



Government of the
Republic of Serbia



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ЗА ТЕБЕ

PLAC IV:

OUR FIRST YEAR

JUNE 2024 - JUNE 2025 achievements & results

2025

PLAC IV

Policy and Legal Advice Centre

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Belgrade, June 2025

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INTRODUCTION

2 June 2025 marks the first year of implementation of the Policy and Legal Advice Centre – PLAC IV project

The PLAC IV project provides expert support to the ministries of the Government of the Republic of Serbia and other public institutions in the process of aligning national legislation with the EU acquis and preparing the Serbian negotiating team for participation in negotiations with the European Commission.

This publication presents the project's activities, results and outputs which marked the first year of its implementation.

The impressive number of negotiation chapters in which legislative harmonization and institutional capacity building activities were carried out, as well as the large number of completed activities and project outcomes, testify to the fact that the project was launched at full speed and that project experts and beneficiaries quickly established excellent communication and cooperation in achieving the project's objectives.

This brochure provides key information about the project, a general overview of project activities and results achieved in the first year of implementation, as well as an outline of the activities carried out, structured by negotiation chapters.

An infographic with key information on project activities and results can be found on pages 9 and 10.

ABOUT THE PROJECT

PLAC IV is more than a project – it is a key investment in Serbia's future, aimed at a stronger and more prosperous EU membership.

As the sixth PLAC in succession and the fourth financed through the EU's IPA II funds, PLAC IV focuses on harmonising Serbia's legal system with European standards.

Why is this important for every Serbian citizen? For our country to function in harmony with the other members of the EU family, it must follow a common set of rules — standards of quality, safety and functionality. PLAC IV delivers precisely that for Serbia, harmonising laws and regulations and opening the door to:

- A level playing field for business: Local companies can compete on the European market, unlocking new opportunities for growth and development.
- Stronger rights: Citizens gain better consumer protection, enhanced environmental safeguards, and safer products.
- Economic prosperity: Trade becomes easier, investments are attracted, and a more stable business environment takes shape.

We have high expectations from this project. We anticipate full technical support for our administration in meeting the objectives set out in the new National Programme for the Adoption of the Acquis.

Miroslav Gačević, MEI, 30.10.2024, Kick-off Conference

Project activities encompass those negotiation chapters that are crucial both to the accession negotiations and, more broadly, to Serbia's socio-economic development—work that is, by its nature, highly demanding. These chapters include:

Chapter 1 – Free movement of goods

Chapter 3 – Right of establishment and freedom to provide services

Chapter 8 – Competition policy

Chapter 9 – Financial services

Chapter 11 – Agriculture and rural development

Chapter 12 – Food safety, veterinary and phytosanitary policy

Chapter 13 – Fisheries

Chapter 14 – Transport policy

Chapter 15 – Energy

Chapter 27 – Environment and climate change

Chapter 28 – Consumer and health protection

Chapter 32 – Financial control

By covering these negotiation chapters, PLAC IV not only harmonises legislation but also strengthens the capacities of the Serbian administration to conduct accession negotiations successfully.

This means that Serbia will have qualified experts who know how to safeguard the interests of the country and its citizens in negotiations with the EU.

Therefore, the overall objective of the project is to ensure that the Serbian administration effectively conducts accession negotiations and successfully manages overall EU integration process and pre accession assistance geared toward EU membership.

"For more than a decade, PLAC has offered invaluable support in harmonising legislation and drafting laws in line with EU standards. To promote cooperation and knowledge exchange, the project has brought together experts from over 20 countries.



Plamena Halacheva, EUD, 30 Oct 2024, Kick-off conference

All of the above is achieved through activities focused on two specific objectives:

- Enhancing the compatibility of national legislation with EU acquis and its effective implementation;
- Enhancing the capacities of relevant national structure for the successful carrying out of accession negotiation.

The main project beneficiaries are the Ministry of European Integration and the Negotiation Team for the Republic of Serbia's EU accession.

PLAC IV commenced in June 2024 and will run until November 2026.

The project is funded by the European Union, it spans 30 months, and has a contract value of €2.4 million.

Implementation is entrusted to a consortium led by IBF International Consulting, in partnership with IRZ and NALED.

A Word from the Beneficiary

The MINISTRY OF CONSTRUCTION, TRANSPORT AND INFRASTRUCTURE

participates as a beneficiary in the Policy and Legal Advice Centre – PLAC IV project, whose goal is to strengthen institutional capacities and achieve a high level of harmonisation of Serbia's national legislation with the EU acquis.

Co-operation between the Ministry and the PLAC IV project began with two successfully completed activities, crowned by closing workshops at which a new certificate control mechanism was presented. This mechanism efficiently combines best practices from EU Member States. In addition, annexes were prepared for establishing a uniform and consistent system within the Methodology for Calculating Financial Parameters and the Guidelines for Modelling Energy Use Invoices.

Three more highly significant components are now under way. They will further enhance the current legal framework and draft proposals for entirely new systemic solutions that ensure the efficient and transparent implementation of public policy mechanisms.

The Ministry extends its gratitude to the PLAC IV project for its professional expertise and technical support to date, and looks forward to the ongoing activities—as well as all those agreed for the coming period—being carried out in full and in the spirit of excellent cooperation



Republic of Serbia

**Ministry of Construction,
Transport and Infrastructure**

Dušan Radonjić,
Acting Assistant Minister
Ministry of Construction, Transport and Infrastructure

A Word from the Beneficiary

The SECURITIES COMMISSION The SECURITIES COMMISSION participates as a beneficiary in the Policy and Legal Advice Centre – PLAC IV project, whose goal is to strengthen the capacities of the relevant institutions as Serbia aligns its legislation with the EU acquis.

To date, two activities of particular importance to the Commission's work have been successfully completed.

The first activity produced a set of draft by-laws based on the new Capital Market Act, thereby supporting further harmonisation of the Serbian regulatory framework with EU law. The second activity delivered training for Commission staff on the EU's Markets in Crypto-Assets Regulation (MiCA) and the best practices in its member states with regard to harmonising national legislation with the Regulation.

The Commission extends its gratitude to the PLAC IV project for its professional and technical support and notes that the activities undertaken have made a tangible contribution to strengthening both its regulatory and institutional capacities.

Several additional training sessions are planned for 2025, with the aim of further enhancing staff expertise and ensuring the effective implementation of reforms.

We look forward to continuing our successful cooperation with the project through new activities that will further build the Commission's capacity and improve its efficiency, all in support of the ongoing development of Serbia's capital market.

Marko Janković, President of the Commission



PROJECT ACTIVITIES

1 June 2024 - 1 June 2025



LEGAL ACTS

Working with a broad group of local and international experts, the project team prepared 67 legal acts between 1 June 2024 and 1 June 2025



CHAPTER 1

FREE MOVEMENT OF GOODS

Negotiation Chapter 1 deals with the technical regulations that govern the quality infrastructure framework for goods.

These cover the rules on standardisation, accreditation, metrology, compliance assessment and market surveillance—in short, the so-called harmonised area.

The harmonised area rests on two families of EU directives: “Old Approach” directives, which set out exact product specifications (e.g. technical requirements for motor vehicles; chemical, pharmaceutical, medical and cosmetic products; toys, etc.); or “New/Global Approach” directives, which lay down general or essential requirements for products and their labelling before they are placed on the market (e.g. requirements for low-voltage electrical equipment, machinery, lifts, construction products, cableway installations, marine equipment, etc.).

This chapter also covers/includes the non-harmonised area, which is regulated by the national laws of the Member States. These regulations apply to products lawfully manufactured and marketed in one Member State that may then circulate freely within the EU's single market. Their movement relies on the principle of mutual recognition, as developed in the case law of the Court of Justice of the EU.

These national provisions must not impose additional barriers to the entry of foreign products and must comply with Articles 34–36 of the Treaty on the Functioning of the European Union and with the mutual recognition principle.

Without the full and timely application of the EU acquis in this field—from the very first day of membership—the internal market cannot function properly. The EU therefore expects candidate countries to align their legislation in this chapter no later than the date of accession. EU law in this area is incorporated into national law by transposing a wide range of Old- and New-Approach directives.

EXPERT SUPPORT FOR THE PROPER FUNCTIONING OF THE INTERNAL MARKET

On 4 October 2024 the Government of the Republic of Serbia adopted a Strategic Plan for the Harmonisation of the Acquis in the area of free movement of goods.

The Strategic Plan contains the following sections relating to the alignment of Serbia's legislation with the EU acquis in this area:

General principles

Horizontal measures

Sectoral legislation (New-, Old Approach and Procedural Measures)

Declaration on transitional provisions

Annexes

The Strategic Plan is accompanied by the following action plans:

- Action Plan for the Non-Harmonised Area (Articles 34–36 of the Treaty on the Functioning of the EU)
- Action Plan for the Harmonised Area
- Action Plan for the non-harmonised area on emissions from motor vehicles and non-road mobile machinery

By adopting the Strategic Plan and its accompanying annexes, the Republic of Serbia has established a framework for further activities aimed at achieving full alignment with the EU acquis and fulfilling all pre-accession obligations arising from Chapter 1 – Free movement of goods.

This chapter covers the following sub-areas: General principles; Horizontal measures; New/Global Approach product related legislation; and Old-Approach legislation related to products and procedural measures.

