



Groupe d'Etats contre la corruption
Group of States against corruption



COUNCIL OF EUROPE CONSEIL DE L'EUROPE

**DIRECTORATE GENERAL OF HUMAN RIGHTS AND LEGAL AFFAIRS
DIRECTORATE OF MONITORING**

Strasbourg, 13 June 2008

Joint First and Second Evaluation Rounds

Compliance Report on the Republic of Serbia

Adopted by GRECO
at its 38th Plenary Meeting
(Strasbourg, 9-13 June 2008)

I. INTRODUCTION

1. GRECO adopted the Joint First and Second Round Evaluation Report on the Republic of Serbia at its 29th Plenary Meeting (19-23 June 2006). This report (Greco Eval I-II Rep (2005) 1E Revised) was made public by GRECO, following authorisation by the Serbian authorities, on 9 October 2006.
2. In accordance with Rule 30.2 of GRECO's Rules of Procedure, the authorities of the Republic of Serbia submitted their Situation Report (RS-report) on the measures taken to implement the recommendations on 28 December 2007. Additional information was submitted on 20 May 2008 and 27 May 2008, respectively.
3. At its 26th Plenary Meeting (5-9 December 2005), GRECO selected, in accordance with Rule 31.1 of its Rules of Procedure, Ireland and Lithuania to appoint Rapporteurs for the compliance procedure. The Rapporteurs appointed were Mr Henry MATTHEWS on behalf of Ireland and Ms Elena KONCEVICIUTE on behalf of Lithuania. The Rapporteurs were assisted by the GRECO Secretariat in drafting the Compliance Report (RC-Report).
4. The objective of the RC-Report is to assess the measures taken by the authorities of the Republic of Serbia to comply with the recommendations contained in the Evaluation Report.

II. ANALYSIS

5. It was recalled that GRECO in its Evaluation Report addressed 25 recommendations to the Republic of Serbia. Compliance with these recommendations is dealt with below.

Recommendation i.

6. *GRECO recommended that the implementation of the Public Procurement Law be enhanced, notably by providing training to civil servants involved in the procurement process.*
7. The authorities of Serbia report that efforts have been made to support the implementation of public procurement provisions. In particular, in March 2007, 50 procurement officers were trained on public procurement procedures (the project was co-organised by the Public Procurement Office and the OSCE Mission in Serbia). Further seminars were held in November and December 2007, respectively, resulting in a total of 140 civil servants being trained in this particular area. In 2008, the Public Procurement Office has sustained training activities in this field.
8. In addition, a public procurement website was launched in February 2008 to, *inter alia*, provide information on public calls for tenders. Moreover, a database is being designed to centralise information on requests submitted concerning the protection of bidders' rights, decisions of the Commission for the Protection of Rights, etc. It is expected that the database will be operative in June 2008. These two initiatives (website and centralised database on public procurement matters), geared at increasing transparency of procurement procedures, would additionally facilitate the crosscheck of data by the Public Procurement Office; if irregularities are spotted, the latter is to alert the State Audit Institution and other competent bodies in a swift manner.
9. The authorities further indicate that the current Public Procurement Law is being amended in order to further strengthen the legal and institutional framework in this field. Some of the key changes aim at:

- Ensuring the independence of the Commission for the Protection of Rights, of which the President and members would be elected by the National Assembly (instead of the Executive as is currently the case).
 - Increasing transparency of public procurement procedures: in this context, exceptions to the Law, the so-called “confidential procurements”, would be narrowed down and exhaustively listed by law (e.g. defence and security interests, protection of public health, etc.).
 - Enhancing specialisation in public procurement matters through professional training and certification of those civil servants employed in purchasing entities: in this connection, contracting authorities with an annual procurement volume exceeding 20,000,000 dinars (approximately 253,000 EUR), would be required to designate at least one employee whose primary task would be to deal with public procurement. In addition, procurement officers would undergo a mandatory training and certification process organised by the Public Procurement Office. The aforementioned certification would be granted following a written and oral examination of the relevant officers; the examining tribunal would be composed of representatives from the Ministry of Finance, Public Procurement Office and Commission for the Protection of Rights. A register of certified officers would be kept and publicised by the Public Procurement Office.
10. GRECO welcomes the training reported to meet the aim of recommendation i. It also acknowledges the declared intention of the authorities to develop further specialised training sessions, as well as to launch a certification procedure for procurement officers, following the enactment of the amended Public Procurement Law, which is currently under preparation. In this connection, GRECO encourages the authorities to proceed promptly with the adoption of the envisaged amendments geared towards increasing the independence, transparency and effectiveness of the procurement process.
11. GRECO concludes that recommendation i has been dealt with in a satisfactory manner.

Recommendation ii.

12. *GRECO recommended that ways should be found to render the procedure for appointing and promoting judges and prosecutors more transparent, in order to foster the public's confidence in the complete independence of prosecutors and judges from any improper political influence and their impartiality in exercising their functions.*
13. The authorities of Serbia indicate that the Decision on Determining the National Judicial Reform Strategy, which entered into force on 3 June 2006, stresses that the procedure for selecting and appointing judges is to guarantee the autonomy and independence of the judiciary. The Constitution of the Republic of Serbia includes detailed provisions on the appointment and promotion of judges and prosecutors; it further enshrines the principle of stability of the judiciary. Moreover, with a view to enhancing transparency in this area, all nominations made by the High Judicial Council¹ are published and widely distributed to the media for further dissemination purposes.
14. The High Court Council is the body entrusted with the nomination, appointment, promotion and eventual dismissal of judges, with the exception of those applicants who are elected to the post of judge for the first time and whose appointment is to be decided on by the National Assembly (at

¹ According to the Constitution, the High Judicial Council is to be replaced by the High Court Council and the State Prosecutorial Council.

the proposal of the High Court Council²) for a probationary period of three years. The High Court Council is defined as an independent and autonomous body which is to provide for and guarantee the independence and autonomy of courts and judges. The High Court Council is composed of eleven members: three *ex officio* members (the president of the Supreme Cassation Court, the Minister of Justice and the President of the competent committee of the National Assembly), and eight appointed members (six judges, one attorney-at-law and one professor of law – the latter two are to be prominent lawyers with at least fifteen years' professional experience), who are elected by the National Assembly by motion of the so-called "authorised nominators"³. The National Assembly is also to elect first time prosecutors (at the proposal of the Government) and deputy public prosecutors (at the proposal of the State Prosecutorial Council). The composition of the State Prosecutorial Council reportedly follows the model of the High Court Council.

