REQUEST FOR EXPRESSIONS OF INTEREST

**Republic of Serbia**

**STATE OWNED FINANCIAL INSTITUTIONS STRENGTHENING PROJECT (SOFI)**

Project ID No. P156837

**Assignment Title:**

**CONSULTING SERVICES FOR A COMPREHENSIVE ANALYSIS OF THE TAX FRAMEWORK IN RELATION TO CAPITAL MARKET DEVELOPMENT, REFERENCE NO. SER-SOFI-CQ-CS-21-31**

The Republic of Serbia has received financing in the amount of US$ 50,000,000 equivalent from the World Bank toward the cost of the SOFI Project, and it intends to apply part of the proceeds to payments for consulting services to be procured under this project. This project will be jointly financed by the Ministry of Finance of Serbia (MoF) in the amount of US$ 6,000,000.

**Scope of work**

The Tax Consultant shall:

1. Draft and submit a comprehensive analysis of the impact of the current tax regime on the capital markets, including aspects that represent challenges or opportunities for the development of the capital markets and find and propose solutions for increasing the attractiveness for investing and capital-raising on the Serbian capital market, through the enhancement of the respective tax framework, based on its own expertise, comparative solutions, etc.

In accordance with the Project Plan, the Tax Consultant shall in particular analyze, as well as, provide recommendations on the following:

1.1 Corporate Bond and Corporate Income Taxation;

i) current status of such taxation laws,

ii) impediments to capital market development,

iii) recommendations for improvement.

1.2 Municipal Bond Taxation;

i) current status of such taxation laws,

ii) impediments to capital market development,

iii) recommendations for improvement.

1.3 Tax Impact on:

i) Issuers

ii) Investors

iii) Intermediaries (including tax implications of repurchase and lending operations and financial derivatives)

1.4 Tax administration process

i) current status of such taxation process,

ii) impediments to capital market development,

iii) recommendations for improvement.

1.5 Capital Gain Tax

i) current status of such taxation laws,

ii) impediments to capital market development,

iii) recommendations for improvement.

1.6 Potential tax considerations in the introduction of new financial instruments

i) recommendations on tax aspects to be taken into account during the devise and introduction of new financial instruments.

1.7 Potential tax incentives and subsidies

i) current status of tax incentives and subsidies,

ii) impediments to capital market development,

iii) recommendations for improvement.

Document includes Appendix that provides specific questions to be analyzed by the tax consultant

1. Propose legislative amendments in the relevant tax laws based on the findings of the Comprehensive analysis mentioned under 1. above.

1. Propose draft tax bylaws which would be necessary for successful implementation of legislative amendments mentioned under 2. above.

The period of performance of the assignment envisaged by these Terms of Reference shall be December 31, 2022.

**CONSULTANT (COMPANY) QUALIFICATIONS**

This Contract is open to companies that meet the following criteria:

1. At least 10 (ten) years of general experience in the field of financial advisory, capital markets, taxation and/or access to finance to business or government clients in Serbia or the region.
2. Having successfully completed at least 5 (five) contracts as the lead contractor and/or consortium member in the past 10 (ten) years, where a) the assignment of the Consultant was or included advisory in access to finance projects, capital markets, investment funds, SME financing, public finances; Experience with the projects funded by international financing organizations or development agencies in Serbia or in the region, will be considered as an advantage.

To substantiate the above qualifications, the Consultant must prepare a table containing the following information: project title or relevant assignment; description of the work performed; year of project implementation; country/region; client’s contact (first and last name, e-mail address); and contract value (contract as proof of performance may be required).

The Consultant is expected to establish a core team that shall consist of the following key experts, with the qualifications and skills defined in the Terms of References:

a) Team Leader

b) Senior Legal Expert

c) Senior Financial Expert

The detailed Terms of Reference for the above referenced consulting services is posted on the website of the Ministry of Finance <https://www.mfin.gov.rs/en/documents/state-owned-financial-institutions-strengthening-project-sofi-general-procurement-notice-2>

The Consultant will be selected in accordance with Consultant`s Qualifications Based Selection (CQS) as set out in the ***World Bank’s Procurement Regulations for IPF Borrowers – Procurement in Investment Project Financing Goods, World, Non-Consulting and Consulting Services, July 2016, revised November 2017*** ***and August 2018*** (“the Regulations”). The Consultant that obtains the highest score during evaluation of expressions of interest will be invited to submit technical and financial proposals.

The attention of interested Consultants is drawn to paragraphs 3.14, 3.16 and 3.17 of the Regulations setting forth the World Bank’s policy on conflict of interest.

The Central Fiduciary Unit (CFU) of the Ministry of Finance now invites eligible Consultants to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services.

Expressions of interest in English language must be delivered in a written form to the **e-mail addresses below, by June 6, 2022, 12:00 hours, noon**, local time.

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| **Contact:** | **E–mail:** | **Address:** |
| To: | [zorica.petrovic@mfin.gov.rs](mailto:zorica.petrovic@mfin.gov.rs)  Ms. Zorica Petrovic  Procurement Specialist | Ministry of Finance  Central Fiduciary Unit  3-5 Sremska St  11000 Belgrade, Serbia  Tel/Fax: (+381 11) 765 2587 |
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