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

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| Technical assistance requested: | One (1) Senior Non-Key Expert in the area of insurance |
| Project Title: | Policy and Legal Advice Centre (PLAC II), Serbia |
| Ref: | EuropeAid/137065/DH/SER/RS |
| Service Contract No.: | (CRIS) 2016/375-724 |
| Main beneficiary: | Ministry of European Integration of the Republic of Serbia and the Negotiating Team |
| Target Beneficiaries: | National Bank of Serbia |
| Content of the assignment: | Assistance in drafting provisions related to Insurance Distribution in the Serbian Insurance Law |
| Budget Line / Expert Category: | Senior Non-Key Expert |
| Duration of the assignment: | 20 working days, spent during several missions in the period from July – (tentatively) October 2018 |

1. Relevant background information

Background information in relation to PLAC II project:

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

The PLAC II project should achieve two results:

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

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

In general, the project aims at fostering the process of accession negotiations of Serbia by supporting the effective alignment of national legislation with the acquis and its implementation and by further building the capacities of involved carriers of the EU integration process in Serbia. After completion of screening process in 2015, Serbian public administration has entered into much more demanding and obliging exercise of accession negotiations, whereby each step and every decision should result in approaching actual membership in the EU. For this scenario to happen in accordance with planned dynamics, preparedness, adequate institutional capacity of public administration with highly competent staff is of crucial importance. In the core period of the negotiations, PLAC II Project shall support domestic line institutions and the negotiating structures both in performance of quality operational work in relation to harmonisation process and in the effective coordination during various stages and phases in the process for different negotiation chapters.

Background information in relation to Chapter 9 – Financial Services:

As per EC Screening Report for Chapter 9 – Financial Services, the Republic of Serbia has reached a good level of alignment with the acquis requirements for insurance mediation by having largely transposed Directive 2002/92/EC on insurance mediation. However, Republic of Serbia needs to align its legislation with the new Insurance Distribution Directive (IDD, 2016/97/EU), which entered into force on 23 February 2016. Legislative aspects should to be adopted in relation to the intermediation in the area of



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professional indemnity cover for insurance brokerage and additional requirements for insurance-based investment products.

In line with Serbia's EU accession process and the 2018-2021 National Programme for the Adoption of the Acquis (reference number 3.9.2.), the new Insurance Act aligned with the Insurance Distribution Directive will be proposed to the Serbian Parliament by 30 June 2021.

Having in mind that 23 February 2018 is the deadline for the transposition of IDD by EU member states, the alignment with IDD by the Republic of Serbia is foreseen in phases - certain provisions of IDD will be transposed by 2021, while some other provisions will be transposed prior to the accession of the RS to the EU.

In accordance with the strategic national documents, the Republic of Serbia will monitor harmonisation with this Directive in EU Member States and the changes at the level of EIOPA. This will contribute to appropriate preparations by the Republic of Serbia for the alignment of domestic legislation with new rules in the field of insurance distribution until the date of Serbia's accession.

The National Bank of Serbia has started conducting a comprehensive analysis of IDD, in order to perceive the most adequate manner for its transposition into the national legal act. At this stage, assistance is needed by the NBS in the area of Insurance Distribution Directive (IDD), by providing advice and support in drafting of new provisions related to insurance distribution in the Insurance Law, as a new concept for insurance sales network, including harmonisation with all provisions of the Directive (in two stages).

At this stage, IDD requirements in relation to insurance-based investment products shall be excluded, provided that a twinning project "Strengthening of the institutional capacities of the National Bank of Serbia (NBS) in the process of EU accession" has been planned, in scope of which also the amendments to the Insurance Law allowing comprehensive implementation of IDD requirements in relation to insurance-based investment products will be subject of assistance.

2. Description of the assignment

2.1 Specific objectives

The specific objective of this assignment is the assistance to the National Bank of Serbia in harmonization of insurance legislation with Insurance Distribution Directive, by providing advice and support in drafting of new provisions related to insurance distribution in the Insurance Law, aimed at harmonisation of national legislation with EU acquis in the financial services area and its proper application. IDD requirements in relation to insurance-based investment products shall be excluded.