15. Further rules concerning the judiciary are under preparation, i.e. Draft Law on the High Court Council, Draft Law on Judges, Draft Law on the Public Prosecutor's Office and Draft Law on the State Prosecutorial Council. These drafts have undergone expertise by the Council of Europe. Likewise, criteria for judicial appointments (judges and prosecutors), promotion, disciplinary procedures and termination of office are to be established. A roundtable on the significance of introducing clear and measurable criteria to govern the aforementioned procedures was co-organised by the Ministry of Justice, the Council of Europe and the OSCE on 2 October 2007; over 100 individuals (representatives of judicial institutions, international organisations and embassies) attended the event.
16. GRECO takes note of the information provided and welcomes the ongoing measures reported to further regulate the appointment and promotion of judges and prosecutors. GRECO notes that the legislative framework in this area is still being developed; in particular, the adoption of a legislative package concerning the judiciary (i.e. Draft Law on the High Court Council, Draft Law on Judges, Draft Law on the Public Prosecutor's Office and Draft Law on the State Prosecutorial Council) is pending. Moreover, clear criteria and procedures for judicial appointments and promotions are to be defined. GRECO urges the authorities to pursue vigorously their efforts in this area.
17. GRECO concludes that recommendation ii has been partly implemented.

Recommendation iii.

18. *GRECO recommended that the conditions of tenure of deputy public prosecutors be reconsidered in order to give them a reasonable degree of stability.*
19. The authorities of Serbia state that the new Constitution of the Republic of Serbia (which came into force on 8 November 2006) now provides for the permanent tenure of deputy public prosecutors (a probationary period of three years for newly appointed persons is required as it is also the case for judges). This principle is also recognised by the Draft Law on the Public Prosecutor's Office.

² In cases of first election to the position of judge, propositions must be made to the National Assembly by the High Court Council. In particular, the High Court Council proposes to the National Assembly two candidates for each judge's position.

³ The so called "authorised nominators" are: (a) for the nomination of the six relevant judges: the Supreme Cassation Court, Administrative court, Commercial courts, Appellate courts, First instance courts of general competence (municipal and district), as well as magistrate courts; (b) for the nomination of the attorney-at-law: the Bar Chamber of Serbia; and (c) for the election of the professor of law: a panel composed of full and associate professors of the Law Faculty in Belgrade.

20. GRECO concludes that recommendation iii has been implemented satisfactorily.

Recommendation iv.

21. *GRECO recommended that the term of office of the Special Prosecutor for Organised Crime and of his/her deputies be extended.*

22. The authorities of Serbia report that, in the Draft Law on the Public Prosecutor's Office, the term of office of the Special Prosecutor Office for Organised Crime and of his/her deputies follows the criteria established for all public prosecutors. Accordingly, the Special Prosecutor for Organised Crime is to be elected for a six years period (instead of two years, as was previously the case); his/her deputies work on the basis of permanent tenure (instead of nine months, as was previously the case), with the exception of newly appointed persons who are to undergo a probationary period of three years.

23. GRECO welcomes the proposed changes in legislation to meet recommendation iv. However as the relevant draft law has not yet been adopted, GRECO cannot anticipate the final result at this stage.

24. GRECO concludes that recommendation iv has been partly implemented.

Recommendation v.

25. *GRECO recommended to create a special unit within the Public Prosecutor's Office to deal with corruption (including corruption-related economic crime offences).*

26. The authorities of Serbia report that, in accordance with the work plan of the Republic Public Prosecutor's Office for 2008 (which was adopted in December 2007), a special department to deal with corruption and corruption-related economic crime offences was established within the Republic Public Prosecutor's Office. Likewise, specialised departments were created in four district prosecutor's offices in Belgrade, Novi Sad, Niš and Kragujevac. The Special Department for Combating Corruption deals with serious corruption cases, e.g. where the offender holds public office on the basis of election, designation or appointment; instances triggering wide public concern, etc. All other corruption cases are dealt with by the district and municipal prosecutor offices. The Special Department for Combating Corruption further monitors the application of corruption-related provisions at local level in order to ensure uniformity and consistency in implementation, as well as to provide specialised assistance and expertise in the fight against corruption, as necessary. In this connection, from January 2008 to May 2008, the Department has been working on 345 corruption-related cases, it has further provided knowledge and expertise to district and municipal public prosecutor's offices in connection with 212 subject matters. Finally, in order to promote the role of the Special Department for Combating Corruption a series of roundtables are being organised at regional level with the assistance of the US Department of Justice.

27. GRECO welcomes the establishment of the Special Department for Combating Corruption within the Republic Public Prosecutor's Office, which is to deal with serious corruption offences and to guarantee consistent application of corruption-related provisions throughout the country by, *inter alia*, providing special expertise and knowledge in this field to district and municipal prosecutor's offices, as necessary. GRECO is also pleased to note that special departments for financial crime have been created in Belgrade, Novi Sad, Niš and Kragujevac.

28. GRECO concludes that recommendation v has been implemented satisfactorily.

Recommendation vi.

29. *GRECO recommended that i) a clear mechanism for cooperation between police and prosecutors is put in place, that would consolidate the leading role of the prosecutor in the preliminary investigations and would ensure that s/he is provided with all relevant information as soon as possible; ii) the creation of task forces composed of police officers and prosecutors be encouraged in order to promote team work.*

30. The authorities of Serbia indicate that mechanisms are in place to establish the necessary level of cooperation between police and prosecutors. In particular, police officers are bound to inform the competent prosecutor, without delay, about all actions taken in the framework of preliminary investigations. A number of projects (e.g. EU twinning project with Germany, PACO and CARPO projects of the Council of Europe) have developed joint trainings to further encourage regular contact routines between police officers and prosecutors in respect of key actions to be taken during the pre-investigative phase of corruption offences (e.g. use of special investigative means). The authorities add that new Criminal Procedure Code, the implementation of which has been postponed until 31 December 2008, includes provisions concerning the manner in which the police and prosecutors are to cooperate. In particular, it consolidates the leading role of the prosecutor and establishes the obligation for police officers to swiftly inform the prosecutor (and to provide him/her with the collected evidence) about any action undertaken in the pre-investigative phase, i.e. within 24 hours if the offence to be prosecuted is punishable with at least five years' imprisonment, or within 48 hours in all other cases.

31. In addition, the work plan of the Special Department for Combating Corruption includes specific measures to articulate cooperation between police and prosecutors. Moreover, in the framework of the roundtables being organised to promote the role of the Special Department for Combating Corruption (see paragraph 26 *in fine*), task forces composed of police officers and prosecutors have started to operate in the regions of Novi Sad, Kraljevo and Belgrade; it is planned that task forces will also be set up in Niš and Kragujevac.

