

UDC: 343.9.024:336.7

Review paper

Received: -

Acceptee: April 23, 2020.

Corresponding author: sinisa.dostic@fppsp.edu.rs

STRUGGLE AGAINST TERRORIST FINANCING WITH SPECIAL REFERENCE TO THE REPUBLIC OF SERBIA

Dragana Vidaković
vidakovic.belgrade@gmail.com

Siniša Dostić
Faculty of Business Studies and Law, Union-Nikola Tesla University,
Belgrade, Serbia
sinisa.dostic@fppsp.edu.rs

Abstract: *Terrorist financing is a global phenomenon that is realized in three phases: fundraising, transfer of funds raised and use of funds. Terrorism can be financed with money, goods, exploitation of natural resources, as well as services. In this regard, the complexity of detecting and preventing the movement of funds intended for terrorist financing is not only reflected in relation to funds originating from criminal activities and legal funds that are transferred illegally, but also to all funds that are transferred legally. Given that terrorist financing is adapted to current social and financial flows, it is especially important to recognize innovations in this area such as cryptocurrencies, as well as all other technologies that enable anonymity and speed of flow free of charge, and whose advantages have been recognized by terrorist organizations. Regarding the prevention and fight against the financing of terrorism, the Republic of Serbia has harmonized with important international documents, as their foreign contracting party. In addition to the above, the prevention of terrorist financing in the Republic of Serbia has been addressed from several aspects in a number of strategic documents, the last of which is the Strategy for Combating Money Laundering and Terrorist Financing for the period 2020-2024 adopted by the Government of Serbia on 13 February 2020 as well as legal regulations such as the Law on Restricting the Disposal of Property in order to prevent terrorism and the proliferation of weapons of mass destruction, etc. It should be noted that the Republic of Serbia is one of the few countries in the world with established good practice in the fight against financing terrorism, in which several persons were convicted for committing the offense of financing terrorism. The*

aim of this paper is to point out the phases of terrorist financing, the use of modern financial flows and means in terrorist financing, and examples of good practice in detecting and proving this crime in the Republic of Serbia.

Key words: *terrorism, terrorist financing, means of financing, cryptocurrencies, Republic of Serbia*

1.Introduction

Terrorist financing is a global phenomenon that cannot be considered independently of preventing and combating terrorism, especially if we take into account that terrorism can be financed with money, goods, exploitation of natural resources and services, causing consequences for the economic, political and social structure of the state. .

Terrorist financing is often equated with the phenomenon of money laundering. Money laundering is the process of concealing the sources and origins of funds derived from crime through a series of financial operations in order to profit from them. On the other hand, terrorist financing is the collection and distribution of funds with the intention of being used to commit terrorist acts. The common component is financial transactions, ie. the instruments used in both cases are the same, as are the mechanisms available to states to combat these phenomena. The main difference, in addition to the above, is the motive - in money laundering the motive is profit, while in the financing of terrorism the motive is ideology.

The first Convention on the Financing of Terrorism (International Convention for the Suppression of the Financing of Terrorism) is a 1999 act of the United Nations which aims to criminalize the financing of terrorist acts. The Convention also seeks to promote police and judicial co-operation with a view to preventing, investigating and punishing the financing of such acts.¹

The European Union has passed a series of directives related to the prevention of terrorist financing, the last of which is the Fifth from 2018² and represents an amendment to the Fourth from 2015, which criminalizes preparatory actions in the form of training, financing or travel of foreign fighters³. The Fifth Directive takes into account the revised FATF recommendations of 2012. The main changes relate to further improving the application of the risk-based approach by strengthening supervision. In addition, this directive introduces new categories of taxpayers, rules for determining the beneficial owner and greater transparency of the registers of beneficial owners, recognizes the electronic document as a reliable and

¹ <http://www.un.org/law/cod/finterr.htm>,

² <https://eur-lex.europa.eu/eli/dir/2018/843/oj>

³ <https://eur-lex.europa.eu/eli/dir/2015/849/oj>

credible source of data, etc. The Sixth Directive has also been announced, which should be adopted by the end of 2020. ⁴

