordance with the risk assessment, the user's crypto asset service provider shall, in its procedures referred to in paragraph (1) of this Article, determine the cases in which it shall:

- refuse to transfer crypto assets;
- return the crypto assets to the originator or
- request the missing data from the crypto asset service provider before making them available to the user.

(3) If the crypto asset service provider constantly fails to provide accurate and complete data as required in Article 51 of this Law, the user's crypto asset service provider shall, at the crypto asset transfer, warn them thereon, notifying them about the completion deadline for the obligations under this Law. If the crypto asset service provider fails to meet the obligations prescribed in this Law, after receiving such warning and after the expiration of the specified deadline, the user's crypto asset service provider shall refuse any future transfers of crypto assets or limit or terminate the business cooperation with the crypto asset service provider.

(4) In the cases referred to in paragraph (3) of this Article, the crypto asset service provider of the beneficiary shall:

- inform the competent authority, in accordance with the law, about the crypto asset service provider who fails to provide accurate and complete data under Article 51 of this Law and about all the measures taken against them as specified in paragraph (3) of this Article and
- determine whether the lack of accurate and complete data under Article 51 of this Law and the existence of other circumstances, point to suspicion of money laundering or financing of terrorism, and shall submit a report thereon to the Office in accordance with Article 65 of this Law.

Obligations for the intermediary crypto asset service provider

Article 51-c

(1) The intermediary crypto asset service provider in the crypto asset transfer between the crypto asset service provider of the originator and the beneficiary, shall ensure that the data and information about the sender and the user under Article 51 of this law, that accompany the crypto asset transfer shall be transferred together with the crypto asset transfer or the aggregate crypto asset transfer, including a crypto asset transfer from or to an unhosted crypto asset electronic wallet.

(2) The intermediary crypto asset service provider under paragraph (1) of this Article shall keep the data and information about the originator and the beneficiary within the period specified in Article 62 of this law and, if necessary, made them available to the supervisory authorities under Article 151 of this law at their request.

(3) The intermediary crypto asset service provider under paragraph (1) of this law shall establish and apply procedures using the risk-based approach, in cases when the electronic message for crypto asset transfer does not include the data referred to in Article 51 of this Law.

(4) When the crypto asset transfer does not include complete data as required in Article 51 of this law, in accordance with the risk assessment, the intermediary crypto asset service provider under paragraph (1) of this Article shall, in its procedures, determine cases in which it shall:

- refuse to transfer crypto assets;
- return the crypto assets to the originator or
- request the missing data from the crypto asset service provider before the transfer.

(5) If the sender's crypto asset service provider fails to provide accurate and complete data as required in Article 51 of this Law, the intermediary crypto asset service provider shall, at the crypto asset transfer, warn them thereon, notifying them about the completion deadline for the obligations under this Law. If the originator's crypto asset service provider fails to meet the obligations under this Law, after receiving such warning and after the expiration of the specified deadline, the intermediary crypto asset service provider in the crypto asset transfer shall refuse any future crypto asset transfers or limit or terminate the business cooperation with them.

(6) In the cases under paragraph (5) of this Article, the intermediary crypto asset service provider referred to in paragraph (1), in the crypto asset transfer shall:

- inform the competent authority, in accordance with the law, about the crypto asset service provider who fails to provide accurate and complete data under Article 51 of this Law and about all the measures taken against them as specified in paragraph (5) of this Article and
- determine whether the lack of accurate and complete data under Article 51 of this Law and the existence of other circumstances, point to suspicion of money laundering or financing of terrorism, and shall submit a report thereon to the Office in accordance with Article 65 of this Law.

Exceptions to the transfer of crypto assets

Article 51-d

The provisions referred to in Articles 51, 51-a, 51-b and 51-c of this Law shall not apply in the following cases:

a) when transferring crypto assets between crypto assets service providers that carry out this transfer on their own behalf and account and

b) when transferring crypto assets between unhosted electronic wallets for crypto assets that are performed as a transfer of crypto assets that does not include a crypto assets service provider.

Virtual asset service providers

Article 52

(1) The virtual assets service providers when performing a virtual assets transaction in the sense of this Law, in addition to the measures determined in Article 15 of this Law, shall be obliged to determine the client identity in accordance with Article 17 of this Law, before each occasional virtual asset transaction.

(2) The virtual assets service provider within the implementation of the measures and actions for prevention of money laundering and financing of terrorism from this Law, in addition to the measures from Article 15 of this Law, shall be obliged to provide and store data on the hosted or unhosted electronic wallet i.e. virtual assets addresses used by the client or used to execute a virtual assets transaction, as well as to take measures to determine whether the client uses more wallets, i.e. virtual assets addresses.

(3) The entities referred to in paragraph (1) of this Article shall be obliged to record the data about the client in chronological order, in a numbered register, signed by the authorized person or another person who holds an authorization to sign the register given by a managerial person in accordance with the the internal acts of the entities.

Foreign exchange operations

Article 53

(1) The entities that have a license for foreign exchange operations, in addition to the measures determined in Article 15 of this Law, shall be obliged to determine the client identity in accordance with Article 17 of this Law, before each transaction involving an amount larger than EUR 500 in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia.

(2) The entities referred to in paragraph (1) of this Article shall be obliged to record the client data in chronological order in a numbered register signed by the authorized person or another person with authorization to sign the register given by the manager in accordance with the internal acts of the entities.

(3) The numbered register referred to in paragraph (2) of this Article shall contain the following data:

- "Ordinal number" – the transactions shall be recorded in chronological order starting from the numerical unit "one" onwards, until the conclusion of the register with the last page for the current month;
- "Date" – the date when the transaction was performed shall be entered;
- "Name and surname of a natural person" – the name and surname of the client who performed the transaction larger than EUR 500 in MKD equivalent shall be entered in the original from the valid identification document;

- "Date and place of birth" – date and place of birth of the client who made the transaction higher than EUR 500 in MKD equivalent shall be entered in the original from the valid identification document;
- "Address and place of residence or domicile" – client's address and place of residence or domicile who made the transaction higher than EUR 500 in MKD equivalent shall be entered in the original from the valid identification document;
- "PINC or identification number" – the personal identification number of the citizen – resident or identification number of the natural person – non-resident, for the client who made the transaction higher than EUR 500 in MKD equivalent shall be entered in the original from the valid identification document;
- "Identification document number" – the number of the valid identification document (ID card or passport number) of the client who performed the transaction higher than EUR 500 in MKD equivalent shall be entered;
- "Identification document issuing authority" – the body that issued the identification document (ID card or passport number) of the client who performed the transaction higher than EUR 500 in MKD equivalent;
- "Buying/selling" – recording whether the transaction buys or sells effective foreign currency over EUR 500 in MKD equivalent;
- "Type of currency" – the mark (code) of the transaction currency higher than EUR 500 in MKD equivalent, in accordance with the Instructions on the manner of performing foreign payment operations of the National Bank of the Republic of North Macedonia shall be entered;
- "Transaction amount" – the transaction amount higher than EUR 500 in MKD equivalent shall be entered;
- "Name and surname" – the name and surname of the authorized person or another person with authorization to sign the register shall be entered and
- Signature of the authorized person or another person with authorization to sign the register.

Organizers of games of chance

Article 54

(1) The organizers of games of chance in a game shop (casino), in addition to the measures determined in Article 15 of this Law, shall be obliged to verify the identity of the client in accordance with Article 17 of this Law immediately upon the entry in the casino and upon buying or cashing-in chips or loans in the amount of EUR 1,000 or more in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the day the buying, that is, the paying out has been done, regardless of whether the transaction is conducted as one or several transactions that are obviously linked with each other.

(2) The organizers of games of chance, with the exception to the organizers of games of chance in a game shop (casino), in addition to the measures determined in Article 15 of this Law, shall be obliged to verify the identity of the client in accordance with Article 17 of this Law before payment of the prize, payment of deposit or in both cases where the transaction is in the amount of EUR 1,000 or more in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the day the buying, that is, the paying out has been done, regardless of whether the

transaction is conducted as one or several transactions that are obviously linked with each other.

Brokerage companies and banks that hold a license to work with securities

Article 55

(1) The brokerage companies and the banks that hold a license to work with securities shall be obliged to keep a numbered register for trade in securities, the total value of which is higher than EUR 15,000 in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia, signed by the authorized person or another person who holds an authorization to sign the register given by a managerial person in accordance with the bylaws of the brokerage companies and the banks that hold a license to work with securities.

(2) The numbered register referred to in paragraph (1) of this Article shall contain the following data:

- "Ordinal number" – the transactions shall be recorded in chronological order, starting from the numerical unit "one" onwards, until the conclusion of the register with the last page for the current month;
- "Date" – the date when the transaction was performed shall be entered;
- "Name and surname of the client – natural person/name of the client – legal entity" – the client's name and surname in case of a natural person or the name of the legal entity when the client is a legal entity shall be entered in the original from the valid identification document;
- "Date and place of birth of the client – natural person" – the date and place of birth of the client in case of a natural person shall be entered in the original of the valid identification document;
- "Address and place of residence or domicile of client – natural person/head office of client – legal entity" – the address and place of residence or domicile when the client is a natural person or the head office when the client is a legal entity shall be entered in the original from the document of identification;
- "PINC or identification number of client – natural person/TIN or identification number of client – legal entity" – the name, surname or PINC (personal identification number of the citizen) when the client is a natural person – resident or identification number when the client is a natural person – non-resident or TIN (tax identification number) when the client is a legal entity – resident or identification number when the client is a legal entity – non-resident shall be entered in original from the document of identification;
- "Number of the identification document of the client – natural person/ legal representative of the client – legal entity" – the number of the valid identification document (ID card number or passport number) shall be entered;
- "Issuing authority of the identification document of the client – natural person/legal representative of a client – legal entity", the identification document issuing authority shall be entered;
- "Name, surname and PINC or identification number of the authorized person" – the name, surname and PINC when the authorized natural person is a resident or the identification number when the authorized natural person is a non-resident shall be entered in the original from the identification document;

- "Name, surname and PINC or identification number of the beneficial owner" – the name, surname and PINC when the beneficial owner is a resident or the name, surname and identification number when the beneficial owner is a non-resident shall be entered from the original identification document;
- "Buying or selling" – the word "buying" or the word "selling" shall be entered depending on the specific case;
- "Account of client – natural or legal person or proxy" – the client's or proxy's transaction account number in case of a natural or legal person, through which the transaction was performed shall be entered numerically;
- "Number of shares" – the number of purchased or sold shares shall be entered numerically;
- "Total amount of the transaction in denars" – the total amount of the performed transaction shall be entered numerically;
- "Shares issuer" – the name of the legal entity issuer of the shares subject of the transaction shall be entered;
- „Name and surname" – the name and surname of the authorized person or another person authorized to sign the register shall be entered and
- signature of the authorized person or another person with authorization to sign the register.

Persons trading or acting as intermediaries in the trade of works of art

Article 56

(1) The entities that are persons trading or acting as intermediaries in trade in works of art as per Article 5 paragraph (1) item 8) of this Law, in addition to the measures determined in Article 15 of this Law, shall be obliged to verify the identity of the client in accordance with Article 17 of this Law before each transaction that includes an amount higher than EUR 10,000 in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia regardless of whether the transaction is performed individually or through several transactions that are obviously linked.

(2) The entities referred to in paragraph (1) of this Article shall be obliged to record the client's data in chronological order in a numbered register signed by the authorized person or another person with authorization to sign the register given by the manager in accordance with the documents of the entities.

(3) The numbered register referred to in paragraph (2) of this Article shall contain the following data:

- "Ordinal number" – the transactions shall be recorded in chronological order, starting from the numerical unit "one" onwards, until the conclusion of the register with the last page for the current month;
- "Date" – the date when the transaction was performed shall be entered;
- "Name and surname of the client – natural person/name of the client – legal entity" – the client's name and surname in case of a natural person or the name of the legal entity when the client is a legal entity shall be entered in the original from the valid identification document;
- "Date and place of birth of the client – natural person" – the date and place of birth of the client in case of a natural person shall be entered in the original of the valid identification document;

- "Address and place of residence or domicile of client – natural person/head office of client – legal entity" – the address and place of residence or domicile when the client is a natural person or the head office when the client is a legal entity shall be entered in the original from the document of identification;
- "PINC or identification number of client – natural person/TIN or identification number of client – legal entity" – the name, surname or PINC (personal identification number of the citizen) when the client is a natural person – resident or identification number when the client is a natural person – non-resident or TIN (tax identification number) when the client is a legal entity – resident or identification number when the client is a legal entity – non-resident shall be entered in original from the document of identification;
- "Number of the identification document of the client – natural person/ legal representative of the client – legal entity" – the number of the valid identification document (ID card number or passport number) shall be entered;
- "Issuing authority of the identification document of the client – natural person/legal representative of a client – legal entity", the identification document issuing authority shall be entered;
- "Name, surname and PINC or identification number of the authorized person" – the name, surname and PINC when the authorized natural person is a resident or the identification number when the authorized natural person is a non-resident shall be entered in the original from the identification document;
- "Name, surname and PINC or identification number of the beneficial owner" – the name, surname and PINC when the beneficial owner is a resident or the name, surname and identification number when the beneficial owner is a non-resident shall be entered from the original identification document;
- "Buying or selling" – the word "buying" or the word "selling" shall be entered depending on the specific case;
- "Total amount of the transaction in denars" – the total amount of the performed transaction shall be entered numerically;
- „Name and surname" – the name and surname of the authorized person or another person authorized to sign the register shall be entered and
- signature of the authorized person or another person with authorization to sign the register.

Persons storing, trading or acting as intermediaries in the trade of works of art when the activity takes place in free zones

Article 57

(1) The entities that are persons trading or acting as intermediaries in trade in works of art as per Article 5 paragraph (1) item 9) of this Law, in addition to the measures determined in Article 15 of this Law, shall be obliged to verify the client's identity in accordance with Article 17 of this Law before each transaction that includes an amount higher than EUR 10,000 in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia, regardless of whether the transaction is performed individually or through several transactions that are obviously linked.

(2) The entities referred to in paragraph (1) of this Article shall be obliged to record the client's data in chronological order in a numbered register signed by the

authorized person or another person with authorization to sign the register given by the manager in accordance with the internal documents of the entities.

(3) The numbered register referred to in paragraph (2) of this Article shall contain the following data:

- "Ordinal number" – the transactions shall be recorded in chronological order, starting from the numerical unit "one" onwards, until the conclusion of the register with the last page for the current month;
- "Date" – the date when the transaction was performed shall be entered;
- "Name and surname of the client – natural person/name of the client – legal entity" – the client's name and surname in case of a natural person or the name of the legal entity when the client is a legal entity shall be entered in the original from the valid identification document;
- "Date and place of birth of the client – natural person" – the date and place of birth of the client in case of a natural person shall be entered in the original of the valid identification document;
- "Address and place of residence or domicile of client – natural person/head office of client – legal entity" – the address and place of residence or domicile when the client is a natural person or the head office when the client is a legal entity shall be entered in the original from the document of identification;
- "PINC or identification number of client – natural person/TIN or identification number of client – legal entity" – the name, surname or PINC (personal identification number of the citizen) when the client is a natural person – resident or identification number when the client is a natural person – non-resident or TIN (tax identification number) when the client is a legal entity – resident or identification number when the client is a legal entity – non-resident shall be entered in original from the document of identification;
- "Number of the identification document of the client – natural person/ legal representative of the client – legal entity" – the number of the valid identification document (ID card number or passport number) shall be entered;
- "Issuing authority of the identification document of the client – natural person/legal representative of a client – legal entity", the identification document issuing authority shall be entered;
- "Name, surname and PINC or identification number of the authorized person" – the name, surname and PINC when the authorized natural person is a resident or the identification number when the authorized natural person is a non-resident shall be entered in the original from the identification document;
- "Name, surname and PINC or identification number of the beneficial owner" – the name, surname and PINC when the beneficial owner is a resident or the name, surname and identification number when the beneficial owner is a non-resident shall be entered from the original identification document;
- "Buying or selling" – the word "buying" or the word "selling" shall be entered depending on the specific case;
- "Total amount of the transaction in denars" – the total amount of the performed transaction shall be entered numerically;
- „Name and surname" – the name and surname of the authorized person or another person authorized to sign the register shall be entered and
- signature of the authorized person or another person with authorization to sign the register.

(4) The Minister of Finance, on a proposal of the director of the Office, shall prescribe the form of the numbered register referred to in Articles 52, 53, 55, 56 and 57 of this Law.

Prohibitions

Article 58

- (1) Payments in cash for goods and services in the amount of EUR 3,000 or more in MKD equivalent in a form of one or several transactions that are obviously linked, not carried out through a bank, a savings house or an account in another institution rendering payment services, shall be prohibited.
- (2) The entities that are authorized by law to register securities, any other property or legal matters, or to report or transfer money, securities or any other property, may complete such registration or transfer only if the client submits a proof that the money transfer exceeding the amount referred to in paragraph (1) of this Article is carried out through a bank, a savings house or an account in another institution rendering payment services.
- (3) The prohibition referred to in paragraph (1) of this Article shall not apply to the organizers of games of chance.
- (4) It is prohibited to perform transactions related to the exchange of virtual funds for money in the sense of law which are performed in cash in the amount larger than EUR 500 in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the day of the transaction, in the form of one or more obviously linked transactions, which has not been performed through a bank, savings house or through an account in another institution that provides payment services.

Article 59

- (1) The financial institutions and virtual assets service providers shall be prohibited to enter in, or continue, a business relationship with shell banks and to establish or continue a correspondent business relationship with a bank for which they know that allows opening and operating accounts of shell banks.
- (2) The shell banks shall be prohibited to carry out financial activities in the Republic of North in any manner.
- (3) Financial institutions and crypto assets service providers from paragraph (1) of this Article shall be obliged to ensure that the financial institution with which it has a correspondent business cooperation prohibits the use of its accounts by shell banks.

Article 60

- (1) The financial institutions shall be prohibited to open and keep accounts, savings books and safes in anonymous form, encrypted form or under fictitious names, i.e. perform other services that directly or indirectly enable concealment of the client's identity i.e. anonymity.
- (2) Virtual assets services providing that directly or indirectly enable concealment of the client's identity as well as performing transactions with such virtual assets shall be prohibited.

(3) The virtual assets issuer, as well as the virtual assets service provider must not use resources or assets through an information system that enables or facilitates concealment of the client's identity or that prevents or complicates the tracking of virtual assets transactions.

Article 61

Accepting payments made using an anonymous prepaid payment card (prepaid card) shall be forbidden when:

1. The payment instrument is replenished or the total amount of transactions on a monthly basis is not limited to the amount of EUR 150 in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia and can be used only in the Republic of North Macedonia;
2. The maximum amount of the payment instrument exceeds EUR 150 in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia;
3. The payment instrument is not used exclusively for procurement of goods or services;
4. The payment instrument is issued as anonymous and
5. The payment instrument issuer does not monitor or control the transactions or business relations, in order to detect complex or unusual transactions or suspicious transactions.

Keeping of data

Article 62

- (1) The entities shall be obliged to keep the documents or electronic records obtained by measures for client due diligence, the client file and business correspondence, the results of any due diligence conducted on the client or the beneficial owner, in electronic or written form for ten years from the termination of the business relationship with the client or from the date of execution of the occasional transaction.
- (2) The entities shall be obliged to keep documents or electronic records for all transactions ten years after their execution, including the accompanying evidence and records for the transactions that consist of original documents or copies that can serve as evidence in court proceedings, which are necessary to identify and enable the reconstruction of individual transactions.
- (3) The entities shall be obliged to keep the data in the same form as delivered to the Office for ten years as of the day of submission. Upon expiry of this deadline, the entities shall be obliged to delete the personal data of the client.
- (4) The financial institutions and virtual assets service providers shall be obliged to keep data on the payer i.e. the ordering party and the recipient of non-cash transfer of funds or virtual assets transfer referred to in Articles 50, 50-a, 50-b, 50-c, 50-d, 51, 51-a, 51-b and 51-c of this Law for ten years as of the completed transfer.
- (5) The register referred to in Articles 52, 53, 54, 55, 56 and 57 of this Law shall be mandatorily kept for ten years as of the last entered data.
- (6) The entities shall be obliged to keep copies of the documentation referred to in Article 69 of this Law for ten years from the day of the performed internal control.

- (7) In the case of termination of the entity, the obligation to keep the data for the period determined in paragraph (1) of this Article shall be transferred to the legal successors of the entity.
- (8) If the legal entity has no legal successors, the obligation to keep the data referred to in paragraph (1) of this Article shall be transferred to its founders.
- (9) The entities shall be obliged to make the documents referred to in paragraphs (1) and (2) of this Article available to the supervisory bodies referred to in Article 151 of this Law at their request.
- (10) On a request of the Office, the entities shall be obliged to keep the data referred to in paragraph (1) of this Article for more than ten years.