32. GRECO takes note of the mechanisms reported to structure cooperation between police and prosecutors during criminal investigations in line with the first part of the recommendation. Concerning the second part of the recommendation, i.e. the creation of task forces composed of police officers and prosecutors in order to promote team work in practice, GRECO welcomes the recently launched initiatives in the region of Novi Sad, Kraljevo and Belgrade to this effect, as well as the plans underway to set up joint task forces in the regions of Niš and Kragujevac.

33. GRECO concludes that recommendation vi has been implemented satisfactorily.

Recommendation vii.

34. *GRECO recommended establishing continuous in-service training for police officers and prosecutors in order to share common knowledge and understanding on how to deal with corruption and financial crimes related to corruption, including the full use of the practical and legal means available for tracing and seizing the proceeds of corruption.*

35. The authorities of Serbia report that the Judicial Training Centre has developed in-service joint training modules for prosecutors and police officers. The Criminal Police Academy has issued a

number of specialised studies on crime prevention, evidence gathering, financial investigations, special investigative techniques, international cooperation between criminal police authorities, etc. In addition, a large number of training sessions on corruption related matters (including, but not limited to, the topics of financial investigations and procedures for securing the attachment of corruption proceeds) have been organised over the last years; they have been attended by a vast number of prosecutors and police officers (as well as judges and lawyers). The authorities further report on the implementation of the Council of Europe CARPO project resulting *inter alia* on the elaboration of a handbook on financial investigations and confiscation of the proceeds from crime, which was distributed to the law enforcement bodies. Moreover, the Council of Europe, in cooperation with the Ministry of Justice and the European Agency for Reconstruction, launched, in December 2005, a project against economic crime in Serbia (PACO-Serbia), which included training seminars and study visits to exchange good practice in this field (over 246 police officers, prosecutors and judges at central and regional levels have been trained).

36. GRECO concludes that recommendation vii has been implemented satisfactorily.

Recommendation viii.

37. *GRECO recommended to adopt legislative and other measures to establish an efficient system of special investigative techniques and to provide the competent agencies with appropriate means and training in order to make the system of special investigative techniques work efficiently in practice.*

38. The authorities of Serbia indicate that the new Criminal Procedure Code (CPC) provides for the use of a wide range of special investigative techniques for corruption offences, including:

- secret audio and video surveillance of suspects (Articles 146 and 147 of the CPC), concluding simulated legal transactions (Articles 148 - 150 of the CPC) and automated computer search of personal data (Article 155 of the CPC). These techniques can be used for corruption offences which are committed in an organised manner, as well as for active and passive bribery and abuse of office, if not committed in an organised manner. The use of secret audio and video surveillance is to be extended to the offence of trading in influence, draft amendments to the CPC in this respect have already been prepared;
- undercover agents (Articles 151 - 153 of the CPC), who can be used in the proceedings for the criminal offences of corruption which are committed in an organised manner, as well as for the criminal offences of corruption for which a prison sentence of more than four years is foreseen (abuse of office, aggravated trading in influence, active and passive bribery), if not committed in an organised manner;
- controlled delivery (Article 154 of the CPC), which can be applied in connection with all criminal offences of corruption;
- cooperative witnesses (Articles 156 - 164 of the CPC) can only be used in relation to corruption offences which are committed in an organised manner.

39. Moreover, targeted training on special investigative techniques has been provided in the context of a Twinning programme with the Federal Criminal Police of Germany: over 100 police officers have attended the relevant training sessions. Further seminars on this issue have been organised for judges and prosecutors by the Judicial Training Centre in the framework of technical assistance projects financed by international organisations (e.g. Council of Europe, European Agency for Reconstruction, OSCE Mission in Serbia, ABA/CEELI etc). Moreover, the Special Investigative Techniques Service, within the Ministry of Interior, has been provided with additional

technical and human resources (in 2007, its staff doubled; this trend of increased means is expected to continue in 2008).

40. GRECO takes note of the wide range of special investigative techniques for corruption offences included in the new Criminal Procedure Code, as well as the training efforts reported. However, since the effective enforcement of the Criminal Procedure Code has been postponed to 31 December 2008, GRECO concludes that recommendation viii has been partly implemented.

Recommendation ix.

41. *GRECO recommended to introduce the necessary measures to ensure that a witness protection programme is fully operational in practice.*
42. The authorities of Serbia state that the Law on the Protection Programme for the Participants in Criminal Proceedings entered into force on 1 January 2006. A Protection Unit was created within the Police Directorate of the Ministry of Interior to implement witness protection programmes. The Protection Unit has already developed some experience in connection with the protection of participants (and their close relatives) in criminal procedures dealing with organised crime and war crimes. In this context, agreements have been signed with other countries to allow for a more effective cooperation in this area. In addition, a specific Commission, in charge of monitoring implementation of the witness protection programme, started to operate on 16 January 2006; it is composed of a representative of the Supreme Court, a representative from the Republic Public Prosecutor's Office, the Head of the Protection Unit, as well as their respective deputies.
43. GRECO welcomes the measures introduced with a view to ensuring the operability of the witness protection programme and concludes that recommendation ix has been implemented satisfactorily.

Recommendation x.

44. *GRECO recommended that the legal provisions regarding temporary freezing of suspicious transactions be extended in order to cover all corruption offences.*
45. The authorities of Serbia confirm that, according to Article 86 of the Criminal Procedure Code, the temporary freezing of suspicious transactions is now possible in relation to all corruption offences.
46. GRECO looks forward to the effective implementation of the Criminal Procedure Code, as scheduled (i.e. on 31 December 2008), so that the relevant provisions on temporary freezing of suspicious transactions become enforceable. GRECO concludes that recommendation x has been partly implemented.

Recommendation xi.

47. *GRECO recommended that the use of seizure and confiscation measures in corruption cases is encouraged also with regard to illicit property transferred to third parties and to the equivalent value of property not found.*
48. The authorities of Serbia indicate that the Criminal Code (Articles 87, 91 and 92) and the Criminal Procedure Code (Articles 82, 87-94 and 490-497) detail the conditions and procedure governing the seizure and confiscation of objects. In this connection, property (or the value thereof subject

to confiscation) may be exacted from a third party if the property originated from a criminal offence (Article 92, Criminal Code)⁴. In addition, the Ministry of Justice has established a Working Group for the Drafting of the Law on the Seizure of Assets Gained from a Criminal Offence; the draft has been subject to expertise by the Council of Europe in the framework of the PACO-Serbia project. The aforementioned draft introduces "extended confiscation" and the possibility of reversing the burden of proof regarding the source of assets held by a person convicted on certain offences, primarily, in relation to organised crime. It further foresees the creation of a specialised body to manage seized assets.