The latest UN Resolution 2462 of 28 March 2019 reminds States of their obligation to ensure that any person involved in the financing, planning, preparation or execution of terrorist acts or in support of the commission of terrorist acts is brought to justice and, in addition to taking other measures against such persons, also to ensure that these terrorist acts are recognized as serious criminal offenses in domestic laws and regulations and that the punishment is appropriate to the gravity of such terrorist acts. ⁵

The Republic of Serbia is a signatory to a number of international acts aimed at suppressing and combating terrorism, from the first United Nations resolution adopted in December 1972 on measures to prevent international terrorism, to all relevant UN Security Council resolutions, as well as relevant European conventions and Council of Europe conventions. In addition to the above, the Republic of Serbia respects all the efforts of the international community in order to effectively combat this global problem.

2. Phases of terrorist financing

Terrorist financing takes place in several phases in which several different participants can be active, and thus several different mechanisms, each of which can be vulnerable to different detection and prevention instruments. The stages of terrorist financing include: fundraising, transfer of funds raised and use of funds.

The initial phase is the phase of fundraising or accumulation from several different sources and in several different ways, and the sources can be the following:

- the lawful operation of companies that may, but do not have to, be affiliated with, or even run by, terrorist organizations or individuals;
- criminal offenses such as drug trafficking, kidnappings, extortion, fraud, illegal art trade and others;
- donations by individuals or funds that support the goals of terrorist organizations;
- donations and contributions that may be misused for the purpose of terrorist financing;
- fees charged by terrorist organizations in the territory under their control;
- exploitation of natural resources.

⁴ <http://www.lexology.com/library/detail.aspx?g=6feb85eb-942e-43d9-babe-562f79beb24c>

⁵ Resolution 2462 (2019) adopted by the Security Council at its 8496th meeting, on 28 March 2019, <https://digitallibrary.un.org/record/3798199>

Fundraising can be organized and realized by both individuals and organizations, primarily non-profit organizations, bearing in mind that their establishment, together with the founders and responsible persons, allows the flow of money, fundraising, marketing, international and all other legal activities. At the same time, donors do not have to be, and very often are not, aware of the ultimate purpose of the given funds, especially those who make contributions of smaller monetary values. In this regard, examples of best international practice strongly support the development of risk assessment protocols and strategies to prevent terrorist financing by non-profit organizations themselves. (Barker, 2013).

A special form of financial support to terrorist organizations that experts often prioritize is support from states and organizations with sufficiently developed infrastructure to raise funds and make them available to terrorist organizations.⁶

The next phase of terrorist financing is the transfer of funds raised, and the mechanisms often used are the following:

- electronic and mobile transfers, between banks and / or money transfer agents,
- couriers and smuggling across state borders,
- alternative money transfer systems or networks such as the Indian "hawala", the Pakistani "hundi" or the Chinese "chit" or "chop", which operate within strictly defined racial, tribal or national groups (Caroll, 2005).

Electronic and mobile transfers through banks, regardless of a large number of technical solutions and methods, have contributed to simpler, more efficient and effective control of transactions, reduction of transaction fees, but above all mobility - automatic and instant connection with the bank from anywhere at any time. From the point of view of terrorists, mobility is a factor that is very often important for direct and / or indirect financing of their activities. However, despite all the above advantages, they are not used so often for terrorist financing, bearing in mind that they imply a written trace of the transaction and the participants. However, there are certain problems that can be related to the complete identification of participants, but also the impossibility of connecting donors with the ultimate purpose of terrorist financing, especially when it comes to funds raised through membership fees, donations, aid and more.

⁶ FATF, Report on Money Laundering Typologies 2001-2002, http://www1.oecd.org/fatf/pdf/TY2002_en.pdf. FATF Financial Action Task Force - FATF is an intergovernmental body, established in 1989 with the task of setting standards and promoting the effective implementation of legal, regulatory and operational measures to combat money laundering, terrorist financing and the proliferation of weapons of mass destruction..

