# ASSET SEIZURE INSTITUTIONS IN SERBIA

## Introduction

The Law on Seizure and Confiscation of Proceeds of Crime, which came into force on 1 March 2009, introduced two new institutions - the Directorate for Management of Seized Assets (part of the Ministry of Justice) and the Special Police Unit for Financial Investigations (within the Ministry of Interior). The new law enhances, *inter alia*, forfeiture mechanisms, enabling state bodies to seize and confiscate proceeds from crime from perpetrators of the most serious crimes, such as organized crime, corruption, drug and human trafficking, terrorism etc.

## Directorate for Management of Seized Assets

## Jurisdiction

The Directorate can be considered as an Asset *Management* Office, rather than as an Asset *Recovery* Office. The Directorate is responsible for managing and safeguarding of the assets with due diligence, i.e. with due and reasonable professional care, depending on the nature of assets, until the revocation of the decision on temporary seizure of assets, i.e. final judgment on permanent seizure of assets (art. 37).

Article 9 of the Law on Seizure and Confiscation of Proceeds of Crime provides the list of the Directorate's competences. Priority is given to competences related to the direct management of seized assets, i.e. maintaining of such assets and their storing, safeguarding and selling. These functions are aimed at preserving the original value of the seized assets until the final court decision revoking or confirming the seizure enters into force. Other competences include professional assessment of the assets' value, book-keeping and training of civil servants and magistrates. Finally, the Directorate participates in extending international legal assistance.

In order to safeguard the value of temporarily seized assets, the Directorate may, upon approval of the competent court and without delay, sell movables and/or authorize a specific natural person or legal entity to affect the sales procedure (art. 42).

According to a public statement of the Minister of Justice, given on 17 March 2011, the value of the temporary or permanently seized assets under the jurisdiction of the Directorate exceeds 300 million Euro.

## Structure

Article 12 of the Law sets forth that the regulations on public administration[1] shall be applicable for the functioning, internal organization and job classification of the Directorate. The Law on Public Administration provides that the Minister of Justice shall direct the work of the Directorate and enact regulations within its scope of duties. The Directorate has approximately 25 employees, including the Director and two Deputy Directors.

[1] The Law on Administrative Procedure; the Law on Public Administration; The Law on Public Employees

# Special Police Unit for Financial Investigations

## Jurisdiction

The Special Police Unit for Financial Investigations (hereinafter, Financial Investigation Unit – FIU) is a specialized organizational unit of the Ministry of Interior responsible for detecting proceeds from criminal offences. FIU performs its tasks *ex officio* or at the order of the public prosecutor and the court.

The FIU initiates a Financial Investigation at the order of the public prosecutor**.** Financial Investigations are conducted in order to obtain evidence on the existence of assets suspected to be originating from criminal offences. It is instituted in case of suspicion that there is a significant disproportion between the lawful income and the real possessions of the suspect.

State and other authorities, organizations and public services are obliged to extend assistance to FIU during financial investigations. It includes a wide range of legal entities, such as Tax Administration, Custom Clearance, banks, the National Bank of Serbia, Central Securities Register, Corporate Register Agency, Securities Committee, Privatization Agency, Electricity Supply Company, public utilities, etc.

## Structure

FIU is a special division within the Police Service for Combating Organized Crime. It comprises eight operational centres outside the head office in Belgrade, enabling efficient performance of duties on the entire territory of Serbia.

The internal organization and job classification in the Unit is provided by a separate act issued by the Minister of Interior. The Minister also appoints the Head of the Unit upon acquiring an opinion from the Republic Public Prosecutor**.**

FIU is composed of experts of different profiles who detect assets from crime in a joint team effort. Specialization of the Unit represents *sine qua non* condition for successful detecting of assets from crime. It includes specialists of different profiles (economists and lawyers specialized in property and tax issues, specialists in information technology, accounting and similar) who provide the public prosecutor with information and evidence necessary to make a decision on instituting proceedings for seizure of assets deriving from criminal offence.

For further information contact:

**Nada Pancic**
Executive Assistant
Rule of Law and Human Rights Department
nada.pancic@osce.org
011 3606 206

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