49. Moreover, the authorities stress that extensive training on the use of seizure and confiscation has been held in the last four years, e.g. through a regional seminar organised in 2007 by the UNDP where a manual compiling legislation on seizure/confiscation was distributed; a conference organised by the Special Prosecutor for Organised Crime, the US Embassy and the OSCE Mission in Serbia on seizure, including practical cases and specific examples based on US and Italian experience etc. (for further details on training provided, see also paragraph 35). Further training took place in 2008 in the framework of the PACO-Serbia project. The awareness-raising measures undertaken to date have reportedly led to measurable improvements concerning the use in practice of seizure/confiscation measures: in 2006; seizure was ordered in 23 cases - this figure nearly doubled in 2007 where seizure was ordered in 54 cases. The seized proceeds increased from 10,000 EUR to 6,280,000 EUR.
50. GRECO acknowledges the efforts made by the authorities, through legislative instruments as well as training activities, to encourage the use of seizure and confiscation measures in corruption cases, including with regard to illicit property transferred to third parties and to the equivalent value of property not found. It further welcomes the drafting of additional provisions on seizure/confiscation (including those relating to extended confiscation and the apportionment of the burden of proof in those cases where the perpetrator is part of a criminal organisation, as well as the creation of a specialised body to manage seized assets, with a view to facilitating the attachment of criminal proceeds).
51. GRECO concludes that recommendation xi has been implemented satisfactorily.

Recommendation xii.

52. *GRECO recommended to keep under careful review the range of reporting institutions, pursue enhanced training initiatives to increase awareness of suspicious transaction reporting and monitor progress. GRECO also recommends that guidelines be issued containing money laundering indicators, for all obliged entities.*
53. The authorities of Serbia underline that the Law on the Prevention of Money Laundering was amended at the end of 2005 to extend the list of organisations that are obliged to report to the Administration for the Prevention of Money Laundering (APML). Further amendments are currently underway: in particular, the Draft Law on the Prevention of Money Laundering and Terrorist Financing is said to revisit the categories of entities under the reporting obligation; its adoption is expected in 2008. Concerning awareness-raising activities, the APML participates regularly in the relevant training events organised by reporting institutions (banks, leasing companies, accountants and auditors, etc). It has further provided clarification, as necessary, in respect of the reporting of suspicious transactions. Both the current Law on the Prevention of

⁴ Article 92, paragraph 2 states: "Material gain obtained by a criminal offence shall also be seized from the persons it has been transferred to without compensation or with compensation that is obviously inadequate to its actual value".

Money Laundering, as well as the draft National Strategy for Combating Money Laundering and Terrorist Financing (which adoption is expected in 2008), establish an obligation for both the Government and reporting institutions to conduct regular training courses in this area. Finally, the APML has developed money laundering indicators for banks, entities operating on the securities market, insurance organisations and exchange offices; these indicators are posted in Serbian and English on the APML's website (http://www.fcpml.org.yu/publikacije_en.htm). Further indicators are being developed for other obliged entities.

54. GRECO takes note of the steps undertaken to prevent money laundering by, *inter alia*, amending legislation to extend the list of reporting entities and pursuing initiatives to improve the detection and reporting of suspicious transactions. In particular, GRECO is pleased to note that guidelines containing money laundering indicators have been issued for a number of reporting institutions; it further encourages the APML to continue developing such guidelines in order to ensure that all obliged entities are covered, in line with the recommendation.
55. Further, GRECO notes that there is no evidence from the information supplied by the authorities that a monitoring mechanism has been developed to assess whether all obliged entities are effectively reporting suspicious transactions, as provided by law. In this connection, the Joint First and Second Evaluation Report (paragraph 68) highlighted that almost all reports received by the APML were submitted by banks or the customs authority and very few from other obliged entities. GRECO would have welcomed further details in this respect.
56. Finally, GRECO is pleased to note that the draft National Strategy for Combating Money Laundering and Terrorist Financing includes specific training provisions; a proactive and coordinated training policy to increase awareness of suspicious transaction reporting is yet to be developed. As regards the effective implementation of such training plans, the authorities may wish to provide additional information to GRECO.
57. GRECO concludes that recommendation xii has been partly implemented.

Recommendation xiii.

58. *GRECO recommended that the Action Plan for the implementation of the National Anti-corruption Strategy be adopted and that an efficient monitoring of its implementation is ensured.*
59. The authorities of Serbia report that the Action Plan for the implementation of the National Anti-corruption Strategy was adopted on 21 December 2006. The Government set up a Commission for the Implementation of the National Anti-corruption Strategy, which is also responsible for reviewing the steps taken to comply with GRECO's recommendations. It is composed of representatives from different ministries, the judiciary, the National Assembly, the Anti-corruption Council, the media and non-governmental organisations. In addition, the draft Law on the Anti-corruption Agency, which has been prepared in cooperation with the Council of Europe (PACO-Serbia project)⁵, determines that the Anti-corruption Agency would be entrusted with the monitoring of the Anti-corruption Strategy and its Action Plan. It is envisaged that this monitoring will continue to benefit from the involvement of a broad range of stakeholders; for example, the members of the Agency's Management Board are to be nominated by both governmental and

⁵ A round table was organised on 29 February 2008 on the expertise of the draft Law on the Anti-corruption Agency for the representatives of various State bodies, NGOs and the media, as well as the international community.

non-governmental bodies⁶. The Agency is accountable to the National Assembly to whom it has to report annually concerning progress in implementation of the Anti-corruption Strategy and its Action Plan. An application for EU IPA funds to support the setting-up of the Anti-corruption Agency is in the pipeline: a total of 2,500,000 EUR have been requested (the project, if awarded, is to be co-financed by the Government of the Republic of Serbia).

60. GRECO welcomes the adoption of the Action Plan for the implementation of the National Anti-corruption Strategy and the establishment of a monitoring mechanism. GRECO is hopeful that the Anti-corruption Agency, which will be responsible for, *inter alia*, monitoring the implementation of the Anti-corruption Strategy and its Action Plan, will be vested with sufficient authority and resources to effectively complete its oversight task.
61. GRECO concludes that recommendation xiii has been implemented satisfactorily.

Recommendation xiv.

