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Terms of Reference (ToR) for a Short-Term assignment

Technical assistance requested:	One (1) Senior Non-Key Expert and one (1) Junior Non-Key Expert in the area of prevention of money laundering and terrorism financing from the aspect of liberalisation of capital movements
Project Title:	Policy and Legal Advice Centre (PLAC II), Serbia
Ref:	EuropeAid/137065/DH/SER/RS
Service Contract No.:	(CRIS) 2016/375-724
Main beneficiary:	The European Integration Office of the Republic of Serbia and the Negotiating Team
Target Beneficiaries:	Representatives of the Ministry of Finance – Administration for Prevention of Money Laundering (APML), National Bank of Serbia (NBS), Ministry of Interior, Ministry of Justice and other relevant stakeholders involved in prevention of money laundering and terrorism financing
Content of the assignment:	Support in strengthening of capacities of the Administration for Prevention of Money Laundering (Financial Intelligence Unit at the Ministry of Finance) in the context of prevention of money laundering and terrorism financing from the aspect of liberalisation of capital movements
Budget Line / Expert Category:	Senior Non-Key Expert, Junior Non-Key Expert
Duration of the assignment:	10 working days in total, of which 5 WDs for SNKE and 5 WDs for JNKE in the period from April 2017 until June 2017

1. Relevant background information

Background information in relation to PLAC II project:

The scope of PLAC II project is to provide support to relevant national institutions in charge of alignment of national legal acts with the EU acquis and to contribute to further building of capacities of relevant national structures for successful carrying out of accession negotiations.

The PLAC II project should achieve two results:

RESULT 1 - Enhanced compatibility of national legislation with EU legislation and its effective implementation,

RESULT 2 - Enhanced capacities of the relevant national structures for successful carrying out of accession negotiations.

In general, the project aims at fostering the process of accession negotiations of Serbia by supporting the effective alignment of national legislation with the acquis and its implementation and by further building the capacities of involved carriers of the EU integration process in Serbia. After completion of screening process in 2015, Serbian public administration has entered into much more demanding and obliging exercise of accession negotiations, whereby each step and every decision should result in approaching actual membership in the EU. For this scenario to happen in accordance with planned dynamics, preparedness, adequate institutional capacity of public administration with highly competent staff is of crucial importance. In the core period of the negotiations, PLAC II Project shall support



domestic line institutions and the negotiating structures both in performance of quality operational work in relation to harmonisation process and in the effective coordination during various stages and phases in the process for different negotiation chapters.

Background information in relation to Chapter 4 – Free Movement of Capital and related to Prevention of Money Laundering:

The Screening Report for Chapter 4 – Free Movement of Capital in its assessment of the degree of alignment and implementing capacity states that Serbia has reached a satisfactory level of alignment and applies a substantial part of the *acquis* in the fields covered by this chapter, but needs to continue its efforts, in order to fully align with the *acquis* and ensure its implementation. In overall, the administrative capacity of Serbia in this area is uneven; it needs to be strengthened in certain areas, such as in anti-money laundering (AML) and counter-financing of terrorism (CFT).

In relation to fight against money laundering, Serbia is encouraged to continue its efforts in order to fully align with the current *acquis* and implement it. In this context, Serbia is preparing to align with the most recent amendments of the international standards of Financial Action Task Force (FATF), which is incorporated in the *acquis* through the new Directive 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (Fourth AML Directive), amending Regulation 648/2012 and repealing Directive 2005/60/EC and Commission Directive 2006/70/EC.

Further on, the Screening Report states that administrative capacity of the relevant implementing bodies, in particular the capacity of the APML which is largely understaffed, has to be strengthened.

The EC Serbia 2016 Progress Report in relation to Chapter 4 states that Serbia is moderately prepared in the area of free movement of capital, but should upgrade its legislation on AML, reinforce supervision and strengthen the Administration for Prevention of Money Laundering.

Serbia adopted the National Strategy for the Fight against Money Laundering and Terrorism Financing in December 2014 for the period 2015 – 2019, where it is stated that Agency for Prevention of Money Laundering needs greater administrative and analytical capacity.