Submission of data to the Office

Article 63

- (1) The entities shall be obliged to submit the gathered data, information and documents to the Office in case of cash transaction in the amount of EUR 15,000 in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia or more, regardless of whether it is a single transaction or several obviously linked transactions.
- (2) The entities shall be obliged to submit the gathered data, information and documents about the completed transactions referred to in paragraph (1) of this Article to the Office in a form of a report within a period of three working days at the latest as of the completed transaction.
- (3) The Minister of Finance, on a proposal of the director of the Office, shall prescribe the form and the contents of the report referred to in paragraph (2) of this Article.

Article 64

- (1) The notaries public shall submit to the Office the collected data on prepared notary documents and notarized certifications of signatures on contracts based on which the right of ownership of is acquired in the amount of EUR 15,000 or more in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the day compiling or certifying, listed in the contract, as well as the compiled notary public documents and the notary certification of signatures of contracts from this paragraph, as a report in electronic form no later than three working days from the day of compilation or certification.
- (2) The banks shall submit to the Office, as a report in electronic form, by the tenth day of the current month for the previous month, the collected data regarding the credits made drawable to their clients in the amount of EUR 15,000 or more in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the day of advancement of the credit.
- (3) The banks shall submit to the Office, as a report in electronic form, by the tenth day of the current month for the previous month, the collected data regarding awarded and/or received loans between the clients in the amount of EUR 5,000 or more in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia.

(4) The providers of money remittances services (fast money transfer) shall submit the data on the transactions in the amount of EUR 1,000 or more in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the day of making the transaction to the Office, in electronic form no later than three working days from the day of the transaction.

(5) The insurance companies that carry out activities related to life insurance shall submit the collected data about concluded life insurance policies, together with the concluded insurance policy, to the Office as a report in electronic form no later than three working days from the day of its conclusion in the following cases:

- for concluded life insurance policies by paying premium per life insurance policy in the amount equal or bigger than EUR 15,000 and payment on grounds of purchase, loan or endurance in the amount equal or bigger than EUR 15,000 in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the day of conclusion of the insurance policy, that is, on the day of payment, except for the life insurance contracts without a savings component, i.e. without an investment component and

- for concluded life insurance policies of a holder of public office, no matter the value of the insurance, except for life insurance contracts without a savings component, i.e. without an investment component.

(6) The legal entities whose activity involves sale and purchase of vehicles shall submit the collected data about the concluded contracts for sale and purchase of new vehicles in the amount of EUR 15,000 or more in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the day of conclusion of the contract to the Office as a report in electronic form no later than three working days from the day of concluding the contract.

(7) The organizers of games of change in a game shop (casino) shall submit to the Office the collected data on buying or cashing-in chips or credits in the amount of EUR 1,000 or more in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the day of buying, that is, paying out regardless of whether the transaction was performed individually or through several transactions that are obviously linked, they submit to the Office as a report in electronic form no later than three working days from the date of purchase or payout.

(8) The other organizers of games of change, except the organizers of games of chance in a game shop (casino), shall submit to the Office, the collected data on payment of a prize, making a deposit or in both cases when the transaction is in the amount of EUR 1,000 or more in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia, regardless of whether the transaction was performed individually or through several transactions that are obviously linked, shall submit them to the Office as a report in electronic form no later than three working days after the pay in, the pay out or in both cases.

(9) Virtual assets service providers when performing activities, i.e. providing services for exchange of virtual assets and fiat currencies or money in terms of law, shall submit the data on performed transactions in the amount of EUR 1,000 or more in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the day of making the transaction, in the form of one or more linked as a report in electronic form no later than three working days from the day of the transaction.

(10) The enforcement agents shall submit the collected data on performed sales by oral public bidding and sales contracts with direct agreement acquiring the right of ownership

of property in the amount of EUR 15,000 or more, in MKD equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia on the day when they are compiled to the Office in the form of a report in electronic form, no later than three working days from the day of the sale, i.e. the day of compiling the contract of sale by direct agreement.

(11) The reports referred to in paragraphs (1), (2), (3), (4), (5), (6), (7), (8), (9) and (10) of this Article shall contain data for the personal identification number or other identification number of the person, name and surname, date and place of birth, sex and citizenship.

(12) The Minister of Finance, at a proposal of the director of the Office, shall prescribe the form of the reports, the type and the categories of data referred to in paragraphs (1), (2), (3), (4), (5), (6), (7), (8), (9), (10) and (11) of this Article and the manner of the electronic submission to the Office.

Article 65

(1) The entities shall be obliged to submit the collected data, information and documents to the Office:

- 1) when they know, suspect or have grounds to suspect that with the transactions money laundering and/or financing of terrorism has been or is committed or there has been or there is an attempt to launder money and/or to finance terrorism, regardless of the amount of the transaction;
- 2) when they know, suspect or have grounds to suspect that the property is proceeds of crime or
- 3) when they know, suspect or have grounds to suspect that the property is related to financing of an act of terrorism, a terrorist organization or a terrorist, or a person who is funding terrorism or financing proliferation of weapons of mass destruction.

(2) If the entity has learned the grounds for suspicion referred to in paragraph (1) of this Article prior to the making of the transaction, it shall be obliged to immediately notify the Office and to keep on hold the transaction 2 hours the most as of the notification to the Office.

(3) If the entity has learned the grounds for suspicion referred to in paragraph (1) of this Article in the course of the making of the transaction, it shall be obliged to immediately notify the Office and to keep on hold the transaction 4 hours the most as of the notification to the Office.

(4) The entity shall be obliged to submit accurate data, information and documents to the Office about the suspicions referred to in paragraph (1) of this Article in a form of a report within a period of 24 hours as of learning about the grounds of suspicion at the latest.

(5) If the submitted data referred to in paragraphs (2), (3) and (4) of this Article are not sufficient, the Office may request additional information, data and documentation from the entity.

(6) If the Office does not notify the entity about any further activities within the deadline set in paragraphs (2) and (3) of this Article, the entity may make or reject the transaction.

(7) The entities, with the exception of notaries public, lawyers and law firms, shall be obliged to notify in writing the competent supervisory body referred to in Article 151 of this Law that they have submitted a report referred to in paragraph (4) of this Article to the Office, in a period of three working days as of the day of submission of the report.

(8) The Office shall be obliged to notify the entity about the receipt and the completed checks of the report referred to in paragraph (4) of this Article.

(9) The report referred to in paragraph (4) of this Article shall contain data on the personal identification number or other identification number of the person, name and surname, date and place of birth, sex and citizenship.

(10) The Minister of Finance, upon a proposal of the Director of the Office, shall prescribe the form, type and categories of the data from the report referred to in paragraph (4) of this Article.

Article 66

The entity shall establish the grounds for suspicion referred to in Article 65 paragraph (1) of this Law on the basis of:

- direct information on the client,
- the list of indicators for recognizing suspicious transactions determined by the Office, the entities and the supervisory bodies,
- the consolidated list that is kept in accordance with the regulations on restrictive measures,
- typologies and trends of money laundering or financing of terrorism established by the Office;
- estimated risk of money laundering and financing of terrorism and of the established client's risk profile and
- other relevant information.

Article 67

(1) The entities shall be obliged to submit the reports to the Office via protected electronic means. If such manner of submission is not possible because of technical reasons, the entities shall submit the reports in a written form.

(2) The reports given to the Office by phone should be confirmed in accordance with paragraph (1) of this Article within 24 hours at the latest.

(3) The Office must not reveal the identity of the employee in the entity who submits the report, except in the cases of suspicion that the employee or the entity has committed a crime of money laundering and/or financing of terrorism, at a written request of the competent court where it is necessary to confirm facts in the course of the criminal procedure.

Safe ways to deliver data and information to the competent authorities

Article 67-a

(1) Unless otherwise prescribed by another law, the subjects are obliged to provide the data and the information to the competent authorities from Articles 130 and 151 of this law to deliver via protected electronic means. If this method of delivery is disabled for technical reasons, the data and information subjects submit in writing.

(2) The competent authorities from paragraph (1) of this Article may not reveal the subject and the identity of the employee in the entity that submits the data and information, except in the cases where there is a suspicion that the employee or subject committed criminal offense of money laundering and/or terrorist financing, upon request in writing form of the competent court when it is necessary to establish facts during criminal proceedings.

Appointment of an authorized person and establishment of a department for prevention
of money laundering and financing of terrorism

Article 68

- (1) The entities shall be obliged to appoint an authorized person and his/her deputy.
- (2) The entity that has employed only one person is not obliged to appoint a deputy of the authorized person in accordance with paragraph (1) of this Article.
- (3) If the entity employs more than 50 persons who are directly related to the activities for which they are obliged to implement measures and actions for prevention of money laundering and financing of terrorism, in addition to the obligation referred to in paragraph (1) of this Article, the entity, within the framework of its operation, shall be obliged to establish a special department for prevention of money laundering and financing of terrorism.
- (4) The department referred to in paragraph (3) of this Article should employ at least four persons if the entity employs between 50 and 300 persons, and the number of employees in the department should increase by one person for every next 100 employees.
- (5) The entity may, on the basis of the results from the risk assessment, employ more persons than the number foreseen in accordance with paragraph (4) of this Article in the department referred to in paragraph (3) of this Article.
- (6) The authorized person referred to in paragraph (1) of this Article shall manage the work of the department referred to in paragraph (3) of this Article.
- (7) The authorized person, his/her deputy, as well as the employees in the department should fulfill the following requirements:
 - a) not to be convicted of property crimes, crimes against public finances, payment operations and economy, official duty crimes, public order crimes, and crimes against humanity and international law, and other crimes;
 - b) to hold at least a secondary education diploma, have appropriate professional knowledge and experience in carrying out the duties in the field of prevention of money laundering and financing of terrorism; and
 - c) to have good knowledge of the business activity and the working processes of the entity.
- (8) The heads of the departments referred to in paragraph (6) of this Article and the authorized persons of the remittance service providers (fast money transfer) shall meet the following conditions:
 - a) have not been convicted of criminal offenses against property, criminal offenses against public finances, payment operations and economy, criminal offenses against official duty, criminal offenses against public order and criminal offenses against humanity and international law, etc.;

b) have higher education, appropriate professional knowledge and experience in performing tasks in the field of prevention of money laundering and financing of terrorism; and

c) are well acquainted with the business activity and work processes of the entity.

(9) The entities referred to in paragraph (3) of this Article, authorized person, his/her deputy, as well as all employees in the department referred to in paragraphs (4) and (5) of this Article, shall be subjected to security checks in accordance with the regulations on security of classified information and shall be obliged to hold a security clearance certificate.

(10) In order for the authorized person, his/her deputy and the employees in the department to work efficiently, the entity shall be obliged to ensure fulfillment of at least the following conditions:

- separation of the activities of the authorized person, that is, of the department from the other business activities of the entity which are not related to the activities for prevention of money laundering and financing of terrorism and control of the compliance of the work with the regulations,

- independence of the authorized person and the department in the implementation of the measures and activities for detection and prevention of money laundering and financing of terrorism in accordance with this Law,

- right to direct access to the electronic databases and timely access to all information necessary for unobstructed implementation of the program and the provisions of this Law, and

- establishment of direct communication with the governing bodies of the entity, etc.

(11) The banks and the providers of money remittances services (fast money transfer) shall be obliged to appoint an authorized on-duty person and his/her deputy who, in case of emergencies (an act of terrorism, threats of an act of terrorism) shall immediately, and within a period of three hours at the latest, be available to the Office. The authorized on-duty person and his/her deputy must meet the requirements of paragraphs (8) and (9) of this Article.

(12) The banks and the providers of money remittances services (fast money transfer) shall be obliged to provide the authorized on-duty person and his/her deputy referred to in paragraph (11) of this Article the necessary conditions for work in accordance with paragraph (10) of this Article.

(13) The entity shall be obliged to adopt measures which shall ensure that the employees who carry out duties in the field of prevention and detection of money laundering and financing of terrorism in accordance with this Law are acquainted with the provisions of this Law, including also appropriate measures in relation to protection of the data. The measures must be proportional to the type and size of the entity and the assessed risk of money laundering and financing of terrorism.

(14) The entity shall be obliged to ensure regular professional training in the field of prevention and detection of money laundering and financing of terrorism in accordance with this Law for all employees.

(15) The entities shall be obliged to submit electronically to the Office data on the persons (name, surname and contact) referred to in paragraphs (1) and (11) of this Article, as well as to notify the Office about every change. If this method of delivery is unavailable due to technical reasons, the entities shall submit the notification in writing until the moment of removal of such obstacles, i.e. reasons.

Obligation for internal control

Article 69

The entities shall be obliged to conduct an internal control of the implementation of the measures and activities for prevention of money laundering and financing of terrorism at least once a year in the current year for the previous year and to prepare documentation for the established findings from the conducted internal control.

Implementation of software for automatic data processing

Article 70

- (1) The banks shall be obliged to implement and regularly upgrade software for automatic data processing in accordance with the features of the software for automatic data processing that should meet the regulations for personal data protection.
- (2) The Minister of Finance, on a proposal of the director of the Office, shall prescribe in details the features of the software for automatic data processing.

Use of the data obtained under this Law by the entities

Article 71

- (1) The data obtained based on this Law, including the personal data, shall be used only for detection and prevention of money laundering and financing of terrorism in accordance with the law.
- (2) The submission of the data referred to in paragraph (1) of this Article to the Office and to the appropriate supervisory body to the relevant supervisory body when performing supervision in accordance with this Law shall not be considered disclosure of a business secret or disclosure of classified data and information.
- (3) The employees in the entities and the persons that govern the entities that are obliged to take measures and activities for detection and prevention of money laundering and financing of terrorism, in accordance with this Law, must not use the personal data from the clients' files for purposes other than implementation of the measures and activities aimed at detecting and preventing money laundering and financing of terrorism in accordance with the purposes foreseen by this Law.

Prohibition on disclosing data and information

Article 72

- (1) The entity and its employees, including the members of the governing and supervisory board or other persons who have at disposal the data provided in accordance with this Law or the bylaws adopted on the basis of this Law in any manner, must not inform the client or a third party:

1. that an analysis for determination of grounds of suspicion of money laundering or financing of terrorism by the Office is being carried out or is likely to be carried out;
 2. that data, information or documentation about the client or a third party or a transaction is submitted or is going to be submitted to the Office;
 3. that the Office has issued an order for monitoring the business relationship or a written order for temporary keeping the transaction on hold;
 4. that pre-investigation activities, an investigation or criminal proceedings for money laundering or financing of terrorism is initiated or is possible to be initiated against the client or a third party.
- (2) The data, information and documents referred to in paragraph (1) of this Article shall be classified data for which an appropriate level of classification is determined in accordance with the regulations on protection of classified information.
- (3) The entity shall be obliged to take technical, personnel and organizational measures for protection of the data obtained in accordance with the provisions of this Law that are necessary for their protection in case of accidental loss, destruction or unauthorized access, unauthorized use and any other abuse and to determine an obligation for the employees that process the data to sign a confidentiality statement.
- (4) The prohibition on disclosing data and information referred to in paragraph (1) of this Article shall not apply, unless the Office decides otherwise, when:
- a) data and information are exchanged among financial institutions that are part of the same group, provided that they implement the regulations that derive from the valid international regulations and standards for prevention of money laundering and financing of terrorism;
 - b) data and information are exchanged among the entities referred to in Article 5 item 2 of this Law from states in which the same provisions for detection and prevention of money laundering as the provisions of this Law are prescribed, and which carry out their professional activity as part of the same legal entity or as part of a larger ownership or governing structure to which the legal entity belongs.
- (5) The prohibition on disclosing data and information referred to in paragraph (1) of this Article shall not apply on data and information referring to the same client or the same transaction where two or more entities participate, provided that they implement the measures for prevention of money laundering and financing of terrorism, carry out the same type of an activity and are subject to the obligations for protection of a business secret and personal data protection.
- (6) It is not considered disclosure of data and information if the entities under Article 5 of this law indicate to the client the consequences of engaging in or performing activities contrary to the law.

Exclusion from liability for reporting and keeping a transaction on hold

Article 73

- (1) A procedure for determination of liability for disclosure of a business secret against the persons or the managerial body and the employees in the entities, as well as the supervisory bodies referred to in Article 151 paragraph (1) of this Law that have submitted information or reports in relation to suspicious transactions to the Office shall not be initiated.

(2) A procedure for civil or criminal liability against the official or responsible persons, the managerial body or the employees in the entities, as well as the supervisory bodies referred to in Article 151 paragraph (1) of this Law that have submitted data, information, documents or reports in accordance with the provisions of this Law, cannot be initiated even in the case where the procedure on the submitted information and reports has not led to determination of liability, that is, a final judgment.

(3) A procedure for civil or criminal liability against the official or responsible persons, the managerial body and the employees in the entities, as well as the supervisory bodies referred to in Article 151 paragraph (1) of this Law, for material or non-material damage caused as a consequence of keeping on hold transactions in accordance with the provisions of this Law cannot be initiated, except if such keeping on hold matches the features of a crime.

(4) It is prohibited for the persons or the working authority and the employees of the entities, as well as the supervisory authorities under Article 151 paragraph (1) of this law, who submitted information or reports regarding suspicious transactions to the Administration to be exposed to threats, retaliatory or hostile, adverse or discriminatory employment practices.

(5) The persons or the working authority and the employees of the entities, as well as the supervisory authorities referred to in Article 151 paragraph (1) of this law, who submitted information or reports regarding suspicious transactions to the Administration, and who are exposed to threats, retaliatory or hostile actions or negative or discriminatory actions in the employment relationship due to reporting suspicions of money laundering or terrorist financing are entitled to an effective remedy to protect their rights under the law.

Business secret

Article 74

Invoking non-disclosure of a business secret cannot be accepted as a ground for rejecting the provision, submission and giving of data, information, and documents in accordance with this Law.

CHAPTER IV.

FINANCIAL INTELLIGENCE OFFICE

Article 75

- (1) The Office shall be a unit of financial intelligence of the Republic of North Macedonia, established for the purpose of collecting and analyzing reports for suspicious transactions and other information of importance for the prevention and detection of money laundering and financing of terrorism and submitting the results of the analysis and other additional relevant information to the competent bodies in cases of grounds for suspicion of money laundering and financing of terrorism.
- (2) The Office shall be a state administrative body within the Ministry of Finance, with the capacity of a legal entity.
- (3) The Office shall have the following competencies:

- to collect, process, analyze, store, and submit data obtained on the basis of this Law,
- to obtain data, information and documents, necessary for the exercise of its competencies,
- to prepare and submit reports to the competent state bodies whenever there are grounds for suspicion that a crime of money laundering or financing of terrorism has been committed,
- to prepare and submit a notification to the competent state bodies about existence of grounds for suspicion that another crime has been committed,
- to issue a written order to the entity on the basis of which the transaction is temporarily kept on hold,
- to file a request for submission of a proposal for granting preliminary injunctions to the competent public prosecutor,
- to submit an order for monitoring the business relationship to the entity,
- to issue a misdemeanor payment order,
- to submit a motion for initiation of a misdemeanor procedure with the competent court,
- to prepare strategic analyses for determination of trends and typologies of money laundering and financing of terrorism,
- to cooperate with the entities referred to in Article 5 of this Law, the Ministry of Interior, the Ministry of Defense, the Ministry of Justice, the Ministry of Foreign Affairs, the Public Prosecution Office of the Republic of North Macedonia, the Intelligence Agency, National Security Agency, the Financial Police Administration, the Customs Administration, the Public Revenue Office, the State Foreign Exchange Inspectorate, the Securities and Exchange Commission of the Republic of North Macedonia, the National Bank of the Republic of North Macedonia, the Agency for Supervision of Fully Funded Pension Insurance, the Agency for Insurance Supervision, the State Commission for the Prevention of Corruption, the State Audit Office, the Central Register of the Republic of North Macedonia, and other state bodies and institutions, as well as with other organizations, institutions and international bodies combating money laundering and financing of terrorism,
- to conclude cooperation agreements and to exchange data and information with the financial intelligence units of other states and international organizations, involved in the fight against money laundering and financing of terrorism,
- to supervise the entities regarding the application of the measures and activities determined by this Law independently or in cooperation with the supervisory bodies referred to in Article 151 this Law,
- to participate in the implementation of the national risk assessment of money laundering and financing of terrorism and to conduct risk assessment of particular categories of entities,
- to raise initiatives or to give opinions on laws and bylaws referring to prevention of money laundering and financing of terrorism,
- may assist in the professional development of authorized persons and the employees in the department for prevention of money laundering and financing of terrorism in the entities referred to in Article 5 of this Law,
- to determine lists of indicators for identification of suspicious transactions in cooperation with the entities and the bodies supervising their work and to regularly update them,
- to plan and deliver training courses for professional development and training of the employees in the Office,
- to carry out activities aimed at raising the awareness of the non- governmental sector for the risks of their possible abuse for the purposes of financing terrorism, - to give

- clarifications regarding the application of the regulations on prevention of money laundering and financing of terrorism,
- to keep records, as well as comprehensive statistics for the purposes of assessing the efficiency of the system for combating money laundering and financing of terrorism, -
 - to act in accordance with the provisions of the Law on Restrictive Measures and the bylaws adopted on the basis of the referred law, and
 - to carry out other activities laid down by a law.
- (4) For the purpose of exercising its competencies, the Office shall have timely, direct or indirect electronic access to data, information and documentation which are at the disposal of the entities, the state bodies and institutions, and other legal entities or natural persons in accordance with the provisions of this Law.
- (5) The Office shall carry out the activities within its competence in accordance with the law and the ratified international agreements regulating the prevention of money laundering and financing of terrorism.
- (6) The personal data collected for the purposes of this Law shall be used in accordance with this Law and the regulation on personal data protection.
- (7) Once a year, the Office shall prepare a report on the activities within its competence and a work program for the following year and shall submit them to the Minister of Finance and to the Government of the Republic of North Macedonia. The Office may also submit any other report on a request of the Minister of Finance or the Government of the Republic of North Macedonia.