62. *GRECO recommended to provide training to civil servants on the public's rights under the Law on Free Access to Information of Public Importance and give appropriate information on the Law to the public at large.*
63. The authorities of Serbia list a wide range of measures developed in recent years to increase awareness on the right of access to information. In particular, numerous training sessions on this issue have reportedly been organised for civil servants managing information requests at central and regional levels. Training has also targeted media representatives (a total of seven workshops on the right to information and the way in which this right can be used for investigative journalism purposes). The role of the Commissioner for Information of Public Importance has proven to be key in the conceptual design of the afore-mentioned training modules, and more generally, in the development of a large outreach campaign to inform the public on how to use the Law on Free Access to Information of Public Importance and to encourage compliance by public institutions. Some of these activities include, for example, the celebration of the international "Right to Know Day" on 28 September, the awarding of a prize to those institutions which have contributed the most to establishing national good practice in implementing freedom of information (in 2007, the commercial courts were awarded this prize for their efforts to ensure that citizens be provided with full-time access to hearing schedules and case statistics in the commercial courts - all via the Internet.).
64. Similarly, at the initiative of the Commissioner, the Ministry of State Administration and Local Self-Government has decided to include the topic of the right of access to information in the programme for the State exam, which is the relevant competition that gives access to the civil service. In addition, the "Programme of General Professional Improvement of Civil Servants in the Bodies of State Administration and Services of the Government", included, in 2007 and 2008, the topic of transparency in public administration with specific references to the right of access to information. At the initiative of the NGO Transparency Serbia, the Ministry of State Administration and Local Self-Government secured a budget of 6,000,000 dinars (approximately 75,350 EUR)

⁶ The nine members of the Management Board of the Anti-corruption Agency are to be proposed by the following bodies: the Administrative Committee of the National Assembly, President of the Republic, Government, Supreme Cassation Court, State Audit Institution, Ombudsperson and Commissioner for Information of Public Importance (through joint agreement), Social-economic Council, Bar Association of Serbia, Associations of Journalists of the Republic of Serbia (by mutual agreement). The election of the Management Board is to be carried out by the National Assembly. The Management Board is to subsequently elect the Director of the Anti-corruption Agency.

for, *inter alia*, training purposes. Moreover, during the second half of 2005, the Government launched, in cooperation with the Centre for Free Election and Democracy (CeSID), a project entitled "Lawful Way to Truth", which is aimed at increasing transparency in public administration through (1) education and encouragement of citizens, civil sector and the media on their right to access public information (15 panel discussions, tribunes, TV talk shows were organised); and (2) training of local authorities and State bodies on their obligations under the Law. Furthermore, copies of the Guide to the Law on Free Access to Information of Public and leaflets on how to request information have been issued and further distributed to the public at large (around 20,000 samples have been disseminated). In addition, the ABA-CEELI Rule of Law Initiative edited, in June 2007, an assessment of the Law and its implementation in practice, followed by a series of media conferences in Belgrade and Niš to publicise the aforementioned assessment.

65. The authorities further add that the Government has embarked on a comprehensive programme to improve access to information and general transparency of the judiciary. To this effect, training sessions have been organised for those judicial officials who are subject to information requests. Moreover, guides⁷ have been issued to improve the communication between the courts and the media/citizens, including by providing information on how the judiciary operates and how to effectively exercise the public's right to information. Likewise, court decisions are being published on the website of the Supreme Court of Serbia. All these efforts are reportedly aimed at creating a citizen-focused justice allowing for greater public trust in judicial institutions.

66. In light of the concrete improvements reported, GRECO concludes that recommendation xiv has been implemented satisfactorily.

Recommendation xv.

67. *GRECO recommended to speed up the setting up of the ombudsperson at central level and to encourage the local governments to establish ombudspersons.*

68. The authorities of Serbia report that the Expert Service of the Protector of Citizens (Ombudsperson) was established in the second half of 2007⁸. The Law on the Protector of Citizens establishes that the Ombudsperson be assisted by four Deputies, who are to deal with the protection of freedoms and rights of the following categories of persons: those deprived of liberty, children, persons with disabilities, persons belonging to national minorities, and gender equality. These Deputies are to be proposed by the Ombudsperson and elected by the National Assembly; the Deputies have not been designated as yet. In November 2007, the National Assembly approved the Rules on the Internal Organisation and Job Classification of the Protector of Citizen's Expert Service (No. 100/2007), which envisage the creation of 63 posts within the institution (55 employees with a University Degree and 8 with a Secondary School degree, respectively, to be recruited on a merit basis). At present, there are a total of 30 employees working in the Expert Service of the Ombudsperson. The budget for 2008 allocated a total of 92,247,657 dinars (approximately 116,000 EUR) for the functioning of the Expert Service of the Ombudsperson. The Ombudsperson has already started responding to citizens' complaints (871 complaints have been lodged from July 2007 to May 2008; 538 of these complaints effectively fall under the jurisdiction of the Ombudsperson).

⁷ Guidebook on "Public Relations at Courts" (June 2007) and Guidebook on "Public Relations at the Public Prosecutors' Offices" (October 2007) .

⁸ Ms. Sasa Jankovic was sworn in on 23 July 2007 and the service became operational on 24 December 2007 (following the recruitment of the necessary personnel).

69. With respect to the establishment of ombudspersons at local level, a total of 12 region/cities/municipalities have established this institution, i.e. Vojvodina, Belgrade, Backa Topola, Sombor, Subotica, Becej, Zrenjanin, Kragujevac, Sabac, Niš, Grocka and Rakovica. Cooperation and coordination mechanisms between the local ombudspersons and the Expert Service of the Ombudsperson at central level are structured in the Law on the Protector of Citizens (Articles 34 and 35); in October 2006, the Expert Service of the Ombudsperson organised a meeting with the existing local ombudspersons to discuss the necessary mechanisms which would articulate such collaboration in practice. The possibility of setting-up ombudspersons at sub-national level falls within the exclusive competence of local self-government authorities (Article 97 of the Law on Local Self-Government, in connection with Article 12 of the Constitution); nevertheless, efforts have been taken by the Expert Service of the Ombudsperson at central level, as well as the Ministry of State Administration and Local Self-Government, to encourage local governments to establish ombudspersons (e.g. round tables at local level, public statements in the media reflecting on the importance of establishing local ombudspersons and the role these can play in the protection of citizens' rights). Further initiatives to promote the establishment of local ombudspersons have been undertaken in the context of the OSCE technical assistance project, developed by the NGO European Movement in Serbia, entitled "Capacity Building of Local Ombudspersons in Serbia", including the publication of the guidebook "Local Ombudspersons in Serbia".
70. GRECO welcomes the establishment of the institution of Ombudsperson at central level. In this connection, GRECO notes that the recruiting of personnel is an ongoing process (although its internal organisation rules foresee a total staff of 63, there are only 30 employees at present) and the election of the four Ombudsperson's Deputies by the National Assembly is still pending. In the mean time, the Expert Service of the Ombudsperson is to decide on a significant number of citizens' complaints. For this reason, GRECO very much hopes that the Expert Service of the Ombudsperson continues to be provided with adequate means to carry out its functions as well as to reach the required staff level as soon as possible. At local level, GRECO notes that the number of cities/municipalities of Serbia with an Ombudsperson has increased since the adoption of the Joint First and Second Round Evaluation Report in 2006 (only the Autonomous Province of Vojvodina had established a local ombudsperson at that time). GRECO encourages the authorities to sustain their efforts in this respect.