In addition to banking, it is very important to mention the possibility of transferring funds through mobile transfers that allow users to pay a deposit, withdraw money, transfer money and pay for goods and services through the account of their mobile phone number, without mediation by banks. One such method is known as "M-peso", which was launched by mobile operator Vodafone in 2007 with the largest operators in Kenya and Tanzania, and has since expanded to Afghanistan, South Africa and India, and since 2014 in Eastern Europe as well.

It is very difficult to detect couriers for money transfer and cash smugglers across state borders in the allowed amounts. The most efficient money transfer systems, from the aspect of terrorist organizations, are alternative systems or networks for money transfer because they rarely involve the physical transfer of cash and do not leave any written trace of the transfer. In addition to the transfer of cash, the use of charitable organizations is also suitable for the transfer of all other goods and services that can be used to finance terrorism, and even the transport of people.

The last phase, which is the final proof of the criminal nature of these funds, is their use. Understanding of use can be limited to the act of purchasing the means of committing a specific terrorist act, but also providing various means for a whole range of activities such as: supporting regular cell activities (buying food or renting vehicles and apartments), procuring weapons and explosives, providing hiding places and medical care, funding training camps, publishing propaganda material, purchasing computers and telecommunications equipment, or paying for political support and shelter in suitable countries.

In addition to the above phases, it is important to mention the intermediate phase, which we can call the storage of collected funds, which can occur both after collection and after the transfer of collected funds. The safekeeping of collected funds can be realized in a number of different ways, including bank accounts opened by intermediaries, individuals or companies.

3. Funds for terrorist financing

Terrorism can be financed with money, goods, exploitation of natural resources, as well as services, so the complexity of detecting and preventing the movement of funds intended for terrorist financing is not only reflected in relation to funds originating from criminal activities and illegally transferred funds, but also to all funds transferred legally.

Of all the means that can be used to finance terrorism, the most important is money, because it can be traded, it can be invested, deposited, and ultimately it can affect individuals, in terms of making decisions that are important for the implementation of various activities of terrorists. Observed

throughout history, the development of technique and technology has, among other things, contributed to the development of means of payment: from the original barter of goods for goods, through gold, coins, paper money, checks, credit cards to cryptocurrencies.

The issue of the effectiveness of the fight against terrorism by preventing its financing with money is approached from two different aspects:

- The first is that the amount of money spent on a specific terrorist act may seem negligible compared to the amount of money circulating through the global financial system, and the detection of such money can be made almost impossible, especially if we keep in mind that part of these funds comes and from legal sources;
- on the other hand, some authors consider the first aspect wrong and even malicious, and the argument is that the costs of financing terrorist activities cannot be measured only on the basis of estimated costs of one destructive act, but also the costs of other activities must be taken into account. (propaganda, recruitment, procurement of necessary funds, etc.) which makes these amounts many times larger and thus more "visible" in the financial system (Poncy, 2003);

Considering the financing of terrorism with money, it is inevitable to observe it through payment methods, bearing in mind that the development of technique and technology has significantly improved and simplified the movement of money in legal financial flows. Numerous authors have different opinions and attitudes, but just to illustrate the complexity we will list one of the divisions of payment methods:

- technology (NFC, BlueTooth, SMS, E-Banking, ...),
- means (directly and indirectly),
- entity (natural and legal person),
- place of payment (On-line and Off-line),
- market (local, regional and global),
- channel (internet and mobile > 30%),
- operating system (Android 70%, Apple iOS 23%, Microsoft 2.5%, BlackBerry 0.9%, Others 3.6%) (Birovljev, 2016).

The development of information technologies has contributed to the Internet becoming a powerful tool for terrorist organizations and their supporters to raise funds and resources to finance terrorism. There are many ways in which the Internet can be misused to finance terrorism: from direct fundraising, through the misuse of tools and payment methods, to the creation of profiles with incomplete or false identification data through which funds are collected.

The unforeseeable consequences of the misuse of the Internet for the purpose of financing terrorism are caused by the use of the Dark Web, whose

pages, precisely because of encryption, cannot be found using a surface network browser, but by specific free software that allows anonymous communication, configuration or approval. for access. In this way, among other things, it is possible to exchange goods and services between users whose locations and identities cannot be determined. In the meantime, special forms of digital assets have been developed, such as cryptocurrencies, etc.

