



Project funded by the European Union  
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## Terms of Reference (ToR) for a Short-Term assignment

<b>Technical assistance requested:</b>	One Senior Non-Key Expert in the area of Negotiating Ch. 16, Taxation, Central Liaison Office (CLO)
<b>Project Title:</b>	Policy and Legal Advice Centre (PLAC III), Serbia
<b>Ref:</b>	Europe Aid/139295/DH/SER/RS
<b>Service Contract No.:</b>	(CRIS) 2018/404-529
<b>Main beneficiary:</b>	The Ministry of European Integration of the Republic of Serbia and the Negotiating Team
<b>Target Beneficiaries:</b>	Negotiating Group Ch. 16, The Ministry of Finance, Tax Administration
<b>Budget Line / Expert Category:</b>	Senior Non-Key Experts
<b>Duration of the assignment:</b>	20 working days (WD), from December 2019 until May 2020

### 1. Relevant background information

#### Background information in relation to PLAC III project:

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

The PLAC III 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 the Republic of Serbia by supporting the effective alignment of national legislation with the Union *acquis* and its implementation and by further building the capacities of involved carriers of the EU integration process in the Republic of 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 III Project shall support domestic line institutions and the negotiating structures both in performance of quality operational work in relation to harmonization process and in the effective coordination during various stages and phases in the process for different negotiation chapters.

Project implemented by



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## **2. Background information in relation to Ch. 16 - Taxation**

Serbian tax administration (STA) is a body within the Ministry of Finance in charge of the assessment, audit and collection of public revenues. Serbian Ministry of Finance has prepared a comprehensive Public Financial Management Reform Program 2016-2020, which was adopted by the Government in November 2015. This strategic document and its proper implementation are extremely important in the context of the EU accession negotiations of Serbia. One of the main elements of tax reforms in Serbia, is to introduce a modern, advanced tax systems in line with systems in EU Member States and other OECD countries. The establishment of the efficient tax administration in line with the EU standards requires further modernization and strengthening of institutional capacities, both in the tax administration itself and in other organizations and bodies involved in the management of the tax system.

**Transformation Program and Action Plan** - The Tax Administration has started a comprehensive reform process defined by the Transformation Program whose implementation timeline is 2015-2020 and which involves a number of institutional, organisational and technological changes. The transformation of the Tax Administration and its goals are based on the need to establish a modern and efficient administration, create space for easier and fairer taxpayer business conditions and better communication of taxpayers with the Tax Administration. The Tax Administration is fully committed to implementing the Transformation Program. The reform areas are divided into three sections, interconnected and conditioned, which is an additional challenge and requires great commitment and synchronization.

By the conclusion of the Government of the Republic of Serbia 05Number: 021-12037 / 2017 of December 5, 2017, the Action Plan of the Transformation Program was adopted for the period 2018-2023 as well as the Decision on basic and secondary activities of the Tax Administration, which focuses on the basic tax activities and the first phase of organisational unit consolidation. The Action Plan complements the Tax Administration Transformation Program 2015-2020 and further consolidates the direction set out in the Program, recognises the crucial importance of investing in human resources, business processes, office space and information technology, and recognises the fact that the change is based on changing the culture of the organisation.

In the context of above, the main strategic objective of the Tax Administration is the improvement of business processes, upgrading of technical infrastructure, improving the knowledge and skills of the employees, as well as improvement of the services that are being provided for the taxpayers and citizens.

Republic of Serbia does not have any specific provisions reflecting the acquis on administrative cooperation and mutual assistance, except for (54) international agreements on avoiding double taxation related to personal income tax, corporate tax and property tax. Out of those, 27 are with EU Member States.

Furthermore, with regard to the one of the main conclusions/request of the Serbia Progress report 2018 Serbia has signed the OECD Multilateral Convention on Mutual Administrative Assistance on Tax Matters (MAC), and in 2018 it has become the member of the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes and accordingly it has started its Induction Programme in March 2019, which will last for the following three years.