Both the so-called New (Global) Approach and Old Approach legislation may be the subject of accession negotiations. Without the full application of EU legislation in this area—from the very first day of a new Member State's accession—the internal market cannot function properly. The EU therefore expects candidate countries to harmonise their legislation under this chapter no later than the date of accession. The relevant acquis is fully incorporated into national law by transposing the numerous Old- and New Approach directives

Given that the Republic of Serbia has not yet opened this specific negotiation chapter, the expert engaged under this segment of PLAC IV activities provided essential support to the Ministry of Economy and prepared a Draft Negotiating Position for Chapter 1 – Free Movement of Goods.

The draft negotiating position had been prepared in early 2024; however, once the Strategic Plan for the same chapter was adopted, the draft had to be brought into line with that plan—a task for which the PLAC IV expert's technical assistance proved invaluable.

The expert recommended the prompt transposition of Regulation (EU) 2019/1020 on market surveillance and product compliance and Regulation (EU) 2023/988 on consumer products in order to speed up the conclusion of an Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) between Serbia and the EU.

Serbia initiated the conclusion of this agreement, and its implementation would facilitate market access for industrial products in trade between Serbia and the EU.

Beneficiary institution:

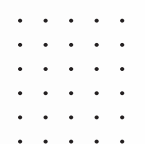
Serbian Ministry of
Economy

Number of engaged experts:

1

Number of working days:

20



Outputs:

Negotiating Position of the Republic of Serbia for Chapter 1 – Free Movement of Goods prepared

Recommendations:

- The Republic of Serbia would significantly benefit from immediately transposing the latest acquis - the Regulation (EU) 2019/1020 on market surveillance and compliance of products and the Regulation (EU) 2023/988 on general product safety rather than investing time and resources in prior full harmonisation with the old acquis and then moving to the most recent;
- Accession of the Republic of Serbia to the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) would mean that in the sectors where relevant EU law is based on the use of standards that presume compliance with essential safety requirements, the country is to take all appropriate measures to align and maintain alignment with the relevant EU regulatory practices in the areas found under "horizontal issues". i.e. standardisation, metrology, accreditation, conformity assessment, market surveillance and general product safety (and product liability).

Harmonisation with the EU acquis (which directives/regulations have been transposed):

Regulation 2019/1020 on market surveillance and compliance of products and Regulation 2023/988 on general product safety)

COMPETITION POLICY

Competition rules apply equally to every market participant and aim to allow market forces to operate freely by preserving and strengthening competition—ultimately ensuring a wider and more diverse supply of goods and services at the best possible price. These rules benefit consumers by prohibiting entrepreneurs from concluding agreements that fix prices, restrict production, development or investment, or partition markets and sources of supply.

They also prevent abuse of a dominant position and concentrations that would create dominance or significantly restrict competition.

In addition, competition rules govern state aid, banning state aid that distorts competition or gives certain undertakings an unfair advantage over their competitors.

This chapter also covers the rules on liberalising the public sector economy, with the aim of preventing market distortions stemming from the special status of public undertakings and undertaking enjoying special or exclusive rights.

The EU acquis on competition policy is founded on the following provisions of the Treaty on the Functioning of the European Union (TFEU): Article 37 – State monopolies of a commercial character; Articles 101–105 – Rules applying to undertakings; Article 106 – Public undertakings and undertakings with special or exclusive rights; Articles 107–109 – Rules on state aid. Competition rules are directly applicable across the European Union. Member States must cooperate fully with the European Commission when it conducts proceedings against market participants that violate the relevant TFEU provisions.

Member States' competition authorities enforce domestic competition law, which must be fully aligned with the EU acquis.

National courts may apply EU competition rules directly in proceedings that protect the subjective rights of natural and legal persons guaranteed by the TFEU. In the area of state aid, the European Commission has exclusive competence to decide whether aid granted—or intended to be granted—by a Member State is compatible with the internal market.

Upon a country's accession to the EU, all powers to examine state aid measures are transferred to the Commission from day one of membership.

GUIDANCE ON IMPLEMENTING SECTORAL ANALYSIS IN THE AREA OF STATE AID

The Law on State Aid Control (Official Gazette of the RS, No 73/2019) is in force in the Republic of Serbia; it established the State Aid Control Commission. The Commission is responsible for determining the existence of state aid and for assessing its conformity with state aid rules.



Types of control procedures conducted by the Commission:

Ex-ante control -- Initiated by the grantor of state aid who intends to award aid to undertakings;

Ex-post control, May be initiated by any interested party that believes state aid has been granted contrary to the law.

Under Article 49 of the Law on State Aid Control, the Commission may carry out a sectoral analysis if there are reasonable grounds to believe that an aid measure—either in a particular economic sector or based on a specific state aid instrument—could significantly restrict or distort competition. In addition, at the request of the Government of Serbia, the Commission may analyse the effects of a given state aid instrument on particular economic sectors or markets and submit a report to the Government.

Sectoral analyses are a tool used by state aid authorities to apply the rules effectively. They draw conclusions on how a specific aid measure affects competition in a given sector or in the market overall, and what steps should be taken to ensure that aid measures do not prevent or restrict competition among market participants.

According to a World Bank report, Serbia grants a comparatively large amount of state aid to undertakings relative to other European countries.

The dominant form of aid is vertical state aid—support granted to undertakings in specific sectors. A large share of aid is awarded to state-owned enterprises, while undertakings that often need aid the most—micro, small and medium-sized enterprises (SMEs) and start-ups—tend to receive less support.

By conducting ex-post sectoral analyses, the State Aid Control Commission can evaluate the effects of aid already granted and, on that basis, develop methodological standards to be applied in future assessments of planned aid. In the long run, the Commission should ensure that it evaluates state aid instruments at an early stage, before the decision to award aid is taken.

An ex-ante analysis can identify potential negative effects of an aid instrument and its suitability for addressing a particular economic issue (e.g. boosting employment, stimulating exports, or developing a specific industry). Through such timely assessments, the Commission can help aid grantors to design instruments that are compatible with state aid rules and consider alternative measures that cause less harm to market competition.

Project support – drafting the Guidance

At the request of the State Aid Control Commission, the PLAC IV project provided expert assistance in preparing a Guidance on Sectoral Analysis in the Area of State Aid, with the aim of setting out the methodology and step-by-step procedure for implementing such analyses.

Between December 2024 and February 2025, expert **Šefika Kurtagić Žiga** was engaged to produce the guide. She carried out an in-depth review of Serbia's legal framework for sectoral state aid analyses, assessing its alignment with EU best practice, identifying legal gaps, and proposing amendments to close them.



She also compiled a detailed table outlining the sequential steps involved in performing sectoral analyses. The expert highlighted the shortage of data on awarded state aid instruments and their effects, as well as gaps in the Law on State Aid Control that prevent the Commission from obtaining the necessary information. Without proper data collection mechanisms, the Commission cannot analyse state aid effectively. The law therefore needs to be amended to impose a duty on aid grantors to supply the Commission with the necessary data.



The Guidance on Sectoral Analysis in the Area of State Aid was finalised on this basis.

The expert additionally examined state aid awarded in the public information sector, drawing on the Commission's decisions in previous control procedures. The Guide was presented to the Commission's management and staff at a workshop held on 28 February 2025.

FINANCIAL SERVICES

The primary objectives achieved by aligning national legislation with the EU acquis in the area of financial services are to ensure the financial stability of entities operating in the financial sector and to provide adequate protection for consumers, investors and policyholders.

The EU acquis in the financial services sector covers banking, insurance and re-insurance, voluntary pension funds, capital markets and financial market infrastructure, as well as the rules governing the authorisation, operation and supervision of financial institutions and regulated markets.

It also regulates consumer protection in financial services and the modes of cooperation among the authorities responsible for financial market supervision. Financial institutions may operate throughout the EU under the "single passport system" and the principle of "home country control."

They may establish branches in other Member States or provide cross-border services. The single passport allows a financial institution authorised in one Member State to conduct business across the EU without needing a separate licence from the host country.

With regard to banks and financial conglomerates, the EU acquis lays down requirements for licensing, operation and prudential supervision of credit institutions, as well as capital adequacy standards.

Prudential supervision of banks refers to the oversight of the banking system carried out by the central bank and—where they exist—specialised supervisory authorities.

GAP ANALYSIS IN THE AREA OF CAPITAL MARKET INFRASTRUCTURE

Central Securities Depositories – CSD play a significant role in capital markets—and in the financial system as a whole—because they manage the infrastructure that enables the settlement of securities transactions (delivery-versus-payment, clearing and final settlement) involving instruments such as shares and bonds. Settlement ensures that the buyer receives the securities while the seller receives the cash consideration.

Settlement of transactions

According to European Commission data, the average settlement cycle for securities transactions is currently about two business days. This period exposes market participants to various risks, which is why CSD level regulation and further acceleration of the settlement process are essential.

CSDs register and safekeep dematerialised securities, effect the exchange of securities for cash, and keep records on the volume of issues, the identity of issuers and changes in ownership. In the Republic of Serbia, these functions are performed by the Central Securities Depository and Clearing House (Centralni registar, depo i kliring hartija od vrednosti - CRHoV).

In the European Union, the status and tasks of CSDs are laid down in Regulation (EU) No 909/2014 on settlement discipline, cross-border services, supervisory cooperation, ancillary banking services and the requirements for third-country CSDs (CSDR), as amended by Regulation (EU) 2023/845 of 13

December 2023. Settlement finality obligations are additionally governed by Directive 98/26/EC on settlement finality in payment and securities settlement systems (SFD).

