



BALKAN CIVIL SOCIETY
DEVELOPMENT NETWORK

To:

MONEYVAL Chair: Ms. Elżbieta Frankow-Jaśkiewicz
MONEYVAL Vice-Chair: Ms. Astghik Karamanukyan
MONEYVAL Vice-Chair: Mr. Richard Walker
MONEYVAL Executive Secretary: Ms. Livia Stoica Becht

**Subject: Urgent Appeal for MONEYVAL's Response to the Draft Law on
“Foreign Agents” in Republika Srpska**

05.10.2023

Dear Members of MONEYVAL,

We are addressing you to respectfully request MONEYVAL’s official reaction to the ongoing discussions surrounding the draft Law in Republika Srpska (RS) on the Special Registry and Publicity of the Work of Non-Profit Organisations, dubbed “foreign agents’ law”. The reason for our request is that anti money-laundering and countering terrorism-financing measures and requirements are being used in the RS Parliament as arguments by the law proposers, including the Minister of Justice and other members of the ruling party, for adopting a legislative proposal that can harm civil society in Bosnia and Herzegovina.

The RS National Parliament has recently adopted in first reading the draft “foreign agents’ law”, which prohibits non-profits from carrying out ‘political activities’, and requires them to enrol in a special registry, submit additional reports to those already mandatory by the current law and be subject to additional legal oversight. While proponents of the law argue that it will better regulate the sector and ensure transparency of its work, the measures proposed go beyond international standards on AML/CFT and hinder the NPOs’ free operations. The ban on political activities is vague enough to encompass all forms of advocacy, and sanctions in the law include closure and criminal prosecution, while the “NPO mark” is inherently stigmatizing. Such a legal solution practically, and unfortunately, represents the unintended consequences resulting from incorrect implementation of the FATF Standards.

Considering the implications of this draft law and the narratives linking the law with the MONEYVAL evaluation and requirements for increased monitoring and transparency of NPOs as part of the AML/CFT efforts, we kindly urge MONEYVAL to officially react to the Republika Srpska parliament and counter this narrative, reminding the officials about the conclusions from the MONEYVAL plenary sessions and the unintended consequences of the implementation of the FATF standards on the NPO sector. It is necessary to initiate a comprehensive consultation process with civil society, legal experts, and relevant stakeholders to ensure that any legislation enacted is in line with international standards and best practices.

¹ Paragraf 2, Article 3 - (2) “Political activity entails any activity towards bodies, institutions or elected representatives of the RS or RS representatives at the BiH institutions in terms of formulating, adopting or amending regulations and policies of the RS or in regard to political and public interest.”

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The proposed draft law has raised significant apprehension both domestically and internationally and is seen as unduly limiting the rights to freedom of association and freedom of expression. Several reputable institutions, including the Venice Commission, EU, UN, OSCE and the Commissioner of Human Rights, among others, have expressed their reservations about this draft law and its potential impact on civic freedoms, urging authorities to withdraw this law entirely. These concerns should not be taken lightly, as they reflect the shared commitment to upholding democratic values and human rights principles, which are at the core of both Council of Europe and MONEYVAL's mission. MONEYVAL's involvement in this matter would send a powerful message about the importance of striking the right balance between security concerns and democratic values, and in line with the ongoing FATF efforts to address unwanted restrictions on the NPO sector.

We also want to draw your attention to another draft law that is potentially dangerous for civic space in Bosnia, this time in another entity – Federation BiH. The Ministry of Justice of FBiH has launched public pre-consultations in relation to working draft of the Law on financing Civil Society Organizations in FBiH, which deals with several issues in the realm of MONEYVAL's efforts. We kindly ask you to follow these developments, assess the draft law's compatibility with the international standards, and urge authorities to ensure an inclusive and effective consultation process with civil society and all relevant stakeholders.

We hope that you consider this appeal with the utmost urgency, as the situation in Bosnia and Herzegovina continues to evolve. MONEYVAL's support in addressing these concerns would be a significant step toward preserving civic freedoms in the country and the region.

Sincerely,

**Balkan Civil Society Development Network (BCSDN)
Center for Promotion of Civil Society (CPCD) - Bosnia and Herzegovina**

Supported by:
CIVICUS: World Alliance for Citizen Participation
European Center for Not-for-Profit Law (ECNL)
Human Security Collective

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