The tax cooperation in the EU requires effective exchange of information and mutual assistance between the Member States' tax authorities, especially for intra-community transactions in VAT, excise duties and direct taxation. Administrative structures such as the Central Liaison Office (CLO) and the Excise Liaison Office (ELO) must be created to process the information, enable the cooperation and channel the assistance requests. From the date of accession, Serbia needs to fulfil all requirements of the Administrative Cooperation Directives (DAC) 2011/16 EU, 2014/107 EU, 2015/2376 EU, 2016/881 EU, 2016/2258 EU, 2018/822 EU the VAT Regulation 904/2010 and the Excise Regulations 389/2012, 612/2013 and 389/2012, in particular concerning exchange of information on request, spontaneous and mandatory automatic exchange of information with all the Member States and other forms of administrative cooperation as foreseen by the legislation. Moreover, Serbia will have to adopt the necessary legislative and administrative measures and establish the appropriate infrastructure to be ready to apply the Recovery directive (Council Directive 2010/24/EU).

Serbian Tax Administration needs to reinforce their IT and communications capabilities, in order to establish

interconnectivity and interoperability with EU Member States tax administrations and the Commission.

With regard to the all above, Tax Administration has established an organisational unit for the ELO that will act as a future Central Liaison Office (CLO). In order this ELO unit of Serbian Tax Administration to become a fully operational CLO, Serbian Tax Administration needs a full overview of its establishment, i.e. its organisational structure- central and regional units, legislative changes, definition of profile and competences of staff, their scope of work, definition of procedures and guidelines, IT support.

Therefore, the assistance of the PLAC III project is needed in order to establish the CLO by transferring know-how and experience from EU Member States and to fully harmonise with the Union legislation in this field.

### **3. Description of the assignment:**

#### **3.1 Specific objectives**

The specific objective of this assignment is to provide assistance to the Ministry of Finance - Tax Administration in establishment of Central Liaison Office (CLO) to handle the exchange of information with the EU and OECD within their administrative cooperation. The specific objective of the assignment will be providing a comprehensive know-how, an analysis and action plan for successful development, implementation and monitoring of the entire functioning of CLO. The system will be further upgraded and developed in accordance with the requirements of Union legislation and practice, but it is essential to take the first steps to develop the necessary systems to allow exchange of information with the EU and its Member States.

In the scope of this objective, the following activities are foreseen:

- 1) Drafting Legal Gap Analysis with a recommendations on further legislative harmonisation with Directives: Administrative Cooperation Directives (DAC) 2011/16 EU , 2014/107 EU, 2015/2376 EU, 2016/881 EU, 2016/2258 EU, 2018/822 EU, the VAT Regulation 904/2010 and the Excise Regulations 389/2012, 612/2013, Reg. 389/2012 and Recovery directive (Council Directive 2010/24/EU) in particularly using the Law on Tax procedure and Tax administration (Article 157 and Article 160 (paragraph 8) and the Law on Personal Data Protection.
- 2) Review and recommendations for adjustment of the organisational structure and draft an Action plan for establishing of the CLO containing conditions for establishing a CLO office and work on developing human resource capacities to lead and control the implementation of all systems through training and education mechanisms in order to define their specific responsibilities within the newly established system
- 3) Updating and renewing Manual on Exchange of Information between Tax Administrations<sup>1</sup> by drafting a Guide, a working methodology which will define specific roles of the staff in the new organisational structure, the business processes and responsibilities and a definition of the communication network and channels (all stakeholders) and deadlines. Defining specifications of IT support necessary for quality performance of the CLO

#### **3.2 Requested services**

**The Senior NKE in the area of taxation is expected to provide the following services:**

- a) Conduct Legal Gap Analysis of national legislation with that of the Union in the field of taxation with proposals for a full legislative harmonisation.
- b) Drafting an Action plan for establishing CLO
- c) Update the Manual on Exchange of Information between Tax Administrations by drafting the Guide for CLO working methodology with specific recommendations for the use of standardized e-forms; IT application for sending and management of files; e-storage; quality control and performance measurement of EOI
- d) Delivering a workshop presenting the results and challenges of practical aspects of implementation and focused on creating all the necessary prerequisites for the creation of the CLO

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<sup>1</sup> Performed on the grounds of international double taxation avoidance treaties and agreements on international cooperation and mutual assistance (485-00292/2007-08 since July 30th 2007).