Project support

Between January and May 2025, PLAC IV experts carried out a gap analysis of Serbian legislation relevant to capital market infrastructure and corporate organisation, including the Law on Obligations, the Public Debt Law, the Law on Enforcement and Security, and CRHoV's internal regulations. Numerous working meetings were held with CRHoV representatives to gain a detailed understanding of the depository's organisation, operating model and practical challenges.

In agreement with CRHoV, the experts have also prepared a comparative study of CRHoV's fee schedule against those of four EU Member State CSDs (Austria, Czechia, Croatia and Slovenia) to help CRHoV adapt its tariffs and ensure financial stability. The experts also drafted templates for 25 internal acts and forms that CRHoV can adopt or adapt when drawing up its own documents.

The findings were presented at a workshop held on 14 May 2025.

Officials from the Central Securities Depository and Clearing House (CRHoV), the Ministry of Finance, the Securities Commission, the National Bank of Serbia and the MoF Public Debt Administration took part in the workshop



Beneficiary institution:

CRHoV

Number of engaged experts:

2

Number of working days:

30

Outputs:

- Gap analysis of the alignment of Serbian legislation and CRHoV's internal organisation with the CSDR, the SFD and related EU financial market soft law instruments
- Draft internal acts for CRHoV, prepared in order to achieve further compliance with the CSDR.
- Comparative analysis of CRHoV's Tariff Schedule and financial statements against those of four licensed EU CSDs
- Workshop held on 14 May 2025

Recommendations:

- align Serbian legislation and CRHoV's internal acts with the CSDR;
- introduce separate accounting of each CRHoV core service (revenue/cost) and ancillary services (grouped);
- considering the introduction of new fee schedules and revising the methodology for calculating existing fees.
- Examine the introduction of new ancillary services at CRHoV.

Harmonisation with the EU acquis (which directives/regulations have been transposed)::

- Regulation (EU) No 909/2014 on settlement discipline, cross-border services, supervisory cooperation, ancillary banking services and the requirements for third-country CSDs (CSDR)
- Directive 98/26/EC of the European Parliament and of the Council on settlement finality in payment and securities settlement systems (SFD)

RULEBOOKS FOR IMPLEMENTING THE CAPITAL MARKET LAW

The National Assembly of the Republic of Serbia adopted the Capital Market Law in 2021 (Official Gazette of the RS, No 129/2021). The Law regulates:

- conditions for establishing and operating investment firms, market operators and other capital market participants;
- requirements for public offerings of securities and for admitting securities to trading on a regulated market;
- capital market venues—a regulated market, a multilateral trading facility (MTF), an organised trading facility (OTF) and over-the-counter (OTC) markets;
- disclosure of financial and other information, and the reporting obligations of issuers of financial instruments;
- prohibition of fraudulent, manipulative and other unlawful conduct on financial instrument markets;
- clearing, settlement and registration of transactions in financial instruments, together with the organisation and powers of the Central Securities Depository and Clearing House;
- the organisation and powers of the Securities Commission and its cooperation with other competent authorities.

The Securities Commission is responsible for adopting the rulebooks needed to enable full implementation of the Capital Market Law. With assistance from a PLAC IV project expert, the Commission drafted 10 rulebooks on market participant reporting and capital requirements, ensuring full alignment with the EU acquis in this area.



Republic of Serbia

Securities
Commission

Beneficiary institution:

Serbian Securities
Commission

Number of engaged experts:

1

Number of working days:

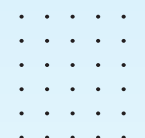
45

Outputs:

Drafts of 10 rulebooks required for implementing the Capital Market Law:

Rulebook on the Chart of Accounts and Financial Statements of Investment Firms

- Rulebook on the Chart of Accounts and Financial Statements of the Serbian Central Securities Depository & Clearing House
- Rulebook on the Chart of Accounts and Financial Statements of Market Operators
- Rulebook on Reporting by the Central Securities Depository
- Rulebook on Periodic and Ad-Hoc Reporting by the Serbian Central Securities Depository & Clearing House
- Rulebook on Control Reports of the Providers of Investment Services
- Rulebook on Reporting by Independent Auditors of Investment Firms
- Rulebook on Prudential Requirements for Investment Firms
- Rulebook on Risk Management by Investment Firms
- Rulebook on the Trading Book of an Investment Firm

**Recommendations:**

- Amend the Capital Market Act to regulate the Central Securities Depository's banking services and adopt the appropriate rulebooks.
- Harmonise the Capital Market Act with Directive (EU) 2019/2034 on the prudential supervision of investment firms and with Commission Implementing Regulation (EU) 2021/2284 on technical standards regarding the capital of investment firms.
- The Securities Commission should issue instructions for calculating the capital adequacy of investment firms and regarding their reporting requirements.

Harmonisation with the EU acquis *(which directives/regulations have been transposed):*

- Regulation (EU) No 909/2014 on improving securities settlement
- Commission Delegated Regulation (EU) 2017/392 supplementing Regulation 909/2014 with regard to regulatory technical standards on certain prudential requirements for CSDs and for credit institutions offering ancillary banking services
- Commission Implementing Regulation (EU) 2017/394 laying down implementing technical standards
- Commission Delegated Regulation (EU) 2017/390 laying down regulatory technical standards

GAP ANALYSIS AND TRAINING FOR THE IMPLEMENTATION OF EU CRYPTO-ASSETS LEGISLATION

The expansion of the digital (crypto-) asset market has introduced a series of innovations in the area of financial services, such as:

- Asset tokenisation – the issuance and trading of digital tokens which represent ownership of tangible or financial assets;
- Decentralised finance (DeFi) – financial services based on blockchain technology, enabling the trading of financial products without intermediaries or banks;
- Stablecoins – digital money whose value is pegged to traditional currencies or commodities;
- Smart Contracts – agreements executed automatically with the help of blockchain technology.

The crypto-asset market in the European Union is governed by Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on Markets in Crypto-Assets (MiCA).

MiCA entered into force in June 2023, and its full application in Member States began on 30 December 2024.

The MiCA Regulation defines "crypto asset" as a digital representation of value or rights that can be transferred or stored using distributed ledger technology (blockchain). MiCA covers crypto-assets not already regulated by other EU instruments—primarily Directive 2014/65/EU (MiFID II) on markets in financial instruments—and therefore complements the EU's digital finance legal framework.

Its objectives are to protect investors and consumers, prevent abuses, ensure adequate market supervision, and thereby enhance the stability of the financial system.

The Republic of Serbia adopted the Digital Assets Law in 2020 (Official Gazette of the RS, No 153/2020). The Law regulates the issuance and secondary trading of digital assets, the provision of services related to digital assets, and the competences of the Securities Commission and the National Bank of Serbia in this area.

Because Serbia's Law on Digital Assets entered into force before MiCA was adopted, it was necessary to analyse the degree of alignment between the Law and MiCA and to provide recommendations to the Serbian legislator for further harmonisation of national legislation with the EU acquis on digital (crypto) assets.



PROJECT SUPPORT THROUGH GAP ANALYSIS

Between February and March 2025, PLAC IV expert **Sanja Vojak** conducted a gap analysis of Serbia's legal and institutional framework for implementing EU crypto-assets legislation. Her review covered the statutory, procedural and institutional aspects of Serbia's capital market ecosystem with a view to enabling the effective application of the MiCA Regulation.

The analysis focused in particular on the institutional capacity of the Securities Commission and revealed shortcomings in the licensing and supervision of crypto service providers, user protection mechanisms, measures to prevent market abuse, and rules governing crypto asset issuers.

As part of the exercise, Ms Vojak also prepared a comparative study summarising Member State best practices on licensing requirements and procedures, user protection mechanisms and fraud prevention tools for crypto asset markets.

The study concluded that substantial amendments to Serbia's Digital Assets Law are needed to enhance legal certainty, strengthen user protection and safeguard the integrity of the digital services market.

Harmonising the Digital Assets Law with the MiCA Regulation

Harmonising the Digital Assets Law with the MiCA Regulation would create a more favourable regulatory environment for development of innovative financial services in Serbia and reinforce investor and user confidence.



The expert presented the findings of the gap analysis to Securities Commission staff at a workshop held on the Commission's premises on 27 March 2025. After the presentation, participants had the opportunity to comment on the analysis, ask questions and receive clarifications.

Beneficiary institution:**Serbian Securities
Commission****Number of engaged experts:****1****Number of working days:****15****Outputs:**

- Gap analysis of the alignment of the Law on Digital Assets with Regulation (EU) 2023/1114 of the European Parliament and of the Council on Markets in Crypto-Assets
- Analysis of EU Member State best practices in the area of digital services market
- Workshop for Securities Commission staff

Recommendations:

It is necessary to align the Law on Digital Services with the EU Regulation on Markets in Crypto-Assets in order to ensure greater legal certainty, stronger consumer protection, and the integrity of the digital services market.

Harmonisation with the EU acquis (which directives/regulations have been transposed)
Regulation (EU) 2023/1114 of the European Parliament and of the Council on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937

FOOD SAFETY, VETERINARY AND PHYTOSANITARY POLICY

Negotiation Chapter 12 aims to ensure a high level of public health, animal health and welfare, and plant health. To achieve this goal, related measures must be applied throughout the entire food chain from production and processing to distribution and, ultimately, the consumer—under the supervision of the competent state authorities. This dual approach both safeguards human life and health and allows the EU internal market to function efficiently.

