

**TERMS OF REFERENCE
FOR
Senior Capital Markets Consultant – IOSCO Assessment**

Background

The International Bank for Reconstruction and Development has granted a USD 30 million loan to the Republic of Serbia (hereinafter: RoS) to support the reform of capital markets through the implementation of the Catalyzing long-term finance through capital market project (hereinafter: the Project).

The Financial System Department of the Ministry of Finance (hereinafter: MoFFS) is the entity responsible for all technical aspects of the Project implementation. The Project is built upon the MoFFS's successful experience in implementing previous World Bank Group projects.

Given the specific nature of the Project, the MoFFS is closely working with the Republic of Serbia Securities Commission (hereinafter: SSC), Central Security Depository and Clearing House (hereinafter: CSD), Belgrade Stock Exchange (hereinafter: BELEX), and other relevant institutions on the implementation of this Project in order to properly align it with regulatory requirements prescribed by the law.

The Project will be governed by a Stakeholder Committee with the operational activities performed by a dedicated Taskforce appointed by the MoFFS.

In order to efficiently implement all planned activities additional professional support will be required and engaged throughout the Project lifecycle.

Objectives of the Project

The Project's overall objectives are the development of the legal, regulatory and economic environment under which the capital markets operate, and to deepen the corporate bond market, including green and other thematic bond issuances. The Project is structured around two main components: Component 1 - Institutional, Legal and Regulatory Reforms and Component 2 - Corporate Bond Issuance.

Strengthening the capital market institutions, particularly the SSC, CSD, and BELEX by aligning them with the relevant international standards is the focus of Component 1.

This component focuses on supporting the government in strengthening the institutional, legal, and regulatory framework for capital markets development. The subcomponents are: 1.1 Ministry of Finance (hereinafter: MoF) Capital Markets Unit, 1.2 Strengthening Serbia's SSC and CSD, 1.3 Strengthening of BELEX, 1.4 Capital market taxation reform, and 1.5 Other Technical Assistance to support implementation of the Capital Markets Development Strategy.

Subcomponent 1.2 supports the strengthening of the SSC that oversees and regulates the capital markets as well as the CSD that operates the capital markets securities depository by aligning them with the relevant international principles, i.e., the International Organization of Securities Commissions (hereinafter: IOSCO) Objectives and Principles of Securities Regulation. In particular, this involves an assessment of the implementation of the relevant principles by these institutions. Based on the assessment and any shortcomings identified, the component

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will support any needed legal, regulatory or institutional reforms to bring these core capital markets institutions in alignment with those principles.

Objective of the Assignment

The MoFFS will engage 1 (one) Senior Capital Markets Consultant to conduct an assessment of implementation of the IOSCO Objectives and Principles of Securities Regulation by the public capital market institutions - the SSC and CSD. Implementation of the relevant IOSCO principles is a prerequisite to strengthening these institutions. The Consultants need to assess the SSC's institutional, legal, and regulatory frameworks and CSD's regulatory and supervisory framework in order to determine whether they are implementing the relevant IOSCO principles. The predominant goal of this assignment is determine whether the SSC and CSD are in compliance with international standards regarding regulation and supervision of the capital markets.

Scope of Work

The Senior Capital Markets Consultants' scope of work encompasses, but is not restricted to, the following:

- Providing guidance to the self-assessment exercise, prior to the IOSCO assessment.
- Delivery of a comprehensive graded, assessment regarding the implementation of the relevant IOSCO Objectives and Principles of Securities Regulation by the SSC and CSD.
- The assessment of the SSC's institutional, legal, and regulatory frameworks and CSD's regulatory and supervisory framework will be based on the following methodology: <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD562.pdf> (hereinafter: the Methodology).
- Identification of potential gaps, deficiencies, inconsistencies, weaknesses and areas where further powers or authorities may be necessary, identify where capacities should be strengthened and development of a basis for framing priorities for enhancements or reforms to existing laws, rules and procedures.
- Research and analysis of RoS's market structure, laws, and regulatory framework.
- Thorough analysis of RoS's regulatory framework in order to address the Key Questions and Key Issues from the Methodology so as to meet the objectives of the IOSCO Objectives and Principles of Securities Regulation.
- Identification of focus areas of improvement for further implementation of the relevant IOSCO Objectives and Principles of Securities Regulation.
- Based on recommendations and grades, the development of an Action Plan proposed for improving the implementation of the IOSCO Principles and achieving full implementation and compliance with IOSCO Objectives and Principles of Securities Regulation.

Deliverables

- Detailed assessment regarding the implementation of the relevant IOSCO Objectives and Principles of Securities Regulation by the SSC and CSD provided, including an assessment report, and findings and grades for each principle.
- Recommendations and Action Plan for improving the implementation of the IOSCO Principles drafted (as part of the Assessment).

Reporting requirements and other provisions

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- Upon request, the selected Consultant shall submit progress reports on the implementation of the assignment to the MoFFS.
- The selected Consultant will assist in the preparation of the progress reports for reporting to the World Bank.

High level profile of the Consultant

The Senior Capital Markets Consultant should possess:

- University degree in law, economics or finance.
- Master's degree or higher will be considered as a distinct advantage.
- Minimum of 8 years of postgraduate professional experience and curriculum development in the field of financial markets.
- In-depth knowledge of financial markets, capital markets financial instruments (including familiarity with fixed-income instruments, equities, derivatives, etc.), and financial regulatory and supervisory institutions.
- Experience within international financial organizations (such as IMF, EBRD, the World Bank) will be considered as a distinct advantage.
- Minimum of 5 years of relevant work experience in banking or financial advisory sector or in financial institutions (public or private).
- Professional experience in a Capital Market and Investment Services regulatory authority of an IOSCO member state will be considered as an advantage.
- Previous experience with IOSCO assessments in other emerging and developing markets (EMDE) jurisdictions is a pre-requisite.
- Previous professional experience and/or knowledge of local regulations related to capital and financial market will be considered as a distinct advantage.
- Strong presentation and communication skills, and excellent knowledge of written and spoken English.
- Ability to work under pressure and meet deadlines.

Length of assignment

The assignment will be for a period of 9 months and subject to extension based on Project needs and satisfactory performance verified by the MoFFS. It is expected that the Consultant will have approximately up to 120 working days during a 9-month period.

Facilities to be provided to the Consultant

The SSC and CSD will provide the Consultant with suitable office space and office equipment (PC, telephone, internet connection, etc.) and access to office services as required.

Services, such as meetings and delivery of the assessment, will be performed predominantly in Belgrade. Drafting of the assessment may be conducted remotely.

Confidentiality

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The Consultant undertakes to maintain confidentiality on all information that is not in the public domain and shall not be involved in another assignment that represents a conflict of interest to the prevailing assignment.

Selection of Consultant

The Senior Capital Markets Consultant will be selected by Open competition method.