## Outputs

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

- a) A Legal Gap Analysis drafted
- b) An Action plan for establishing the CLO drafted
- c) A Guide on working methodology for CLO containing recommendations on the practical implementation for the use of standardized e-forms, IT application for sending and management of files, e-storage, quality control and performance measurement of EOI drafted – the Manual updated
- d) A Workshop held

### 3.3 Reporting

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

- **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 SNKE in the context of this assignment.
- A brief interim report - only upon a request of the PLAC III team: TL and/or KE 2

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 reports prepared in the agreed quality shall be submitted to the Team Leader of the Project for a review, comments and the final approval.
- The reports shall be signed by the SNKE and the Team Leader, responsible for endorsing the reports.
- The reports and all prepared documents shall be submitted in a hard copy and electronic version to the Team Leader of the project.

### 3.4 Specifics

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

Each of the short-term missions, the timing and duration shall be agreed with the Beneficiary and the PLAC team prior to each planned mission.

### 3.5 Expert input

#### 3.5.1 Total working days

20 working days (WDs) in total have been planned for this assignment for the SNKE.

#### 3.5.2 Period of the assignment and Starting day

It is expected that the work will be performed during several missions in the period December 2019 until May 2020 at latest. The exact starting date will be agreed at a later stage.

#### 3.5.3 Location/Place of assignment

The operational base for the SNKE for this assignment is Belgrade, Serbia. Internal travel within Serbia may be required.

#### 3.5.4 Working language

English

#### **4. Expert's Profile - Senior Non-Key Expert (20 WD):**

##### **4.1 Qualifications and skills (25 points)**

- A level of education, which corresponds to completed university studies of at least 3 years attested by a diploma such as economy, law, management or similar, relevant to the assignment
- Proficiency in English language
- Computer literacy
- Be proficient in report drafting
- Excellent communication and analytical skills
- Be independent and free from conflicts of interest in the responsibilities they take on

##### **4.2 General professional experience (25 points)**

- At least 8 (eight) years of general postgraduate professional experience with the processes of harmonisation of legislation in relation to Union taxation *acquis*, gained in an EU member state, candidate or potential candidate country

##### **4.3 Specific professional experience (50 points)**

- Postgraduate professional experience in transposition and implementation of the DAC Directives (as listed above, under 3.1. point 1)
- Postgraduate professional experience related to specific process of establishing of CLO, (e.g. organisation and technical prerequisites, human resources, improvement and development of administrative capacities, drafting guidelines)
- Postgraduate professional experience in administrative cooperation in the field of taxation in accordance with the Union *acquis* will be an advantage

#### **5. Applications**

Applications (EU format CV and application letter, both in English) need to be submitted by e-mail to [mbayard@dmiassociates.com](mailto:mbayard@dmiassociates.com) and [ehoward@dmiassociates.com](mailto:ehoward@dmiassociates.com) no later than 5 December, 17:00 hrs, titled: "Application for the position – Senior Non Key Expert in the area of Taxation, Ch. 16, Central Liaison Office (CLO)"

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 posts are not available to civil servants or other officials of the public administration in the beneficiary country, Serbia.

Please note that all pre-selected experts are requested to sign a Statement of Availability (SoA) in which they acknowledge and confirm the availability to accomplish this assignment within the indicated period, at the indicated starting date (if any) and within the number of working days requested

For more information, please contact Project Manager at DMI Associates Marion Bayard: mail to [mbayard@dmiassociates.com](mailto:mbayard@dmiassociates.com) or Elizabeth Howard [ehoward@dmiassociates.com](mailto:ehoward@dmiassociates.com)