4. Cryptocurrencies

Cryptocurrency is a form of digital asset that is used as a medium of exchange using cryptography as a way to ensure the security of transactions, control the creation of additional monetary units and to confirm currency transfers⁷. Today, there are more than 1,500 of them in the world and they are characterized by complete decentralization, which means that no regulatory body, both state and private, has any control over their models and production methods, and their value is dictated only by supply and demand.

The resource for the production of decentralized cryptocurrencies is computer equipment, and the complete system is protected by mathematical cryptography instead of a central body. This whole system is additionally more interesting and desirable due to almost 100% security of transfer and speed of the transaction, non-existent commissions, but also the presentation of the user's identity exclusively by digital record, which enables complete anonymity. Such transactions require only a computer or mobile phone and a digital wallet application that can be moved anywhere in the world and at any time. In this way, it is possible, without cards and cash, to withdraw money at cryptocurrency ATMs by converting it into the internationally recognized currency of any country in the world, or to pay for services without any identification or commission.

The fact that regulatory bodies cannot tax and place cryptocurrency trading in legal flows and legal frameworks prevents them from being treated as a global and reliable payment unit. On the other hand, cryptocurrencies, like all other technologies that enable anonymity and speed of flow free of charge, are a perfect tool for using and exchanging "goods" in various crimes such as: paid murders, kidnappings, theft of important computer data by industry and corporations, legal and natural persons, terrorist financing, purchase of opiates and weapons, endangering security, money laundering and legalization, and more.

A terrorist and / or a person who has used a certain amount of cryptocurrency to finance terrorism does not have to have any physical proof that he is the owner of cryptocurrency, but can access his e-mail and e-wallet

⁷ <https://sh.wikipedia.org/wiki/Kriptoaluta>

from any part of the world and make the desired transaction. Also, the possibility of creating cryptocurrencies by terrorist organizations cannot be ruled out.

Since 2017, bitcoin exchange offices have been operating in several cities in Serbia, most of which are located in Belgrade. In addition to several catering facilities where payments can be made in cryptocurrencies, there is the only ATM in Serbia in Belgrade where the most popular cryptocurrencies in the world can be bought and sold.

It is important to note that cryptocurrency trading is still not a generally accepted and massive means of financing terrorism, but almost all relevant international institutions have identified the possibility of financing terrorism with cryptocurrencies as a potential risk, and pay special attention to this phenomenon. UN Resolution 2462 calls on all countries to improve the monitoring and transparency of financial transactions, inter alia, through the assessment and elimination of potential risks associated with virtual assets and, where appropriate, the risks of new financial instruments, including, among others, group platforms. crowd-funding platforms that may be misused for terrorist financing purposes and taking steps to ensure that those who secure such assets are subject to anti-money laundering obligations. and terrorist financing.⁸

The competent institutions of the Republic of Serbia, as well as relevant international institutions have a developed awareness of the possible misuse of cryptocurrencies for the purpose of financing terrorism, as evidenced by numerous documents, including a statement by the Cabinet of Governors of the National Bank of Serbia. systemic importance and they do not currently endanger the financial system of the Republic of Serbia, so that in the near future no new legislative interventions in this area are expected. However, our legislator recognized that cryptocurrencies are important for the state in the context of risk management of money laundering and terrorist financing, and that is why it was estimated that regulations should intervene in this, one segment related to cryptocurrencies. In December 2017, a new Law on Prevention of Money Laundering and Terrorist Financing was adopted, which came into force on April 1, 2018. In this regard, persons who enable the exchange of cryptocurrencies for legal tender and vice versa are explicitly recognized as obligated by that law and will be obliged to harmonize its operations with the provisions of the Law on Prevention of Money Laundering and Terrorist Financing, which results in the obligation to take actions and measures to prevent money laundering and terrorist financing from that law, such as identification of clients a like device used for the purchase /

