

# TERRORISM, MONEY LAUNDERING AND HUMAN TRAFFICKING IN THE EUROPEAN UNION: TRENDS AND COUNTERMEASURES<sup>1</sup>

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## INTRODUCTION

There are certain phenomena on the territory of the European Union (EU) whose development directly threatens its stability and normal functioning. These are phenomena that are interconnected and reinforce each other. That is why the EU's approach to eliminating these phenomena is often similar. Preventing terrorism, money laundering and human trafficking requires investment of great effort and financial resources. On the other hand, these phenomena threaten the stability, normal functioning of the market and the security of EU citizens, which causes great costs. Some phenomena such as terrorism are not new on the territory of the EU, but there has been a change in its basis. With the development of technological means, terrorist groups have gained new channels for carrying out their activities. Many of these activities carried out on the Internet are not easy to identify and prevent. Of course, the EU invests great efforts and resources to prevent the activities of terrorists on the Internet. A similar situation exists when it comes to money laundering and human trafficking. Criminal groups active in this area have moved many of their activities to the Internet. These criminal groups rely on the imperfections of the EU's legal system, as well as the way the EU functions. More specifically, the absence of border crossings between EU countries corresponds to these groups. Therefore, the possibility of interrupting the activities of these criminal groups is significantly reduced. That is why prevention is one of the most important segments in the EU policy aimed at preventing money laundering and human trafficking. The basic subjects in whose jurisdiction terrorist acts are committed, as well as criminal acts in the field of money laundering and human trafficking, are the competent and judicial bodies of the member states. This situation requires strong mutual coordination and coordination in the action of the investigative and judicial bodies of the member states. This reduces the effectiveness of preventing the aforementioned phenomena and requires a greater expenditure of time. Terrorists and criminal groups are showing more and more freedom in carrying out their criminal acts, which is why EU member states have strengthened their penal policies. It is not only about increasing the duration of prison sanctions, but EU member states have introduced provisions in their legislation that affect financial and similar capacities. Now a significant part of their criminal legislation is devoted to the confiscation of assets acquired through criminal activities in the field of terrorism, money laundering and human trafficking. This applies not only to individuals, but also to legal entities that participated in criminal activities. An important part of EU policy in preventing terrorism, money laundering and human trafficking is raising public awareness and protecting individuals from the influence of terrorist and criminal groups. This prevents terrorist groups from recruiting new members, while criminal groups are prevented from finding victims that they use in human trafficking. In terms

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of preventing money laundering, the EU has put a lot of effort into preventing criminal groups from funneling their financial resources into legitimate businesses. A positive innovation in this direction is the cooperation established by the EU with legal entities in the field of economy and finance. The EU has established similar cooperation with legal entities operating in the field of providing Internet services and developing software technologies. In any case, the EU is improving its policies and activities in line with the changes made by terrorists and criminal groups in their activities. Thus, the EU keeps its system always ready to provide an effective response to any of the mentioned criminal activities.

## TERRORISM AND COUNTER-TERRORISM IN THE EUROPEAN UNION

At the beginning of this part, what should be emphasized is the impact that globalization has had on the strength of the central government of the states. Globalization has influenced the weakening of the power of states as subjects in international relations, but also the weakening of the authority of their bodies. It is about changes in the internal arrangements of the states. New subjects appeared in the political systems of states, but also new actors on the international stage. The subjects that have appeared on the internal level have an increasing influence on the policies created by the central authorities. In the meantime, the role of certain global international organizations such as the United Nations (UN) has weakened. These transformations also affect security areas, as new threats emerge and strengthen old ones. At the same time, as already mentioned, the role of the state, which was the main guarantor of security, is weakening. The strength of states, but also the strengthening of certain security threats, is affected by the increasingly rapid technological development that spreads in all segments of society. In modern circumstances, the greatest threat to the stability of states is terrorism. Terrorist activities can cause instability in certain regions of the world and can pose a global threat. EU also is not immune to the actions of terrorist groups and their activities that can threaten its stable functioning (Jazić, 2014: 12-13).

Previous experiences with terrorism on the territory of the EU influence the contemporary perception of the member states. Before September 11, 2001, only six EU member states defined terrorist activities as serious crimes and a threat to national security. EU member states faced terrorism that was motivated differently. Due to previous experiences, in Germany and Italy attention was paid to ideologically motivated terrorism, while in Spain and Great Britain the focus was on separatist terrorist groups (Bureš, 2010: 52). The terrorist attacks in Madrid in 2004 and in London in 2005 showed that the first members of the European Union are the most important targets of terrorist organizations. The new members of the European Union, due to their support for the policy of the United Nations (UN) and the United States of America (USA) in Iraq and Afghanistan, have also become potential targets of terrorist organizations. However, the new EU members were not as attractive for attacks as some of the Western European countries were. There is an important difference between Islamic and left-wing terrorist organizations. It is a social base that left-wing terrorist organizations have always lacked. This base for Islamic terrorist organizations is constantly expanding due to war conflicts in Islamic countries and the failure of EU member states to successfully integrate the Muslim population into their societies (Bureš, 2010: 57). In previous periods, the perception of EU member states regarding terrorism differed from country to country. This is understandable if one takes into account that the experiences of the member states are different. That is why there was no common assessment of the dangers and risks that terrorism brings. The biggest problem was that the mentioned perceptions and assessments differed a lot from each other. Also, the exchange of information between member states took place outside of European institutions, while The European Union Agency for Law Enforcement



Cooperation (EUROPOL) did not have the authority to independently collect intelligence data. The EU did not have instruments to collect knowledge related to terrorism, and there was no single database. Therefore, it was not possible to effectively influence how EU citizens perceive terrorism. The intelligence agencies of the EU countries, and even the most powerful ones, did not have enough capacity to monitor, assess and respond to terrorist threats. That is why citizens and leading individuals in EU member states were not able to fully understand terrorism until their territory was affected. These reasons made it impossible to form a single EU policy regarding measures against terrorist activities (Bureš, 2010: 68-70).