Article 76

- (1) The Office shall exercise its competencies on the whole territory of the Republic of North Macedonia.
- (2) The head office of the Office shall be in Skopje.

Basic principles of the Office

Article 77

- (1) The basic work principles of the Office are:
- 1) legality – all actions and activities undertaken in the Office shall be undertaken in accordance with the Constitution of the Republic of North Macedonia, laws and international agreements ratified in accordance with the Constitution and law,
 - 2) proportionality – in the application of the authorizations prescribed by law, the authorizations must be proportionate to the needs for which they are undertaken, taking into account the seriousness of the risks arising from their application, as well as achieving the goal with the least harmful consequences,
 - 3) efficiency – in undertaking the actions and activities, their duration, as well as rational spending of public funds for their effective execution and
 - 4) impartiality – undertaking actions and activities without any influence from political, personal financial interests or the existence of any cases of conflict of interests in accordance with law.

Autonomy and operational independence of the Office

Article 78

The Office shall be autonomous and operationally independent in the course of exercising the competencies prescribed by this Law and shall have an authorization to completely freely exercise its competencies, including the making of decisions with regard to analyzing, requesting, forwarding and submitting the results from its analyses and information, data and documentation to the competent bodies and financial intelligence units of any other state.

Funding of the Office

Article 79

The necessary funds for financing the Office shall be provided from the Budget of the Republic of North Macedonia.

Article 80

- (1) The Office and its employees shall not be held liable for the damage caused to the entities, clients of the entities or third persons in cases where they act in accordance with the provisions of this Law or the bylaws adopted on the basis of this Law.
- (2) The Republic of North Macedonia shall not be held liable for the damages that may be caused by the application of the provisions of this Law or the bylaws adopted on the basis of this Law.
- (3) As an exception, the provisions of paragraphs (1) and (2) of this Law shall not apply if the damage is caused intentionally.

Article 81

- (1) The director of the Office shall be appointed and dismissed by the Government of the Republic of North Macedonia on a proposal of the Minister of Finance upon conducted job announcement, published in three daily newspapers in circulation on the whole territory of the Republic of North Macedonia, one of which is a newspaper published in the language spoken by at least 20% of the citizens who speak an official language other than the Macedonian.
- (2) The director shall have a term of office of five years, with the possibility of reappointment.
- (3) A person who meets the following requirements may be appointed as a director:
 - 1) to be a citizen of the Republic of North Macedonia;
 - 2) to have at least 240 credits under the ECTS or VII/1 degree of education;
 - 3) to have at least five years of work experience in the field of prevention of money laundering and financing of terrorism;
 - 4) not to be convicted of property crimes, crimes against public finances, payment operations and economy, official duty crimes, public order crimes, and crimes against humanity and international law, and other crimes; and

- 5) to hold one of the following internationally recognized certificates or certificates for active knowledge of English:
- TOEFL IBT - at least 74 points,
 - IELTS - at least 6 points,
 - ILEC (Cambridge English: Legal) - at least B2 level,
 - FCE (Cambridge English: First) - passed,
 - BULATS - at least 60 points, or
 - APTIS - at least B2 level.
- 6) to actively use the Macedonian language
- 7) to have a certificate for knowledge of office work computer programs
- (4) The term of office of the director shall terminate:
- upon expiry of five years as of the day of appointment,
 - in the case of death,
 - in the case of resignation,
 - in the case of dismissal,
 - in the case of being convicted of a crime by an effective judgment to at least six months of imprisonment,
 - if the court imposes a measure prohibition on carrying out an activity of a managerial person in the institution, and
 - upon loss of the legal capacity.
- (5) The director may be dismissed due to:
- unlawful operation,
 - carrying out the duty of a director unprofessionally,
 - long-lasting serious illness that prevents him/her from fulfilling the obligations, and
 - personal request.
- (6) The director shall manage and represent the Office, shall organize and ensure lawful, efficient and professional performance of the activities of the Office, shall adopt decisions, orders and internal orders, instructions, plans and programs, warnings with recommendations, and other documents in accordance with law.
- (7) The director may authorize a financial intelligence officer from the A category referred to in Article 87 paragraph (1) of this Law to sign documents referred to in paragraph (6) of this Article in the cases of his/her absence or prevention.

Article 82

The director of the Office and its employees shall be subject to vetting in accordance with the regulations on security of classified information.

Article 83

- (1) The jobs of the employees in the Office shall be grouped in groups and subgroups in accordance with the Law on the Public Sector Employees:
- 1) job positions of administrative servants;
 - 2) job positions of authorized officials and
 - 3) job positions of assistant technical staff.

Article 84

- (1) The employees of the Office referred to in Article 83 of this Law shall have an official identification card.

(2) The form, contents and manner of issuance, revocation and use of the official identification card shall be prescribed by the Minister of Finance, on a proposal of the director.

Article 85

(1) The Office employees performing tasks of administrative nature have the status of administrative employees.

(2) The provisions of the Law on Administrative Servants shall apply to the classification, employment, salary system, promotion, professional development and training issues, measuring the effect and other employment issues of the administrative employees.

Article 86

(1) The Office employees performing auxiliary-technical work have the status of auxiliary-technical persons.

(2) The Law on Public Sector Employees shall apply to the classification, records, employment and mobility issues of the employees referred to in paragraph (1) of this Article, and general labor regulations and collective agreements shall apply to other employment issues.

CHAPTER V.

RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF EMPLOYED AUTHORIZED OFFICIALS IN THE OFFICE

Classification of jobs of authorized officers in the Office

Article 87

(1) The following categories of jobs are established for authorized officials in the Office:

- category A – managers – financial intelligence officers, and
- category B – financial intelligence officers.

(2) Within category A, the following levels of jobs are established:

- level A1 – Head of Sector – financial intelligence officer,
- level A2 – Assistant Head of Sector – financial intelligence officer and
- level A3 – Head of department – financial intelligence officer.

(3) Within category B, the following levels of jobs are established:

- level B1 – independent financial intelligence officer,
- level B2 – senior financial intelligence officer,
- level B3 – financial intelligence officer and
- level B4 – junior financial intelligence officer.

Article 88

- (1) This Law, the Law on Labor Relations, the Law on Public Sector Employees, and the regulation in the field of health, pension and disability insurance, and the collective agreements, shall apply to the authorized official within the Office, unless otherwise regulated by this Law.
- (2) The employment of the authorized officials in the Office shall be performed in accordance with the Law on Public Sector Employees..
- (3) The mobility of the authorized officials in the Office shall be performed in accordance with the Law on Public Sector Employees.

Employment of a financial intelligence officer

Article 89

- (1) A person who, in addition to the general requirements provided by this law, meets the special requirements foreseen by this Law and the act on systematization of jobs in the Office may be employed as financial intelligence officer in the Office.
- (2) A person may be employed as a financial intelligence officer if he/she meets the following general requirements:
 - 1) is a citizen of the Republic of North Macedonia;
 - 2) is psychophysically healthy (capable) to perform the tasks prescribed by the act of systematization;
 - 3) actively uses the Macedonian language;
 - 4) is an adult;
 - 5) there is no final court decision against him/her, pronouncing a ban on performing a profession, activity or duty;
 - 6) a security check by a competent authority determined that the employment of the person does not pose a security risk.
- (3) In addition to the general conditions referred to in paragraph (2) of this Article, a person who meets the following special conditions may be employed as a financial intelligence officer:
 - 1) professional qualifications for all levels of category A and B – level of qualification VI A according to the Macedonian Qualifications Framework and at least 180 credits obtained according to ECTS or 240 credits according to ECTS or completed VII/1 degree of education.
 - 2) to have work experience in the area, as follows:
 - for A1 level – at least seven years of work experience in the area, of which at least 3 years in a managerial position in the public sector,
 - for A2 level – at least six years of work experience in the area of which at least 1 year in a managerial position in the public sector
 - for A3 level – at least five years of work experience in the area, of which at least 1 year at a job in the public sector,
 - for B1 level – at least three years of work experience in the area;
 - for B2 level – at least two years of work experience in the area;
 - for B3 level – at least one year of work experience in the area and
 - for B4 level – with or without work experience.
 - 3) has completed an appropriate education prescribed by the act on

systematization of jobs in the Office;

- 4) is fluent in one of the three most frequently used languages (English, French or German) and
- 5) active knowledge of office work computer programs.

Termination of employment of a financial intelligence officer

Article 90

(1) The employment of the financial intelligence officer shall terminate if:

- a) he/she requests so;
 - b) he/she permanently loses the health capacity for carrying out the duties in the Office as a consequence of illness or diminished physical or mental capacities;
 - c) it is determined that he/she has not stated or has given false data in relation to the general and special requirements for employment, as of the day of finality of the decision or upon the expiry of the deadline for decision-making on an appeal against the decision;
 - d) he/she is imposed a disciplinary measure termination of employment, as of the day of handing over the final decision;
 - e) due to serving a sentence of imprisonment, he/she must be absent from work more than six months - as of the day of sending him/her to serve the sentence; f) he/she meets the requirements for retirement as per this Law and
 - g) he/she is assessed with the "unsatisfactory" mark for three consecutive times or at least three times during the last five years.
- (2) The Minister of Finance shall decide on the termination of the employment.

Rights and obligations of the financial intelligence officer

Article 91

(1) The financial intelligence officers shall have the obligation:

- a) to perform the duties conscientiously, professionally, efficiently, orderly and timely in accordance with the Constitution, law and other regulations;
- b) to execute the orders of the immediate superior manager and to act upon them in accordance with the Constitution, law and any other regulation;
- c) to respect the prescribed working hours; and
- d) to use the equipment entrusted to them for carrying out their duties with due attention and due care in accordance with its purpose and not to use it for personal purposes.

(2) The financial intelligence officer, in addition to the obligations referred to in paragraph (1) of this Article, shall have the following obligations as well:

- a) to carry out his/her work impartially and without influence of political parties, not to be guided by his/her personal political beliefs, by personal financial interest, not to abuse the authorizations and the status, and to protect the reputation of the Office;
- b) to professionally develop his/her knowledge for the purpose of improving the professional demands by constant respect and application of the regulations in the performance of his/her official duties;
- c) to behave in accordance with the Code of Conduct of the employees in the Office;

- d) to obey all security measures in order to avoid the threat to his/her life and health, as well as the life and health of the other employees in the Office; and
 - e) not to use privileges and reliefs, not to request or accept material or other benefit in the course of performance of his/her duties.
- (3) The financial intelligence officers shall be obliged to treat and keep the classified information in accordance with the regulations on classified information.
 - (4) The financial intelligence officers shall be obliged to gather, process and keep the personal data in accordance with the provisions of this Law and the regulations on personal data protection.
 - (5) The financial intelligence officers shall be held disciplinary liable, liable for misdemeanors and criminally liable in accordance with the law for non-compliance with the obligations prescribed in paragraphs (1), (2), (3) and (4) of this Article.

Article 92

- (1) The Office shall plan, organize and deliver training courses for the employees.
- (2) The Office shall conclude an agreement, in a written form, that regulates the rights and obligations of the contracting parties with an employee who is sent to training, the value of which exceeds ten average salaries paid in the Republic of North Macedonia for the last month before being sent to training.
- (3) The employee who does not meet the obligations under the concluded agreement referred to in paragraph (2) of this Article shall be obliged to compensate the costs incurred for his/her training increased by three times.

Salary, insurance and allowances of the financial intelligence officer

Article 93

- (1) The financial intelligence officers shall have the right to salaries, salary allowances and other supplements that are provided from the Budget of the Republic of North Macedonia.
- (2) The financial intelligence officer, due to the specificity of the works he/she carries out, shall have the right to a salary that is increased for 30% from the basic salary determined by the act on payment of salary and allowances.
- (3) The financial intelligence officer, in the case of temporary inability to work caused in the course of carrying out or due to the carrying out the works and duties, shall be entitled to compensation in the amount of the current salary for the time of absence.
- (4) In accordance with the regulations on pension and disability insurance, the length of the years of service for insurance shall be accrued at an accelerated rate, so the age limit for acquiring the right to an old-age pension shall be reduced depending on the accrual rate of years of service, that is, by one year for each four years spent at job positions where effective 12 months at the job shall be calculated as 15 months in the years of service for insurance.
- (5) The Office shall insure the financial intelligence officers against death, bodily injury or loss of working capacity in the course of carrying out the works within their competence.

Termination of the employment contract of the financial intelligence officer due to the age of the employee

Article 94

The Office shall terminate the employment contract of the financial intelligence officer when the employee reaches 64 years of age and 15 years of pension years of service.

Entitlement to a one-time severance pay

Article 95

The financial intelligence officer who has acquired the right to a pension is entitled to a one-time compensation in the form of severance pay, in accordance with a collective agreement.

Article 96

The financial intelligence officers, in the course of exercising their authorizations, shall have special rights to enter and to have free access to stations, airports, ports and public parking areas only by presenting the official identification card.

Article 97

(1) The financial intelligence officer may be promoted at a higher position by a decision of the director, and upon a previous consent of the Minister of Finance, depending on the achieved exceptional and above average results in the work, the professional knowledge and competences in the work, the commitment, creativity and conscientiousness in carrying out the official duties.

(2) The financial intelligence officer may be promoted if he/she meets the following requirements:

- the position to which he/she is promoted is vacant (not filled or has become vacant),
- meets fully the requirements determined in the act on systematization of job positions for the position to which he/she is promoted,
- he/she has completed the training courses determined for the position to which he/she is promoted,
- he/she has been assessed with the marks "outstanding" or "satisfactory" in the manner and under the conditions determined by this Law,
- at least one year has passed since his/her last promotion, and
- in the last 12 months he/she has not been punished for violation of the work order and discipline or non-fulfillment of the working obligations determined by law .

Article 98

(1) The financial intelligence officers, in the course of their work, shall be assessed once a year by the immediate managerial financial intelligence officer. If there is no immediate managerial financial intelligence officer, the assessment shall be made by the

senior managerial financial intelligence officer in accordance with the systematization act. If there is no senior managerial financial intelligence officer in accordance with the systematization act, the assessment shall be made by the director of the Office.

(2) The financial intelligence officers who have been justifiably absent from work for a period longer than six months during the year (sick leave, unpaid leave etc.) shall not be assessed.

(3) The financial intelligence officers shall be assessed based on data referring to the following criteria:

- the professional knowledge and competences in the work,
- the commitment,
- the results achieved,
- the creativity, and
- the consciousness.

(4) The criteria referred to in paragraph (3) of this Article shall be assessed separately, with numerical marks from one to four and with the following descriptive marks "outstanding", "satisfactory", "not fully satisfactory" and "unsatisfactory".

(5) The financial intelligence officer who is not satisfied with the mark may submit a request for review of the mark to the Commission for Review of the Mark, formed by the director, within a period of eight days as of the day of assessment.

(6) The financial intelligence officer who is not satisfied with the decision of the Commission for Review of the Mark shall have the right to file an appeal through the Office to the State Commission for Decision-making in Administrative Procedure and Labor Relations Procedure in Second Instance within a period of eight days as of the day of delivery of the decision.

(7) The manner of assessing the work of the financial intelligence officers, the types of reports, the form and contents of the assessment form, and the other forms shall be prescribed by the Minister of Finance on a proposal of the director.

Article 99

(1) The Code of Conduct shall describe the standards for conduct that should be obeyed by all employees and shall give directions and instructions for resolution of the ethical issues for those who work in the Office and those who cooperate and work with the employees in the Office.

(2) The Code of Conduct shall be prescribed by the Minister of Finance on a proposal of the director.

Article 100

(1) The financial intelligence officer shall be held disciplinary liable for violation of the work order and discipline or non-fulfillment of the duties.

(2) The liability for the committed crime shall not exclude the disciplinary liability of the financial intelligence officer.

Article 101

(1) The financial intelligence officer shall be disciplinary liable for a disciplinary irregularity and disciplinary offense.

(2) Disciplinary irregularity, in terms of paragraph (1) of this Article, shall be considered any minor violation of the work discipline, the working duties, the reputation of the Office and of the employees.

(3) Disciplinary offense, in terms of paragraph (1) of this Article, shall be considered any major violation of the work discipline, the working duties, the reputation of the Office and of the employees.

Article 102

(1) The financial intelligence officer shall make a disciplinary irregularity, that is, a minor violation of the work discipline, the working duties, the reputation of the Office and of the employees if he/she:

- 1) does not comply with the work order and discipline;
- 2) does not fulfill or unduly and untimely fulfills the working obligations;
- 3) does not abide by the regulations valid for carrying out the works at the job; 4) does not comply with the determined working hours, schedule and use of the working hours;
- 5) does not ask for an absence or does not notify in writing the director, that is, the immediate managerial officer or any other responsible employee about absence from work on time;
- 6) due to illness or justified reasons, is absent from work, but he/she does not, immediately or within 24 hours at the latest, inform the director, that is, the immediate managerial officer or any other responsible employee thereof;
- 7) does not use the means for work conscientiously or in accordance with the technical instructions for work;
- 8) does not inform immediately the director, that is, the immediate head of the organizational unit or any other responsible employee about the cases where damage, error in the work or loss is caused;
- 9) does not maintain the means for work and the equipment for safety at work in accordance with the regulations on safety at work;
- 10) causes disorder and behaves violently at work;
- 11) uses the assets of the Office unlawfully or without authorization; and 12) avoids training.

Article 103

The financial intelligence officer shall commit a disciplinary offense, that is, a major violation of the work discipline, the working duties, the reputation of the Office and of the employees if he/she:

- 1) without any justification, is absent from work three working days consecutively or five working days during one year;
- 2) abuses the sick leave;
- 3) does not comply with the regulations on health protection, safety at work, fire, explosion, harmful impact of poisons and other dangerous materials, and violates the regulations on environmental protection;
- 4) takes in, uses or is under the influence of alcohol and narcotics; 5) steals or, related to the work, intentionally or due to utmost negligence, causes damage to the Office;
- 6) does not comply with the provisions of the Law on Classified Information;
- 7) abuses personal data;

- 8) abuses or exceeds the statutory obligations and authorizations;
- 9) avoids medical checks for determination of the work capacity;
- 10)unlawfully gains personal benefit related to carrying out the works and duties;
- 11)uses or enables another to use money or other valuable items which have been entrusted to the financial intelligence officer for carrying out the works and duties; and
- 12)establishes, manages, represents, presents a political party, is a member of party's bodies determined by its statute, expresses and advocates party positions and beliefs during carrying out the works and duties, wears or displays party symbols in the premises or the official vehicles of the Office, and organizes or acts in favor of a party in the Office.

Article 104

(1) In the case of disciplinary irregularity, one of the following disciplinary measures may be imposed on the financial intelligence officer by a decision:

- 1) a written reprimand or
- 2) a fine in the amount of 15% of the last monthly net salary paid to the financial intelligence officer, in duration of one to three months.

(2) In the case of disciplinary offense, one of the following disciplinary measures may be imposed on the financial intelligence officer by a decision:

- 1) a fine in the amount of 15% of the last monthly net salary paid to the financial intelligence officer, in duration of one to six months;
- 2) reassignment to a job which, in accordance with the hierarchy of jobs determined in the act on systematization of jobs in the Office, is one level lower than the job wherefrom the financial intelligence officer is reassigned; or
- 3) termination of the employment contract.

(3) The level of responsibility, the circumstances under which the violation of the work discipline, the working duties, the reputation of the Office and of the employees has been committed, the previous work and behavior of the employee, the seriousness of the violation and its consequences, the circumstances under which the violation has been committed, and other mitigating and aggravating circumstances shall be taken into account when imposing the disciplinary measures referred to in paragraphs (1) and (2) of this Article.