71. GRECO concludes that recommendation xv has been dealt with in a satisfactory manner.

Recommendation xvi.

72. *GRECO recommended to prepare and adopt special mandatory anti-corruption training programmes tailored to the various categories of civil servants.*
73. The authorities of Serbia indicate that the Human Resources Management Service of the Government, which started operating in July 2006, is responsible for implementing in-service training of a mandatory nature in accordance with the provisions contained in Articles 96 and 97 of the Law on Civil Servants. To this effect the Human Resources Management Service develops annual training programmes, on the basis of a needs assessment of the various categories of civil servants; it further monitors and analyses the practical effects of the training sessions provided (including the initiatives undertaken by international donors) in the daily functioning of public administration. The 2007 training programme included modules on transparency and governance, with specific chapters on the fight against corruption. Additional anti-corruption training is expected to take place in 2008 (e.g. in May 2008, two training courses were organised to

familiarise civil servants with the contents of the strategic documents adopted in relation to the fight against corruption, including specific modules on causes and consequences of corruption, preventive tools to combat corruption, institutional integrity, etc). Finally, the Republic of Serbia is a signatory of the Protocol of Cooperation for the opening of the Regional School of Public Administration (RESPA), which is tasked with enhancing regional co-operation in the field of public administration by, *inter alia*, developing educational programmes aimed at improving the performance of national administrations in the region. Additional support for anti-corruption training purposes is provided by international donors, e.g. OSCE training organised in South Serbia to establish co-operation and facilitate information and experience-sharing among local, municipal and regional bodies entrusted with fighting corruption (July 2007).

74. GRECO concludes that recommendation xvi has been implemented satisfactorily.

Recommendation xvii.

75. *GRECO recommended to expand the application of the Law on the Prevention of Conflicts of Interest in the Discharge of Public Office so that it would include all public officials who perform public administration functions without excluding those indicated in Article 2 paragraphs 2 and 3 of the Law (i.e. judges and public prosecutors and "officials appointed to organs of institutions and other organisations whose founder is the Republic of Serbia, the autonomous province, the municipalities, the towns and the City of Belgrade").*

76. The authorities of Serbia report that the Constitution contains the general requirement for those persons performing a public function to refrain from engaging in any activity which would entail a conflict of interest (Article 6). Public Officials are further subject to the provisions of the Law on the Prevention of Conflicts of Interest in the Discharge of Public Office as well as the relevant incompatibilities standards included in the Law on Civil Servants (Articles 25 to 31). Rules on conflicts of interest are also contained in the applicable legislation governing the statute of various categories of persons entrusted with public functions (e.g. Law on Local Self-Government, Law on Health Insurance, Law on Public Agencies, Law on Higher Education, etc.). Finally, the draft Law on the Anti-corruption Agency includes a wider definition of public official to allow for the applicability of the measures provided for by the Law on the Prevention of Conflicts of Interest to all public officials who perform public administration functions, in line with the recommendation. In particular, the notion of public official would cover "any person elected, invested or appointed to the organs of authority of the Republic of Serbia, the autonomous province, the municipalities, the towns and the City of Belgrade and to the organs of public enterprises, institutions and other organisations founded by the Republic of Serbia, the autonomous province, the municipalities, the towns and the City of Belgrade".

77. GRECO takes note of the intention of the authorities to expand the application of the measures provided for by the Law on the Prevention of Conflicts of Interest to all public officials performing public administration functions, notably through the inclusion of a broader definition of the term "public official" in the draft Law on the Anti-corruption Agency. GRECO hopes that an unequivocal framework regulating conflicts of interest of all public officials performing public administration functions is promptly established and looks forward to receiving additional information in this respect.

78. GRECO concludes that recommendation xvii has been partly implemented.

Recommendation xviii.

79. *GRECO recommended to introduce clear rules/guidelines for situations where public officials move to the private sector (“pantouflage”) in order to avoid situations of conflicts of interest.*
80. The authorities of Serbia reiterate that certain rules to regulate the engagement of public officials in business activities, while in office, are already in place in the Law on the Prevention of Conflicts of Interest in the Discharge of Public Office (Articles 8 and 9), e.g. blind trust management, filing of financial declarations during and after termination of public service (up to two years after termination of office) etc. The draft Law on the Anti-corruption Agency contains additional rules to assist in this matter, notably, by introducing restrictions and control of post-employment business activities (two-year “cooling-off” period).
81. GRECO takes note of the measures listed by the Serbian authorities. It is aware that the rules contained in the Law on the Prevention of Conflicts of Interest were already in place at the time of adoption of the Joint First and Second Round Evaluation Report (paragraph 81); they largely focus on standards and procedures for the outside employment of officials during public service. Accordingly, GRECO welcomes the ongoing legal reform process reported to further regulate this issue, notably, through the introduction of additional post-service restrictions, in the draft Law on the Anti-corruption Agency. It encourages the authorities to proceed swiftly with the adoption of the draft.
82. GRECO concludes that recommendation xviii has been partly implemented.

Recommendation xix.