Terrorism is a constant threat to the security and stability of the EU. There were a total of 1010 terrorist attacks on the territory of EU member states between 2009 and 2013. It is the total number of attacks that were carried out, interrupted or unsuccessfully carried out. The consequence of these attacks is 38 human victims. During 2013, 152 terrorist attacks took place only on the territory of five EU member states. Most took place in France, Spain and the United Kingdom. The EU was faced with the problem of its citizens leaving for foreign battlefields, where Syria stands out as the final destination of departure. These people may pose a threat to the security of the EU after their return. The presence of terrorism on the territory of the EU is not a new phenomenon. During the 70s of the XXI century, the EU faced left-wing terrorism. This problem was the most important factor in establishing cooperation between EU member states in the field of justice and internal affairs. This cooperation was established and developed within the TREVI network (*Terrorisme, radicalisme, extremismisme, violence internationale - TREVI*). This network was established on July 1, 1975 as an unofficial form of cooperation. Ministers of justice and interior affairs from nine member states of the then European Economic Community participated in it. The terrorist attacks in the USA, which occurred on September 11, 2001, were a very important reason for the European Council to adopt the action plan on September 21 of the same year. The territory of Europe was affected by terrorist attacks in 2004 and 2005, and these attacks took place in Madrid and London. After the attack in Madrid, the European Council created the position of Counter-Terrorist Coordinator. Also, at the end of 2005, the Council of the European Union adopted "The European Union Counter-Terrorism Strategy". This Strategy was based on four main points, namely: prevention, protection, monitoring and response.

The procedure of extradition of perpetrators of criminal acts, including terrorists, has been significantly accelerated by the introduction of the European Arrest Warrant. This was implemented in 2002, and began to be implemented on the territory of the EU member states on January 1, 2007. Before the introduction of the European Arrest Warrant, the extradition procedure lasted on average about one year, while today the procedure takes about 16 days. The EU has implemented several initiatives aimed at preventing the financing of terrorism. The strategy in this area was adopted in 2004, and in 2008 it underwent certain changes. This ensures complete monitoring of money transfers in and out of the EU. It is the "4th anti-laundering package" approved by the European Council for Economic and Financial Affairs. In the meantime, there has been a development of police cooperation in the area of information exchange. EUROPOL provided information to EU member states on criminal phenomena. More specifically, now the competent authorities of the member states and EUROPOL have the possibility of accessing the database of persons seeking asylum, i.e. Eurodac, which strengthens the fight against terrorism and other serious crimes. A very important cooperation between competent authorities of EU member states in the field of combating terrorism is cooperation in the field of justice. Cooperation in this area was developed within the European Union Judicial Cooperation Unit (Eurojust), which was established in 2002 and one of its areas of work is the fight against terrorism. Through Eurojust, the formation of joint investigative teams and a judicial network in matters of criminal acts was made possible, thereby strengthening the fight against terrorism. In the middle of 2000, "The Convention on Mutual Assistance in Criminal Matters between the Member States of the European Union" was ad-



opted, which enabled direct contact between the judicial authorities of EU member states, without the mediation of central authorities. The exchange of information between the competent authorities of the EU member states regarding court judgments is made possible by the establishment of the European Criminal Records Information System (ECRIS). It is a network that enables the connection of criminal records of all EU member states. This made it easier to establish the mutual connection of persons in the planning and implementation of terrorist acts (Delivet, 2016: 1-3).

The EU counter-terrorist strategy on terrorist threats and activities was based on four pillars, namely: prevention, protection, pursuit and response. In order to implement this Strategy in practice, it was necessary to implement adequate activities at the national, European and international level. The goal was to reduce the threats and vulnerability of European societies to terrorist activities. Based on the four pillars on which the Strategy was based, it was necessary to prevent the recruitment of new terrorists, better protect potential targets of terrorist activities, find members of existing terrorist organizations and strengthen the EU's ability to provide an effective response to terrorist attacks. The last goal also included strengthening the EU's ability to effectively deal with the consequences of terrorist attacks. Finding solutions to existing conflicts, as well as promoting good governance and democracy, were important goals that should have been achieved in order to successfully implement the Strategy in practice. The most important point in *prevention* was to impede individuals from joining terrorist organizations, which will stop the emergence of new generations of terrorists. That is why the EU committed itself to preventing the radicalization and recruitment of individuals. In the area of prevention, the EU determined which methods, propaganda and conditions are used by terrorist networks to recruit new people. Of course, after that the EU implemented adequate countermeasures. The fight against radicalization and the recruitment of new people into terrorist organizations was under the exclusive competence of EU member states. Member states were leading this struggle at the national, regional and local levels. The problem is that this struggle exceeds the individual capacities of the member states, so it was necessary to include the entire population of the EU, as well as beyond, in this struggle. Modern technological development and globalization have made communication, travel and money transfer easier. That is why it is very easy for individuals today to take independent steps to join terrorist organizations. That is why it was necessary to detect such steps in time, through community policing and monitoring of individual travel to conflict zones in the world. There are certain preconditions in society that facilitate the radicalization of individuals. The most important preconditions are bad and autocratic state management, as well as rapid and unplanned modernization. Observing the EU countries as a whole, there are no such phenomena, but in certain parts of the European population these phenomena are present. That is why the focus of the EU in relation to these conditions was on neighboring and third countries, so the EU was heavily involved in promoting democracy, good governance, human rights, education, economic development and resolving existing conflicts.