Article 105

The sum of the fines imposed on the financial intelligence officer in one month for violation of the work discipline, the working duties, the reputation of the Office and of the employees cannot exceed 20% of the amount of his/her total net salary for the respective month.

Article 106

(1) The disciplinary measures against the financial intelligence officer for the disciplinary irregularity shall be imposed on a proposal of the immediate managerial financial intelligence officer, the senior managerial financial intelligence officer or managerial financial intelligence officer at the same level, which shall at the same time

be submitted to the director and the financial intelligence officer against whom the proposal is submitted.

(2) The financial intelligence officer against whom the proposal is submitted shall have the right to give a statement regarding the proposal, that is, to give his/her reaction in a written form within a period of three days as of the day of receipt of the proposal referred to in paragraph (1) of this Article.

(3) The disciplinary measures against the financial intelligence officer for disciplinary irregularity shall be imposed by the director within a period of eight days as of the day of receipt of the written reaction referred to in paragraph (2) of this Article.

(4) The unsatisfied financial intelligence officer shall have the right to file an appeal against the decision referred to in paragraph (3) of this Article to the State Commission for Decision-making in Administrative Procedure and Labor Relations Procedure in Second Instance within a period of eight days as of the receipt of the decision.

Article 107

A proposal for initiation of a procedure for determination of a disciplinary liability of the financial intelligence officer for a disciplinary offense may be filed by the immediate managerial financial intelligence officer, the senior managerial financial intelligence officer or the managerial financial intelligence officer at the same level. The proposal must be elaborated and supported by facts and proofs.

Article 108

(1) The director shall establish a commission for determination of a disciplinary liability to conduct the procedure for determination of a disciplinary liability for a disciplinary offense of the financial intelligence officer in the cases determined by this Law within eight days as of the day of submission of the proposal for initiation of a disciplinary procedure.

(2) The Commission referred to in paragraph (1) of this Article shall be composed of financial intelligence officers, that is, a president from among the managerial financial intelligence officers and two members one of whom, if possible, shall be a financial intelligence officer holding the same position as the financial intelligence officer against whom the disciplinary procedure is conducted. The president and the members shall have their deputies.

(3) The commission referred to in paragraph (1) of this Article shall conduct the procedure for determination of a disciplinary liability in accordance with this Law.

(4) The commission referred to in paragraph (1) of this Article shall propose to the director to adopt an adequate disciplinary measure after completion of the disciplinary procedure, provided that it determines that the financial intelligence officer is liable.

(5) If the commission referred to in paragraph (1) of this Article establishes that the financial intelligence officer is not liable, it shall propose to the director to reject the proposal or to terminate the procedure.

(6) The director, based on the proposal of the commission, shall adopt a decision on imposition of a disciplinary measure, on rejection of the proposal, or on termination of the procedure within a period of three days as of the day of receipt of the proposal referred to in paragraph (5) of this Article. The decision on imposition of a disciplinary measure shall also contain an explanation about the ground and the reasons for imposing a disciplinary measure.

- (7) The decision on imposition of a disciplinary measure shall be delivered to the financial intelligence officer personally, as a rule, in the working premises of the Office, that is, at the address of his/her permanent, that is, temporary residence.
- (8) If the financial intelligence officer refuses the delivery, the decision shall be made public at the notice board in the Office. It shall be deemed that the delivery is done upon expiry of three working days as of the day of publication at the notice board.
- (9) The financial intelligence officer shall have the right to file an appeal against the decision on imposition of a disciplinary measure or rejection of the proposal, that is, termination of the procedure through the Office to the State Commission for Decision making in Administrative Procedure and Labor Relations Procedure in Second Instance, within a period of eight days as of the day of delivery of the decision.
- (10) The appeal shall postpone the execution of the decision until the adoption of a final decision or expiry of the deadline within which the State Commission for Decision making in Administrative Procedure and Labor Relations Procedure in Second Instance should make a decision. The Office shall be obliged to submit the appeal, together with the accompanying documents, to the State Commission for Decision-making in Administrative Procedure and Labor Relations Procedure in Second Instance, within a period of eight days as of the day of receipt of the appeal.
- (11) The disciplinary procedure shall be completed within 60 days as of the day of adoption of the decision on establishment of the commission referred to in paragraph (1) of this Article.

Article 109

- (1) Until adoption of a decision in a disciplinary procedure that is conducted against a financial intelligence officer, the financial intelligence officer, by way of a written decision:
- an individual administrative decision, shall be suspended from the job and from the Office in the cases determined by the regulations on labor relations, provided that one of the following situations occur:
 - the life or health of the employees or other persons are under a direct threat or the means of higher value are damaged,
 - his/her presence at the work place and his/her further work has harmful effect on the operation of the Office, and
 - in the cases where a criminal procedure is initiated against the financial intelligence officer for a criminal offense committed at work or related to the work.
- (2) In the period during the suspension from the job and from the Office, the financial intelligence officer shall be determined and paid compensation in the amount of 60% of the amount of the net salary that the financial intelligence officer has had in the month before the suspension from the job.
- (3) The decision referred to in paragraph (1) of this Article shall be adopted by the director.
- (4) The decision referred to in paragraph (1) of this Article shall be delivered to the financial intelligence officer personally, as a rule, in the working premises of the Office, that is, at the address of his/her permanent, that is, temporary residence.
- (5) If the financial intelligence officer refuses the delivery, the decision shall be made public at the notice board in the Office. It shall be deemed that the delivery is done upon expiry of three working days as of the day of publication at the notice board.
- (6) The financial intelligence officer shall have the right to file an appeal against the decision referred to in paragraph (1) of this Article with the State Commission for Decision

making in Administrative Procedure and Labor Relations Procedure in Second Instance, within eight days as of the day of delivery of the decision.

(7) The appeal against the decision referred to in paragraph (1) of this Article shall not postpone the enforcement of the decision.

(8) In the case of return to the job and provided that no disciplinary liability is established, the financial intelligence officer shall be entitled to retroactive compensation of up to 100% of the net salary.

Article 110

If the measure of termination of the employment contract due to a disciplinary offence is imposed on the financial intelligence officer, the financial intelligence officer shall have the right to a notice period of 30 days as of the day of delivery of the decision on termination of the employment contract.

Article 111

During the notice period, the Office shall be obliged to enable the financial intelligence officer to take an absence from work for the purpose of seeking a new job, six hours during the work week.

Article 112

During the notice period and the absence from work for seeking a new job, the financial intelligence officer shall be determined and paid compensation in the amount of the salary that the financial intelligence officer has had in the month before the adoption of the decision on termination of the employment contract.

Article 113

(1) The disciplinary procedure against the financial officer cannot be initiated if one month has passed as of the day when the immediate or the senior managerial financial intelligence officer or the director has learnt about the committed disciplinary offense.

(2) The disciplinary procedure against the financial officer cannot be initiated if three months have passed as of the day when the disciplinary offense has been committed. (3) In the case where a criminal procedure against the financial intelligence officer is also initiated for a committed disciplinary offense, the decision on imposition of a disciplinary measure shall be adopted until the expiry of the time-barring period for criminal prosecution for the respective crime at the latest.

Article 114

(1) The financial intelligence officer shall be liable for any damage to the Office caused by him/her at work or in relation to the work, intentionally or due to utmost negligence.

(2) The director shall form a commission for establishment of a material liability of the financial intelligence officer composed of financial intelligence officers employed in the Office, that is, a president from among the managerial financial intelligence officers and two members, one of whom, if possible, shall be a financial intelligence officer holding the

same position as the financial intelligence officer against whom the disciplinary procedure is conducted. The president and the members shall have their deputies.

(3) The commission referred to in paragraph (2) of this Article shall establish the material liability for existence of inflicted material damage, its amount and the manner in which it has been inflicted, who has caused the damage and who shall compensate for it.

(4) The commission referred to in paragraph (2) of this Article shall submit a report on the established actual situation, based on which the director shall adopt a decision on compensation of the damage.

Article 115

A proposal for initiation of a procedure for establishment of a material liability against a financial intelligence officer shall be submitted by the immediate managerial financial intelligence officer, the senior managerial financial intelligence officer or a managerial financial intelligence officer at the same level.

Article 116

The procedure for establishment of a material liability cannot be initiated if 60 days have expired from the day the immediate managerial financial intelligence officer or the senior managerial financial intelligence officer has found out about it.

Article 117

The procedure for establishment of a material liability cannot be initiated if one year has expired from the day of inflicting the material damage.

Article 118

The procedure for establishment of a material liability cannot be conducted for more than 60 days as of the day of adoption of the decision on forming the commission for establishment of a material liability.

Article 119

(1) The financial intelligence officer shall have the right to file an appeal against the decision on damage compensation to the State Commission for Decision-making in Administrative Procedure and Labor Relations Procedure in Second Instance through the Office, within eight days as of the day of delivery of the decision.

(2) The appeal shall postpone the enforcement of the decision until the adoption of a final decision or expiry of the deadline within which the State Commission for Decision making in Administrative Procedure and Labor Relations Procedure in Second Instance should decide.

Article 120

The procedure for establishment of a material liability of the financial intelligence officer shall be regulated by a decision adopted by the director.

Article 121

If the financial intelligence officer does not compensate the damage within three months as of the day the decision on damage compensation becomes final, the Office shall initiate a procedure before the competent court.

Article 122

The director may completely or partially release the financial intelligence officer from compensating the damage, provided that it has not been inflicted intentionally or if the payment of the compensation for the damage may jeopardize the existence of the financial intelligence officer and his/her family.

Article 123

(1) The financial intelligence officers shall be awarded recognitions for the years of professional work, organizational improvements, success in the performance of the duties, improvement of the reputation of the service.

(2) The financial intelligence officers may be given a one-time monetary award for the achieved outstanding, exceptional results in the work.

Article 124

(1) The recognitions and the awards referred to in Article 123 of this Law, as a rule, shall be awarded on the Office Day.

(2) The Minister of Finance shall decide on the award of the recognitions and monetary awards on a proposal of the director. (3) The 1st of March shall be the Office Day.

Analysis and processing of data, information and documentation

Article 125

The Office shall be responsible to gather and to make an analysis on the basis of the following types of data, information and documentation:

1. related to suspicion of money laundering and financing of terrorism submitted by the entities on the basis of Article 65 of this Law;
2. submitted by the entities on the basis of Articles 63 and 64 of this Law;
3. initiative of the competent bodies in accordance with Article 130 of this Law;
4. submitted through the Customs Administration on the basis of Article 141 of this Law;
5. obtained on the basis of Article 156 of this Law and
6. obtained by the financial intelligence units from other countries.

Article 126

The data, information and documentation that are gathered by the Office in accordance with this Law shall be analyzed within the framework of:

- a) operational analysis referring to persons, transactions, activities, property mentioned in the data, information and documentation at the disposal of the Office in accordance with this Law and
- b) strategic analysis referring to determining trends and typologies of money laundering or financing of terrorism.

Article 127

(1) The data, information and documentation that the Office gathers, analyzes, processes and submits in accordance with this Law shall be classified, for which an appropriate level of classification is determined in accordance with the regulations on classified data.

(2) The data, information and documentation that the Office gathers, analyzes, processes and submits shall be used in accordance with this Law.

Request for data, information and documentation by the Office

Article 128

(1) For the purpose of exercising its competencies, the Office may request data, information and documentation from state bodies, the entities or other legal entities or natural persons in accordance with the provisions of this Law.

(2) The state bodies, the entities or the other legal entities or natural persons shall be obliged, in a period of ten working days as of the day of receipt of the request referred to in paragraph (1) of this Article, to submit to the Office the requested data via protected electronic means. If such manner of submission is not possible because of technical reasons, the requested data shall be submitted in a written form or through the National Interoperability Platform.

(3) If the Office requires data urgently, the state bodies, the entities or other legal entities or natural persons shall be obliged to submit the requested data via protected electronic means or through the National Interoperability Platform within a period of four hours at the latest. If such manner of submission is not possible because of technical reasons, the requested data shall be submitted in a written form.

Article 129

(1) For the purpose of exercising the competencies determined by this Law, the Office shall have electronic access and shall have the right to use, free of charge, data from the databases of:

1. the Ministry of Interior, data on: personal name; name of parents; maiden name (or surname before marriage); date of birth; PINE (personal identification number); citizenship; sex; place and country of birth; municipality; address of residence (place, municipality, street, number and country); ID number; authority that issued the ID card; dwelling; nationality; former citizenship; that is, the citizenship acquired; passport number; whether going abroad has been reported; whether the passport was reported missing, lost or wrong; foreigner (PINE, ID card); entry and exit from the country; household members; criminal records; possession of collectible weapons; ownership of motor vehicles and vessels, etc.
2. the Ministry of Justice, data on: cases of corruption and money laundering, from the system for electronic management of cases for international legal assistance) of cases for international legal assistance.
3. the Pension and Disability Insurance Fund, data on a natural person (name, surname and PINE) insured in accordance with the regulations on pension and disability insurance and status, the records of length of service, retired person (name, surname and UPN) and status of a retired person.
4. the Health Insurance Fund, data on a natural person (name, surname and PINE) insured in accordance with the regulations on mandatory health insurance;
5. the Public Revenue Office, data on: legal (PINE and TIN) or natural person (name, surname and PINE) from the tax register; data from tax returns; paid, collected and returned VAT, conducted tax controls, tax payers making cash payments and authorized accountants (legal (PINE and TIN) or natural person (name, surname and PINE) of legal entities.
6. the Employment Service Agency, data on: a natural person (name, surname and PINE) contained in (historical) M1/ M2 form, list of natural persons (name, surname and PINE) employed in a particular legal person (PINE and TIN) etc.
7. the Real Estate Cadaster, data on: a natural person (name, surname and PINE) and legal entity (PINE and TIN) on ownership, on property certificates, on movement of the ownership of property, on spatial units, data on prices and leases, etc.
8. the Central Securities Depository, data on: a natural person (name, surname and PINE) and legal entity (PINE and TIN) on ownership of securities, for settlement of trade transactions, for non-trading transfer of securities, borrowed securities, etc.
9. Data from the single register of transaction accounts - Clearing House "KIBS" AD Skopje for a natural person (name, surname and PINE) and legal entity (PINE and TIN) holders of active denar transaction accounts.
10. Data from a credit bureau on the credit exposure of a natural person (name, surname and PINE) and legal entity (PINE and TIN) from the portal MOJ.MKB.MK.
11. the Central Register, data on a natural person (name, surname and PINE) and legal entity (PINE and TIN) contained in the following: - trade register and the register of other legal entities,
 - register of annual accounts,
 - pledge register,
 - leasing register,

- register of investments in immovable property,
- register of rights over immovable property,
- register of direct investments of residents abroad,
- register of direct investments of non-residents in the Republic of Macedonia,
- register of natural persons and legal entities which are imposed sanction prohibition on practicing profession, business or office and temporary prohibition on performing a particular activity,
- register of secondary sentences for committed crimes by legal entities,
- register of securing claims by transfer of ownership of objects and transfer of rights (fiduciary register),
- register of sale of movable property by retaining the right of ownership, - beneficial owners register and - single register of accounts.

12. the Customs Administration of the Republic of North Macedonia, data on a natural person (name, surname and PINC) and legal entity (PINE and TIN) from the following records:

- of customs declarations of a natural person,
- of customs declarations of a legal entity,
- of import and of export performed,
- of excise taxpayers,
- of a single customs document,
- of foreign money and securities that were taken into or out of the country,
- of submitted criminal reports and misdemeanor procedures;

13. the Financial Police Administration, data on a natural person (name, surname and PINC) and legal entity (PINE and TIN) for submitted criminal reports.

14. the courts for data on a natural person (name, surname and PINC) and legal entity (PINE and TIN) from:

- the records of conducting criminal proceedings against a particular person, - judgments rendered,
- the sentence records,
- the records of imposed prohibition on practicing a business activity for a particular person,
- the records of persons with deprived or limited business capacity; - records of realized international cooperation.

15. Ministry of Social Policy, Demography, and Youth, data on a natural person (name, surname and PINC) beneficiary of social security.

16. the State Audit Office, data on a legal entity (PINE and TIN) for completed audits and other data from the electronic system for audit management.

17. the Macedonian Securities Exchange, data on a legal entity (PINE and TIN) contained in MB NET, on concluded transactions, including block transactions, etc..

18. the Public Prosecution Office of the Republic of Macedonia, data on a natural person (name, surname and PINC) and a legal entity (PINE and TIN) for received criminal reports, filed charges, pronounced measures for securing property during the procedure, international cooperation among prosecution offices, etc..

19. the Ministry of Economy and Labor, data on a natural person (name, surname and PINC) and a legal entity (PINE and TIN) that have signed concession contracts;

20. the State Statistical Office, statistical data according to areas general and regional statistics, population and social statistics, incomes, consumption and prices, economy and finances, industry, civil engineering and energy, foreign trade, transport, tourism, trade and other services, and multidimensional statistics.

21. Competent authority in accordance with the law for maintaining the Central Register of Population, data on a natural person (name, surname and NINC) from the Central Register of Population and

22. Bureau of Public Procurement data on a natural person (name, surname and NINC) and legal entity (name, UCIN and STN) who concluded a contract for public procurement.

(2) Access and manner of using the data from the databases of the bodies referred to in paragraph (1) of this Article shall be regulated by the law governing electronic governance and electronic services and shall be regulated by memorandums of cooperation concluded between the Office and the competent body referred to in paragraph (1) of this Article.

Submission of an initiative to the Office

Article 130

(1) The Public Prosecution Office of the Republic of North Macedonia, the Ministry of Interior, the Ministry of Finance – Financial Police Administration, the Ministry of Finance – Customs Administration, the Intelligence Agency, the Ministry of Defense – Military Intelligence, the National Security Agency and the State Commission for the Prevention of Corruption may submit an initiative to the Office, provided that there are grounds to suspect money laundering and financing of terrorism.

(2) The initiative for making an analysis referred to in paragraph (1) of this Article, in a written form, submitted in a safe manner, should contain:

1. data on the entity to which the initiative refers, that is:

- natural person – name, surname, data of birth, number of identification document, permanent, that is, temporary residence, PINC and
- legal entity – name, address, head office, PINE and TIN, and other data;

2. reasons for suspicion of money laundering and/or financing of terrorism, as well as data on the type and the manner in which a previous crime has been committed, which have been determined during the execution of the competencies.

(3) If the initiative referred to in paragraph (1) of this Article is not elaborated and does not contain the data referred to in paragraph (2) of this Article, the Office shall return the initiative to the body which has submitted it to be supplemented and shall notify it that it will not act on the submitted initiative if the competent authority does not act within the deadline set by the Administration, which cannot be longer than ten working days.

(4) Where the Office acts upon the initiative referred to in paragraph (1) of this Article and it establishes that there are grounds to suspect a committed crime of money laundering and/or financing of terrorism or another crime, the Office shall act in accordance with Article 131 of this Law.

(5) The Administration can submit data in the form of a response to the authority from paragraph (1) of this Article that submitted the initiative in cases when the elements from Article 131 paragraphs (1) and (4) of this Law have not been established..

(6) For the purposes of combating money laundering, related criminal offenses and financing of terrorism, the Office may exchange data it has at its disposal in the databases with the bodies referred to in paragraph (1) of this Article and of Article 151 paragraph (1) of this Law on their elaborated, written request or at its own initiative.

Submission of data to competent bodies

Article 131

- (1) Whenever there are grounds to suspect commission of a crime of money laundering and/or terrorism financing, the Office shall prepare and submit a report to the Basic Public Prosecutor's Office for Prosecution of Organized Crime and Corruption.
- (2) If the grounds for suspicion of committing a crime of money laundering and/or financing of terrorism are based on a previous initiative of the competent bodies referred to in Article 130 of this Law, the Office shall prepare and submit a report to the Basic Public Prosecutor's Office for Prosecution of Organized Crime and Corruption and to the competent body that submitted the initiative referred to in Article 130 of this Law.
- (3) The report referred to in paragraphs (1) and (2) of this Article shall contain data, information and documents about the person and the actions that are suspected to be related to money laundering and/or financing of terrorism.
- (4) Where there are grounds to suspect commission of another crime in addition to money laundering and financing of terrorism, the Office shall prepare and submit a notification to the competent state bodies.
- (5) With regard to the report referred to in paragraphs (1) and (2) of this Article and the notification referred to in paragraph (4) of this Article received from the Office, the competent bodies referred to in paragraphs (1) and (2) shall be obliged to inform the Office about the result and the outcome in an electronic form and regularly and at least every six months.