The EU food safety system rests on several core principles: Producer responsibility; Traceability of food products; Risk analysis and risk management procedures; The precautionary principle, applied when scientific evidence is insufficient yet a risk of harmful effects cannot be ruled out.

To meet EU standards in this area, Serbia must transpose the relevant acquis and ensure its full enforcement. The acquis spans a wide spectrum: food safety, veterinary policy, marketing of food, feed and animal by-products, feed safety, phytosanitary policy and genetically modified organisms (GMOs). Full compliance requires effective inspection and oversight by the competent authorities, adequately equipped laboratories capable of diverse analyses, and trained personnel—both in laboratories and in food business operations.

Serbia must adopt and apply the entire body of EU legislation from the day of accession. In practice, Serbia has long been approximating its standards to the EU's so that it can export products to the EU market.

Importantly, Serbia will not have to abandon traditional foods—such as its distinctive cheeses, kajmak and other specialties. When produced at home for personal use, these foods can continue to be made as before; however, if they are placed on the market, they must comply with the prescribed hygiene standards to protect consumer safety. By adhering to the EU standards, food produced in Serbia will move freely to European consumers, while Serbian consumers will enjoy the same high levels of food safety already guaranteed within the EU.



DRAFTING REGULATIONS ON THE CONTROL OF RESIDUES OF VETERINARY MEDICINAL PRODUCTS, FEED ADDITIVES AND UNATHORISED SUBSTANCES

Residues of veterinary medicines or feed additives used in food producing animals can appear in products of animal origin. Likewise, food can contain residues of pesticides and environmental contaminants. The levels of these residues must be safe for consumers so that their health is not put at risk. Because the EU has recently amended its rules in this area, the Republic of Serbia must align its legislation as quickly as possible.

Our commitment

Non-EU countries which export products of animal origin to the EU market must implement residue control plans that guarantee food safety standards equivalent to those in force within the EU.

The objective of the project activity was to draft legislation on the control of residues of pharmacologically active substances authorised in veterinary medicinal products or as feed additives, or residues of prohibited or unauthorised pharmacologically active substances, and the procedure to be followed in specific cases.



Workshop held on 16 April 2025 in cooperation with the Veterinary Directorate.

Beneficiary institution:

Ministry of Agriculture, Forestry
and Water Management

Number of engaged experts:

2

Number of working days:

45

Outputs:

- Draft Rulebook on the monitoring of use of pharmacologically active substances authorised as veterinary medicinal products or as feed additives, and of prohibited or unauthorised pharmacologically active substances and their residues.
- Draft Rulebook on analytical methods for residues of pharmacologically active substances used in food-producing animals, including rules on the interpretation of results and on the methods to be used for sampling.
- Draft Guidelines for a national, risk-based residue control plan.
- Draft Guidelines for a risk-based residue control plan for imported consignments.
- Workshop on the future application of the above draft legal acts.

Recommendations:

- Even though the deliverables prepared, once adopted, will harmonize Serbia's controls on the use of pharmacologically active substances authorised as veterinary medicinal products or as feed additives and of prohibited or unauthorised pharmacologically active substances and residues, still some crucial EU legislation acts remain to be transposed for the full harmonisation of this area, such as Regulation (EU) 37/2010 on pharmacologically active substances and their classification with respect to maximum residue limits (MRLs) in food of animal origin, Implementing Regulation 2022/1255, Regulation (EU) 2019/1871, Regulation (EU) 124/2009;
- For the preparation of a fully harmonized plan for control of residues of pharmacologically active substances, residues and contaminants for the third country exporting to the EU it is necessary to harmonize the national legislation with the Delegated Regulations 2022/931 and 2022/932, related to the official controls of contaminants;
- For the harmonization of measures to be implemented in case of non-compliant result for import consignment it is necessary to align the provisions from the official control Regulation 2017/625 related to import (entry into the Union);
- Establish official (national reference) laboratory to keep regular contacts and to participate in networks of EURLs;
- In cooperation with the reference laboratory, revise the quantity of samples and continue to train inspectors for the control on the use of pharmacologically active substances.

Harmonisation with the EU acquis (which directives/regulations have been transposed):

- Commission Delegated Regulation (EU) 2022/1644 supplementing Regulation 2017/625 with specific requirements for official controls on the use of pharmacologically active substances authorised as veterinary-medicinal products or feed additives, and on banned or unauthorised substances and their residues
- Commission Implementing Regulation (EU) 2022/1646 laying down uniform practical arrangements for official controls
- Commission Implementing Regulation (EU) 2021/808 on analytical methods for residues of pharmacologically active substances used in food-producing animals, interpretation of results, and sampling methods.

ENERGY

The Republic of Serbia joined the Energy Community Treaty in 2006, thereby enabling continuous monitoring and reporting on the alignment of its energy legislation with the EU acquis. The Treaty's provisions are reaffirmed in the Stabilisation and Association Agreement, which underscores the need for regional cooperation in the energy sector.

When Serbia becomes an EU Member State, it will secure its energy supply, attract investment in energy infrastructure, enhance environmental protection and create a single regulatory space for trading energy products.

In the EU accession process, Serbia has pledged to:

- Transpose and implement the relevant EU acquis in the fields of energy, environmental protection, renewable energy sources and competition;
- Establish conditions for the efficient functioning of the market within the Energy Community and its integration with the EU market;
- Create an energy market interconnected by networks without internal frontiers, including a system of mutual assistance among member states.

STUDY ON THE IMPLEMENTATION OF THE PROVISIONS OF EU DIRECTIVE 2023/1791 ON ENERGY EFFICIENCY CONCERNING HIGH-EFFICIENCY COGENERATION IN THE REPUBLIC OF SERBIA

Support provided by the expert team to the Ministry of Mining and Energy was aimed at facilitating the transposition of the latest Energy Efficiency Directive — Directive (EU) 2023/1791 — into Serbia's legislation. The assistance covered: identifying the differences between the 2018 and 2023 directives regarding the definition of high-efficiency cogeneration; defining the conditions and procedure for issuing guarantees of origin for electricity produced by such cogeneration; and offering guidance on the level and form of potential subsidies to encourage investors to invest in high-efficiency cogeneration. The work culminated in a Study on the Implementation of the provisions of Directive (EU) 2023/1791 on Energy Efficiency relating to high-efficiency cogeneration in the Republic of Serbia.

The Study comprises two parts:

Part I - Analysis of cogeneration in Directive (EU) 2023/1791, including a detailed elaboration of the scheme for guarantees of origin

II deo – Analysis of financial incentives for high-efficiency cogeneration

Beneficiary institution:

Ministry of Mining and Energy

Number of engaged experts:

2

Number of working days:

40

Outputs: Study on the Implementation of the provisions of Directive (EU) 2023/1791 on Energy Efficiency relating to high-efficiency cogeneration in the Republic of Serbia

Recommendations:

- Under current conditions - and assuming exponential economic growth in Serbia of at least 3.5 - 4 % annually over the next decade - interest in energy efficiency investments, and therefore in cogeneration plants, is definitely expected to rise. Given present Serbian market circumstances, investment in cogeneration based on natural gas combustion is profitable;
- Profitability studies for cogeneration units of all sizes (micro, small, medium and large) show broadly comparable results when natural gas is used as the fuel. At prevailing Serbian energy, equipment and gas prices, every cogeneration investment proves cost-effective;
- Quantitative analysis and simulations confirm that natural gas cogeneration projects are feasible: virtually any competitively structured investment is viable, and energy savings begin to accrue from the first month of operation;
- High-efficiency cogeneration projects should be actively promoted through information campaigns, training, expert guidance and other forms of assistance aimed at all potential investors and users;
- Fiscal instruments are acceptable - but inherently risky - tools that could be employed only in a limited number of cases, e.g. through partial tax exemptions on the purchase and installation of cogeneration units; an alternative is to provide credit guarantees;
- Exceptional and cautious public funding for new cogeneration capacity should be considered only in two exceptional situations:
 - Technological modernisation of existing cogeneration units that replaces some or all fossil fuel use with renewable energy, primarily biomass;
 - Significant upgrades to the technical performance of cogeneration plants-such as boiler replacement, overhauls or efficiency gains achieved by switching from heavy fuel oil or coal to cleaner fuels like natural gas -provided the measures demonstrably raise overall efficiency. In such cases, targeted financial support can be justified.

Harmonisation with the EU acquis (which directives/regulations have been transposed):
Energy Efficiency Directive — Directive (EU) 2023/1791)

DRAFTING THE RULEBOOK ON THE INDEPENDENT CONTROL OF BUILDING ENERGY PERFORMANCE CERTIFICATES AND CERTIFICATES OF IMPROVED ENERGY PERFORMANCE

In 2022 the Republic of Serbia adopted its Long Term Strategy for Encouraging Investment in the Renovation of the National Building Stock to 2050 (Official Gazette of the RS, No 27/2022). The Strategy foresees, inter alia: a new methodology for calculating building energy performance; higher energy efficiency standards for buildings; the definition of nearly zero energy building (NZEB) levels; increased use of renewable energy sources; an updated system for certifying the energy performance of buildings; and the introduction of an independent expert control system. With the support of the European Commission, Serbian authorities have begun drafting the regulations needed to implement the Strategy. The Ministry of Construction, Transport and Infrastructure is the direct beneficiary for all activities related to building energy efficiency.

This activity started under the PLAC III project, which produced draft amendments to the Planning and Construction Act and several by-laws, and it has continued under PLAC IV.