*Protection* within the Strategy implies reducing the vulnerability of the most important targets and reducing the negative effects of terrorist attacks. Member States are responsible for protecting the most important targets. However, due to the great interconnectedness, border protection, transport security and other segments that have a cross-border character, joint action at the EU level was necessary. The European Commission had a particularly important role in strengthening standards in areas where existed a common security organization of member states. Those areas were, for example, border and transport security. By strengthening EU borders, it made it difficult for known and potential terrorists to carry out their activities within the EU. With the same goals, the EU paid attention to strengthening the security of airports, ports and airplanes, and this required the strengthening of standards in the field of internal and international transport security. An important area to which the Strategy referred is the protection of the most important infrastructure from physical and electronic attacks, and in the development of protection, emphasis was placed on potential terrorist attacks. Nevertheless, an



area of extreme importance was the protection of places of gathering of citizens and similar places, so collective activity at the EU level had a crucial importance in this. The problems faced by the EU in the field of protection against terrorist attacks required close cooperation with other international entities, especially when it came to preventing trade in weapons and chemical, biological, nuclear and radiological materials (CBNR materials).

The EU is firmly committed to continuing to *pursue* terrorists beyond its borders and to disrupt their activities. The activities that the EU implemented in this direction should: prevent the planning of terrorist groups, disrupt their networks, prevent terrorists from recruiting new individuals, prevent terrorist financing, prevent these groups from accessing the funds they use for their activities, and bring responsible members of terrorist groups to justice. The EU implemented these activities in accordance with human rights and provisions of international law. The member states put national security first in their activities, but they also paid great attention to the security of the EU as a whole. Competent EU institutions supported the activities of member states by encouraging the exchange of information and intelligence. It was necessary for member states to improve legislative provisions and response in order to have adequate means for collecting and analyzing intelligence data. This facilitated the investigation and prosecution of terrorist groups. In the second place, it was necessary to improve the cooperation and exchange of information between the police and the judicial authorities of the EU member states. The most important channels for these improvements were EUROPOL and Eurojust. In cases of investigations that have an international character, Joint Investigation Teams were established. In order to make police cooperation organized and systematic, EU planned to establish the availability of police information. Thus, police cooperation ceased to be based on individual cases. The ability of terrorist organizations to communicate and plan were disabled by preventing access to telecommunications data. An important goal of the EU in this sense was to deprive terrorist groups of the ability to freely use the Internet and thus spread technical knowledge that can serve the purpose of carrying out terrorist activities. Financing is very important for the survival and operation of terrorist groups. That is why the EU invested great efforts in hindering the financing of these groups. In the EU, legislative provisions related to money laundering and money transfer have already begun to be implemented. This included preventing the transfer of money to terrorist groups. That is why conducting financial investigations was part of the investigations conducted against terrorist groups, and financial investigations of abuse of the non-profit sector were one of the priorities. Pursue of terrorists must have a global character, because a large number of terrorist threats originated outside the territory of the EU. That is why the EU will continue to develop cooperation with international partners through dialogue and the adoption of agreements, and the most important place in this will be the UN and similar international entities through which this cooperation will be realized. The EU provided assistance and support to the countries it considers most important to establish certain mechanisms that served to prevent the formation of terrorist groups and networks.

The EU must be ready to *respond* to terrorist attacks when they occur and must always take into account that these attacks may have a cross-border character. The EU's response was similar to that in the case of disasters, regardless of how they occur. That is why the EU planned to use already existing mechanisms that were not specifically created for the purpose of fighting terrorism in the event of terrorist attacks, or in response to them. One such mechanism that the EU rely on is the European Union Civil Protection Mechanism (Union Mechanism). Joint action of EU member states based on solidarity is the only way to provide an effective response to a possible terrorist attack that would occur in a member state. One of the instruments for unifying the efforts of member states in response to terrorist attacks is the Union Mechanism. Also, by participating in the Union Mechanism, the member states show solidarity, which is important for the implementation of joint activities (Јазих, 2016: 67). The unity of the joint response to terrorist attacks within the EU was ensured by the development



of an emergency coordination agreements. These agreements were accompanied by the adoption of adequate operating procedures. The joint action of EU member states enabled a more comprehensive and effective response to potential terrorist threats and attacks. EU member states have the most important role in responding to terrorist attacks on their territory. However, it is necessary that the member states are ready to act unitedly and as a whole, because it may happen that these attacks are too large for the existing capacities of some of the EU member states. Such situations can pose a great danger for the EU as a whole, because the inability of one member state to respond to a terrorist attack can threaten other member states and the stability of EU institutions. That is why the European Commission and similar EU institutions have an obligation to support the efforts of member states to provide a collective response to terrorist attacks. EU member states developed their capacities based on a risk assessment that included an assessment of the ability to respond in the event of terrorist attacks. During these assessments, the basic parameters were potential terrorist attacks that have the highest chance of happening or attacks that can cause the most damage. It should be emphasized that the integral parts of the response to terrorist attacks are solidarity, assistance and compensation to the victims of terrorist attacks and their families. This was implemented at the national and EU level, and the member states were obliged to ensure the allocation of adequate compensation to the victims of terrorist attacks. The EU provides assistance to its citizens in third countries in the event of a terrorist attack in those countries. In addition, the EU provides assistance to its military and civilian structures engaged in crisis management operations. On the international level, the EU cooperate closely with relevant subjects, and the UN has a special place in that sphere (The European Union Counter-Terrorism Strategy, 2005: 6-16).