As regards the recent activities undertaken to fulfil the requirements set by the FATF Recommendations and the Fourth AML Directive, the Working Group headed by the APML has produced the draft of the new Law on Prevention of Money Laundering and Terrorism Financing (AML/CFT Law). Draft Law has been sent to relevant authorities for their opinion, after which it will be sent to further procedure for adoption.

The NPAA in Section 3.4.3 on Prevention of Money Laundering envisages that the final version of the Law on Prevention of Money Laundering and Terrorism Financing should be harmonised with FATF Recommendations and the Fourth AML Directive.

The Administration for Prevention of Money Laundering (APML), as the financial intelligence unit of the Republic of Serbia, is engaged in the work on five negotiating chapters: 4, 23, 24, 29 and 31.

2. Description of the assignment:

2.1 Specific objectives



Given the cross-cutting nature of the issues relating to prevention of money laundering and terrorism financing and inter-relations among negotiating chapters and the comprehensiveness of the legal framework governing the area of prevention of money laundering and terrorism financing, the main objective of the assistance is to improve the understanding by the APML of the requirements concerning prevention of money laundering and financing of terrorism, in particular as regards potential implications of further liberalisation of short-term capital movements on the system for prevention of money laundering and terrorism financing and inter-relationship among the negotiating chapters dealing with the AML/CFT issues in the negotiation process, and learn also from the practical experience of EU member state(s) in transposing the Fourth AML Directive.

2.2 Requested services

The **Senior NKE** is expected to provide the following services:

- a) Analyse aspects of capital movements, which need to be further liberalised in Serbia so as to be harmonised with the EU standards, that could have implications on the system for prevention of money laundering and terrorism financing, taking into account inter-relationship among different chapters (4, 23, 24, 29 and 31);
- b) At a workshop, present main findings on implications of further liberalisation of capital movements on the Serbian system for prevention of money laundering and terrorism financing, including the example(s) of EU Member State(s) experience(s) in relation to liberalisation of capital movements.

The **Junior NKE** is expected to provide the following services:

- a) To provide practical examples of experience(s) of EU Member State(s) in transposing into the national legal system the Fourth AML Directive, with a special focus on the intention of the Fourth AML Directive, including its more complex and challenging aspects;
- b) To analyse cross-cutting issues in the negotiating chapters relevant for the APML and the AML/CFT system (4, 23, 24, 29 and 31) from the aspect of prevention of money laundering and terrorism financing;
- c) At the workshop, run in conjunction with SNKE, deliver a presentation on points a) and b) to the beneficiaries.

2.3 Outputs

The **Senior NKE** is expected to deliver the following outputs:

- A report on the aspects of capital movements, which need to be further liberalised in Serbia so as to be harmonised with the EU standards that could have implications on the system for the prevention of money laundering and terrorism financing;
- A presentation on the findings and proposals for further actions, including the example(s) of EU Member State(s) experience(s) in the respective area, delivered during workshop organised for target beneficiaries.

The **Junior NKE** is expected to deliver the following outputs:



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- A summary information on both practical examples of experience(s) of EU Member State(s) in transposing into the national legal system the Fourth AML Directive, with a special focus on more complex and challenging aspects of the Fourth AML Directive, and cross-cutting issues in the negotiating chapters 4, 23, 24, 29 and 31 relevant for the APML and the AML/CFT system;
- A presentation on practical examples of experience(s) of EU Member State(s) in transposing the Fourth AML Directive and cross-cutting issues in the negotiating chapters 4, 23, 24, 29 and 31 relevant for the APML and the AML/CFT system;

2.4 Reporting

The NKEs shall provide the following reports by using the templates of the Project:

- Brief Mission Report with description of activities and outputs provided, at the end of each mission, during which tasks under this assignment have been carried out,
- Final Mission Report, no later than 1 week after completion of tasks under this assignment. This report will include description of all activities and outputs provided by the NKEs in the context of this assignment.

Submission of reports:

- Draft mission report shall be submitted to the Team Leader of the Project for review and comments at the end of the mission.
- Final version of the mission report prepared in the relevant quality shall be submitted to the Team Leader of the Project for review, comments and final approval. The reports shall be signed by the NKE and the Team Leader responsible for endorsing the report.
- The report and all prepared documents shall be submitted in hard copy and electronic version to the Team Leader of the project.