To achieve further progress, Serbia must transpose Directive (EU) 2024/1275 on the energy performance of buildings (EPBD). This will require multiple rulebooks covering the assessment of energy performance in existing and new buildings and the independent control of energy performance certificates.

The PLAC IV expert team prepared the Draft Rulebook on the Independent Control of Building Energy Performance Certificates and Certificates of Improved Energy Performance.

Draft Rulebook on the Independent Control of Building Energy Performance Certificates

The Rulebook establishes a transparent and efficient control system that guarantees the accuracy and reliability of Building Energy Performance Certificates and Certificates of Improved Energy Performance.

It addresses: General provisions and definitions; Types of documents subject to control; Requirements for authorised verifiers of building energy performance; Conflicts of interest—situations in which an authorised verifier may not carry out a control; Licence term, issuance, modification and revocation for verifiers; Register of authorised control bodies; Criteria for selecting certificates and supervision reports for review; Control methodology; Post-control procedure; Sources of funding; and Other relevant matters. Annexes accompanying the Rulebook set out detailed forms and templates needed for its application.

To train staff of the Ministry of Construction, Transport and Infrastructure for the future implementation of this rulebook, the expert team held a one-day workshop on 14 March 2025, where they presented the document's structure and contents.



Republic of Serbia

Ministry of Construction,
Transport and Infrastructure

Beneficiary institution:

Ministry of Construction,
Transport and Infrastructure

Number of engaged experts:

2

Number of working days:

35

Outputs:

- Draft Rulebook on the Independent Control of Building Energy Performance Certificates and Certificates of Improved Energy Performance (Building Renovation Passports);
- Draft Annex 1 to the Rulebook: Control Report on the Building Renovation Passport;
- Draft Annex 2 to the Rulebook: Site Visit Record;
- Draft Annex 3 to the Rulebook: Request for Initiating Extraordinary Control of the Energy Performance Certificate/Building Renovation Passport;
- Draft Annex 4 to the Rulebook: Annual Report on the Control of Energy Performance Certificates/ Building Renovation Passport;
- Draft Annex 5 to the Rulebook: Application Form for Authorisation to Perform Control of Energy Performance Certificates and Building Renovation Passports;
- Draft Annex 6 to the Rulebook: Statement Form on Employment and Nomination of the Responsible Person;
- Draft Annex 7 to the Rulebook: Table of Performed Energy Audits and Issued Energy Performance Certificates by the Legal Entity;
- Draft Annex 8 to the Rulebook: Table of Performed Energy Audits and Issued Energy Performance Certificates – Individual Record per Engineer;
- Draft Annex 9 to the Rulebook: Statement of Non-Conviction;
- Draft Annex 10 to the Rulebook: Application Form for Amendment of the Authorisation;
- Draft Annex 11 to the Rulebook: Register of Authorised Legal Entities for the Control of Energy Performance Certificates;
- Workshop on the implementation of the Draft Rulebook.

Recommendations:

- Develop a detailed methodology for conducting building energy audits, including comprehensive assessment of technical systems, to ensure consistent and accurate energy performance evaluation across all building types;
- Develop a Rulebook on the training programme for engineers involved in energy performance certification;
- Further technical development to support the application of the Rulebook, including the harmonisation of the calculation methodology with EPBD, the definition of national nZEB levels in accordance with building typologies, and the future development of a national software tool for energy performance certification;
- Align relevant legal and sub-legal acts, such as the Rulebook on Energy Efficiency of Buildings, the Rulebook on the Conditions, Content and Manner of Issuing Energy Performance Certificates, the Rulebook on the Manner of Conducting Energy Audits for Certification Purposes, the Rulebook on the Preparation of Technical Documentation for Energy Improvement Projects, the Law on Planning and Construction, as well as the Rulebook on Independent Control of Certificates developed through this assignment;
- Expand and upgrade the CREP database, to ensure compatibility with the independent control system and enable the integration of relevant functionalities introduced by the Rulebook;
- As part of the implementation framework, it is recommended to establish a mandatory training programme for companies authorized to perform control, aimed at ensuring consistent application of methodologies and control standards;
- It is further recommended to ensure regular updates of methodologies and training content for both certification experts and control entities, in line with legislative developments, technical progress, and best practices.

Harmonisation with the EU acquis (which directives/regulations have been transposed):
Directive (EU) 2024/1275 on the energy performance of buildings (EPBD)

METHODOLOGY FOR CALCULATING FINANCIAL PARAMETERS FOR IMPLEMENTING BUILDING ENERGY EFFICIENCY MEASURES

Improving the energy efficiency of buildings is a key component of the broader effort to rationalise energy consumption and preserve energy resources. In 2022 the Republic of Serbia adopted its Long-Term Strategy for Renovating the National Building Stock in line with EU recommendations, thereby meeting the obligations arising from the transposition of the Energy Performance of Buildings Directive (EPBD) into national law. The Strategy calls for: a new national methodology for calculating building energy efficiency based on primary energy needs and the energy requirements of technical systems; the adoption of nearly zero-energy building (nZEB) requirements; quantified targets for the use of renewable energy sources; strengthening the building energy certification (energy passport) system; and establishing an independent control mechanism for energy performance certificates.

During the preceding PLAC III project, draft amendments to the Planning and Construction Act and a Rulebook on Energy Audits for Issuing Building Energy Efficiency Certificates were already prepared, laying the groundwork for the current PLAC IV activities.

Work on developing the legal framework for establishing a building energy efficiency system has continued under the PLAC IV project.

One of the activities completed during the project's first year was the development of a Draft Methodology for Calculating Financial Parameters for Implementing Energy Efficiency Measures in the Construction Sector for the Ministry of Construction, Transport and Infrastructure.

In addition to the methodology, the experts produced a Draft Guide for Modelling Energy Bills to monitor the implementation of energy efficiency measures.

The document sets out the algorithms and detailed procedures for calculating the financial parameters of individual measures and packages of measures—both for existing and for new buildings equipped with simple or complex technical systems. It covers: static and dynamic calculation procedures for financial indicators; step-by-step explanations of the equations used; and the necessary input parameters for each calculation.

While developing the Guide for Modelling Energy Bills, special attention was paid to data-collection procedures, data verification, and the modelling of energy bills that are both technically accurate and practically applicable. The guide provides instructions on identifying all required energy consumption data, along with contextual information on climatic conditions and building use patterns.

The expert team presented both the draft Methodology and the draft Guide at a workshop held on 19 May 2025. za modelovanje računa za utrošenu energiju na radionici koja je održana 19. maja 2025.



Republic of Serbia

Ministry of Construction,
Transport and Infrastructure

Beneficiary institution:

Ministry of Construction,
Transport and Infrastructure

Number of engaged experts:

2

Number of working days:

30

Outputs:

- Analysis of the national regulation related to cost optimal recommendations in EPCs for the construction of new buildings and energy renovation of existing buildings
- A draft Methodology for calculating financial parameters for implementing energy efficiency measures
- A draft Technical Guide for modelling energy bills to monitor the energy efficiency measures implementation
- Workshop held to present and discuss the results

Recommendations:

- Development of a detailed methodology for calculating the energies, CO₂ emission and energy class of buildings;
- Development of a national software tool for energy performance certification in line with novel methodology for calculation and in line with the EPBD
- The definition of national nZEB levels in accordance with building typologies, climate zones and for various locations along the Republic of Serbia
- Alignment of relevant legal and sub-legal acts in the area of energy efficiency of buildings
- Expansion and upgrade of the CREP database, to ensure compatibility with the novel forms of the energy efficiency measures and packages.

Harmonisation with the EU acquis (which directives/regulations have been transposed)
Directive (EU) 2024/1275 on the energy performance of buildings (EPBD)

ENVIRONMENT AND CLIMATE CHANGE

Environmental protection is multifaceted: it improves public health, preserves natural resources, fosters the development of the circular economy, and more. The EU's core environmental principles are: preventive action, the "polluter pays" principle, addressing environmental harm at its source, shared responsibility between the EU and its Member States, and integration of environmental concerns into other EU policies—especially agriculture, transport and energy.

EU environmental law is extremely extensive, accounting for about one-third of the entire EU acquis. It is organised into the following sectors: air quality, waste management, water quality, nature protection, industrial pollution control and risk management, chemicals, climate change, noise protection, civil protection. To promote the efficient use of natural resources, the European Commission unveiled the European Green Deal in 2019 as a roadmap for concrete actions to achieve these goals.

Harmonising EU environmental rules involves far more than simply transposing directives and regulations into a candidate country's legislation. The nature of the acquis demands co-ordinated implementation at both central and local levels and substantial financial resources to build and maintain the requisite infrastructure and facilities. For this reason, EU funding instruments are available to help countries meet the environmental objectives they have undertaken.

Negotiation Chapter 27 – Environment and Climate Change is part of Cluster 4, Green Agenda and Sustainable Connectivity.

RULEBOOK ON TECHNICAL SPECIFICATIONS FOR CHEMICAL ANALYSIS AND MONITORING OF WATER STATUS

Commission Directive 2009/90/EC laying down, pursuant to Directive 2000/60/EC of the European Parliament and of the Council, technical specifications for chemical analysis and monitoring of water status, is partially transposed into Serbian national legislation. The majority of requirements have been transposed through the Regulation on limit values of priority and priority hazardous substances polluting surface water and deadlines for reaching the values ("Official Gazette of the Republic of Serbia", No. 24/2014) and some of them are contained in the Law on Accreditation ("Official Gazette of the Republic of Serbia", No. 73/10) and Rules for the participation in inter-laboratory comparisons and proficiency testing schemes (ATS-PA02).