Subsequent EU counter-terrorism strategies have been improved over time. One such recent EU strategy, which was implemented from 2018 to 2022, additionally defined the goals to be achieved in the fight against terrorism. Those goals can be classified into three areas, i.e. prevention, prosecution and protection. *The prevention* of terrorism implies that, through criminal legislation and law enforcement, the realization of terrorist attacks, as well as their preparation, is impossible. Another goal within prevention should be achieved over a longer period of time. This means preventing radicalization that leads to involvement in terrorist groups. Preventing radicalization means preventing the recruitment, training, financing and spread of terrorist ideologies. Prevention does not mean only preventing terrorist acts, but also dealing with factors that favor the development of terrorism. Prevention activities include: (1) suppression of terrorist provocations, propaganda activities, radicalization, recruitment and training, (2) prevention of the aforementioned activities that are carried out on the Internet, (3) creation of risk assessment indicators that a terrorist act may occur, (4) raising awareness of radicalization and implementation of other preventive measures and (5) prevention of terrorist financing. *The improvement* of the prosecution of terrorists implies that the investigation of committed terrorist acts in the EU and outside it will be carried out in the most efficient and fastest way. This includes stable judicial and international cooperation within which the perpetrators of terrorist acts and other responsible persons will be held accountable before the court for the committed acts. It was agreed that the judicial authorities of the country where the terrorist was caught would initiate legal proceedings or he would be extradited to the country that requested him. Concrete activities within the scope of prosecution include: (1) collection of evidence and conflict zones for prosecution, (2) collection of electronic evidence in terrorism-related cases, (3) conduct of legal proceedings and prosecution of foreign terrorists, (4) mutual legal assistance, extradition and use of joint investigation teams and (5) establishing joint working groups on terrorism and transnational organized crime. *Protection* refers to the protection against terrorism of all persons who are in the territory of EU member states, regardless of whether they are citizens or only temporarily reside in their territories. The improvement of protection should ensure the safety of not only all persons, but also potential targets from terrorist



attacks. This especially applies to the most important infrastructure and public facilities. The field of protection also includes providing support to victims of terrorist attacks. Activities such as: (1) collection of best practices related to deradicalization, disengagement and reintegration into society, (2) risk assessment of persons accused and convicted of acts of terrorism, (3) assistance to victims of terrorism, (4) identification of new terrorist threats, (5) addressing issues related to the return of women and children who were involved in terrorist groups abroad and (6) the response of law enforcement and emergency services during and immediately after the end of terrorist attacks (Council of Europe Counter-Terrorism Strategy, 2018: 3-12).

## ANTI-MONEY LAUNDERING IN THE EUROPEAN UNION: COUNTERMEASURES AND SANCTIONS

One of the most important documents related to the prevention of money laundering in the EU is the “Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism”, which entered into force in mid-2005. Article 3 states that it is the obligation of the states to which this Convention applies to adopt legal measures that enable confiscation of financial assets and property in a value corresponding to the value acquired through money laundering. Given the nexus, states can adopt provisions that enable the confiscation of financial assets and property acquired through human and drug trafficking. The change in legislation made it possible to quickly identify, track, freeze and confiscate assets acquired through money laundering. The new national legislation of the member states made it possible to confiscate illegally acquired assets that have meanwhile been incorporated into legal flows, assets that were acquired in a mixed way with legally acquired assets and assets that were acquired on the basis of illegally acquired assets.

The adoption of new legislative measures has strengthened the position of courts and other competent authorities to order banks, financial and economic entities to submit their operational data, and now they have the authority to seize this data. Greater control over banking transactions linked to suspicious bank accounts is enabled. This includes the possibility of monitoring and submitting statements of bank transactions of suspicious accounts, as well as obtaining data on the accounts to which the transactions were directed. Due to the effectiveness of the investigation, the new provisions ensure that bank clients who are under investigation do not find out that their transactions are being monitored.

The Convention mandated states to introduce new legislative provisions that enable the determination of intentionally committed criminal offenses related to money laundering. These are criminal offenses when there is clear knowledge that one is participating in the illegal acquisition of property and that one wants to make a profit by using such property. This, of course, also includes the intentional introduction of illegally acquired property into legal flows through its conversion. Other crimes in this area relate to concealing the origin of income and helping other persons to illegally acquire property. The Convention provided for the amendment of national legislation, which will also include legal entities. In fact, these are individuals who have committed criminal acts in the field of money laundering on behalf of legal entities. Those individuals have a management position in the legal entity based on the authority they possess. These are the powers within the legal entity for: representation, decision-making and control. Legal entities, which are involved in money laundering in the previously described manner, will bear non-criminal and criminal consequences, which includes financial sanctions.

The Convention obliged the states to establish Financial Intelligence Units (FIU) through their legislation, but also to grant them the powers that enable the FIU to timely access information related to law enforcement, financial flows and administrative procedures.