83. *GRECO recommended to lower the value of any gifts that may be accepted by public officials (i.e. gifts whose value does not exceed half the average monthly salary) to levels that clearly do not raise concerns regarding bribes or other forms of undue advantage.*
84. The authorities of Serbia highlight that the draft Law on the Anti-corruption Agency includes specific provisions with a view to meeting recommendation xix. In particular, the aforementioned draft lays out a general ban on gifts: public officials must not accept any gift in connection with the performance of their public functions, other than protocol or other “appropriate” presents⁹ and solely as long as these are not in the form of money or securities. Protocol gifts are to be handed to the competent body to manage public property. Public officials are not allowed to keep an “appropriate” gift if its value exceeds 5% of the average net monthly salary in the Republic of Serbia (i.e. 17.5 EUR). The total value of “appropriate” presents received in one year must not exceed the value of one average net monthly salary in the Republic of Serbia (i.e. 350 EUR). The criteria for determining which gifts are deemed “appropriate” are to be defined by the Anti-corruption Agency, once it is established.
85. GRECO takes note of the provisions included in the draft Law on the Anti-corruption Agency to further regulate the exceptions to the general ban on the acceptance of gifts in public service, i.e. concerning protocol/“appropriate” presents. In particular, GRECO notes that, with respect to protocol gifts, these cannot be kept by public officials, who are to hand them over to a specialised agency responsible for managing public property. GRECO further notes that certain gifts, i.e. so-

⁹ Protocol gifts are defined as those given to a public official by a foreign country or an international organisation, accepted during an official visit or a similar occasion.

called “appropriate” gifts, may be accepted by public officials. While the maximum acceptable value for this category of gifts is established in the draft Law on the Anti-corruption Agency, the criteria on their “appropriateness” are still to be defined.

86. GRECO concludes that recommendation xix has been partly implemented.

Recommendation xx.

87. *GRECO recommended to adopt codes of conduct for civil servants at national level and to organise a wide-scope campaign for their implementation in public institutions.*

88. The authorities of Serbia report that the Code of Conduct for civil servants entered into force in March 2008; it is being distributed within public administration bodies. In the context of the project “Openly about Corruption”, training sessions on the contents of the Code of Conduct are being organised; moreover, funds have been secured for the publication of 1,000 copies of the Code for public awareness purposes. Furthermore, in addition to the standards of conduct at municipal level already referred to in the Joint First and Second Round Evaluation Report, a number of institutions at central level have adopted their own codes of conduct (e.g. customs, tax authorities, judiciary, etc).

89. GRECO is pleased to note that a Code of Conduct for civil servants at national level has now been adopted and that measures to encourage its implementation are being taken. Likewise, GRECO acknowledges the efforts taken by different bodies at central and municipal levels to develop their own sectorial ethical standards.

90. GRECO concludes that recommendation xx has been implemented satisfactorily.

Recommendation xxi.

91. *GRECO recommended to ensure that civil servants who report suspicions of corruption in public administration in good faith (whistleblowers) are adequately protected from retaliation when they report their suspicions.*

92. The authorities of Serbia indicate that appeal mechanisms were introduced in the Law on Civil Servants to allow civil servants to contest administrative decisions that may impinge on their rights, notably through the set-up of Appeal Commissions in different State authorities and public institutions. This constitutes an improvement in comparison to the situation found at the time of the on-site visit where the main channel to report allegations of corruption within public administration was through the civil servant’s immediate superior. Moreover, confidentiality applications and hot lines are now available to allow civil servants to report suspicions of corruption. Furthermore, amendments to the Law on Free Access to Information of Public Importance have been proposed to include certain provisions concerning whistleblower protection (i.e. by releasing the civil servant concerned of his/her confidentiality obligations if s/he has suspicions of corruption). Finally, further discussions and potential solutions in this area of concern are to take place in the context of a UNDP regional project, which is currently being developed.

93. GRECO acknowledges the different mechanisms in place/being developed to ensure confidentiality and to protect employees in public service who report corruption in good faith. GRECO further notes the ongoing discussion and legislative proposals to further regulate the

protection of whistleblowers. In this connection, GRECO wishes to stress that the legislative framework to protect whistleblowers will clearly need to be coupled with adequate implementation/review mechanisms to ensure that the law will work efficiently in practice. GRECO therefore encourages the authorities to pursue their efforts in this area.

94. GRECO concludes that recommendation xxi has been partly implemented.

Recommendation xxii.

95. *GRECO recommended to limit licenses and permits to those that are indispensable, to reduce the turnaround time required for obtaining them and to encourage the compilation and editing of guidelines both for civil servants handling licenses and permits and for the general public.*
96. The authorities of Serbia report that one of the components of the Civil Service Reform Strategy is the promotion and implementation of the concept of e-government at all levels of government. In this context, the website www.euprava.gov.yu has been designed to provide integrated electronic services to citizens and businesses. The website includes information and instructions on how to apply for, file a request with or obtain an official document (including different types of permits and licences) from public administration.
97. The authorities add that legislative measures have been/are in the process of being introduced to simplify the administrative procedure for granting permits and licenses. In particular, the 2003 Law on Planning and Building provides for a 15-day deadline to issue a license; failures to comply with this deadline may give rise to sanctions ranging from a fine of 5,000 to 20,000 dinars (63 to 251 EUR) or imprisonment of up to 30 days. Further implementing regulations in this area were adopted in 2006. Moreover, the procedures for granting licenses and permits are decentralised, and therefore, are handled at local level. In order to provide for a uniform licensing procedure in the different territorial sub-units of Serbia, counselling and training have been organised by the Ministry of Infrastructure. In the light of the experience developed to date in this area, improvements to the current legislative framework are underway: an amendment to the Law on Planning and Building is being drafted to further simplify licensing procedures. Likewise, an EU twinning programme with the French Government is, *inter alia*, undertaking an analysis of the number of documents and turnaround time for obtaining permits/licenses.
98. GRECO acknowledges the developments reported to proceed with implementation of recommendation xxii; it particularly welcomes the legislative and practical arrangements in the pipeline to increase transparency and further simplify the administrative procedures to issue permits/licenses. Although these are all positive steps, GRECO considers that the authorities need to take more determined action in this field. In particular, the Joint First and Second Round Evaluation Report referred to the rather lengthy and complicated character of administrative procedures dealing with the granting of licenses and permits. While the authorities now refer to the statutory deadlines and penalties for failures to comply with such timeframes contained in the 2003 Law on Planning and Building, GRECO notes that this Law was already in force at the time of the evaluation visit, but practice nevertheless revealed a very different situation. GRECO would have welcomed updated details substantiating some *de facto* progress in this respect i.e. whether the turnaround time for obtaining permits/licenses has actually been reduced and whether the types of permits/licenses have been limited to those that are indispensable. In this context, GRECO looks forward to receiving further information on the results of the EU twinning project which is to, *inter alia*, look into these particular matters. Finally, the compilation and editing of

guidelines both for civil servants handling licenses and permits and for the general public is still pending.

99. GRECO concludes that recommendation xxii has been partly implemented.

Recommendation xxiii.