Based on these regulations, only accredited laboratories can conduct analyses, thus proving their competence in performing analyses and using accredited methods.

Further transposition of the Directive is needed to ensure that the same acquis-compliant legal framework is established for all water monitoring programs, including sediment and biota monitoring. The legal basis for the Rulebook on technical specifications for chemical analysis and monitoring of water status is prescribed by Art. 107 para. 4 of Water Law.



Republic of
Serbia

Ministry of
Environmental Protection

Beneficiary institution:

Ministry of Environmental Protection and
the Environmental Protection Agency

Number of engaged experts:

1

Number of working days:

30

Outputs:

A gap analysis of the existing legislation has been completed, and a Draft Rulebook on Technical Specifications for Chemical Analysis and Monitoring of Water Status has been prepared.

Recommendations:

- The existing Regulation on limit values of priority and priority hazardous substances polluting surface water and deadlines for reaching the values must contain a detailed reference for calculating mean values (Art 5, Directive 2009/90), which is now dealt with under the Draft Rulebook;
- The Water Law must be amended to make an explicit reference that all technical specifications for chemical analysis of surface water and groundwater (and including wastewater) must be conducted in accordance with the new Rulebook on Technical Specifications for Chemical Analysis and Monitoring of Water Status.

Harmonisation with the EU acquis (which directives/regulations have been transposed):
Commission Directive 2009/90/EC of 31 July 2009 laying down technical specifications for chemical analysis and monitoring of water status

FINANCIAL CONTROL

Negotiation Chapter 32 covers four regulatory areas: Public Internal Financial Control (PIFC) in the public sector, external audit, protection of the EU's financial interests (anti-fraud) and protection of the euro against counterfeiting. Public Internal Financial Control is a comprehensive concept designed to help a candidate country improve its internal control system; it incorporates internationally recognised standards and EU best practice for internal control across the entire public sector. External audit refers to the role of the supreme audit institution, which reports to the national parliament. With regard to protecting the EU's financial interests, Member States must cooperate effectively with the European Commission and report all suspected cases that may indicate irregularities or fraud.

This cooperation must ensure that EU funds are safeguarded to at least the same degree as national funds. During the accession process the candidate country must therefore establish effective structures and capacities for coordination and cooperation

Members of Serbia's negotiating team for Chapter 32 include representatives of:

- the Ministry of Finance
- the National Bank of Serbia
- the Ministry of the Interior
- the Ministry of Justice
- the Ministry of European Integration
- the Ministry of Public Administration and Local Self-Government
- the national Secretariat for Legislation, and
- the Audit Office for EU Funds (GAO).

Negotiation Chapter 32 – Financial Control is part of Cluster 1, Fundamentals.

SUPPORT FOR STRENGTHENING INSTITUTIONAL CAPACITIES FOR OVERSIGHT OF EU FUNDS MANAGEMENT IN THE REPUBLIC OF SERBIA

In the field of combating irregularities and fraud affecting the EU's financial interests, a candidate country must ensure it has the administrative capacity required to prevent and detect misuse of EU funds and must set up an appropriate administrative structure to fight counterfeiting of euro banknotes and coins.

To safeguard EU funds, the Audit Office for EU Funds Management System (hereinafter: the Audit Authority) was established in 2011 by a Government Regulation of the Republic of Serbia (Official Gazette RS, Nos 41/2011 and 83/2011). Its remit is further defined by the Regulation designating the audit body for management and control systems of EU pre-accession-assistance (IPA) programmes (Official Gazette RS, No 113/2013), and the Regulation designating the audit body for management and control systems of EU pre-accession-assistance (IPA II) programmes (Official Gazette RS, No 86/2015).

The Audit Authority carries out professional tasks for the Serbian Government relating to the audit and verification of compliance of EU programme management systems whenever management responsibility is conferred on the Republic of Serbia. It does so in line with the obligations arising from the Law ratifying the Framework Agreement between the European Commission and the Government of the Republic of Serbia on the rules for cooperation concerning Community financial assistance to the Republic of Serbia under the implementation of the Instrument for Pre-Accession Assistance (IPA) (Official Gazette RS, No 124/2007), and the Law ratifying the Framework Agreement between the Republic of Serbia and the European Commission on the rules for implementation of EU financial assistance to the Republic of Serbia under the Instrument for Pre-Accession Assistance (IPA II) (Official Gazette RS, No 19/2014).

PROJECT SUPPORT – COMPARATIVE ANALYSIS

With a view to strengthening the capacity of the Audit Office for EU Funds Management and enhancing its overall effectiveness and efficiency, a PLAC IV project expert carried out a comparative legal analysis of the status of equivalent bodies in EU Member States and issued concrete recommendations.

A continuing need to further develop core horizontal functions

Based on interviews with Office staff and direct observation of work processes, the expert concluded that the main factor limiting the efficiency of the current organisational structure is the need to further develop several key horizontal functions: HR management, provision of legal advice, management of international assistance projects, quality control and methodological support for audit.

Although these functions already exist, the heavy workload and limited staffing require that they be strengthened. As a core recommendation for boosting Serbia's institutional capacity to oversee the use of EU funds, the expert advised that the Office should undergo an institutional transformation into an agency. This shift would increase managerial flexibility and unlock the Office's potential for further organisational development.

Beneficiary institution:

Governmental Audit Office
for EU Funds

Number of engaged experts:

1

Number of working days:

35

Outputs:

- Recommendations for improving the legal and institutional framework for the Governmental Audit Office for EU Funds (GAO);
- Draft legal act establishing an EU Funds Audit Agency;
- Draft ex-ante impact assessment report on the act establishing the EU Funds Audit Agency;
- Proposal to revise the organisational structure and workload analysis of the Audit Authority for EU Funds Management (GAO);
- Action Plan to increase staff retention in the Audit Authority for EU Funds Management

- It is recommended to consider enhancing the organisational capacities of GAO, according to the scenarios presented especially in the analysis. The Government should particularly consider the organisational transformation of GAO into a public agency with the aim of enhancing flexibility in the management of the institution and unlocking its potential for further organisational development.

Harmonisation with the EU acquis (which directives/regulations have been transposed):

This project activity did not entail directly transposing a specific EU legal act into national legislation. Instead, it focused on preparing an analysis for reorganising the work of the Audit Authority for EU Funds Management System in line with: best practices from EU Member States; Commission Implementing Regulation (EU) No 447/2014, which establishes the principle of audit body independence; the Growth Plan for the Western Balkans; the structure of the accession chapters which involve the audit authority; and Serbia's Public Financial Management Reform Programme.

PLAC IV MEDIA COVERAGE

At the end of October 2024, PLAC IV presented its plans and its team at the project Kick-off Conference.

The event, held at the Europe House, drew a large audience, including representatives of the Serbian Government institutions — the project beneficiaries — chiefly the Ministry of European Integration as the main beneficiary, officials from the EU Delegation to Serbia, members of the diplomatic corps, civil society representatives and the media.

The best testimony to the occasion comes from the press itself. For example, the Beta News Agency reported on the event as follows:



EU Continues Supporting Serbia's Administration for More Successful Accession Negotiations

The European Union (EU) has announced that, through the "Policy and Legal Advice Centre" project (PLAC IV) worth €2.4 million, it is continuing to help Serbia improve the alignment of its legislation with the EU acquis, ensure proper implementation of legal acts, and strengthen institutional capacities for successfully conducting accession negotiations.

At the project's kick-off conference, the objective was underlined: PLAC IV focuses on legal assistance through changes to national legislation and its harmonisation with EU law, enabling Serbia's administration to steer accession negotiations efficiently and to manage the entire EU integration and pre-accession assistance process on the path to membership.

Implementation of PLAC IV began in June this year and will run until November 2026.

Miroslav Gačević, Acting Assistant Minister for European Integration, said that one of the key requirements on Serbia's road to full EU membership is aligning national legislation with the EU acquis and establishing adequate administrative capacities.

He recalled that, in line with this, the Serbian Government recently adopted a new National Programme for the Adoption of the EU Acquis (NPAA) covering the period until the end of 2027. When drafting the new NPAA, account was taken of developments in EU law since the previous programme was adopted, and the document was aligned with other reform processes, including the Growth Plan for the Western Balkans.

"Our expectations of this project are high. We anticipate full technical support for our administration in meeting the goals set in the new NPAA," Gačević said.

He noted that other ministries and institutions that have used legal assistance through previous PLAC projects had given the programme top marks.

"This support is more than tangible, taking the form of draft laws and by-laws, action plans, strategies, and negotiating positions," he added.

Gačević pointed out that, so far, numerous workshops and study visits to EU Member States have been held, providing valuable insight into legal practice in specific fields.

"A special feature of the project is its flexibility, as activities are adapted to current needs in the accession process," he stated.

In this cycle, the negotiating chapters for which legal assistance can be requested have been defined, but help may also be sought for other chapters.

"For now, priority is given to Chapter 1 (Free movement of goods), Chapter 8 (Competition policy), Chapter 9 (Financial services), Chapter 12 (Food safety, veterinary and phytosanitary policy), Chapter 15 (Energy), Chapter 27 (Environment and climate change) and Chapter 32 (Financial control)," Gačević said.