As for specific measures to prevent money laundering, based on the Convention, states have amended domestic legislation in order to enable competent authorities to implement their powers in practice. The first authorization refers to the request to all individuals and legal entities operating in areas where there is a high probability of money laundering to: (1) identify participants in financial transactions, (2) report suspicions that money laundering is being carried out and (3) implement adequate support measures to the authorities to more easily determine whether money laundering has occurred. The second authority allows competent authorities to prohibit the possibility for persons under suspicion to learn: (1) that a report of suspicious transactions has been transmitted to the competent authorities, (2) that there is a possibility that an investigation into money laundering may be initiated, and (3) that an investigation into money laundering is in progress. The third authorization provided the competent authorities with the possibility to monitor the activities of suspicious persons and, where possible, to conduct surveillance on them.

Within the framework of the Convention, the obligation of mutual cooperation of the states to which this document refers is established. States cooperate with each other on a very broad basis in order to effectively conduct investigations and court proceedings, the result of which should be the confiscation of illegally acquired property and income. This cooperation is implemented in accordance with the legal system of the country from which assistance is requested. On the other hand, the requested state must comply with the requests of the requesting state if those requests do not contradict the basic principles of its legal system (Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism, 2005: 1-8).

The main danger for the stability and functioning of the financial system of the EU, as well as for the security of its citizens, is money laundering and the financing of terrorist activities. It is estimated that between 0.7% and 1.28% of the gross domestic product of the EU is involved in money laundering. Over time, the EU has established a good legislative framework that prevents money laundering and the financing of terrorist activities. It is therefore important for the EU to continue to develop its legislation to keep up with the increasing integration of financial flows within the single market, technological developments, new trends in the financial market and the willingness of criminals to find loopholes in the system. In the financial sector, new rules regarding the exchange and dissemination of information should improve cooperation between individuals and institutions monitoring potential money laundering and terrorist financing. In the second place, the new rules should strengthen the compliance of the functioning of the European Banking Authority (EBA) with the rules of the EU. Thirdly, the new rules should strengthen cooperation in the fight against money laundering and terrorist financing. There are certain vulnerabilities related to the fight against money laundering, and they concern anonymous products, determination of beneficial owners and virtual assets. Vulnerabilities are also present in connection with the functioning of FIUs and financial supervisors.

In the previous period, there were cases that showed the failure of credit institutions to implement the provisions of the Anti-Money Laundering Directive. Those provisions concern risk assessment, detailed customer analysis and reporting of suspicious transactions and activities to FIUs. In a large number of cases, supervisors were able to react only after the occurrence of major risks or when they were faced with governance and compliance problems. It should be said that in certain cases the supervisors managed to identify deficiencies within the credit institutions in time and to demand supplementary activities. Group monitoring of the fight against money laundering and terrorist financing proved to be insufficient in the previous period. The division in management and supervision has led to a decrease in the efficiency of cooperation between competent entities. FIUs failed to establish adequate communication with taxpayers by providing reliable feedback on reports related to suspicious





transactions. Also, in the previous period it was seen that the exchange of information between FIUs of member states and FIUs of third countries was not sufficiently organized.

There are differences in the application of legislative frameworks related to money laundering, which indicates the existence of structural problems within the capacity of the European Union to prevent the possibility of using the financial system in illegal activities. A major threat to the integrity of the European Union's financial system is the shortcomings in the application of legal regulations, especially since there is an integrated market. In the coming period, the European Commission will continue to monitor the introduction of an improved legal framework and recommendations, as this authority is responsible for monitoring risks from a supranational position (Towards better implementation of the EU's anti-money laundering and countering the financing of terrorism framework, 2019: 1-5).

The EU passed a directive that helped member states shape their national legislation to fight money laundering more effectively. It is a document adopted in 2018 entitled "Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law". Member States have identified several intentionally committed acts that will be considered money laundering. The first act relates to the conversion and transfer of property. It is considered money laundering if a person converts and transfers property that he knows to have originated from criminal activities, with the aim of concealing the illegal origin of the property. Also, it is prohibited to help persons involved in such activities to avoid legal sanctions. The second part concerns the origin of the property. These are activities of concealing the origin, movement, location, disposition and ownership of property. It goes without saying that the person who carries out the mentioned activities has clear knowledge that it is about property that was created from criminal activities. The third offense refers to the acquisition of illegal property. Money laundering includes the acquisition, disposition and use of property known to have been obtained through criminal activities (Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law, 2018: 27).

The aforementioned Directive directed the EU member states to changes in their criminal legislation and in the part related to legal entities and their possible participation in money laundering. These are changes that include efficient and effective sanctions. These sanctions include criminal and non-criminal penalties, with several additional strong measures against legal entities involved in money laundering. These additional measures include: (1) loss of rights to public benefits and assistance, (2) temporary or permanent exclusion from public funding, (3) temporary or permanent exclusion from commercial activities, (4) placing under judicial supervision, (5) obtaining court order for liquidation and (6) closure of facilities of the legal entity that were used during the commission of the crime.

The directive took into account the development of international cooperation in order to make judicial processes faster and more efficient. That is why the member states are encouraged to amend their domestic legislation in order to strengthen the mutual connection of competent authorities. More specifically, it may happen that the criminal offense is committed in the jurisdiction of several EU member states. In that case, the member states will cooperate with each other to decide in which member state the trial will be conducted. During this cooperation, several factors will be taken into account, on the basis of which a certain member state will be assigned the implementation of the judicial procedure. Those factors are: the territory of the Member State where the criminal offense was committed, the nationality or residence of the perpetrator, the country of origin of the injured party and the territory of the Member State where the perpetrator was found (Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law, 2018: 29).