Order to monitor a business relationship

Article 132

- (1) In case of suspicion of money laundering and/or financing of terrorism, the Office may submit a written order for monitoring the business relationship of the client to the entity.
- (2) The entity shall notify the Office of the transactions that are or should be made under the business relationship in accordance with the instructions given in the order. (3) The Office shall set deadlines in the order referred to in paragraph (1) of this Article within which the entity shall be obliged to submit the data on the transactions referred to in paragraph (2) of this Article.
- (4) If the entity, due to objective reasons, cannot notify the Office within the deadlines referred to in paragraph (3) of this Article, it shall be obliged, as soon as the reasons are eliminated, to notify the Office and to explain the reason why it has not submitted the notification in the set deadline.
- (5) The monitoring of the business relationship referred to in paragraph (1) of this Article may last three months at the most, and in justified cases, the duration of the measure may be extended for one additional month, but the monitoring of the business relationship may last six months at the most.
- (6) As an exception to paragraph (5) of this Article, for the purposes of preventing the financing of terrorism, the duration of the measure may be extended as long as the measure is necessary depending on the purpose of its implementation.

Preliminary injunctions

Article 133

- (1) In the cases of suspicion of a crime of money laundering and/or financing of terrorism, the Office may submit a written order to the entity for temporary holding up and/or ban on making transactions or temporary freezing of property.
- (2) The holding up and/or the ban on making transactions or the temporary freezing of property and 72 hours at the longest as of the submission of the written order for temporary holding up and/or ban on making transactions.
- (3) If the deadline referred to in paragraph (2) of this Article covers Sundays, holidays or other non-working days, the temporary holding up and/or the ban on making transactions or the temporary freezing of property shall last 120 hours at the longest as of the issuance of the order.
- (4) Where a written order is not possible to be issued to the entity due to the nature or the manner of making the suspicious transactions, that is, the circumstances surrounding the suspicious transaction, as well as in other urgent cases, the Office may issue an oral order for temporary holding up and/or ban on making transactions or temporary freezing of property to the entity.
- (5) The Office must confirm the oral order referred to in paragraph (4) of this Article by a written order the first working day following the issuance of the oral order at the latest.
- (6) The authorized person shall be obliged to prepare minutes of the received oral order referred to in paragraph (5) of this Article which it keeps in its records in accordance with Article 62 of this Law.

Article 134

- (1) After submitting the order referred to in Article 133 of this Law, the Office shall submit to the competent public prosecutor a request for submitting a proposal for determining the injunction.
- (2) The request for submission of a proposal for granting a preliminary injunction referred to in this Law shall contain data on the facts and circumstances justifying the need of the injunction, data on the natural person (personal identification number of the citizen or other identification number, name and surname, date and place of birth, sex and citizenship) or the legal entity for which application of the injunction is requested, and transaction account (s) and the amount of money or the type of property and data on the property.
- (3) Together with the request referred to in paragraph (2) of this Article, the Office may submit a report in accordance with Article 131 of this Law.

Article 135

- (1) The competent public prosecutor shall review the request for submission of a proposal for granting a preliminary injunction referred to in this Law and if he/she establishes that it is grounded, without any delay, he/she shall submit a proposal for granting a preliminary injunction to the judge of the competent basic court in accordance with this Law and the Law on Criminal Procedure.
- (2) If the competent public prosecutor establishes that the request for submission of a proposal for granting a preliminary injunction referred to in this Law is ungrounded, he/she shall be obliged to notify the Office without any delay that the request is rejected. Upon

receipt of the notification from the public prosecutor, the Office shall submit a written notification to the entity of the rejection of the request without any delay.

Article 136

- (1) The judge of the competent basic court shall be obliged, without any delay, to adopt a decision granting a preliminary injunction or rejecting the proposal of the public prosecutor in accordance with this Law and the Law on Criminal Procedure.
- (2) If the decision grants the preliminary injunction, the judge shall be obliged to submit the decision to the public prosecutor, the entity and the client.
- (3) If a decision on rejection of the proposal of the public prosecutor is adopted, the judge shall be obliged to submit the decision to the public prosecutor.
- (4) The competent public prosecutor shall be obliged to forthwith notify the Office about the decision adopted by the judge referred to in paragraph (1) of this Article.
- (5) The competent public prosecutor and the client shall have the right to appeal the decision of the judge referred to in paragraph (1) of this Article with the criminal council of the competent basic court in a period of three days as of the day of receipt of the decision, which shall not postpone the execution of the decision.

Statistical data

Article 137

(1) For the purposes of preparing a national risk assessment, evaluation of the efficiency of the system for combating money laundering and financing of terrorism, as well as of making strategic analyses, the Office shall collect and keep the following statistical data on:

- number, size, type, importance and economic significance of particular groups of entities, including the number of entities and the number of employees in them; - number of received reports of suspicious transactions in accordance with Article 65 of this Law;
- number or percent of received reports of suspicious transactions in accordance with Article 54 of this Law which resulted in further investigations, including an annual report on the significance and usability of the data from the entities' reports;
- number of received reports in accordance with Articles 63 and 64 of this Law; - number of received initiatives and requests by competent bodies in accordance with Article 130 of this Law;
- number of received information and data from the supervisory bodies in accordance with Article 155 of this Law;
- number of reports and notifications submitted to the competent bodies; - number of reports and notifications submitted by the Office and acted upon by the competent bodies;
- number of received and submitted spontaneous information by/to financial intelligence units of other states;
- number of submitted, received, rejected and responded requests of financial intelligence units of other states and other data;
- number of conducted supervisions, conducted settlement procedures, issued misdemeanor payment orders and initiated misdemeanor procedures; - number of submitted orders for monitoring a business relation;

- number of cases and value of the property covered by the injunctions in accordance with this Law and
- allocated human resources, i.e. number of employees in the Office, separately for performing each of its legal competencies.

(2) The Office shall publish information on current techniques, methods and trends of money laundering and financing of terrorism, examples of discovered cases of money laundering and financing of terrorism, an annual review of conducted supervisions and of delivered education, and other acts deriving from this Law or the membership in international bodies and organizations on its official website.

(3) For the purposes of evaluating the efficiency of the system for combating money laundering and financing of terrorism, the courts, the Public Prosecution Office of the Republic of North Macedonia, the Judicial Council of the Republic of North Macedonia, the

Ministry of Justice, the Ministry of Interior, the Financial Police Administration, the Customs Administration, the Agency for Management of Seized Property, and other competent bodies shall collect and keep statistical data on:

- number of issued orders for conducting an investigation procedure and number of persons for whom money laundering and / or financing of terrorism investigations have been conducted,
- number of criminal reports and number of persons for whom a criminal report of money laundering and/or financing of terrorism is filed,
- number of indictments and number of persons for whom an indictment of money laundering and/or financing of terrorism is filed,
- number of cases and number of persons covered by the requests for international legal assistance for money laundering and/or financing of terrorism,
- number of cases where, during the criminal proceedings, a requalification of the criminal offense of money laundering and/or financing of terrorism is made and vice versa,
- number of judgments and number of persons for whom a judgment for money laundering and/or financing of terrorism is made,
- number and type of related criminal offences and
- number of cases and value of the property that is frozen, seized and confiscated in the cases of money laundering and/or financing of terrorism in the Republic of North Macedonia and other states and other data.

(4) The supervisory bodies referred to in this Law shall be obliged to collect and store data on:

- 1) Number of employees who are assigned to jobs for conducting supervision over the application of the provisions of this Law by the entities,
- 2) Number of performed supervisions, number of ascertained violations and number and type of imposed sanctions.

(5) The competent organs referred to in paragraphs (3) and (4) of this Article shall submit the data referred to in paragraphs (3) and (4) of this Article to the Office, at least once a year by, no later than 31 January of the current year for the previous year or at a request of the Office.

(6) Once a year, the Office publishes on its website a consolidated report on the statistical data kept in accordance with this Article.

Electronic system for case monitoring

(1) For the purposes of this Law, the Financial Intelligence Office shall keep and maintain an electronic system for case monitoring arising from the competencies of the Office.

(2) The competent bodies acting in accordance with Article 131 of this Law shall obligatorily enter data and information in the electronic system referred to in paragraph (1) of this Article.

(3) The form, content, manner and deadlines for entering and updating data in the system and the manner of monitoring the cases referred to in paragraph (1) of this Article shall be prescribed by the Minister of Finance at the proposal of the Office Director.

(4) The data, information and documentation provided in accordance with this Article shall be kept for ten years from the day of the last entered data, information and documentation and after the expiration of this period they shall be deleted.

Inter-institutional cooperation

Article 139

For the purposes of more detailed regulation of the inter-institutional cooperation, the Office may sign Cooperation Memorandums or Protocols with the competent state bodies in order to achieve the purposes foreseen by this Law.

Council for Combating Money Laundering and Financing of terrorism

Article 140

(1) In order to promote the inter-institutional cooperation, in accordance with the purposes of this Law, to coordinate the activities for implementation of the national risk assessment referred to in this Law and to promote the system for combating money laundering and financing of terrorism, the Government of the Republic of North Macedonia, at a proposal of the Minister of Finance, shall establish a Council for Combating Money Laundering and Financing of Terrorism (hereinafter: the Council).

(2) The work of the Council referred to in paragraph (1) of this Article shall be managed by the Office Director, and its members shall be managerial and responsible persons from the Ministry of Interior, the Ministry of Justice, the Ministry of Finance, the Basic Public Prosecution Office for Prosecution of Organized Crime and Corruption, the Financial Police Administration, the Customs Administration, the Public Revenue Office, the National Bank of the Republic of North Macedonia, the Securities and Exchange Commission, the Agency for Insurance Supervision, the Agency for Supervision of Fully Funded Pension Insurance, the Postal Agency, as well as representatives of the Bar Association, the Notary Chamber, the Institute of Certified Auditors, and the Institute of Accountants and Certified Accountants.

(3) The members of the Council shall have deputies appointed from among the employees in the bodies and institutions referred to in paragraph (2) of this Article who have adequate knowledge in the field of detecting and preventing money laundering and financing of terrorism.

(4) For the purposes of its work the Council shall establish permanent or temporary working bodies which are composed of employees or representatives of the

bodies and institutions referred to in paragraph (2) of this Article whose managers and responsible persons are members of the Council ex officio.

(5) The members of the Council, depending on the human resources available to the bodies and institutions referred to in paragraph (2) of this Article, shall nominate a person or persons, employees or active members in the bodies and institutions referred to in paragraph (2) of this Article for participation in the working bodies who have appropriate professional knowledge regarding the work of the working body.

(6) As an exception to paragraph (4) of this Article, and at the proposal of the President or members of the Council, representatives of professional organizations and associations of entities as well as external experts may participate in the work of the working bodies.

(7) The Council referred to in paragraph (1) of this Article shall adopt Rules of Procedure regarding the manner of its operation.

(8) The Office shall carry out the professional and administrative activities for the Council.

Customs Administration

Article 141

(1) The Customs Administration shall mandatorily record each taking in and taking out of cash and physically transferable means of payment over the customs line of the Republic of North Macedonia, provided that the amount exceeds the maximum allowed under a law or another regulation.

(2) In the course of making the records referred to in paragraph (1) of this Article, the Customs Administration shall mandatorily collect data on:

- the identity of the person who takes in or out cash and physically transferable means of payment for personal purposes or for another person, data on the name and surname, date and place of birth, passport number and citizenship,
- the identity of the owner of the cash and the physically transferable means of payment,
- the identity of the beneficial owner,
- the amount and the currency of the cash and the physically transferable means of payment that is taken in or out over the customs line,
- the statement regarding the origin of the cash and the physically transferable means of payment, signed by the person taking them in or out,
- the purpose of taking in or out the cash and the physically transferable means of payment, and
- the time and place of crossing the customs line.

(3) The Customs Administration shall mandatorily, via protected electronic means, and if that is not possible, in a written form, report to the Office the taking in or the taking out of cash and physically transferable means of payment in the amount higher than EUR 10,000 in MKD equivalent, within a period of three working days at the latest as of the recording.

(4) The Customs Administration shall mandatorily, in writing, report to the Office the taking in or the taking out of cash and physically transferable means of payment regardless of the amount, whenever there are grounds to suspect money laundering or terrorism financing, within a period of 24 hours at the latest as of finding out about the suspicious taking in or taking out of cash and physically transferable means of payment.

(5) The Customs Administration shall be obliged to keep all the data on taking in or taking out of money and physically transferable means of payment over the customs line ten years as of the day the transfer has been made.

International cooperation

Article 142

(1) The Office shall cooperate internationally with financial intelligence units from other states through exchange of relevant data, information and documentation, spontaneously or upon request, for the purposes of preventing and detecting money laundering and financing of terrorism in accordance with the provisions of this Law.

(2) The international exchange of relevant data, information and documentation referred to in paragraph (1) of this Article shall be made on the basis of:

- a request for exchange of data, information and documentation which the Office submits to the financial intelligence unit of another state,
- a request for exchange of data, information and documentation which the Office receives by the financial intelligence unit of another state,
- submission of data, information and documentation of the Office to the financial intelligence unit of another state or
- submission of data, information and documentation from a financial intelligence unit of another state to the Office.

(3) The Office shall cooperate internationally with financial intelligence units of other states regardless of their organizational form, the type of related offenses even when the related offenses have not been prescribed as such at the time of the exchange of data, information and documentation.

(4) The Office may conclude agreements for cooperation with financial intelligence units of other states, as well as with international organizations involved in the fight against money laundering and financing of terrorism for the purpose of preventing and detecting money laundering and financing of terrorism. The signing of agreements for cooperation shall not be a precondition for the Office to cooperate internationally with financial intelligence units of other states.

Request for exchange of data submitted to a financial intelligence unit of another state
by the Office

Article 143

(1) For the purpose of exercising its competencies, the Office may submit a request for exchange of data, information and documentation to a financial intelligence unit of another state in accordance with the provisions of this Law.

(2) The appropriate known facts that point out to money laundering and/or financing of terrorism, the reasons and the purpose for which the requested data and information are to be used should be elaborated in the request for exchange of data, information and documentation referred to in paragraph (1) of this Law.

(3) The Office shall be obliged to use the data, information and documentation provided in accordance with paragraph (1) of this Article for exercising its competencies

in accordance with this Law, in accordance with the limitations and the conditions set out by the financial intelligence unit of the state which has provided them.

(4) The Office may exchange the data, information and documentation provided in accordance with paragraph (1) of this Article with competent bodies after it obtains a previous consent by the financial intelligence unit of the state which has provided them and in accordance with their limitations and terms.

(5) The data, information and documentation provided in accordance with paragraph (1) of this Article shall be classified and shall be marked at least with the same level of classification determined by the financial intelligence unit of the state which has provided them.

Request for exchange of data, information and documentation which the Office receives
from a financial intelligence unit of another state

Article 144

(1) The Office may submit data, information and documentation which it has at its disposal in its databases and/or which it obtains in accordance with the competencies set out by this Law based on a request for exchange of data, information and documentation by a financial intelligence unit of another state submitted in a written form.

(2) The appropriate known facts that point out to money laundering and/or financing of terrorism and the purpose for which the requested data and information are to be used should be elaborated in the request for exchange of data, information and documentation referred to in paragraph (1) of this Law.

(3) The Office may reject the request for exchange of data referred to in paragraph (1) of this Article, provided that it is contrary to this Law or it obstructs the investigation of another competent state body or the criminal procedure against the person for whom data are requested or which are otherwise contrary to the fundamental principles of national law. The Office shall be obliged to elaborate the reasons for rejecting the request.

(4) Following the request referred to in paragraph (1) of this Article, the Administration acts promptly and without delay.

(5) The data, information and documentation provided in accordance with paragraph (1) of this Article shall be classified and shall be marked at least with the same level of classification determined by the financial intelligence unit of the state which has provided them.

(6) At a request of a financial intelligence unit of another state referred to in paragraph (1) of this Article, the Office shall submit a consent for forwarding the data, information and documentation obtained in accordance with paragraph (1) of this Article to competent bodies of the state regardless of the type of related offenses.

(7) The Office may refuse to give a consent for forwarding the data, information and documentation by way of a written explanation to the financial intelligence unit referred to in paragraph (1) of this Article, provided that the request for the consent is contrary to this Law or obstructs the investigation in a criminal procedure or is otherwise contrary to the fundamental principles of national law.

Submission of data, information and documentation to a financial intelligence unit of
another state by the Office

Article 145

- (1) The Office may submit the data, information and documentation that it obtains in accordance with the competencies determined by this Law to a financial intelligence unit of another state in case of suspicion of money laundering or financing of terrorism even without a request of the financial intelligence unit of the other state.
- (2) The provisions of this Law shall apply to the data, information and documentation that the Office submits in accordance with paragraph 1 of this Article.

Interim measures and order for monitoring the business relationships within the
international cooperation

Article 146

- (1) The provisions of Articles 132, 133, 134, 134 and 136 of this Law shall apply to cases where a financial intelligence unit of another state requests monitoring of business relationship, temporary detention and/or prohibition of transactions or temporary freezing of property.
- (2) The request referred to in paragraph (1) of this Article should be elaborated and should refer to a transaction related to money laundering and/or financing of terrorism and if the transaction as per the law may be subject of a domestic report concerning a suspicious transaction.
- (3) The Office may reject the request referred to in paragraph (1) of this Article if it is contrary to this Law or will obstruct the conduct of an investigation by another competent state body or the criminal procedure against the person for whom data is requested or who are otherwise in contrary to the fundamental principles of national law. The office shall be obliged to explain the reasons for rejecting the request.
- (4) The Office may submit a request to a financial intelligence unit of another state for monitoring of a business relationship, temporary holding up and/or ban on making transactions or temporary freezing of property, in case of suspicion of money laundering and/or financing of terrorism.

Feedback

Article 147

- (1) The Office, on a request of a financial intelligence unit of another state, shall provide feedback information about the use of the submitted data, information and documentation.
- (2) The Office may require from a financial intelligence unit of another state feedback information about the use of the submitted data, information and documentation.

Secure ways of international cooperation

Article 148

The exchange of data, information and documentation between the Office and the financial intelligence units of other states in accordance with this Law shall be made through secure electronic international communications systems through an appointed person/s employed in the Administration - financial intelligence officer/s.

Article 149

(1) The Office may indirectly exchange data, information and documentation with bodies in charge of detecting and preventing money laundering and financing of terrorism of other states, but such exchange must be done through the financial intelligence unit of the state through secure electronic international communications systems.

(2) The provisions of this Law regulating the international cooperation shall apply to the exchange of data, information and documentation in accordance with paragraph (1) of this Article.

Keeping of data, information and documentation by the Office

Article 150

The Office shall be obliged to keep the data, information and documentation obtained in accordance with this Law for ten years as of their receipt and shall be obliged to destroy them upon the expiry of such period.

CHAPTER VI.

SUPERVISION

Article 151

(1) Supervision over the application of the measures and actions determined by this Law shall be performed by the supervisory bodies in the sense of this Law, as follows:

1) The National Bank of the Republic of North Macedonia in relation to banks, savings houses, exchange offices and remittance service providers (fast money transfer) and other financial institutions providing payment services in accordance with law;

2) the Insurance Supervision Agency in relation to legal entities and natural persons performing insurance, representation and/or mediation in life insurance with savings and/or investment component and other related insurance with savings and/or investment component such as: insurance companies; insurance brokerage and representation companies and insurance agents;

3) the Securities and Exchange Commission of the Republic of North Macedonia in relation to brokerage houses, banks with licenses to operate with securities, persons providing services to investment advisers, investment advisory companies, companies

for management of open, closed and private investment funds and open , closed and private investment funds;

4) the Agency for Supervision of Fully Funded Pension Insurance in relation to companies that manage voluntary pension funds;

5) The Public Revenue Office in relation to organizers of games of chance, legal entities and natural persons that perform the following services: real estate brokerage, giving advice in the field of taxes and legal entities that perform the activity of receiving pledge of movable objects and real estate;

6) the Postal Agency in relation to JSC Post of North Macedonia;

7) the Commission of Notaries within the Notary Chamber of the Republic of North Macedonia in relation to notaries public and

8) the Commission of Lawyers within the Bar Association of the Republic of North Macedonia in relation to lawyers and law firms.

(2) The Office shall supervise the application of the measures and activities determined by this Law in the entities that are not covered by paragraph (1) of this Article as well as the legal entities whose activity is the sale and purchase of new vehicles and the enforcement agents.

(3) The Office shall, independently or in cooperation with the bodies referred to in paragraph (1) items 1), 2), 3) and 4) of this Article shall perform extraordinary, control supervision over the application of the measures and actions determined by this Law on the entities.

(4) The Office shall, independently or in cooperation with the bodies referred to in paragraph (1) items 5) 6), 7) and 8) of this Article shall perform supervision over the application of the measures and actions determined by this Law on the entities.

(5) The Office, upon a received notification by the register's administrator, shall conduct supervision in accordance with this Law in the legal entities referred to in Article 35 paragraph (2) of this Law.