Plamena Halacheva, Deputy Head of the EU Delegation to Serbia, stressed that aligning Serbia's legislation with EU law is a demanding task laying the groundwork for membership

"Although we often talk about the political aspects of EU integration, we must recognise the practical side of the process. The road to EU membership is not merely a political journey; it is a profound commitment to shared democratic values and the rule of law," she emphasised, adding that the task is complex and constantly evolving as the Union and its *acquis* develop—making today's process more challenging for future members than in the past.

She noted that for more than a decade the PLAC project has provided invaluable support in harmonising legislation and drafting laws in accordance with EU standards, assembling experts from more than 20 countries to foster cooperation and knowledge exchange.

Samo Godec, PLAC IV Team Leader, said the project's goals are to prepare Serbia's public administration to conduct accession negotiations effectively.

"The project seeks to improve the compatibility of Serbia's national legislation with EU law and ensure its efficient implementation. The aim is to train civil servants responsible for preparing and enforcing legislation," he explained.

According to Godec, challenges in this phase include balancing the accelerated adoption of new legislation with the demands of a high-quality democratic law-making process, as well as setting priorities and narrowing down the negotiating chapters and topics to be addressed.

He noted that in the first phase of the project, launched on 2 June this year, meetings were held with line ministries and a work plan was established.

Professor Dijana Marković Bajalović, the project's Key Legal Expert, stressed that aligning legislation with EU law and applying it effectively contributes to the welfare of all citizens, promoting Serbia's economic development and social progress.

"Harmonised legislation facilitates the integration of Serbian businesses into the flows of the EU's single market. It enables the free movement of people, goods, services and capital between Serbia and EU Member States," she said.

Marković Bajalović added that legislative alignment also fosters the integration of Western Balkan markets, which the EU encourages.

"Benefits include higher quality goods and services, compliance with health and technical standards, stronger competition in production and distribution, lower prices and a wider range of products and services," she noted.

Alignment, she continued, also improves consumer protection and public services in telecommunications, finance, transport, postal and public utility sectors, increases environmental protection, and provides better support to certain economic sectors such as agriculture and entrepreneurship, along with support for science, education, culture, social welfare and workers' rights.

She specified that PLAC IV will provide technical assistance in drafting laws and by-laws, conducting gap analyses, preparing tables of concordance and regulatory impact assessments.

Seminars, workshops and other training formats for civil servants are planned to strengthen their capacity to align legislation.

The project will also support the preparation of documents needed for negotiations with the European Commission and organise study visits to EU Member States.

The main beneficiaries of the project are the Ministry of European Integration and the Negotiating Team for Serbia's Accession to the EU.

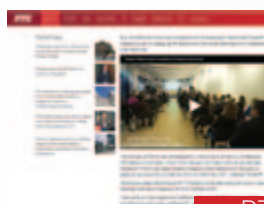
And that is not all. More than 20 media reports covered the launch of the PLAC IV project.



BETA



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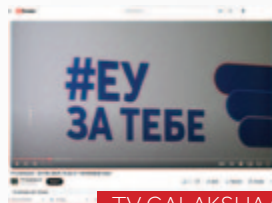
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2,4 miliona evra za pravnu podršku pregovorima



Evropska unija nastavlja podršku Srbije u procesu pridruživanja.

Kroz projekat „Pravna podrška pregovorima“ (PLAC IV), za koji je izdvojeno 2,4 miliona evra, sa predstavnicima naše administracije radiće se na poboljšanju usklađenosti nacionalnog zakonodavstva sa pravnim tekovinama EU, ali i unapređenju kapaciteta institucija - za uspešnije vođenje pristupnih pregovora.

Na uvodnoj konferenciji Projekta PLAC IV, v.d. pomoćnika ministarke za evropske integracije Mirolav Gačević, podsetio je i da je u skladu sa tim Vlada Srbije nedavno usvojila novi Nacionalni program za usvajanje pravnih tekovina EU za period do kraja 2027. godine.

On je istakao da su

druga ministarstva i institucije, koji su koristili pravnu pomoć kroz ovaj projekat, ocenila projekat PLAC najvišim ocenama.

- Ta pomoć je više nego konkretna i ogleda se u vidu pripreme zakona, izrade akcionih planova, strategija, pisanje pregovaračkih pozicija - kazao je Gačević.

KLJUČNI USLOV - USKLADITI ZAKONODAVSTVO I PODICI ADMINISTRATIVNE KAPACITETE

- Za sada su prioritet Poglavlje 1 - Slobodno kretanje robe, Poglavlje 8 - Politika konkurencije, Poglavlje 9 - Finansijske usluge, Poglavlje 12 - Bezbednost hrane, veterinarska i fitosanitarna politika, Poglavlje 15 - Energetika, Poglavlje 27 - Životna sredina i klimatske promene i Poglavlje 32 - Finansijski nadzor - objasnio je.

Zamenica šefa Delegacije EU u Srbiji Plamena

Halačeva navela je da je pred Srbijom zahtevan zadatak kojim se postavljaju temelji za članstvo u EU.

Iako često govorimo o političkim aspektima EU integracija, neophodno je prepoznati praktičnu stranu procesa. Put ka članstvu u EU nije samo političko putovanje; to je duboka posvećenost zajedničkim, demokratiskim vrednostima i vladavini prava - rekla je ona i dodala da je ovo složen zadatak, ali i zadatak koji se stalno razvija, imajući u vidu to da se Evropska unija i njene pravne tekovine razvijaju i napreduju te s toga proces predstavlja veći izazov za buduće države članice nego što je to bio slučaj u prošlosti.

Halačeva je podsetila i da put ka članstvu u EU nije samo političko putovanje, već predstavlja duboku posvećenost demokratiskim vrednostima, vladavini prava i standardima Evropske unije.

Dodala je da je već više od deceniju projekat PLAC pruža neprorečivu podršku u procesu usklađivanja zakonodavstva i izrade zakona u skladu sa standardima EU, te da je projekat okupio stručnjake iz više od 20 zemalja, u cilju saradnje i razmene znanja.

Sprovođenje projekta PLAC IV počelo je u junu ove godine i trajaće do novembra 2026. godine. Glavni korisnici projekta su Ministarstvo za evropske integracije i Pregovarački tim za pristupanje Srbije EU.

PRIMO

A WALK THROUGH THE WORKSHOPS

The same good practice continued in the project's first year. Guided by the Team Leader and the Key Legal Expert, project experts held a series of workshops, sharing knowledge and experience with the beneficiaries. All activities have been published on the project website and these reports are now at your disposal.

Support for the Opening of Chapter 8



Guidelines for Conducting Sectoral Analysis in the Field of State Aid

Within the framework of the PLAC IV project, a workshop was held involving representatives of the Commission for State Aid Control. This event provided an opportunity to present the Guidelines for Conducting Sectoral Analysis in the Field of State Aid, aimed at supporting the Commission in its efforts to fulfil the benchmarks necessary for opening Chapter 8, which covers competition policy.

To precisely regulate the issue of sectoral analyses, it would be beneficial to prepare amendments to the legal framework. As explained during the workshop, should these amendments occur, these guidelines will serve state aid providers—legally defined as the competent authorities of the Republic of Serbia, autonomous province, local government units, or any legal entity managing and/or allocating public funds and awarding state aid in any form.

Competition policy enables market participants to offer goods and services under optimal conditions. It promotes efficiency, innovation, increases consumer choice, and reduces prices. At the EU level, competition policy encompasses several distinct areas: combating the abuse of a dominant position and restrictive agreements, concentration, state aid, and market liberalization, with the *acquis communautaire* grounded in Articles 101–109 of the Treaty on the Functioning of the European Union.

The chapter on competition is one of the most complex in the negotiation process and is often the last to be closed. Preconditions for its opening focus on fulfilling a series of defined criteria.

Until then, the Commission for State Aid Control acts as a regulatory body in this area, representing a transitional step toward EU accession. Upon accession to the EU, the Commission should be dissolved, with all responsibilities for state aid control transferred to the European Commission.



Policy and Legal Advice Centre Chapter 15

Presenting the Draft Rulebook on Independent Control of Building Energy Performance Certificates

The Ministry of Construction, Transport and Infrastructure hosted a workshop to present the Draft Rulebook on Independent Control of Building Energy Performance Certificates and Certificates for Improving Energy Performance of Buildings. The workshop was organized under the auspices of the PLAC IV project, which provides legal support to Serbia's EU accession process, inter alia, under Chapter 15 (Energy).

The draft rulebook was presented by Marija Vujadinović, a PLAC IV project expert, while the accompanying annexes were explained by Nikola Vujović, also an expert on the PLAC IV project.

The aim of the draft is to establish a transparent and efficient control system, which involves several requirements. These include defining the methods and conditions for conducting independent control of certificates, setting criteria for those authorized to perform the control, and a methodology for selecting documents for review as part of the sample control process.

As presented by **Marija Vujadinović**, individuals involved in issuing the certificates or conducting the energy assessment cannot perform the control, ensuring impartiality in the process. To further guarantee objectivity, measures such as signing an impartiality declaration before conducting the control, annulling results in case of a conflict of interest, and implementing potential sanctions, including revoking authorization, are in place.

The draft rulebook also defines classification criteria for potential errors, whether they are procedural, formal, or technical.

Out of the 11 annexes accompanying the draft, 9 are intended for control organizations, Nikola Vujović explained. According to him, the annexes vary in scope and frequency of use.