2.5 Specifics

The NKEs shall work under the guidance and follow the instructions of the Team Leader. The NKEs shall collaborate with the project team, other experts involved and representatives of beneficiary institutions and national structures, as relevant.

The NKEs' activities and outputs mentioned above may be adjusted by the Team Leader at any stage in the implementation of the Project, depending on the evolving needs of the Project and main beneficiaries. Each of the short-term mission, its timing and duration shall be agreed with the Team Leader prior to each mission.

2.6 Final use of intervention and perspectives for the future

Providing the assistance to the APML in its activities in the negotiating chapters of its concern and in harmonisation of national legislation in the area of prevention of money laundering and terrorism financing with the relevant international standards will contribute to achieving a very important goal of strengthening the AML/CFT institutional framework in Serbia.

The assistance planned by this ToR is in direct relation with the adoption of the new AML/CFT Law. In the revised version of 2016-2018 NPAA, 3.4.3. Prevention of money laundering, its adoption is a priority. The APML expects that it will be adopted by the end of 2016.



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3. Expert input

3.1 Total working days

10 working days (WDs) in total have been planned for this assignment, of which 5 WDs for SNKE and 5 WDs for JNKE.

3.2 Period of the assignment

April – June 2017

3.3 Starting day

It is expected that the work will be performed during one mission in the period April - June 2017 and starting, at the earliest, from 10 April 2017 onwards. However, exact starting date will be agreed at a later stage. The experts shall work in parallel, to run a joint workshop for beneficiary representatives.

3.4 Location/Place of assignment

The NKEs have to deliver 100% of their input in Belgrade, Serbia.

3.5 Working language

English

4. Experts' Profile

4.1 Senior NKE in the area of liberalisation of capital movements

4.1.1 Qualifications and skills (25 points)

- University degree (where university degree has been awarded on completion of three years study in an university or equivalent institution) in Law, Economics or similar, relevant to the assignment
- Proficiency in English language
- Computer literacy (MS Office applications)

4.1.2 General professional experience (25 points)

- Minimum 10 years of postgraduate professional experience in the field of free movement of capital

4.1.3 Specific professional experience (50 points)

- Proven postgraduate professional experience in the area of liberalisation of capital movements in the context of Chapter 4 acquis and its implications on the system for prevention of money laundering and terrorism financing, gained in an EU member state;
- Previous work experience with a financial intelligence unit or a law enforcement authority in the area of prevention of money laundering and terrorism financing of an EU Member State would be an advantage.

4.2 Junior NKE in the area of AML/CFT



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4.2.1 *Qualifications and skills (25 points)*

- University degree (where university degree has been awarded on completion of three years study in an university or equivalent institution) in Law, Economics or similar, relevant to the assignment
- Proficiency in English language
- Computer literacy (MS Office applications)

4.2.2 *General professional experience (25 points)*

- Minimum 5 years of postgraduate professional experience in the field of anti-money laundering and fighting of terrorism financing

4.2.3 *Specific professional experience (50 points)*

- Proven postgraduate professional experience in the area of drafting and/or implementing legislation in relation to AML/CFT acquis, gained in an EU member state, candidate or potential candidate country
- Previous professional experience, and/or knowledge of the legislation, of the Republic of Serbia in the respective area would be an advantage.

5. Applications

Applications (EU format CV and application letter, both in English) need to be submitted by e-mail to SEPLAC@altairasesores.es no later than 17:00 hrs, 20 January 2017, titled: **“Application for the position – Senior NKE in the area of liberalisation of capital movements” and/or “Application for the position - Junior NKE in the area of AML/CFT”**.

References must be available on request. Only short-listed candidates will be contacted.

The Project is an equal opportunity employer.
All applications will be considered strictly confidential.

Advertised post is not available to civil servants or other officials of the public administration in the beneficiary country, Serbia.

For more information, please contact Project Manager at Altair Asesores S.L.: m.garcia@altairasesores.es / Tel. +34 91 3952798