(6) The Office shall supervise the legal entities referred to in Article 28 paragraph (1) of this Law and shall determine whether they possess, keep and have entered in the register adequate, correct and complete data on the beneficial owner.

(7) The Office and the bodies referred to in paragraph (1) of this Article shall undertake activities in order to harmonize the methodological approach in the implementation of supervision.

(8) The Public Revenue Office shall conduct supervision over legal entities and natural persons with regard to the application of the prohibition on cash payments referred to in Article 58 of this Law in accordance with its competencies.

(9) The supervisory authorities of this Article, when they identify violations that are subject to criminal sanctions, shall be obliged to promptly notify the Public Prosecutor's Office

Supervision according to risk assessment

Article 152

(1) When conducting supervision over the entities, the supervisory bodies referred to in Article 151 of this Law shall be obliged to apply the approach based on the assessment of the risk of money laundering and financing of terrorism.

(2) When preparing and implementing the annual program or the annual supervision plan, the supervisory bodies referred to in Article 151 of this Law shall be obliged to at least take into account the following:

- data on identified risks of money laundering or financing of terrorism in accordance with the findings of the report on the national risk assessment of this law;
- data on specific national or international risks related to customers, products, services and distribution channels;
- risk data of certain categories of entities, individual entities and other available data on entities and
- significant events or changes related to the management of the entity and any change in its business activities.

Special competences Article 153

(1) The supervisory body from this law or another competent authority, if based on another law issues licenses to entities in accordance with Article 5 of this Law, authorizations of entities in order to confirm the compliance with the prescribed conditions for issuing a work permit, i.e. approvals or functions of a member of the managing body in accordance with the regulations, is obliged to procure ex officio on convictions data, i.e. non-convictions of persons in connection with whom the fulfillment of the conditions for persons having a reputation or for their associates is checked, unless otherwise regulated by another Law

(2) An associate in terms of paragraph (1) of this Article, unless otherwise provided by another law is a natural person who together with a natural person who is a founder, partner, or beneficial owner of the entity, a shareholder with qualified participation in the entity in accordance with other laws regulating the qualified participation or together with a natural person proposed for a member of the senior management of the entity, directly or indirectly and/or through an agreement, exercises control over a domestic or foreign trade company.

(3) A person not having a reputation in accordance with paragraph (1) of this Article, unless otherwise regulated by another law, shall be considered a person who has been sentenced by a final court sentence to unconditional imprisonment of more than six months, as long as the legal consequences of the verdict last and/or he/she has an associate who has been sentenced by a final court verdict to an unconditional imprisonment of more than six months, as long as the legal consequences of the verdict last.

(4) The data referred to in paragraph (1) of this Article shall be used only for the purposes for which they are provided and may not be disclosed or made available to third parties.

International cooperation in the area of supervision

Article 154

(1) The body responsible for the supervision in accordance with this Law, unless otherwise regulated by another law, may, on its own initiative or on the basis of a reasoned

request in writing from a body of a foreign state responsible for supervision, exchange data, information and documentation related to:

- 1) regulations in the area in which the supervised entity operates as well as other relevant supervisory regulations;
- 2) the sector in which the entity supervised by the supervisory body operates;
- 3) performing supervision over the entity and
- 4) transactions or persons suspected of being involved in money laundering or financing of terrorism or other related criminal offenses on the basis of which proceeds of crime may be obtained for the purpose of money laundering or financing of terrorism.

(2) The bodies referred to in paragraph (1) of this Article may regulate the manner of submitting data, information and documentation, unless otherwise regulated by another law, by concluding a memorandum or agreement for cooperation in the field of supervision and in a manner ensuring the integrity of that data, as well as protection against unauthorized access.

(3) The supervisory bodies referred to in paragraph (1) of this Article, unless otherwise regulated by another law, in accordance with the principles of reciprocity and confidentiality, may request mutual assistance in conducting supervision within their powers over the entity that is part of group and carries on its business in the requesting State.

(4) The supervisory bodies referred to in paragraph (1) of this Article shall use data, information and documentation only:

- 1) to exercise their competencies in accordance with this Law;
- 2) in case of an appeal or other legal remedies filed against the decision of the body responsible for supervision, including court proceedings.

(5) The supervisory body referred to in paragraph (1) of this Article may not disclose and exchange data, information and documentation with third parties obtained within the cooperation in the field of supervision in accordance with the provisions of this Article without the express consent of the supervisory body that has provided such information, data or documentation nor may they be used for any purpose other than that for which the authority has given its consent.

(6) The obligation to maintain the secrecy or confidentiality of the data in accordance with the provisions of this Law as well as another law regulating the powers and functions of the supervisory body referred to in paragraph (1) of this Article shall apply to all persons who work or have worked in the supervisory body.

Cooperation in the area of supervision

Article 155

(1) The Office and the supervisory bodies referred to in Article 151 paragraph (1) of this Law shall be obliged to coordinate the activities in conducting supervision over the entities referred to in this Law.

(2) The Office and the bodies referred to in paragraph (1) of this Article shall be obliged to prepare an annual program or plan for supervision of the application of the measures and the activities determined by this Law and to harmonize them among each other.

(3) The Office and the bodies referred to in paragraph (1) of this Article may prescribe a manner for proper application of the measures for prevention of money laundering and financing of terrorism for the entities they are in charge to supervise.

(4) The Office and the bodies referred to in paragraph (1) of this Article shall cooperate in the performance of their duties and authorizations while conducting supervision in order to ensure efficiency of the measures and the supervision in the fight against money laundering and financing of terrorism.

(5) The Office may submit a proposal to the bodies referred to in paragraph (1) of this Article to conduct supervision over a particular entity on the basis of the findings deriving from the data and information it has at its disposal, as well as on the basis of the conducted strategic and operational analyses.

(6) The Office and the bodies referred to in paragraph (1) of this Article shall take activities in order to harmonize the methodological approach in conducting supervision.

(7) The Office and the supervisory bodies referred to in paragraph (1) of this Article for the purposes of performing supervision over the entities prescribed by Article 151 of this Law may request and exchange financial, administrative information and information obtained on the basis of executive supervision and other data on the entity subject to supervision and for the purposes of preparing for surveillance, including data on typologies and trends in anti-money laundering and financing of terrorism.

Submission of information and data to the Office by the supervisory bodies

Article 156

(1) The bodies referred to in Article 151 paragraph (1) of this Law shall submit a report to the Office in the following cases:

- 1) if, during supervision, they suspect money laundering and/or financing of terrorism;
- 2) when performing tasks, activities or transactions performed in accordance with the competencies specified in other laws, they suspect money laundering and/or financing of terrorism;

(2) In the cases referred to in paragraph (1) item 2) of this Article, the bodies referred to in Article 151 paragraph (1) may reject or postpone the transaction and notify the Office.

(3) The report referred to in paragraph (1) of this Article shall be submitted by the bodies referred to in Article 151 paragraph (1) of this Law electronically. If this method of submission is unavailable due to technical reasons, the bodies referred to in Article 151 paragraph (1) shall submit the report in writing.

(4) The report referred to in paragraph (1) of this Article should contain::

- 1) information and data on the natural person or legal entity suspected in accordance with paragraph (1) of this Article, as follows:
 - for a natural person name, surname, date of birth, number of valid identification document, place of residence, PINC and
 - for the legal entity: name, registered office, PINE, TIN and other data
- 2) the reasons for suspicion of money laundering and/or financing of terrorism accompanied by information, data supported by appropriate documentation.

(5) In order to perform the competencies arising from this Law, the Office may request additional data and information relevant to prevent money laundering and

financing of terrorism from the supervisory bodies referred to in Article 151 paragraph (1) of this Law in relation to the cases referred to in paragraphs (1) and (2) of this Article.

(6) Submission of data from this Article to the Office shall not be considered as disclosure of confidential data or disclosure of classified data and information.

(7) When the Office acts upon the report referred to in paragraph (1) of this Article and determines that there are grounds for suspicion of a committed crime of money laundering and/or financing of terrorism or other crime, the Office shall act in accordance with Article 131 of this Law.

(8) The Office shall inform the supervisory bodies referred to in Article 151 paragraph (1) of this Law on the outcome of the action upon the report referred to in paragraph (1) of this Article.

Article 157

(1) For the authorizations of the persons performing supervision by the supervisory bodies referred to in Article 151 of this Law, the provisions of Article 169 of this Law shall apply accordingly, which refer to the authorizations of the financial intelligence officers performing supervision, if not prescribed differently by the law establishing them and regulating their work.

(2) The persons who perform supervision employed in the bodies referred to in Article 151 paragraph (1) of this Law shall obligatorily be persons who:

- 1) possess high integrity;
- 2) possess appropriate knowledge and experience in the field of prevention of money laundering and financing of terrorism;
- 3) meet the requirements in accordance with the regulations governing the area of prevention of conflict of interest.

Article 158

(1) The persons who are employed and the persons who have worked in the supervisory bodies referred to in this Law, as well as the auditors or experts who act or have acted on behalf of the supervisory body shall be obliged to keep the data and information that they have or had access to for the purposes of supervision as professional secrecy under the law.

(2) The information that the persons referred to in paragraph (1) of this Article receive during the performance of their competences in accordance with this law may be published only in aggregate form, in such a way that individual financial institutions cannot be identified

Competencies of the Office in the procedure for performing supervision

Article 159

(1) The supervision carried out independently by the Office can be on-site supervision, regular, extraordinary and control supervision as well as constant monitoring of the entities.

(2) The on-site supervision referred to in paragraph (1) of this Article may be regular, extraordinary and control.

(3) The regular supervision referred to in paragraph (1) of this Article is announced supervision in accordance with the annual program for performing supervision, while the extraordinary supervision is performed without prior notice.

(4) The on-site supervision conducted by the Office may last 45 working days at the most, with the possibility to be extended, but not more than 60 working days

Article 160

(1) The supervision referred to in Article 159 of this Law shall be performed by financial intelligence officers, employed in the Office, who meet the general requirements set out in this Law, the Law on Public Sector Employees and the requirements set out in the systematization act of jobs positions of the Office.

(2) The financial intelligence officers referred to in paragraph (1) of this Law shall obligatorily be persons who:

- 1) possess high integrity;
- 2) possess appropriate knowledge and experience in the field of prevention of money laundering and financing of terrorism and
- 3) meet the requirements in accordance with the regulations governing the area of prevention of conflict of interest.

(3) On the basis of the supervision referred to in paragraph (1) of this Article, the Office may:

- initiate a procedure for implementation of corrective measures;
- to propose a settlement procedure by issuing a misdemeanor payment order and - submit a motion for initiation of a misdemeanor procedure.

(4) The director of the Office shall adopt an annual supervision program by 31st of January for the current year at the latest.

(5) The Minister of Finance shall prescribe the form and contents of the order for conducting supervision by the Office.

Constant monitoring of the entities by the Office

Article 161

(1) The constant monitoring of the entities shall consist of analysis of data, information and documentation available to the Office as well as analysis of received data, information and documentation based on previously submitted requests to the entities supervised by the Office in accordance with this Law.

(2) The entities from this Law shall be obliged to submit to the Office the requested data, information and documentation referred to in paragraph (1) of this Article within a deadline determined by the Office from the day of submitting the request.

(3) The entities shall be obliged to submit the requested data, information and documentation referred to in paragraph (2) of this Article to the Office electronically. If this method of submission is unavailable due to technical reasons, the entities shall submit the requested data, information and documentation in writing or in any other way described in the request.

(4) The data, information and documentation referred to in paragraphs (2) and (3) of this Article as well as the data, information and documents available to the Office based on the provisions of this Law shall be used for supervision purposes in accordance with the risk assessment referred to in Article 152 of this Law.

(5) The Director of the Office shall determine the methodology for performing the constant monitoring of the entities.

On-site supervision

Article 162

(1) The on-site supervision shall be conducted on the basis of the annual program for performing supervision in accordance with this Law.

(2) The Director of the Office shall issue a written order for supervision on the basis of the annual program referred to in paragraph (1) of this Article.

(3) As an exception to paragraph (2) of this Article, the Director shall also issue a written order for performing on-site supervision of entities that have not been intended in accordance with the annual program for performing supervision.

(4) The on-site supervision shall begin with the submission of the supervision order to the entity, i.e. to a responsible person in the entity or a representative of the entity.

(5) If the entity that is subject to supervision, i.e. the responsible person in the entity or the representative of the entity, refuses to receive and/or sign the supervision order or does not act on the supervision order, the financial intelligence officer will compile a written note in which he/she will state the reasons for the refusal, non-signing or failure to act on the supervision order

Article 163

If there are objective reasons related to an act of force majeure that make it not possible to effectively and efficiently conduct the supervision in the manner and deadlines described by this Law, the financial intelligence officer shall terminate the supervision procedure until the moment of removing the reasons why the procedure is forcibly stopped.

Removal of identified irregularities and violations

Article 164

(1) When performing the supervision conducted by the Office, the financial intelligence officer, in order to eliminate the identified irregularities or misdemeanors, has the right and obligation regarding the entity:

1) to initiate a procedure for the implementation of corrective measures;

2) to propose a settlement procedure by issuing a misdemeanor payment order or

3) to submit a request for initiating a misdemeanor procedure or to initiate another appropriate procedure.

(2) When deciding on the measures referred to in paragraph (1) of this Article to be taken, the financial intelligence officers shall be guided by:

1) the type and severity of the illegality and/or irregularity;

- 2) the impact or potential impact of the measure on the entity;
- 3) whether the omission of the obligatory actions, i.e. the irregularity was intentional and/or repeated;
- 4) the circumstances under which the offense was committed as well as the readiness of the subject to eliminate the established illegalities and irregularities and
- 5) other circumstances under which the misdemeanor, i.e. the irregularity was committed.

Corrective measures

Article 165

(1) The financial intelligence officers performing supervision in accordance with the provisions of this Law shall initiate a procedure for corrective measures in case of identified irregularities in the operation of the entity that do not have features and elements of misdemeanors described in this Law, but are inadequate or incomplete implementation of measures and actions to prevent money laundering and/or financing of terrorism that may affect the entity's exposure to the risk of money laundering and financing of terrorism.

(2) In the cases referred to in paragraph (1) of this Article, the financial intelligence officers performing supervision may issue a report to the entity with a recommendation(s) for elimination of the identified deficiencies with deadlines for action.

(3) Within ten working days from the expiration of the deadlines referred to in paragraph (2) of this Article, the entity shall be obliged to submit to the Office a report on the undertaken activities and documented evidence that it has acted in accordance with the measures referred to in paragraph (2) of this Article.

Procedure for imposing corrective measures

Article 166

(1) The procedure for imposing corrective measures begins with a recommendation(s) for elimination of the identified deficiencies and irregularities with deadlines for action which are an integral part of the minutes of performed supervision from the moment of signing or receipt of the minutes by the supervised entity.

(2) The Office shall keep records of the implemented procedures for pronounced corrective measures.

(3) The form and the content of the records for implemented procedures for pronounced corrective measures shall be prescribed by the Minister of Finance on the proposal of the Director of the Office.

Control supervision

Article 167

(1) The control supervision shall be performed ex officio in order for the financial intelligence officers who perform supervision to determine whether the entity that is subject to supervision, after the expiration of the deadline, during the previously performed regular or extraordinary supervision:

- 1) acted upon the corrective measures imposed;
- 2) acted in part on the corrective measures imposed or
- 3) did not act upon the pronounced corrective measures.

(2) If the entity has acted upon the corrective measures imposed in accordance with this Law, the financial intelligence officers who perform the supervision shall ascertain the same in the minutes of the conducted control supervision..

(3) The non-action or partial action upon the corrective measures imposed by this Law is stated in the minutes of control supervision and is the basis for initiating a procedure for settlement and issuance of a misdemeanor payment order, i.e. submitting a request for initiating a misdemeanor procedure before a competent court..

Article 168

(1) In the course of the supervision conducted by the Office, the financial intelligence officer shall be obliged to:

- 1) act upon the order for supervision;
- 2) take preparatory activities for conducting supervision;
- 3) notify the responsible and the authorized person in the entity of the beginning of the supervision, the legal ground, the purpose and the scope of the supervision, except in the case of exceptional and control supervision;
- 4) identify him/herself to the entity, that is, to the authorized person of the entity;
- 5) keep the secrecy of the data;
- 6) act lawfully, in a timely manner and in accordance with the Code of Ethics of the financial intelligence officers conducting the supervision;
- 7) prepare minutes of the completed supervision;
- 8) propose a settlement procedure and issue a misdemeanor payment order;
- 9) to initiate a procedure for imposing corrective measures;
- 10) submit a motion for initiation of a misdemeanor procedure;
- 11) collect, process and keep the personal data in accordance with the provisions of this Law and the regulations on personal data protection and
- 12) to pass a conclusion for stopping the supervision in accordance with Article 162 paragraph (5) of this Law.

(2) In addition to the obligations referred to in paragraph (1) of this Article, the financial intelligence officer shall be obliged to file the prepared documentation of the completed supervision in the following order:

- 1) documents collected during the preparation of supervision;
- 2) a request by the departments in the Office, another body or institution, provided that the supervision is completed upon their request;
- 3) an order for supervision;
- 4) minutes of the completed supervision;
- 5) minutes of performed control supervision;
- 6) conclusion in accordance with Article 162 paragraph (5) of this Law; 7) minutes of the settlement made;
- 8) a misdemeanor payment order;
- 9) a motion for initiation of a misdemeanor procedure; and
- 10) effective and enforceable decisions of a court procedure.

Article 169

(1) In the course of supervision conducted by the Office, the financial intelligence officer shall be authorized to:

- 1) inspect and collect general and individual acts, files, documents, proofs and information to the extent that corresponds to the subject of the supervision, as well as to request preparation of necessary copies and documents;
 - 2) request from the entity to provide him/her with office work conditions within the business premises of the entity and a person who is to be present during the supervision in order to provide documentation and information related to the subject of the supervision in a timely manner;
 - 3) enter and inspect the business premises of the entity and its business units;
 - 4) ask for assistance by a competent body of the state administration to remove a person who obstructs the supervision under the conditions and in the procedure determined by a law;
 - 5) control identification documents of persons for the purpose of verifying their identity in accordance with the law;
 - 6) request from the entity or its employees written or oral explanation for matters within the scope of the supervision;
 - 7) request a professional opinion from experts if necessary for the supervision;
 - 8) make an inventory of documents found in the business premises;
 - 9) to have access to the database management system used by the entity for inspection with the help of information technology and
 - 10) provide other necessary documents, data and information related to supervision.
- (2) The entity shall confirm the copy with the original of the files, documents, proofs and information referred to in paragraph (1) of this Article by the signature of the authorized person.
- (3) The financial intelligence officer shall be authorized to initiate a procedure for issuance of a misdemeanor payment order and a misdemeanor procedure in accordance with the law.

Article 170

(1) In the course of supervision conducted by the Office, the financial intelligence officer, for the purpose of eliminating the established misdemeanors, shall have the right and obligation towards the entity to:

- 1) to initiate a procedure for imposing corrective measures;
- 2) issue a misdemeanor payment order or
- 3) file a motion for initiation of a misdemeanor procedure.

Article 171

(1) The bar associations and the notary chambers, within the framework of their competencies, shall form commissions for supervision of the application of the provisions of this Law in the work of their members.

(2) The members of the commissions referred to in paragraph (1) of this Article shall be appointed for a four-year term of office, unless otherwise provided by another law. (3) The Office shall be notified of the appointment and the composition of the commissions referred to in paragraph (1) of this Article within a period of seven days.

Article 172

(1) The supervision bodies referred to in Article 151 paragraph (1) of this Law shall be obliged to notify the Office of:

- the findings of the conducted supervision over the implementation of the measures and activities determined by this Law,
- pronounced corrective or other measures,
- issued and collected misdemeanor payment orders,
- the filed motion for initiation of a misdemeanor procedure for a committed misdemeanor by the entities under supervision and of the outcome of such procedures, - the misdemeanant, that is: name and head office of the legal entity, name and surname of the responsible person in the legal entity, name and surname of the natural person, the person exercising public powers, and the authorized officer,
- the misdemeanor: description of the action that constitutes a misdemeanor, and
 - the misdemeanor sanction imposed.

(2) The supervisory bodies referred to in Article 151 paragraph (1) of this Law shall be obliged at least once a year to inform the Office about the data related to the completed supervision referred to in paragraph (1) of this Article.

(3) The Office shall inform the appropriate supervisory body referred to in this Law about the supervision conducted once a year over the entities and about the findings of the conducted supervision.

Procedure for reporting a committed misdemeanor

Article 173

(1) The entity shall be obliged to establish a procedure for reporting a committed misdemeanor through an independent and anonymous reporting channel that shall enable the employees to report a violation of the provisions of this Law.