An important part of the EU member states' anti-money laundering policy is the supervision of the implementation of this policy at the level of the Union. At the moment, the supervision of the prevention of money laundering is the responsibility of the authorities of the member states. EU member states do not have the same financial opportunities, human resources and other capacities. The consequence of this is that the supervision of the prevention of money laundering is not at the same level in the EU, but differs from country to country. That is why one of the significant problems of the EU is the lack of an adequate system that would solve problems with money laundering that have a cross-border character. Therefore, it can be said that the EU framework for money laundering prevention supervision is only as strong as the competent authorities of the weakest member states. The development of money laundering can undermine the financial stability of the EU, so the EU will have to establish a strong system of supervision over the prevention of money laundering. This will enable the stable functioning of the common market and the banking system. The establishment of integrated supervision over the prevention of money laundering will strengthen citizens' trust in the EU and the reputation of the EU abroad. Also, this supervision will enable the implementation of rules on the prevention of money laundering at the EU level, but will also strengthen the cooperation of the relevant EU authorities. The authority that will be in charge of supervising the prevention of money laundering must have clear powers that will enable it to supervise and give instructions to national authorities. One of the possibilities is for the European Banking Authority (EBA) to become the main supervisory authority over the prevention of money laundering, while another possibility is the establishment of a new authority that would carry out that supervision. In addition, it is necessary to introduce a chief supervisor whose role would entail monitoring the entire process of preventing money laundering. One of the supervisor's tasks is to harmonize the practical activities of the competent authorities of the member states (Communication from the Commission on an Action Plan for a comprehensive Union policy on preventing money laundering and terrorist financing, 2020: 26-28).

## NEW AND OLD WAYS OF HUMAN TRAFFICKING AND THE EU'S APPROACH TO PREVENTING THEIR ACTIVITIES

Analyses show that human trafficking increases when there are significant differences in income and population. On the other hand, the distance between countries affects the reduction of human trafficking. Economically developed countries are the most attractive for human traffickers to exploit their victims there, because they assume that they can make high profits in those countries. In countries with high standards, traffickers find it difficult to find their victims because of the small number of vulnerable populations. Regarding the influence of geographical distance, the analyzes show that people most want to move to countries with a higher standard, which are located near their home country. It is related to the way traffickers carry out their activities. Namely, human traffickers try to find their victims near countries that have high standards, and in which they intend to exploit them. Thus, traffickers shorten the time of their criminal activities, thus reducing the chances of being caught. Countries with strong institutions and an effective judicial system are not attractive to traffickers. They prefer countries where they can keep their activities secret and where there is little chance of being prosecuted. However, when it comes to finding victims, human traffickers carry out their activities in countries where there are strong institutions and judicial systems. If we are talking about human trafficking with the aim of sexual exploitation, the existence of legal prostitution in countries where the victims are exploited does not affect the reduction of human trafficking. Also, the existence of legal prostitution has no effect on human trafficking as a whole. It is noticeable that the police report a smaller number of victims of human trafficking than is the case with service centers. The reason



for this is the fear of the victims, because they are afraid of being deported to their home countries or prosecuted before the courts. A good and stable institutional system reduces the possibilities of exploiting victims, but in countries where victims are sought, good institutions do not affect the opportunities of human traffickers. The reason for this is that human traffickers in Europe “hunt their victims through job offers, and less often through smuggling. Smuggling and illegal border crossing costs a lot, while based on a job offer, the victim quickly and easily crosses state borders. This method of searching for victims is particularly suitable in the EU, because there is no usual border control between the states. In this regard, traffickers mostly target individuals who do not need a visa to enter the countries where they will be exploited. That is why the police and competent authorities have problems identifying these individuals as victims before they are exploited, because these individuals usually realize that they are victims of human trafficking only when they arrive at their destination (Hernandez & Rudolph, 2011: 15-20).

In the middle of 2005, in Warsaw, the “Council of Europe Convention on Action against Trafficking in Human Beings” was adopted. The main task of the EU member states was to strengthen the coordination between the relevant authorities in charge of the fight against human trafficking. In addition, member states are obliged to create policies and programs that should strengthen preventive action in the field of human trafficking. These policies and programs are created through research, information, awareness raising, training, educational campaigns and initiatives of a social and economic nature. The most important individuals for whom these activities were intended are members of groups that may be exposed to human trafficking and experts dealing with the prevention of human trafficking. Also, these activities include non-governmental organizations and other parts of civil society that are active in the field of preventing human trafficking. EU member states are obliged to implement legislative, administrative, educational, social and cultural measures to strengthen the prevention of human trafficking. Other measures that should have been implemented in this area were: (1) research on best practices, methods and strategies, (2) raising awareness of the importance and role of media and civil society, (3) implementation of targeted information campaigns and (4) implementation of preventive measures that include educational programs for minors (Council of Europe Convention on Action against Trafficking in Human Beings, 2005: 3-4).

The Convention mandated EU member states to strengthen border controls in a way that would prevent human trafficking, but without impairing the free movement of people. A similar provision also applied to transport, and the emphasis was placed on company vehicles, which should prevent these vehicles from being used in human trafficking. Transport entrepreneurs are obliged to clearly establish that all passengers have valid documents required for entry into the country they are traveling to. EU member states are obliged to strengthen cooperation between border control services, which required maintaining direct communication. Also, the member states are obliged to ensure that the documents are of such quality that it will be very difficult to forge them and similar misuse. All competent authorities in member states should have trained professionals who have the knowledge to identify victims of human trafficking. These professionals should support the cooperation of different authorities in identifying victims, with a special approach to children and women (Council of Europe Convention on Action against Trafficking in Human Beings, 2005: 4-5).