⁸ Resolution 2462 (2019) adopted by the Security Council at its 8496th meeting, on 28 March 2019, <https://digitallibrary.un.org/record/3798199>

sale of virtual currency) by taking copies of personal documents, adequate reporting to the National Bank of Serbia and the determination of a person authorized to perform these actions. Finally, when it comes to future steps within the normative powers of the National Bank of Serbia, it will, in cooperation with other state bodies, take into account all relevant facts (such as financial system stability, security aspect, demand for virtual currencies and domestic size). market), consider the need for regulatory intervention." ⁹

5. Legal framework in the fight against terrorist financing in the Republic of Serbia

The Republic of Serbia has harmonized its law-political and legal acts regarding the prevention and fight against the financing of terrorism with important international documents, as their contracting party. Also, so far, the Government of the Republic of Serbia has adopted three Strategies for the fight against money laundering and terrorist financing. The first national strategy (2008-2013) was adopted with the aim of effectively establishing a complex and comprehensive system for combating money laundering and terrorist financing, and the second national strategy was a logical continuation of the first, and aimed at improving the efficiency of the system. The government adopted the second national strategy for the fight against money laundering and terrorist financing on December 31, 2014, with a deadline of the end of 2019.

The third strategy for combating money laundering and terrorist financing for the period 2020-2024, adopted on 13 February 2020 builds on the previous two strategies and aims to develop a system for combating money laundering and terrorist financing in the Republic of Serbia for successful confronting the risks identified in 2018 in the Money Laundering Risk Assessment and the Terrorist Financing Risk Assessment and for the adoption of measures that will be in line with FATF standards and that will successfully contribute to the set goals in the fight against money laundering and financing terrorism.

The national risk assessment for terrorist financing¹⁰ was done for the period from 01.01.2013 to 31.12.2017 according to the methodology of the World Bank, and the Government of the Republic of Serbia adopted it in May 2018. Namely, the National Risk Assessment of Terrorist Financing is based on information and statistics collected by the Public Prosecutor's Office, Security Service, Ministry of Justice, Ministry of Interior, Ministry of Finance, Ministry of Foreign Affairs, Ministry of Culture and Information,

⁹ <https://www.nbs.rs/internet/latinica/scripts/showContent.html?id=12975&konverzija=yes>

¹⁰ <http://www.apml.gov.rs/cyr/file/?conid=2254>

Ministry of State Administration and Local Self-Government, Business Registers Agency, National Security and Secrets Council Office st data and the Office for Cooperation with civil society. By assessing the total parameters and statistics, the following criteria were assessed:

- ‘The threat of terrorism "was rated medium / high,
- "Impact on the threat of terrorist financing in the Republic of Serbia", was assessed as "low",
- "The threat of terrorist financing" is assessed as "medium" with a tendency "does not change".

Based on the assessment of the stated parameters, it was assessed that the "risk of terrorist financing" in the Republic of Serbia is "medium".

When it comes to strategic documents, in the field of terrorist financing, it is necessary to mention the National Security Strategy of the Republic of Serbia ("Official Gazette of RS", No. 94/19) and the Strategy for Prevention and Combating Terrorism for the period 2017-2021 ("Official Gazette of RS", No. 94/17).

After the preparation of the previous National Terrorist Financing Risk Assessment, when it comes to "Vulnerability of the Terrorist Financing System", amendments to the Criminal Code, preparatory actions for the criminal offense of Terrorism became essentially punishable, and legal conditions for more efficient prosecution and crime prevention were created. acts of terrorism and terrorist financing.

The most important domestic regulations relevant to preventing and combating the financing of terrorism are: RS Criminal Code ("Official Gazette of RS", No. 85/2005, 88/2005 - corrigendum, 107/2005 - corrigendum, 72/2009, 111 / 2009, 121/2012, 104/2013, 108/2014, 94/2016 and 35/2019), Criminal Procedure Code "Official Gazette of RS", No. 72/2011, 101/2011, 121/2012, 32 / 2013, 45/2013, 55/2014 and 35/2019), Law on Organization and Competences of State Bodies in the Suppression of Organized Crime, Terrorism and Corruption, "Official Gazette of RS", No. 94/2016 and 87/2018 - dr. law), the Law on Restriction of Disposal of Property in order to prevent terrorism and proliferation of weapons for mass destruction (Official Gazette of RS, No. 29/2015, 113/2017 and 41/18), the Law on Prevention of Money Laundering and Terrorist Financing (Official Gazette of RS, No. 113/2017 and 91/2019) and the Law on international restrictive measures (Official Gazette of RS, No. 10/2016).