(2) The procedure for reporting a committed misdemeanor referred to in paragraph (1) of this Article should contain clear rules for receipt and processing of the reports for a committed misdemeanor, proportional to the nature and size of the entity.

(3) The entity must not reveal the identity of the person who has submitted a report on a committed misdemeanor without providing its previous consent, except in the cases where it is necessary for the purposes of conducting a pre-investigation or criminal procedure.

Article 174

(1) The supervisory bodies referred to in Article 151 of this Law shall be obliged to establish efficient procedures for reporting a committed misdemeanor which shall enable the employees in the entities to report a violation of the provisions of this Law, that shall provide:

- simple and easily accessible method of submitting reports of a committed misdemeanor;
- internal rules for receipt and processing of the reports for a committed misdemeanor, and
- protection of the personal data of the person who has submitted a report on a committed misdemeanor in accordance with the regulations on personal data protection.

(2) The supervisory bodies referred to in Article 151 of this Law must not reveal the identity of the person who has submitted a report on a committed misdemeanor without providing its previous consent.

(3) It is prohibited for the persons from paragraph (1) of this Article who reported breach of the provisions of this Law to be exposed to threats, retaliatory or hostile, adverse or discriminatory employment practices.

(4) The persons from paragraph (1) of this Article who reported breach of the provisions of this Law, and who are exposed to threats, retaliatory or hostile actions or negative or discriminatory actions in the employment relationship due to reporting suspicions of money laundering or terrorist financing are entitled to an effective remedy to protect their rights under the law.

Publication of information in relation to the supervision Article

Article 175

(1) In order to prevent and discourage the activities which are considered misdemeanors in accordance with this Law, the supervisory bodies referred to in this Law shall make public the information on the pronounced misdemeanor sanctions on the basis of an effective judgment, unless the publication of the information may impede the conduct of the pre-investigation or criminal procedure.

(2) The information referred to in paragraph (1) of this Article shall contain data on: - the misdemeanant, that is: the name and head office of the legal entity, name and surname of the responsible person in the legal entity, name and surname of the natural person, the person who exercises public powers and the authorized officer,

- the misdemeanor: description of the action that constitutes a misdemeanor, and
- the misdemeanor imposed.

(3) The information referred to in paragraph (2) of this Article shall be published on the Internet site of the Office and it shall be available during a period of five years as of the day of publication.

(4) When a supervisory authority from Article 151 paragraph (1) of this law, and during an individual assessment of a specific case, considers that the publication of data on the perpetrator of the misdemeanor is disproportionate to the goal to be achieved or where publication jeopardizes the stability of financial markets or an on-going investigation, it may:

- a) delay the publication of the decision from paragraph (1) of this Article until the moment at which the reasons for not publishing it cease to exist;
- b) publish the decision from paragraph (1) of this Article in a way that does not share personal data or
- c) not publish the decision from paragraph (1) of this Article at all.

(5) The supervisory authorities referred to in Article 151 paragraph (1) of this Law shall publish the decisions against which an appeal has been submitted on their website, and shall immediately publish the information in relation to the submitted appeal and all subsequent information related to the decision, including annulment of the previously adopted decision.

CHAPTER VII.

COLLECTION, PROCESSING, ANALYSIS, ESTIMATION, ASSESSMENT, USE, TRANSFER, STORAGE AND DELETION OF DATA AND PERSONAL DATA PROCESSING

Article 176

- (1) The Office shall collect, process, analyze, estimate, assess, use, transfer, store and delete data, shall process personal data under the conditions and in the manner determined by this and a special law and shall keep records of the personal and other data it is authorized to collect under this Law, for the purpose of preventing money laundering and/or financing of terrorism.
- (2) The Office shall process personal data where the person is under suspicion of money laundering and/or financing of terrorism in accordance with the law.
- (3) The data on the legal entity shall be collected where there are grounds to suspect money laundering and/or financing of terrorism.

Article 177

Personal data, in terms of this Law, shall be a personal name, birth data (day, month, year and place), a permanent or temporary residence, a personal identification number, a place of residence and citizenship, as well as other data on the basis of which, directly or indirectly, a particular person can be identified.

Article 178

The Office shall collect personal and other necessary data from entities, competent state bodies, public institutions, institutions, international organizations, and other legal entities and natural persons only for the purposes determined by this law.

Article 179

- (1) The Office shall keep records of:
 - 1) persons for whom a report on a suspicious activity has been submitted;
 - 2) persons for whom a report on a cash transaction in the amount of EUR 15,000 in MKD equivalent or more has been submitted regardless of whether it is a single transaction or several obviously linked transactions;
 - 3) persons for whom a report has been submitted by a notary public on a prepared notary document and notarized signature on an agreement;
 - 4) persons for whom a report has been submitted by an enforcement agent for a sale made through oral public bidding and a direct agreement concluded;
 - 5) persons for whom a report on a paid credit has been submitted;
 - 6) persons for whom a report on given and/or received loans has been submitted; 7) persons for whom a report on a transaction made through fast money transfer has been submitted;
 - 8) persons for whom a report on concluding of life insurance policy has been submitted;

- 9) persons for whom a report on sale and purchase of new vehicles has been submitted; 10) persons for whom a report has been submitted on buying or cashing-in chips or credits in a game shop (casino);
 - 11) persons for whom a report has been submitted on paying out a prize or paying in a deposit or/and in all cases with other organizers of games of chance;
 - 12) persons for whom a report on a transaction related to virtual assets has been submitted;
 - 13) persons for whom a report on a suspicion of money laundering and financing of terrorism has been submitted to the competent bodies;
 - 14) persons for whom information on suspicion of another crime has been submitted to the competent bodies;
 - 15) persons for whom an order for monitoring a business relationship has been issued;
 - 16) persons for whom an order for application of interim measures has been issued;
 - 17) persons for whom an initiative and a request by the competent bodies in the Republic of North Macedonia has been submitted;
 - 18) persons for whom data have been exchanged with financial intelligence units of other states;
 - 19) persons who have transferred money or physically transferable means of payment over the customs line of the Republic of North Macedonia;
 - 20) persons for whom misdemeanor payment orders have been issued;
 - 21) persons for whom data have been exchanged among supervisory bodies.
- (2) The records referred to in paragraph (1) of this Article shall contain personal data (personal identification number of the citizen or other identification number, name and surname, date and place of birth, gender and citizenship) in accordance with this Law about the holder of personal data and about a third party.

Article 180

The records referred to in Article 179 of this Law may be structured and kept as:

- 1) records of a submitted report on a suspicious activity;
- 2) records of a submitted report on a cash transactions in the amount of EUR 15,000 in MKD equivalent or more no matter whether it is a single transaction or several obviously linked transactions;
- 3) records of a submitted report by a notary public on a prepared notary document and notarized signature on an agreement;
- 4) records of a submitted report by an enforcement agent for a direct agreement concluded;
- 5) records of a submitted report on a paid credit;
- 6) records of a submitted report on given and/or received loans;
- 7) records of a submitted report on a transaction made through fast money transfer;
- 8) records of a submitted report on concluding a life insurance policy;
- 9) records of a submitted report on sale and purchase of vehicles;
- 10) records of a submitted report on buying or cashing-in chips or credits in a game shop (casino);
- 11) records of a submitted report on paying out a prize or paying in a deposit or/and in all cases with other organizers of games of chance;
- 12) records of a submitted report on a transaction related to virtual assets;
- 13) records of a submitted report on a suspicion of money laundering and financing of terrorism to the competent bodies;

- 14) records of a submitted report on suspicion of another crime to the competent bodies;
- 15) records of issued order for monitoring a business relationship;
- 16) records of issued order for application of interim measures;
- 17) records of submitted initiative and a request by the competent bodies in the Republic of North Macedonia;
- 18) records of data exchanged with financial intelligence units of other states;
- 19) records of submitted reports on transferred money or physically transferable means of payment over the customs line of the Republic of North Macedonia;
- 20) records of supervision conducted over the entities referred to in Article 5 of this Law;
- 21) records of supervision conducted over the legal entities referred to in Article 28 of this Law;
- 22) records of issued misdemeanor payment orders;
- 23) records of corrective measures implemented and
- 24) records of data exchanged among supervisory bodies.

Article 181

- (1) The data for which the Office keeps records in accordance with Articles 179 and 180 of this Law shall be used for performing the competencies of the Office in accordance with this Law, statistical and analytical purposes, as well as for the purposes of conducting the national risk assessment and evaluation of the efficiency of the system for prevention of money laundering and financing of terrorism.
- (2) The personal data may be submitted to entities, competent state bodies, public institutions, institutions, financial intelligence units of other states, and other legal entities and natural persons in accordance with the law and the ratified international agreements.

Article 182

- (1) The personal data may be used in accordance with the purposes prescribed by this Law and in accordance with the regulations on personal data protection.
- (2) The processing of personal data for the purposes of anti-money laundering and combating the financing of terrorism is of public interest.
- (3) The right of access to the client's personal data may be partially or completely limited by the entity, in order to:
 - the subject or the competent authority to perform its competences and
 - in order to avoid obstructing the conduct of a procedure for the detection of money laundering and financing of terrorism.

Article 183

The personal data entered in the records referred to in Articles 179 and 180 of this Law shall be immediately deleted in the cases where it is determined that they are not correct or the reasons, that is, the conditions for which the personal data has been entered in the records have ceased.

Article 184

The data contained in the records referred to in Articles 179 and 180 of this Law, as from their entry until their deletion, can be exchanged under the conditions and in the manner foreseen by this Law.

Article 185

The data in the records referred to in Articles 179 and 180 of this Law shall be kept within a period of ten years as of the day of their receipt.

CHAPTER VIII.

MISDEMEANOR PROVISIONS

Article 186

(1) Fine in the amount of EUR 80,000 to 120,000 in MKD equivalent shall be imposed for a misdemeanor on the legal entity, (large trader) if:

- it does not conduct a client due diligence procedure in accordance with Article 13 of this Law;
- it does not conduct enhanced due diligence when establishing a correspondent relationship in accordance with Article 40 of this Law;
- it does not refuse to establish a business relationship or make a transaction or it does not terminate the business relationship with the client in accordance with Article 46 paragraphs (1) and (2) of this Law;
- it enters in, or continue, a business relationship with a shell bank and establishes or continues a correspondent business relationship with a bank for which they know that allows opening and operating accounts of shell banks contrary to Article 59 paragraph (1) of this Law;
- it carries out financial activities of a shell bank contrary to Article 59 paragraph (2) of this Law;
- opens and maintains accounts, savings books and safes in anonymous form, encrypted form or under fictitious names, i.e. performs other services that directly or indirectly enable concealment of the client's identity, i.e. anonymity in accordance with Article 60 paragraph (1) of this Law;
- provides services related to virtual assets that directly or indirectly enable concealment of the identity of the client, as well as performs transactions with such virtual assets in accordance with Article 60 paragraph (2) of this Law;
- uses resources or means through information system that enable or facilitate concealment of the client's identity or that prevent or complicate the monitoring of transactions related to virtual means in accordance with Article 60 paragraph (3) of this Law;
- accepts payments made using an anonymous payment card with subscription (prepaid card) in accordance with Article 61 of this Law;
- it does not submit to the Office data, information and documents in accordance with Article 65 paragraph (1) of this Law;
- the bank does not put in use or upgrade the software for automatic processing of data in accordance with Article 70 of this Law;

- it invokes business secret contrary to Article 74 of this Law;
- it does not submit the requested data, gives incomplete or incorrect data or does not submit them within the deadline set in Article 128 of this Law;
- it does not act in accordance with the order for monitoring a business relationship referred to in Article 132 of this Law;
- it does not hold up the transaction on the basis of the issued order in accordance with Article 133 of this Law and
- refuses to receive and/or sign the supervision order or does not act on the supervision order in accordance with Article 162 paragraph (5) of this Law.

(2) Fine in the amount of EUR 60,000 to 80,000 in MKD equivalent shall be imposed on a legal entity (middle-size trader) for the actions referred to in paragraph (1) of this Article.

(3) Fine in the amount of EUR 40,000 to 60,000 in MKD equivalent shall be imposed on a legal entity (small trader) for the actions referred to in paragraph (1) of this Article.

(4) Fine in the amount of EUR 20,000 to 40,000 in MKD equivalent shall be imposed on a legal entity (micro trader) for the actions referred to in paragraph (1) of this Article.

(5) For the actions referred in paragraph (1) of this Article, the legal entities referred to in paragraphs (1), (2), (3) and (4) of this Article may be imposed a misdemeanor sanction of temporary prohibition on carrying out a particular activity in accordance with the law. The Office may submit an elaborated proposal for temporary or permanent revocation of the license, that is, the permit for work of the legal entity to the bodies in charge of their issuance in accordance with the law.

(6) Fine in the amount of EUR 12,000 to 18,000 in MKD equivalent shall be also imposed on the responsible person in the legal entity referred to in paragraph (1) of this Article for the actions referred to in paragraph (1) of this Article.

(7) Fine in the amount of EUR 9,000 to 12,000 in MKD equivalent shall be also imposed on the responsible person in the legal entity referred to in paragraph (2) of this Article for the actions referred to in paragraph (1) of this Article;

(8) Fine in the amount of EUR 6,000 to 9,000 in MKD equivalent shall be also imposed on the responsible person in the legal entity referred to in paragraph (3) of this Article for the actions referred to in paragraph (1) of this Article;

(9) Fine in the amount of EUR 3,000 to 6,000 in MKD equivalent shall be also imposed on the responsible person in the legal entity referred to in paragraph (4) of this Article for the actions referred to in paragraph (1) of this Article

(10) In addition to the fine for the actions referred to in paragraph (1) of this Article, the responsible person in the legal entity referred to in paragraphs (1), (2), (3) and (4) of this Article may be also imposed a misdemeanor sanction of prohibition on carrying out a profession, business or duty in accordance with the law.

(11) For the actions referred to in paragraph (1) of this Article committed intentionally, in an organized manner or which are repeated, with which significant damage is caused or significant property benefit is acquired, the entity from Article 5 of this Law, with the exception of financial institutions, shall be imposed a fine in the maximum double amount of the realized benefit or if it is not possible to determine such benefit, at least Euro 1,000,000 in denar counter-value.

(12) As an exception to paragraph (11) of this Article, for the actions referred to in paragraph (1) of this Article committed intentionally, in an organized manner or which are repeated, with which significant damage is caused or significant property benefit is acquired, the entity from Article 5 of this Law - financial institution shall be imposed a fine in the amount of 10% of the income generated in the previous fiscal year or at least Euro 5,000,000 in denar counter-value.

(13) Besides the fines referred to in paragraphs (11) and (12) of this Article, the entity referred to in Article 5 of this Law may also be imposed an infraction sanction temporary ban on performing certain activity in accordance with the law, and the responsible person shall also be imposed an infraction sanction ban on performing a profession, activity or duty in accordance with the law

(14) For the activities referred to in paragraphs (11) and (12) of this Article, the entity referred to in Article 5 of this Law that benefits shall be imposed a fine and if the actions referred to in paragraphs (11) and (12) of this Article are committed by:

- a natural person who acted individually or as a member of a body of the legal entity and is a senior management in the legal entity or
- a natural person employed in the legal entity, due to the absence of control by a natural person who is a senior management in the legal entity.

Article 187

(1) Fine in the amount of EUR 30,000 to 40,000 in MKD equivalent shall be imposed for a misdemeanor on a legal entity (large trader) in the following cases:

- it does not inform the Office in accordance with Article 8 of this Law;
- it does not prepare a risk assessment in accordance with Article 11 of this Law;
- it does not prepare and apply a program in accordance with Article 12 paragraph (1) of this Law;
- it does not adopt a program, regularly monitor and assess its adequacy, harmonization and efficiency in accordance with Article 12 paragraph (3) of this Law;
- it acts contrary to the exceptions for client due diligence in relation to electronic money referred to in Article 14 of this Law;
- it does not undertake the measures for client due diligence referred to in Article 15 of this Law;
- it does not identify and verify the identity of the client, the person acting in the name and on behalf of the client or the beneficial owner in accordance with Article 16 of this Law;
- it does not identify and verify the identity of the client in accordance with Article 17 of this Law;
- it does not identify and verify the identity of the , the person acting in the name and on behalf of the client in accordance with Article 18 of this Law;
- it does not identify and verify the identity of the beneficial owner in accordance with Article 19 of this Law;
- it does not act in accordance with Article 32 of this Law;
- it does not monitor the business relationship in accordance with Article 37 of this Law;
- it does not conduct an enhanced client due diligence in accordance with Article 39 of this Law;
- it does not conduct an enhanced due diligence for a client who is not physically present in accordance with Article 41 of this Law;
- it does not conduct an enhanced due diligence for a client - holder of a public office in accordance with Article 42 of this Law;
- it does not conduct an enhanced due diligence when the business relationship or transaction involves a high-risk country in accordance with Article 43 of this Law;
- it does not conduct an enhanced analysis for complex and unusual transactions in accordance with Article 45 of this Law;
- it does not ensure application of the measures and activities for prevention of money laundering and financing of terrorism in accordance with Article 48 of this Law;
- it entrust the obligations for client due diligence to third parties contrary to Article 49 of this Law;

- does not act in accordance with Article 50 of this Law;
- does not act in accordance with Articles 50, 50-a, 50-b, 50-c, 50-d and 50-e of this Law;
- it does not act in accordance with Articles 51, 51-a, 51-b, 51-c and 51-d of this Law it does not act in accordance with Article 52 paragraph (2) of this Law;
- it does not verify the identity of a client in accordance with Article 53 of this Law;
- it does not verify the identity of a client in accordance with Article 54 of this Law;
- it does not verify the identity of a client in accordance with Article 56 of this Law;
- it does not verify the identity of a client in accordance with Article 57 of this Law;
- it accepts cash contrary to Article 58 of this Law;
- it registers securities, any other property or legal matters, or for the purpose of reporting or transferring money, securities or any other property, contrary to Article 58 paragraph (2) of this Law;
- it does not keep the data, information or documents in accordance with Article 62 of this Law;
- it does not submit to the Office the collected data, information and documents in case of cash transaction in the amount of EUR 15,000 in MKD equivalent or more regardless of whether it is a single transaction or several obviously linked transactions in accordance with Article 63 of this Law;
- it does not submit data to the Office in accordance with Article 64 of this Law;
- it does not notify the Office and does not withhold the transaction in accordance with Article 65 paragraphs (2) and (3) of this Law;
- it does not submit to the Office data, information and documents in the form of a report in accordance with Article 65 paragraph (4) of this Law;
- it does not submit reports to the Office in accordance with Article 67 of this Law;
- it does not appoint an authorized person and his/her deputy in accordance with Article 68 paragraph (1) of this Law;
- it does not establish a special department for prevention of money laundering and financing of terrorism in accordance with Article 68 paragraph (3) of this Law;
- it does not establish a special department for prevention of money laundering and financing of terrorism in accordance with Article 68 paragraph (4) of this Law;
- it does not ensure fulfillment of conditions in accordance with Article 68 paragraph (10) of this Law;
- it does not appoint an authorized duty officer and his deputy in accordance with Article 68 paragraph (11) of this Law;
- it does not conduct internal control in accordance with Article 69 of this Law;
- it uses the data obtained by this Law contrary to Article 71 of this Law;
- it notifies the client or a third party contrary to Article 72 paragraph (1) of this Law;
- it does not undertake the necessary measures for protection of data in accordance with Article 72 paragraph (3) of this Law and
- does not submit to the Administration the required data, information and documentation in accordance with Article 161 paragraph (2) of this Law.

(2) Fine in the amount of EUR 20,000 to 30,000 in MKD equivalent shall be imposed for the actions referred to in paragraph (1) of this Article on a legal entity (middle-size trader)

(3) Fine in the amount of EUR 10,000 to 20,000 in MKD equivalent shall be imposed for the actions referred to in paragraph (1) of this Article on a legal entity (small trader).

(4) Fine in the amount of EUR 5,000 to 10,000 in MKD equivalent shall be imposed for the actions referred to in paragraph (1) of this Article on a legal entity (micro trader).

(5) The legal entities referred to in paragraphs (1), (2), (3) and (4) of this Article may be imposed a misdemeanor sanction of temporary prohibition on carrying out a particular activity in accordance with the law.

(6) Fine in the amount of EUR 4,500 to 6,000 in MKD equivalent shall be also imposed on the responsible person in the legal entity referred to in paragraphs (1) of this Article for a misdemeanor for the actions referred to in paragraph (1) of this Article.

(7) Fine in the amount of EUR 3,000 to 4,500 in MKD equivalent shall be also imposed on the responsible person in the legal entity referred to in paragraphs (2) of this Article for a misdemeanor for the actions referred to in paragraph (1) of this Article.

(8) Fine in the amount of EUR 1,500 to 3,000 in MKD equivalent shall be also imposed on the responsible person in the legal entity referred to in paragraphs (3) of this Article for a misdemeanor for the actions referred to in paragraph (1) of this Article.