2.2 Requested services

The Senior NKE is expected to provide the following services:

- a) To analyse the existing legislation of the Republic of Serbia in the area of insurance distribution and assess the level of harmonisation of the Insurance Law with Directive 2016/97/EU by finalising also the Table of Concordance, in conjunction with target beneficiary;
- b) To present specific details concerning the Directive 2016/97/EU, Commission delegated acts and EIOPA Guidelines in the area of insurance distribution, draft a proposal on necessary changes in the regulatory framework of the Republic of Serbia for harmonisation with the Directive 2016/97/EU, including in particular new provisions of the Insurance Law related to insurance



- distribution, necessary bylaws, timelines for application/implementation and provide comments and proposals for adequate enforcement of the Law, where applicable;
- c) To provide advice regarding specific issues related to insurance distribution as often as necessary during preparation of draft Insurance Law regarding insurance distribution, and provide guidance in the preparations for the implementation of the new Directive, whereby IDD requirements in relation to insurance-based investment products shall be excluded;
- d) Present the proposal on necessary changes including in particular, new provisions of the Insurance Law related to insurance distribution, necessary bylaws, timelines for application/implementation to a wider group of beneficiary representatives.

2.3 Outputs

The Senior NKE is expected to deliver the following outputs:

- A report on the findings of the analysis of the existing national legislation in the area of insurance distribution, with proposals for adequate regulatory framework for insurance distribution in the Republic of Serbia and for regulatory improvements presented in the ToC;
- Presentation of specific details concerning the Directive 2016/97/EU, Commission delegated acts and EIOPA Guidelines during internal presentation session;
- Proposal on necessary changes in the regulatory framework of the Republic of Serbia for harmonisation with the Directive 2016/97/EU, including in particular new provisions of the Insurance Law related to insurance distribution, necessary bylaws and timelines for transposition of IDD in two stages, i.e. partially by 2021 and full transposition by the accession of RS to the EU;
- Outline of the content and timelines for the adoption of all relevant bylaws after the new Insurance Law comes into force, in order to ensure full transposition of IDD into the national legal framework.

2.4 Reporting

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

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

Submission of reports:

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



2.5 Specifics

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

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

2.6 Final use of intervention and perspectives for the future

During the first phase of regulating insurance distribution in Serbia, new provisions related to insurance distribution shall be included in the Insurance Law, in scope of its harmonisation with the new IDD, whereby at this stage, IDD requirements in relation to insurance-based investment products shall be excluded.

In establishing appropriate legal framework and ensuring proper application of the new acquis in this area, assistance by an experienced expert would complement national efforts for proper transposition and implementation of the EU acquis in the field of insurance distribution. So far, no assistance has been received by the NBS in relation to insurance distribution. However, in addition to this assignment, a twinning project "Strengthening of the institutional capacities of the National Bank of Serbia (NBS) in the process of EU accession" has been planned, which will complement the assistance provided under this assignment and in future provide an opportunity for improved capacity building by the NBS in the area of IDD.

3. Expert input

3.1 Total working days

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

3.2 Period of the assignment

July 2018 – (tentatively) October 2018

3.3 Starting day

It is expected that the work will be performed during several missions and starting, at the earliest, from 02 July 2018 onwards. However, exact starting date will be agreed at a later stage.

3.4 Location/Place of assignment

The NKE has to deliver 100% of the input in Belgrade, Serbia.

3.5 Working language

English

4. Expert Profile

4.1. Qualifications and skills (25 points)



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

4.2. General professional experience (25 points)

- Minimum 8 years of postgraduate professional experience in the field of insurance gained in an EU member state or candidate country

4.3. Specific professional experience (50 points)

- Proven professional experience in the field of harmonisation of legislation in relation to EU *acquis* and related to Chapter 9 – Financial Services
- Previous professional experience in drafting legislation and/or implementing activities in the field of EU *acquis* related to insurance distribution would be an asset
- Previous professional experience, and/or knowledge of the legislation, of the Republic of Serbia in the respective area would be an advantage.

5. Applications

Applications (EU format CV and application letter, both in English) need to be submitted by e-mail to SEPLAC@altairasesores.es not later than 17:00 hrs, 20 March 2018, titled: **“Application for the position – Senior NKE in the area of insurance”**.

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

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

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

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