EU member states are obliged to specialize individuals and authorities in the field of preventing human trafficking and protecting victims. It was ordered that such individuals and bodies be provided with the necessary independence in carrying out their activities. The specialization of individuals, including relevant officials, meant adequate training in methods of preventing human trafficking, prosecuting perpetrators and protecting the rights and safety of victims. Another task of member states was to establish coordination between governments, departments and other public agencies in activities



to prevent human trafficking. If necessary, coordinating bodies will be established. The Convention emphasizes the necessity of adopting measures that determine the jurisdiction of the member state in cases of human trafficking. In addition, member states are obliged to cooperate with each other through existing adequate regional and international instruments. The goal of this cooperation was supposed to be: (1) prevention and fight against human trafficking, (2) protection and assistance to victims and (3) investigation of crimes committed in this area. In the context of the development of mutual cooperation, a group of experts for the prevention of human trafficking was formed to supervise the implementation of this Convention. The name of the group is Group of Experts on Action against Trafficking in Human Beings (GRETA), and it is composed of 10 to 15 members. When including experts in this group, gender and geographical representation, as well as diversity in the necessary professional abilities, are taken into account. The members of GRETA are elected by the Committee of Parties for a period of 4 years, and after the end of the mandate they can be elected once more. Members are chosen from countries that have accepted this Convention, and no two experts from the same country can be in this group. The Committee of Parties is a body of GRETA, which consists of representatives from EU and non-EU countries that have accepted the Convention (Council of Europe Convention on Action against Trafficking in Human Beings, 2005: 12-15).

“Directive 2011/36/EU of the European Parliament and of the Council on preventing and combating trafficking in human beings and protecting its victims” was adopted in the middle of 2011 and improved the action of the EU in the field of preventing human trafficking. This Directive is part of the global fight against human trafficking, and it has also included third countries. In its articles, human trafficking is defined as gender-specific, that is, it is determined that men and women are recruited for different types of exploitation. Also, an integrated and comprehensive approach, as well as an approach based on human rights, was adopted in the prevention of human trafficking. Children are at greater risk of being victims of human trafficking, as they are much more vulnerable. That is why the interests of the child must have priority according to this Directive. The directive broadened the interpretation of what can be considered human trafficking. For example, subjecting a person to violent solicitation will be considered a form of commercial exploitation. It was established that the specificity of the situation in which someone became a victim of human trafficking must be taken into account, so there was an increase in punitive measures. For example, perpetrators who recruited a person who is considered vulnerable will be subject to stronger sanctions. In order to further protect the victims of human trafficking, it was established that these persons will not bear criminal sanctions for using forged documents, illegal migration and illegal prostitution. The reason for this is the fact that the victims are forced to commit these offenses. Also, victims will be protected from re-exposure to trauma and stressful situations by not being asked to repeatedly give a statement about the acts committed against them. That is why the Directive establishes that the competent authorities of the member states will make a video recording of the statement of the victim of human trafficking during the first examination. It was ordered that EU member states create and strengthen policies to prevent human trafficking, which includes activities to reduce the demand that encourages the development of human trafficking. Also, member states will implement measures that reduce the risks of someone becoming a victim of human trafficking, and these measures will include research into the transformation of human trafficking, information, raising citizens’ awareness and education. The directive ordered the competent authorities of the EU member states to establish mechanisms such as national monitoring systems, i.e. national reporters. Their task is to analyze trends in human trafficking, collect statistical data, measure achieved results and report regularly (Directive 2011/36/EU of the European Parliament and of the Council of 5 April 2011 on preventing and combating trafficking in human beings and protecting its victims, and replacing Council Framework Decision 2002/629/JHA, 2011: 1-5).



In 2021, the “European Union Strategy on Combatting Trafficking in Human Beings” was adopted for the period from 2021 to 2025. The Strategy indicated that between 2017 and 2018 there were 14,000 victims of human trafficking in the EU. It is assumed that the final number is higher, as many victims have not been identified. Almost half of the victims of human trafficking are citizens of EU member states, and a large number of them were recruited and exploited on the territory of their own member state. Most of the victims are women who were subjected to sexual exploitation, and every fourth victim of human trafficking in the EU is a child. As far as finances are concerned, the losses caused by human trafficking on the territory of the EU amount to around 2.7 billion euros per year. Between 2017 and 2018, of the total number of victims of human trafficking, 60% were sexually exploited, while 15% were exploited at work. In the same period, 72% of the victims were women and girls, while 23% were men and boys. Human traffickers base their activities on social inequalities, as well as on the economic and social vulnerability of individuals. These inequalities and the vulnerability of individuals have been reinforced during the Covid-19 pandemic, as people are prevented from accessing justice, help and support. At the same time, the response of the judicial authorities to the committed criminal acts is difficult. The complexity of the human trafficking problem requires a comprehensive response. This implies the alignment of legal, political and operational initiatives that will be implemented on a broader basis. More specifically, the initiatives will cover all stages from prevention to conviction of perpetrators of crimes in the field of human trafficking, and the emphasis will be on protecting victims in all stages. Special attention will be paid to children and women, as well as victims who have been sexually exploited.