(9) Fine in the amount of EUR 750 to 1,500 in MKD equivalent shall be also imposed on the responsible person in the legal entity referred to in paragraphs (4) of this Article for a misdemeanor for the actions referred to in paragraph (1) of this Article.

(10) In addition to the fine, the responsible person in the legal entity referred to in paragraphs (1), (2), (3) and (4) of this Article may be also imposed a misdemeanor sanction of prohibition on carrying out a profession, business or duty in accordance with the law.

Article 188

(1) Fine in the amount of EUR 5,000 to 10,000 in MKD equivalent shall be imposed for a misdemeanor on the legal entity (large trader) in the following cases:

- it does not notify the Office in accordance with Article 6 paragraph (6) of this Law;
- it does not notify the Office in accordance with Article 7 paragraph (2) of this Law;
- it does not conduct a simplified client due diligence in accordance with Article 38 of this Law;
- it does not enter the data chronologically in a numbered register with a provider of services related to virtual assets in accordance with Article 52 paragraph (3) of this Law;
- it does not enter the data chronologically in the numbered register in case of currency exchange activities in accordance with Article 53 of this Law;
- it does not enter the data chronologically in a numbered register with brokerage houses and banks with a license for working with securities in accordance with Article 55 of this Law;
- it does not enter the data chronologically in a numbered register with the persons who trade or act as intermediaries in trade in works of art in accordance with Article 56 of this Law;
- it does not enter the data chronologically in a numbered register with the persons who trade or act as intermediaries in trade in works of art when the activity takes place in free zones in accordance with Article 57 of this Law;
- they do not notify the competent supervisory body referred to in this Law that they have submitted a report to the Office in accordance with Article 65 paragraph (7) of this Law;
- it employs in the department persons that do not meet the requirements referred to in Article 68 paragraphs (7), (8), and (13) of this Law;
- it does not ensure regular professional training in accordance with Article 68 paragraph (14) of this Law;
- it does not submit data to the Office in accordance with Article 68 paragraph (15) of this Law and;
- it does act or partially act upon the pronounced corrective measures in accordance with Article 167 of this Law.

(2) Fine in the amount of EUR 4,000 to 8,000 in MKD equivalent shall be imposed for the actions referred to in paragraph (1) of this Article on a legal entity (middle-size trader).

- (3) Fine in the amount of EUR 3,000 to 4,000 in MKD equivalent shall be imposed for the actions referred to in paragraph (1) of this Article on a legal entity (small trader).
- (4) Fine in the amount of EUR 2,000 to 3,000 in MKD equivalent shall be imposed for the actions referred to in paragraph (1) of this Article on a legal entity (micro trader).
- (5) Fine in the amount of EUR 750 to 1,500 in MKD equivalent for the actions referred to in paragraph (1) of this Article shall be imposed for a misdemeanor on the responsible person in the legal entity referred to in paragraph (1) of this Article.
- (6) Fine in the amount of EUR 600 to 1,200 in MKD equivalent for the actions referred to in paragraph (1) of this Article shall be imposed for a misdemeanor on the responsible person in the legal entity referred to in paragraph (2) of this Article.
- (7) Fine in the amount of EUR 300 to 450 in MKD equivalent for the actions referred to in paragraph (1) of this Article shall be imposed for a misdemeanor on the responsible person in the legal entity referred to in paragraph (3) of this Article.
- (8) Fine in the amount of EUR 150 to 300 in MKD equivalent for the actions referred to in paragraph (1) of this Article shall be imposed for a misdemeanor on the responsible person in the legal entity referred to in paragraph (4) of this Article.

Article 189

(1) Fine in the amount of EUR 30,000 to 40,000 in MKD equivalent shall be imposed for a misdemeanor on a person exercising public powers or a natural person if:

- it does not conduct a client due diligence procedure in accordance with Article 13 of this Law,

- it does not reject the establishment of a business relationship or carries out the transaction or does not terminate the business relationship with the client in accordance with Article 46 paragraphs (1) and (2) of this Law;
- performs services that directly or indirectly enable concealment of the identity of the client, i.e. anonymity in accordance with Article 60 paragraph (1) of this Law;
- accepts payments made using an anonymous payment card with subscription (prepaid card) in accordance with Article 61 of this Law;
- it does not submit to the Office data, information and documents in accordance with Article 65 paragraph (1) of this Law;
- it invokes business secret contrary to Article 74 of this Law;
- it does not submit the requested data, submits incomplete or incorrect data or does not submit within the deadline set in Article 128 of this Law;
- it does not act in accordance with the order for monitoring a business relationship referred to in Article 132 of this Law;
- it does not hold up the transaction on the basis of the issued order in accordance with Article 133 of this Law and
- refuses to receive and/or sign the supervision order or does not act on the supervision order in accordance with Article 162 paragraph (5) of this Law

(2) In addition to the fine for the actions referred to in paragraph (1) of this Article, the person exercising public powers or the natural person shall be also imposed a misdemeanor sanction of prohibition on carrying out a profession, business or activity in accordance with the law.

(3) For the actions referred to in paragraph (1) of this Article committed intentionally, in an organized manner or which are repeated, with which significant damage is caused or significant property benefit is acquired, the person who performs a public authorization or the natural person shall be imposed a fine in the maximum double amount of the realized benefit or if it is not possible to determine such benefit, at least Euro 1,000,000 in denar counter-value.

Article 190

(1) Fine in the amount of EUR 12,000 to 15,000 in MKD equivalent shall be imposed for a misdemeanor on a person exercising public powers or a natural person if:

- it does not submit a written explanation at the request of the Office in accordance with Article 7 paragraph (2) of this Law;
- it does not conduct a risk assessment in accordance with Article 11 of this Law; - it does not prepare and implement a program in accordance with Article 12 paragraph (1) of this Law;
- it does not adopt the program, it does not regularly monitor and evaluate its adequacy, harmonization and efficiency in accordance with Article 12 paragraph (3) of this Law;
- it does not implement the client due diligence measures referred to in Article 15 of this Law;
- it does not identify and verify the identity of the client, the person acting in the name and on behalf of the client or the beneficial owner in accordance with Article 16 of this Law;
- it does not identify and verify the identity of the client in accordance with Article 17 of this Law;
- it does not identify and verify the identity of the , the person acting in the name and on behalf of the client in accordance with Article 18 of this Law;
- it does not identify and verify the identity of the beneficial owner in accordance with Article 19 of this Law;
- it does not act in accordance with Article 32 of this Law;
- it does not monitor the business relationship in accordance with Article 37 of this Law;
- it does not conduct an enhanced client due diligence in accordance with Article 39 of this Law;
- it does not conduct an enhanced due diligence for a client who is not physically present in accordance with Article 41 of this Law;
- it does not conduct an enhanced due diligence for a client - holder of a public office in accordance with Article 42 of this Law;
- it does not conduct an enhanced due diligence when the business relationship or transaction involves a high-risk country in accordance with Article 43 of this Law;
- it does not conduct an enhanced analysis for complex and unusual transactions in accordance with Article 45 of this Law;
- it does not ensure application of the measures and activities for prevention of money laundering and financing of terrorism in accordance with Article 48 of this Law;
- it entrusts the obligations for client due diligence to third parties contrary to Article 49 of this Law;
- it accepts cash contrary to Article 58 of this Law,
- it does not keep the data, information or documents in accordance with Article 62 of this Law;
- it does not submit data to the Office in accordance with Article 64 of this Law,
- it does not notify the Office and does not withhold the transaction in accordance with Article 65 paragraphs (2) and (3) of this Law;
- it does not submit to the Office data, information and documents in the form of a report in accordance with Article 65 paragraph (4) of this Law;
- it does not submit reports to the Office in accordance with Article 67 of this Law;
- it does not appoint an authorized person and his/her deputy in accordance with Article 68 paragraph (1) of this Law;

- it does not establish a special department for prevention of money laundering and financing of terrorism in accordance with Article 68 paragraph (3) of this Law;
- it does not establish a special department for prevention of money laundering and financing of terrorism in accordance with Article 68 paragraph (4) of this Law;
- it does not ensure fulfillment of conditions in accordance with Article 68 paragraph (10) of this Law;
- it does not conduct internal control in accordance with Article 69 of this Law;
- it uses the data obtained by this Law contrary to Article 71 of this Law;
- it notifies the client or a third party contrary to Article 72 paragraph (1) of this Law;
- it does not undertake the necessary measures for protection of data in accordance with Article 72 paragraph (3) of this Law.

(2) In addition to the fine for the actions referred to in paragraph (1) of this Article, the person exercising public powers or the natural person shall also be imposed a misdemeanor sanction of prohibition on carrying out a profession, business or activity in accordance with the law.

Article 191

Fine in the amount of EUR 2,000 to 2,500 in MKD equivalent shall be imposed for a misdemeanor on a person exercising public powers or a natural person if:

- it does not notify the Office in accordance with Article 6 paragraph (6) of this Law;
- it does not conduct a simplified due diligence of the client in accordance with Article 38 of this Law;
- employ in the department persons who do not meet the conditions from article 68 paragraphs (7), (8), and (13) of this law;
- it does not ensure regular professional training in accordance with Article 68 paragraph (14) of this Law;
- it does not submit data to the Office in accordance with Article 68 paragraph (15) of this Law and
- it does not act or partially act upon the pronounced corrective measures in accordance with Article 167 of this Law.

Article 192

(1) Fine in the amount of EUR 10,000 to 15,000 in MKD equivalent shall be imposed for a misdemeanor on the legal entity (large trader) referred to in Article 28 paragraph (1) of this Law if:

- it does not possess and does not keep adequate, accurate and updated data on the beneficial owner in accordance with Article 28 paragraph (2) ,
- it does not enter the data on the beneficial owner/s, as well as the data on the changes in the beneficial owner/s, in the register in accordance with Article 31 of this Law and,
- refuses to receive and/or sign the supervision order or does not act on the supervision order in accordance with Article 162 paragraph (5) of this Law.

(2) Fine in the amount of EUR 8,000 to 12,000 in MKD equivalent shall be imposed for a misdemeanor on the legal entity (middle-size trader) for the actions referred to in paragraph (1) of this Article.

(3) Fine in the amount of EUR 6,000 to 8,000 in MKD equivalent shall be imposed for a misdemeanor on the legal entity (small trader) for the actions referred to in paragraph (1) of this Article.

(4) Fine in the amount of EUR 5,000 to 6,000 in MKD equivalent shall be imposed for a misdemeanor on the legal entity (micro trader) for the actions referred to in paragraph (1) of this Article.

(5) Fine in the amount of EUR 1,500 to 2,250 in MKD equivalent for the actions referred to in paragraph (1) of this Article shall be imposed for a misdemeanor on the responsible person in the legal entity referred to in paragraph (1) of this Article.

(6) Fine in the amount of EUR 1,200 to 1,800 in MKD equivalent for the actions referred to in paragraph (1) of this Article shall be imposed for a misdemeanor on the responsible person in the legal entity referred to in paragraph (2) of this Article.

(7) Fine in the amount of EUR 900 to 1,200 in MKD equivalent for the actions referred to in paragraph (1) of this Article shall be imposed for a misdemeanor on the responsible person in the legal entity referred to in paragraph (3) of this Article.

(8) Fine in the amount of EUR 750 to 900 in MKD equivalent for the actions referred to in paragraph (1) of this Article shall be imposed for a misdemeanor on the responsible person in the legal entity referred to in paragraph (4) of this Article.

Article 192-a

A fine in the amount of Euro 10,000 to Euro 15,000 in denar counter-value shall be imposed for a misdemeanor on him/her for the offense of a manager/trustee of a trust or similar legal arrangement, a person acting on behalf of and for the account of a trust from Article 22 of this law, if they:

- do not inform the entity and do not provide information supported by documents that they act in that capacity, as well as provide information about the identity of persons specified in Article 22 of this Law,
- do not possess and keep adequate, accurate and up-to-date data on the beneficial owner in accordance with Article 28 of this Law and
- did not enter the data on the beneficial owner/s, as well as the data on the changes of beneficial owner/s in the register according to Article 31 of this Law.

Article 193

Fine in the amount of EUR 500 to 1,000 in MKD equivalent shall be imposed for a misdemeanor on the bankruptcy manager or the liquidator if he/she fails to take measures and activities in the cases where the entity undergoes bankruptcy and liquidation procedure in accordance with Article 10 of this Law.

Article 194

Fine in the amount of EUR 500 to 1,000 in MKD equivalent shall be imposed for a misdemeanor on the authorized officer if:

- they do not submit the requested data in accordance with Article 128 of this Law,
- they do not inform the Office about the result and the outcome of the submitted reports or notifications in accordance with 131 paragraph (5) of this Law;
- they do not submit statistical data to the Office in accordance with Article 137 paragraph (5) of this Law;
- they do not record each taking in and taking out of cash or physically transferable means of payment over the customs line of the Republic of North Macedonia in accordance with Article 141 paragraph (1) of this Law;

- they do not collect the data in accordance with Article 141 paragraph (2) of this Law,
- they do not report to the Office the taking in or the taking out of cash or physically transferable means of payment in the amount higher than EUR 10,000 in MKD equivalent in accordance with Article 141 paragraph (3) of this Law;
- they do not report to the Office the suspicion of money laundering and/or financing of terrorism in accordance with Article 141 paragraph (4) of this Law;
- they do not keep all the data for taking in or taking out of cash or physically transferable means of payment over the customs line, at least ten years as of the day of the completed transfer in accordance with Article 141 paragraph (5) of this Law;
- they do not prepare annual programs or plans for supervision of the application of the measures and activities in accordance with Article 155 paragraph (2) of this Law;
- they do not notify the Office in cases where they determine suspicion of money laundering and/or financing of terrorism, as well as infringement of the provisions of this Law, in accordance with Article 156 of this Law;
- they do not form commissions for supervision in accordance with Article 171 paragraph (1) of this Law;
- they do not notify the Office in accordance with Article 171 paragraph (3) of this Law,
- they do not notify the Office of the filed motion for initiation of a misdemeanor procedure in accordance with Article 172 of this Law and
- refuses to receive and/or sign the supervision order or does not act on the supervision order in accordance with Article 162 paragraph (5) of this Law.

Procedure for issuance of a misdemeanor payment

Article 195

- (1) With regard to the misdemeanors of this Law, the supervisory bodies referred to in Article 151 of this Law shall be obliged, in case of establishing a misdemeanor, to propose a settlement procedure to the misdemeanant by issuing a misdemeanor payment order, before filing the motion for initiation of a misdemeanor procedure.
- (2) If the supervisory bodies referred to in Article 151 of this Law establish a misdemeanor in accordance with this Law, they shall prepare minutes to note the essential elements of the action that generate the legal characteristics of the misdemeanor, the personal name, address and personal identification number of the citizen, and in case of a foreigner, number of the travel document and state, and in case of a legal entity, the name, head office and tax number, the time, the place and the manner of committing the misdemeanor, the description of the misdemeanor action, the legal qualification of the misdemeanor and the persons found at the place, and shall give a proposal for settlement by issuing a misdemeanor payment order. The minutes shall be signed by the supervisory body, the authorized official and the misdemeanant.
- (3) In the settlement procedure, the fine noted in the misdemeanor payment order shall be imposed in a fixed amount prescribed by law, and if the fine is prescribed in a scale, the minimum prescribed amount for the misdemeanor shall be imposed.
- (4) The misdemeanant shall be obliged to pay the misdemeanor payment order issued in accordance with paragraph (3) of this Article within eight days as of the receipt of the order, at the account noted in the payment order.
- (5) The misdemeanant who pays the fine within the deadline referred to in paragraph (4) of this Article shall pay half of the imposed fine being instructed so in the legal instruction.

- (6) Costs for the procedure shall not be paid in the procedure which ends with payment of the misdemeanor payment order.
- (7) The misdemeanant who may avoid the payment of the fine because of going abroad, shall be obliged to immediately pay the fine imposed by the misdemeanor payment order.
- (8) If the misdemeanant does not pay the misdemeanor payment order within the deadline referred to in paragraph (4) of this Article, the supervisory bodies referred to in Article 151 of this Law shall file a motion for initiation of a misdemeanor procedure to the competent court.
- (9) The supervisory bodies referred to in Article 151 of this Law shall be obliged to keep records of the issued misdemeanor payment orders referred to in paragraph (1) of this Article and of the outcome of the initiated procedures.
- (10) The following data shall be collected, processed and kept in the records referred to in paragraph (9) of this Article: name and surname, that is, name of the entity misdemeanant, permanent, that is, temporary residence, head office, type of misdemeanor, number of the misdemeanor payment order and the outcome of the procedure
- (11) The personal data referred to in paragraph (10) of this Article shall be kept for ten years as of the day of entry in the records.
- (12) The Minister of Finance shall prescribe the form and the contents of the misdemeanor payment order.

Article 196

The misdemeanor procedure for a committed misdemeanor of this Law cannot be initiated or conducted if more than four years have passed as of the day of committing the misdemeanor.

Article 197

- (1) The competent court shall decide in a procedure prescribed by a law on the misdemeanors prescribed by this Law.
- (2) When determining the offenses in the procedure from paragraph (1) of this Article, the competent court shall decide in accordance with the provisions of this Law.

CHAPTER IX.

TRANSITIONAL AND FINAL PROVISIONS

Article 198

- (1) The bylaws passed in accordance with the Law on Prevention of Money Laundering and financing of terrorism ("Official Gazette of the Republic of Macedonia" no. 120/18 and "Official Gazette of the Republic of North Macedonia no. 275/19 and 317/20) shall continue to apply until adoption of the bylaws determined by this Law.
- (2) The bylaws determined by this Law shall be adopted within a period of 15 months as of the day of entry into force of this Law.

Article 199

(1) The entities referred to in Article 5 paragraph (1) items 8), 9) and 10) of this Law shall be obliged to harmonize their operations with the provisions of this Law within a period of nine months as of the day of entry into force of this Law.

(2) As an exception to paragraph (1) of this Article, the providers of services related to virtual means that before the entry into force of this Law began to perform activities determined by this Law shall be obliged to fulfill the reporting obligation from Article 8 of this Law within 30 days from the day of enactment of the bylaw referred to in Article 8 paragraph (6) of this Law.

Article 200

(1) As of the day of entry into force of this Law, the Financial Intelligence Office shall continue to work as a Financial Intelligence Office in accordance with the competencies determined by this Law.

(2) The director of the Office appointed by the day of entry into force of this Law shall continue to hold the office until the expiry of the term of office for which he/she has been appointed.

Article 201

The Financial Intelligence Unit shall establish the electronic system for case monitoring referred to in Article 138 of this Law within 30 days from the day this Law enters into force.

Article 202

(1) The Council for Combating Money Laundering and Financing of Terrorism formed by the day of entry into force of this Law shall continue its operation in accordance with the competencies determined by this Law.

(2) The commissions for supervision referred to in Article 171 of this Law, established until the day of entry into force of this Law, shall continue to perform their function in accordance with the competencies determined by this Law.

Article 203

Misdemeanor proceedings initiated by the day this Law enters into force shall end in accordance with the provisions of the Law on Prevention of Money Laundering and Financing of Terrorism ("Official Gazette of the Republic of Macedonia" No. 120/18 and "Official Gazette of the Republic of North Macedonia" no. 275/19 and 317/20)

Article 204

(1) As of 1 January 2024, the prohibition on paying cash for goods and services referred to in Article 58 of this Law shall apply to cash payments in the amount of EUR 2,000 or more in MKD equivalent in a form of a single or several obviously linked transactions, which is not made through a bank, a saving house or an account in another institution providing payment services.

(2) As of 1 January 2025, the prohibition on paying cash for goods and services referred to in Article 58 of this Law shall apply to cash payments in the amount of EUR 1,000 or more in MKD equivalent in a form of a single or several obviously linked transactions, which is not made through a bank, a saving house or an account in another institution providing payment services.

Article 205

The legal entities whose shares are listed on the organized securities market referred to in Article 28 of this Law shall be obliged to enter the data on the beneficial owner of this Law within three months from the day this Law enters into force.

Article 206

(1) The provisions of this Law that refer to the entities referred to in Article 5 paragraph (1) items 8), 9) and 10) of this Law shall start to be applied within nine months from the day this Law enters into force.

(2) The provisions of Article 31 paragraph (2) of this Law shall start to be applied from 1 January, 2026.

Article 207

As of the day of entry into force of this Law, the Law on Prevention of Money Laundering and Financing of Terrorism ("Official Gazette of the Republic of Macedonia" no. 120/18 and "Official Gazette of the Republic of North Macedonia" no. 275/19 and 317/20).

Article 208

This Law shall enter into force on the eight day as of the day of its publication in the "Official Gazette of the Republic of North Macedonia.