According to the Criminal Code of the Republic of Serbia, "Terrorist financing" is qualified as a criminal offense under Article 393, which is based on direct or indirect giving or raising funds with the aim of using them or knowing that they will be used, in whole or in part, for terrorist purposes, criminal offenses or to finance persons, groups or organized criminal groups that have as their object the commission of those offenses. The legislator also

foresaw that the penalties for the aforementioned criminal offenses were punishable by imprisonment from one to ten years, and on that occasion the discovered funds are to be confiscated.

The basic preventive law in the field of combating money laundering and terrorist financing is the Law on Prevention of Money Laundering and Terrorist Financing. This law determines the actions and measures of knowing and monitoring the parties who are obliged to apply this law, which are also determined by law, are obliged to apply when establishing and lasting a business relationship. The competencies of the Administration for the Prevention of Money Laundering, as the financial intelligence service of the Republic of Serbia, in detecting and preventing money laundering and terrorist financing, as well as other bodies in the application of this law, are also determined. Among other things, the supervisory bodies that supervise the application of this law to taxpayers are determined, as well as the penal provisions for non-compliance with the provisions of this law. The law regulates the activities, actions and powers of the Administration for the Prevention of Money Laundering and the competent supervisory bodies. This law largely implements the relevant directives and regulations of the European Parliament and the Council.

In accordance with the Law on Restrictions on the Disposal of Property for the Prevention of Terrorism and the Proliferation of Weapons of Mass Destruction, "Terrorist Financing" means securing or collecting property or attempting to secure or collect it, with the intention of using it or knowing that it can be used in its entirety, or in part: for the commission of a terrorist act; by terrorists and by terrorist organizations. Terrorist financing is also inciting and assisting in securing and collecting property, regardless of whether the terrorist act was committed and whether the property was used to commit a terrorist act. This law prescribes, in order to prevent terrorism and the spread of weapons of mass destruction, actions and measures to restrict the disposal of property of designated persons, the competence of state bodies to apply these measures, as well as the rights and obligations of natural and legal persons in applying the provisions of this law.

The aforementioned laws are elaborated through numerous bylaws, instructions, guidelines, guides and other documents which operationalize measures and activities for the fight against terrorist financing, and on the other hand prove the effectiveness of the system.

6. Examples of good practice in the fight against terrorist financing in the Republic of Serbia

The Republic of Serbia is one of the few countries in the world where several people have been convicted for the criminal offense of terrorist

financing. Namely, the Special Department for Organized Crime of the Court of Appeals in Belgrade, after the session of the panel, passed a verdict on January 18, 2019, rejecting all appeals as unfounded and confirming the first instance verdict of the High Court in Belgrade of April 4, 2018 to seven citizens of Serbia for committing the following criminal offenses:

- terrorist association referred to in Article 393a, paragraph 1 of the CC in connection with the criminal offense of terrorism referred to in Article 391, paragraph 1 of the CC,
- terrorist financing referred to in Article 393, paragraph 1 of the CC,
- recruitment and training for committing terrorist acts referred to in Article 391b, paragraph 1 of the CC,
- public incitement to commit terrorist acts under Article 391a¹¹.

The defendants were found guilty of:

- At the beginning of 2013, in the Republic of Serbia and several other countries, together with several other unidentified persons, they joined forces for a long time to commit the criminal offenses of terrorism, so they took action to implement the plan consisting in that. that the defendants continuously collect financial resources with the aim of using them for the purpose of committing the criminal offense of terrorism and continuously take actions to recruit citizens of the Republic of Serbia to commit or participate in the commission of this criminal offense, ie to join the terrorist organization "Islamic State of Iraq and the Levant (Shama)" (IDIL), and organized their own and other people's departure to the Syrian Arab Republic, in order to join the armed part of this terrorist organization;
- realizing the plan of the association, from like-minded people in the Republic of Serbia and countries in the region of BiH and Croatia and several Western European countries - Austria, Germany and Luxembourg, continuously collected funds, including abusing the contributions of believers, in order to use them for execution the criminal offense of terrorism and recruitment and training for the commission of terrorist acts, ie for the recruitment of several persons, mainly using their difficult financial situation, thus gaining control and influence, and then to finance travel of recruited persons and their stay in the Syrian Arab Republic in order to join the armed part of IDIL and participate in armed conflicts, as well as to finance persons who were already in the ranks of a terrorist organization, with what funds they had at their disposal, determining when and for what purpose they will be spent;