100. *GRECO recommended adopting the necessary legislation to speedily implement liability of legal persons for offences of corruption providing for sanctions – including monetary sanctions - that are effective, proportionate and dissuasive, in accordance with the Criminal Law Convention on Corruption (ETS No 173).*
101. The authorities of Serbia state that a draft Law on Criminal Liability of Legal Persons has been subject to expertise by the Council of Europe in the context of the PACO-Serbia technical assistance project. In particular, legal persons would be liable for crimes committed, on their behalf or for their benefit, by any natural person, who has a leading position within the legal person, based on a power of representation of the legal person; or the authority to take decisions on behalf of the legal person; or the authority to exercise control within the legal person. Corporate criminal liability would also apply in those cases where lack of supervision within the legal person makes it possible to commit the offence. Liability of the legal person does not exclude criminal liability of the physical perpetrator. Sanctions include fines, dissolution of the legal person, professional bans, confiscation of assets and publication of the conviction judgment.
102. GRECO notes the intention of the authorities to introduce corporate criminal liability for corruption offences and the draft prepared to this end. GRECO recalls that, in the Republic of Serbia, no provisions establishing civil, criminal or administrative liability of legal persons for corruption or corruption-related offences exist. This is an important gap in the system. For this reason, GRECO recommended not only the adoption of the necessary legislation, but also its speedy implementation. The authorities are therefore urged to pursue this matter more vigorously.
103. GRECO concludes that recommendation xxiii has been partly implemented.

Recommendation xxiv.

104. *GRECO recommended encouraging private auditors, accountants and other advisory professionals to report suspicions of corruption to the public prosecutor and to organise training on the detection and reporting of corruption.*
105. The authorities of Serbia indicate that, in the framework of the PACO-Serbia technical assistance project, an expertise was provided by the Council of Europe in order to assess whether amendments to the existing Criminal Code and Criminal Procedure Code are needed to fully align with international commitments in the fight against corruption, cyber crime, money laundering and terrorism financing. In this context, it is to be considered whether changes to legislation are needed to establish a specific obligation for private auditors, accountants and other advisory professionals to report suspicious corruption activities that they may come across when performing their tasks. Further cooperation channels between public and private auditing bodies are to be established following the effective operability of the State Audit Institution which is expected to take place in 2008.
106. Concerning training on the detection and reporting of corruption, the Union of Accountants and Certified Public Accountants (CPAs) has conducted seminars and published articles on this issue.

Moreover, an ongoing EU twinning project with the French Government foresees specific measures to encourage the reporting of corruption by private auditors, accountants and legal professionals (analysis of mechanisms and trends in the current reporting system for advisory professionals).

107. GRECO takes note of the information provided. It considers that, independently of the final decision to be taken by the authorities concerning the need to introduce a specific obligation in the Criminal Code/Criminal Procedure Code for private auditors, accountants and other advisory professionals to report suspicions of corruption (other than the general obligation for all citizens to report a criminal offence), greater efforts are required to meet the recommendation. In particular, the authorities are encouraged to pursue a more active training policy with respect to these categories of professionals; the activities planned in the framework of the EU twinning project are a step in the right direction.
108. GRECO concludes that recommendation xxiv has been partly implemented.

Recommendation xxv.

109. *GRECO recommended to speed up the introduction of a national auditing authority.*
110. The authorities of Serbia report that the highest body of the State Audit Institution, i.e. the Council (composed of the president, vice-president and three more members), was sworn in on 24 September 2007. Since the establishment of the Council, its efforts have been directed at creating the necessary material preconditions for ensuring full operability of the State Audit Institution. In this context, personnel recruitment, IT development and training are expected to take place throughout 2008¹⁰; an EU technical assistance programme is to provide additional financial resources enabling the effective operation of the State Audit Institution.
111. GRECO takes note of the measures undertaken to set-up the State Audit Institution, which is expected to become operational in the second half of 2008.
112. GRECO concludes that recommendation xxv has been partly implemented.

III. CONCLUSIONS

113. **In view of the above, GRECO concludes that Serbia has implemented satisfactorily or dealt with in a satisfactory manner half of the recommendations contained in the Joint First and Second Round Evaluation Report.** Recommendations iii, v, vi, vii, ix, xi, xiii, xiv, xvi and xx have been implemented satisfactorily and recommendations i and xv has been dealt with in a satisfactory manner. Recommendations ii, iv, viii, x, xii, xvii, xviii, xix, xxi, xxii, xxiii, xxiv and xxv have been partly implemented.
114. The Republic of Serbia has made important efforts to comply with GRECO recommendations. In particular, the authorities have embarked on a comprehensive reform of the judiciary with a view to increasing the independence and impartiality of judges and prosecutors, as well as to fostering public trust in judicial institutions. Steps have also been taken to promote specialisation of law enforcement bodies in the fight against corruption (e.g. establishment of specialised anti-corruption prosecution departments at central and regional levels, targeted training, etc.).

¹⁰ As of May 2008, two out of the six State Auditors have been elected and the announcement of an open competition to recruit the Secretary General of the State Audit Institution has been made.

Likewise, several initiatives have been undertaken to enhance transparency in public administration (e.g. e-government, awareness-raising activities to promote the implementation of access to information legislation, etc.). Nevertheless, a number of key legislative instruments in the fight against corruption are currently pending adoption. In particular, it is of crucial importance that the Criminal Procedure Code becomes effective (although it should have done so on 1 June 2007, its actual implementation has been delayed until 31 December 2008). Additional implementation challenges concern the establishment and full operation of a number of key monitoring/oversight bodies, notably, the Anti-corruption Agency, the Ombudsperson (at central and local levels) and the State Audit Institution. It is essential that the aforementioned institutions are vested with the adequate authority and resources to carry out their functions. Moreover, additional measures to prevent corruption in public administration need to be introduced with respect to, for example, conflicts of interest (including the issue of "pantouflage"), whistleblower protection, licensing procedures, etc. Further steps are also required to involve legal professionals, accountants and auditors in the detection and reporting of possible corruption offences. Finally, there remains a clear need for the authorities to pursue actively the adoption and subsequent implementation of the necessary legislation on corporate criminal liability.

115. GRECO invites the Head of the Serbian delegation to submit additional information regarding the implementation of recommendations ii, iv, viii, x, xii, xvii, xviii, xix, xxi, xxii, xxiii, xxiv and xxv by 31 December 2009.
116. Finally, GRECO invites the authorities of Serbia to authorise, as soon as possible, the publication of the report; to translate the report into the national language and to make this translation public.