Annexes include:

1. Report on the Control of Building Energy Performance Certificates
2. Record of Site Visit
3. Request for Initiating Extraordinary Control of Certificates
4. Annual Report on the Control of Energy Passports
5. Request Form for Issuance of Authorization for Conducting Control of Building Energy Certificates
6. Declaration Form on Employment and Appointment of Persons Responsible for Conducting Independent Control of Energy Passports
7. Table for Listing Conducted Energy Assessments and Issued Certificates for Improving the Energy Performance of Buildings in a Legal Entity
8. Table for Listing Conducted Energy Assessments of Buildings and Issued Certificates for Determining Building Energy Efficiency
9. Declaration Form on No Criminal Record for a Specific Legal Entity
10. Request Form for Amendment to a Decision
11. Register of Authorized Legal Entities for Conducting Control of Energy Passports

During the discussion, the quality of the prepared documents was praised, and the project experts responded to numerous questions and suggestions from the representatives of the Ministry of Construction, Transport and Infrastructure, as well as many interested parties from various companies whose field of work is covered by the presented Draft Rulebook.

Chapter 9



Presenting the MiCA Regulation and Gap Analysis of the Law on Digital Assets

The crypto-assets market is becoming increasingly attractive in Serbia, and consequently, a workshop organized by the PLAC IV project attracted significant attention from participants—employees of the Securities Commission.

Harmonizing Serbian legislation with the Markets in Crypto-assets Regulation (MiCA) aims to ensure legal certainty for crypto-assets market participants, enhance investor protection, and contribute to combating financial crime—key benefits for citizens and businesses, explained project expert Sanja Vojak.

But what exactly is MiCA? It represents the most significant advancement in crypto-asset regulation to date, acknowledging today's technological reality—that security should not compromise innovation. MiCA thus provides clear, enforceable, and legally binding guidelines for managing crypto-assets across the world's largest single market.

The workshop also discussed necessary steps when providing advisory services or crypto-asset portfolio management. According to the expert, who has extensive experience in Croatia, an assessment must first determine whether these services or the types of crypto-assets offered are suitable for clients—considering their experience, knowledge, objectives, and ability to absorb potential losses.

"If clients fail to provide crypto-asset service providers with information about their experience, knowledge, objectives, and loss-bearing capacity, or if it is clear that the crypto-assets are not suitable for clients, then Crypto Assets Service Providers (CASPs) should neither recommend such services or crypto-assets nor begin providing portfolio management services," stated Sanja Vojak.

During the presentation of the gap analysis—aimed at identifying differences between national legislation and the MiCA regulation—participants raised numerous questions regarding EU regulations, particularly those applicable in neighbouring Croatia. The general conclusion was that Serbia is not significantly lagging in this area.

Aligning the Law on Digital Assets with the MiCA regulation requires significant amendments to ensure greater legal certainty, consumer protection, and the integrity of Serbia's crypto-assets market. This alignment would allow Serbia to approach European standards and foster a more favourable environment for developing innovative financial services, thereby increasing investor and user trust. This was the concluding message of the workshop.

In addition to representatives from the host organization, the workshop at the Securities Commission was attended by key project experts—PLAC IV Team Leader Samo Godec and Prof. Dr. Dijana Marković Bajalović, the project's Key Legal Expert.



Chapter 9

Alignment with EU acquis: Ten Draft Rulebooks for the Securities Commission

Within the EU accession negotiation chapter which focuses on financial services (Chapter 9), representatives of the Securities Commission of the Republic of Serbia took part in a workshop organised under the PLAC IV project. The workshop was dedicated to presenting the project's work on drafting the rulebooks necessary for the implementation of the Capital Market Law, prepared by **Prof. Nebojša Jovanović, PhD**, the project expert.

In his opening remarks, Prof. Jovanović emphasised the scale of the challenge: instead of the initially planned six or seven rulebooks, the assignment ultimately produced 10 draft rulebooks, namely

- On the chart of accounts and financial statements of an investment firm (including the following forms: chart of accounts, financial statement and statistical statement)
- On the chart of accounts and financial statements of the Central Securities Depository (with three forms: chart of accounts, financial statement and statistical statement)
- On the chart of accounts and financial statements of a market operator (with three forms: chart of accounts, financial statement, and statistical statement)
- On reporting by the Central Securities Depository
- On periodic and ad-hoc reporting by the Central Securities Depository (containing 4 annexes of forms and 13 tables)
- On the content, format, and deadlines for submitting annual reports and independent auditor's reports that an investment firm files with the Commission:
 1. On control reports by investment-service providers (with six attached forms/tables)
 2. On the independent auditor's report of an investment firm
- On the method of calculating capital and its adequacy, and on the contents of an investment firm's trading book:
 1. On prudential (capital-adequacy) requirements for investment firms
 2. On risk management relevant to the capital adequacy of an investment firm
 3. On the trading book of an investment firm

According to Prof. Jovanović, the primary goal of this segment of the project is to harmonise the Securities Commission's existing rulebooks with the Capital Market Law and with European Union regulations, thereby enabling the Commission to operate more efficiently.

Chapter 12



Rulebooks on Control of Residues of Pharmacologically Active Substances Presented

In cooperation with the Veterinary Directorate, the PLAC IV project presented a series of rulebooks concerning the control of residues of pharmacologically active substances authorized in veterinary medicinal products or used as feed additives or residues of prohibited or unauthorized pharmacologically active substances.

Project expert **Zanda Matuzale** introduced Veterinary Directorate staff to the new Draft Rulebook on Monitoring the Use of Pharmacologically Active Substances Authorised as Veterinary Medicinal Products or Feed Additives for Animals and of Prohibited or Unauthorised Pharmacologically Active Substances and Their Residues. In the workshop segment devoted to sampling instructions for the national risk-based residue-monitoring programme and to the conduct of official controls on the use of pharmacologically active substances, expert **Jelena Vračar-Filipović** addressed the participants.

The EU acquis in the field of food safety, veterinary and phytosanitary policy reflects an integrated "farm-to-fork" approach aimed at ensuring a high level of food safety, animal health and welfare, and plant health within the European Union. This approach also requires appropriate monitoring while simultaneously safeguarding the efficient functioning of the internal market.

The acquis under this chapter comprises a very large number of regulations, directives and decisions that cover: food safety; veterinary policy; placing food, feed and animal by-products on the market; feed safety; phytosanitary policy; and genetically modified organisms. Part of the legal support for this chapter was provided through the workshop held in cooperation with the Veterinary Directorate, because, to align fully with EU standards in this area, Serbia must transpose the relevant EU legislation and ensure its complete implementation.



Chapter 9

Workshop on the Operational Rules and Tariff List of the Central Securities Depository and Clearing House

The Ministry of Finance hosted a workshop which presented the results of a gap analysis of the Serbian legislation and the internal acts of the Central Securities Depository and Clearing House (CSDCH) with European standards, as well as a comparison of CSDCH's tariffs with those of central depositories in EU member states. The workshop was intended for representatives of the CSDCH, the Securities Commission, the Ministry of Finance, the National Bank of Serbia and other relevant bodies, with the aim of familiarising them with the findings and preparing for the next steps in the process of harmonising with EU regulations.

Project experts Ivana Tomašić and Karlo Nikolovski presented both the results of the analysis and recommendations for further alignment of local regulations and the internal acts governing capital market infrastructure and the organisation and operation of the CSDCH, with EU regulations and best practices. In the section devoted to comparing the tariffs charged by securities depositories in selected EU member states, emphasis was also placed on ways to improve the CSDCH's tariff policy and to introduce new services.

Concrete steps for future implementation and alignment with European standards were outlined during the workshop, marking an important move toward Serbia's European integration in the area of capital market infrastructure.

According to the presented results, Serbia has made good progress in aligning its legislation and internal acts with European standards in the field of capital market infrastructure, but further work is required to achieve full implementation and to adapt tariffs, rules and procedures. It was recommended that the CSDCH continue adjusting its tariff policy and internal rules so as to meet all the conditions for obtaining a license to provide central-securities depository services in line with EU Regulation No 909/2014 on central securities depositories. Continuous efforts to improve the regulatory framework and to introduce new services were also emphasised as essential for strengthening the institution's functionality and financial stability.

The workshop constitutes an important step in Serbia's European integration process in the area of capital market infrastructure. Its contribution is aimed at strengthening the regulatory framework and creating the conditions for a stronger and more efficient financial market in line with EU best practices.

When it comes to Negotiating Chapter 9 – Financial Services, the key objectives of the EU acquis in this area are to ensure the financial stability of businesses operating in the financial sector and to provide adequate protection for consumers, investors and policy holders.

Why is this important for Serbia and its citizens? By fully aligning its legislation with the EU acquis and applying it correctly, Serbia creates the conditions for a high level of stability of its financial system. At the same time, it improves the position of market participants and users of financial services. Regulating how financial services activities are carried out also allows a wider range of services to be offered on the market.

Negotiating Chapter 9 is part of Cluster 2 – Internal Market. Chapter 9 – Financial Services was opened in June 2019.

Members of the Negotiating Group for Chapter 9 are representatives of the following institutions and organisations: the Ministry of Finance; the National Bank of Serbia; the Ministry of Economy; the Ministry of Labour, Employment, Veteran and Social Affairs; the Ministry of European Integration; Securities Commission; the Deposit Insurance Agency; the Business Registers Agency; and the national Secretariat for Legislation



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