¹¹ <http://www.bg.ap.sud.rs/cr/articles/sluzba-za-odnose-sa-javnoscu/aktuelni-predmeti/organizovani-kriminal/ok-donete-odluke/>

- within the association they had created with the intention of committing the crime of terrorism, continuously undertook actions to recruit members of the Islamic religion in the Republic of Serbia, especially among younger persons; they also recruited several persons to commit or participate in the commission of this crime or to join the terrorist organization IDIL, and other terrorist organizations for the purpose of participating in the commission of the said criminal offense.

One defendant was found guilty of continuously publicly presenting and spreading ideas that directly encourage the commission of the crime of terrorism, so that in 2013 and early 2014 on his Facebook profile, under the pseudonym "Abdullah Abdullah", in a part that is accessible to all users, he posted a series of content - texts, recordings and photographs glorifying the organization that was declared a terrorist organization by the United Nations - "Islamic State of Iraq and the Levant (Shama)" (IDIL), propagated its actions, called for material assistance and joining its ranks, calling for armed struggle, violence and killings and showing footage of them, showing maps of the territory controlled by IDIL, and calling for suicide actions in the Raska area, in Belgrade and in Rome.

It is exactly this verdict that is the result of systematic and continuous joint work of competent state bodies, international cooperation, harmonized legislation and determination of all branches of government and institutions to oppose terrorism and all other activities that contribute to its propaganda, promotion, encouragement, financing and more.

Based on current practice, the risks of terrorist financing in the Republic of Serbia may increase due to the mass influx of migrants and the return of foreign terrorist fighters and their families, regardless of whether the territory of the Republic of Serbia is a transit country or their final destination. Also, the risks of terrorist financing may increase in the case of detecting and preventing the misuse of information technologies, primarily the use of the dark Internet and cryptocurrency trading.

7. Conclusion

Terrorist financing is not the only one, but it is certainly a necessary mechanism, both for the execution of a terrorist act and other incriminated activities related to terrorism, such as promotion, incitement, recruitment, training, but also other logistical activities necessary for the preparation and execution of a terrorist act.

The process of globalization, which enabled the free movement of people, goods, money and information, would not be possible in one and / or several countries, and the fight against their abuse and prevention of terrorist

financing cannot be an individual act of one and / or individual countries, but a global strategy with respect for human rights and freedoms and the rule of law. In this regard, many different legal regulations regarding global phenomena, such as trading within the dark network of the Internet and cryptocurrency, would cause their ineffective application in the case of crimes of an international character.

The Republic of Serbia has a defined legal framework in the field of the fight against terrorist financing based on strategic documents and legal regulations, harmonized with international standards and confirmed by examples of good practice in detecting and prosecuting criminal acts. This approach ensures that any person involved in the financing, planning, preparation or execution of terrorist acts or in support of the commission of terrorist acts is brought to justice and, in addition to taking other measures against such persons, ensures that these terrorist acts are recognized as serious crimes in domestic laws and regulations and that the punishment be appropriate to the gravity of such terrorist acts.

In accordance with the existing strategic documents, the institutions of the Republic of Serbia need to intensify work on further reducing the risk of terrorist financing through: continuous improvement of the strategic, legislative and institutional framework, coordination and cooperation of all participants in the fight against money laundering and terrorist financing. cooperation; preventing the entry into the financial and non-financial system of property suspected of being acquired by a criminal offense, and intended for the financing of terrorism, ie to improve the detection of such property if it is already in the system; effectively and efficiently detect and eliminate threats from terrorist financing and punish perpetrators of the criminal offense of terrorist financing.