Legislation is the strongest tool in the fight against human trafficking, as it enables the definition of criminal acts, determination of punishments and common goals in prosecuting perpetrators. In this sense, the most important EU document is the aforementioned “Directive 2011/36/EU of the European Parliament and of the Council on preventing and combating trafficking in human beings and protecting its victims”, so the European Commission provides support to EU member states in its implementation. That is why the European Commission established a knowledge base, offered guidelines and finances certain activities. Regardless, the number of prosecutions of perpetrators and passing judgments is not satisfactory. At the political and operational level, the existence of cooperation that has a cross-border, regional and international character is of particular importance. Human traffickers move across borders during the implementation of their activities, while at the same time their prosecution and investigation are the responsibility of EU member states. That is why EU agencies, such as EUROPOL and Eurojust, have enabled close cooperation and coordination between the competent authorities of the member states (Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions on the EU Strategy on Combating Trafficking in Human Beings 2021-2025, 2021: 1-4).

The main goal of the Strategy is to break the criminal model in order to stop the exploitation of victims. To this end, it is necessary to: (1) use effective operational means, (2) prevent the development of a culture of impunity through capacity building for an effective response by judicial authorities and (3) fight against the digital business model used by human traffickers. The use of effective operational means implies the use of means and approaches that hinder the acquisition of profits by organized criminal groups in legal channels. For example, traffickers rely heavily on entities that operate legally, such as hotels, nightclubs, and massage parlors. In these places, traffickers recruit individuals by signing legal contracts, but later transfer them to the country where they will be exploited. Competent authorities of member states have the task of including financial investigation in law enforcement investigations. Related to that, it is necessary to develop and use a strong framework that will enable the identification, seizure and confiscation of assets acquired through criminal activities in the field of human trafficking. The priority in preventing the development of a culture of impunity through



capacity building for an effective response by judicial authorities is to break the chain of human trafficking. This requires a strong response from the criminal justice system, which is a prerequisite for conducting effective investigations and prosecutions, as well as passing adequate judgments. In order to achieve this, it is necessary to hire individuals with expert knowledge in the field of preventing human trafficking from the relevant national and local authorities. The development of expertise should take into account the position and needs of the victims, which is especially important in cases where children are victims of human trafficking. That is why in these cases it is necessary to have trained individuals who are aware of the special vulnerability of children. Also, these individuals should have great knowledge about children's rights and the need for their protection during investigative and judicial proceedings. In the fight against the digital business model used by human traffickers, the ability of human traffickers to quickly adapt the way of conducting activities and the business model to changing circumstances should be taken into account. During the Covid-19 pandemic, human traffickers very quickly shifted their activities to the Internet. Human traffickers now use the digital space in all phases of their activities, i.e. in recruiting, transporting and controlling victims, advertising services that victims provide for them during exploitation, establishing contact with clients, mutual communication and acquiring property benefits. The development and use of technology have enabled human traffickers to expand their activities, and children are at particular risk of becoming victims of human trafficking via the Internet. That is why the plan is for the European Commission to establish a dialogue with the relevant technology and internet companies in order to get their support for reducing the use of internet platforms that enable the recruitment and exploitation of victims. These companies will be an important partner in preventing human trafficking, because they have the ability to easily identify and remove content from the Internet that is related to the recruitment and exploitation of victims. The same dialogue with similar goals will be established by the European Commission with the relevant authorities of EU member states (Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions on the EU Strategy on Combating Trafficking in Human Beings 2021-2025, 2021: 9-11).

## CONCLUSION

In the paper, it could be seen that over time the EU has done a lot to strengthen its legislative system. This directly affected the legislative and judicial systems of its member states. Also, based on the data presented in the paper, it is noted that terrorist and criminal groups involved in money laundering and human trafficking function in a similar way. Therefore, establishing strong mutual ties would not be a problem for these groups. Given the strength of terrorist groups and criminal groups involved in money laundering and human trafficking, the EU succeeded in preventing their strengthening and further expansion of their activities. An important step in that direction was the EU's support for strengthening cooperation and coordination between its member states. In addition, the EU has influenced member states to establish or transform agencies that will exclusively deal with criminal activities in money laundering and human trafficking, as well as disrupting terrorist networks. These agencies are made up of individuals who have expert knowledge in the areas that are the subject of this work, which created the preconditions for effective prevention of the spread of criminal activities in the mentioned areas. The EU has succeeded in preventing further infiltration of terrorist and criminal groups into European societies by implementing measures that enable the confiscation of their financial resources and assets. With that, the EU protected its banking and financial system, thereby preserving the stability of the common market. Terrorist and criminal groups need constant recruitment of new members, i.e. finding new victims. That is why the EU placed the greatest emphasis on preventive action, which to a significant extent includes the education of young people and raising



the awareness of citizens. Strengthening prevention is very important, because terrorist and criminal groups are constantly adapting to legal changes and changes in the functioning of law enforcements of EU member states. Terrorist groups today function in a similar way as in the past, but they have also paid attention to their activities on the Internet. The same can be said about criminals involved in money laundering and human trafficking. Given that these activities are not easy to monitor, the EU pays great attention to the education of young people, as well as interested parties, in recognizing activities on the Internet that may be dangerous for them. What is very important is that the EU has paid great attention to the protection of victims of terrorist acts and human trafficking. EU legislation has included provisions that strengthen the protection of victims and enable them to receive certain compensations.

It can be assumed that in the coming period the EU will invest even more efforts in preventing criminal activities that take place over the Internet. In this way, the EU will respond to the increasingly rapid technological development on which criminal groups rely to a great extent. Also, further development of European legislation can be expected, which will be directed towards greater integration and coordination of judicial authorities and law enforcements of EU member states. This will strengthen the prevention of terrorist acts and criminal activities in the field of money laundering and human trafficking, and at the same time, the passing of verdicts for committed crimes will be accelerated. The current organization of the EU, which implies the absence of classic border crossings, will remain, but it is certain that the EU will find new forms of control of individuals, groups and transport.

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