Improving policy in this area, coordination and cooperation in the fight against terrorist financing will reduce the risks of terrorist financing. This will prevent the entry of criminally acquired assets and funds intended for terrorist financing in the financial and other sectors in the Republic of Serbia, and if such assets or funds enter the system, all relevant sectors will be able to detect and report them in time, as well as to conduct successful proceedings for confiscation of illegally acquired property. Appropriate measures will contribute to the detection and elimination of threats from the financing of terrorism, to the confiscation of funds from terrorists, and to the sanctioning of those who finance terrorism, which will contribute to the prevention of terrorist acts.

References

Aleksandar Birovljev: Projekat Razvoj elektronskog poslovanja, Beograd, 2016.

Anthony Grahame Barker „Rizici od zloupotrebe neprofitnih organizacija za pranje novca i finansiranje terorizma u Srbiji“, Savet Evrope, Beograd, 2013.

Chip Ponce, Remarks on the Nature of Terrorist Financing and Means of Identifying Terrorist Financing Networks, Proceedings of the Swiss EAPC/PfP Workshop “Combating the Financing of terrorism”, 27 to 28 November 2003, Geneva, Switzerland

Egmont Group of Financial Intelligence Units, Annual Report 2017-2018, <https://egmontgroup.org/en/document-library/10>

Egmont Group of Financial Intelligence Units, Communiqué, Monaco 1 February 2016, https://egmontgroup.org/en/filedepot_download/1659/13+&cd=1&hl=srLatn&ct=clnk&gl=rs&client=firefox-b-d

FATF, Report on Money Laundering Typologies 2001-2002, http://www1.oecd.org/fatf/pdf/TY2002_en.pdf,

Final Report of the National Commission on Terrorist Attacks Upon the United States, Official Government Edition, <http://a257.g.akamaitech.net/7/257/2422/05aug20041050/www.gpoaccess.gov/911/pdf/fullreport.pdf>, 08. jul 2005

RS Criminal Code ("Official Gazette of RS", No. 85/2005, 88/2005 - amended, 107/2005 - amended, 72/2009, 111/2009, 121/2012, 104/2013, 108/2014 , 94/2016 and 35/2019),

Lissa C. Carroll, Alternative remittance systems distinguishing sub-systems of ethnic money laundering in Interpol member countries on the Asian continent, <http://www.interpol.com/Public/FinancialCrime/MoneyLaundering/EthnicMoney/default.asp>, 19. jun 2005,

Resolution 2462 (2019) adopted by the Security Council at its 8496th meeting, on 28 March 2019, <https://digitallibrary.un.org/record/3798199>

Strategy for Combating Money Laundering and Terrorist Financing for the Period 2020-2024 ("Official Gazette of RS", No. 14/2020)

National Security Strategy of the Republic of Serbia ("Official Gazette of RS", No. 94/19)

Strategy for Prevention and Fight against Terrorism for the period 2017–2021 ("Official Gazette of RS", No. 94/17).

Criminal Procedure Code ("Official Gazette of RS", No. 72/2011, 101/2011, 121/2012, 32/2013, 45/2013, 55/2014 and 35/2019),

Law on Organization and Competences of State Bodies in the Suppression of Organized Crime, Terrorism and Corruption ("Official Gazette of RS", No. 94/2016 and 87/2018 - other law)

Law on Restriction of Disposal of Property for the Prevention of Terrorism and Proliferation of Weapons of Mass Destruction ("Official Gazette of RS", No. 29/2015, 113/2017 and 41/18),

Law on Prevention of Money Laundering and Terrorist Financing ("Official Gazette of RS", No. 113/2017 and 91/2019)

Law on International Restrictive Measures ("Official Gazette of RS", No. 10/2016).

<http://www.apml.gov.rs/cyr/file/?conid=2254>

<https://sh.wikipedia.org/wiki/Kriptoaluta>

<http://www.bg.ap.sud.rs/ct/articles/sluzba-za-odnose-sa-javnoscu/aktuelni-predmeti/organizovani-kriminal/ok-donete-odluke/>