

## Ideas that pay off.

### Monthly Newsletter

August, 2021



### **Automatic filing of PPP-PD ex officio by the Tax Administration**

So far, the Tax Administration has conducted a control procedure with taxpayers who have not filed returns under Article 41, paragraph 3 of the Law on Tax Procedure and Tax Administration and issued a record and a decision with the number of contributions on a minimum basis. With the new practice of automatic submission of PPP-PD ex officio, the Tax Administration started in May, therefore some taxpayers have already received in their tax box the Notification on the submitted tax return PPP-PD for the accounting period May for persons for whom they have not calculated and paid contributions by June 30.

Per: Article 51, paragraph 3 of the Law on Contributions for Compulsory Social Insurance, which explains that if the employer does not pay the salary by the last day of the current month for the previous month, he is obliged to calculate and pay contributions for the previous month on the lowest monthly contribution base;

Article 41, paragraph 3 of the Law on Tax Procedure and Tax Administration stipulates that each tax return is submitted before each payment of income on which withholding tax is calculated and paid following the law governing personal income tax, as well as before each payment of contributions for compulsory social insurance when these contributions are paid without payment of salary, or other cases when there is an obligation to calculate and pay contributions for compulsory social insurance following the law governing compulsory social insurance contributions;

In addition, Article 41, paragraph 9 of the Law on Tax Procedure and Tax Administration stipulates that an individual tax return ex officio will be filed by the Tax Administration instead of the taxpayer, i.e. withholding agent, in case the taxpayer or withholding agent fails to submit within the period prescribed by the law governing compulsory social insurance contributions.

Based on the aforementioned legal acts, the Tax Administration has started ex officio to file PPP-PD tax returns on the lowest monthly contribution base for taxpayers who did not do so but were obliged to do so. This process takes place automatically, through the information system of the Tax Administration, and based on data available to the Tax Administration and the basis of data from the Central Register of Compulsory Social Insurance.

The taxpayer is informed about this through the Notification on the submitted tax return PPP-PD ex officio, which is automatically generated and is placed in the taxpayer's tax box on the E-taxes portal.

A potential problem that may arise is that the Tax Administration has data based on which applications are automatically submitted, which are inaccurate and taxpayers must react if they notice irregularities in the application and calculation through a written complaint drawn up in free form and submits to the tax administration. If the taxpayer automatically submits an application that should not have been submitted at all, he/she fills in the ZIG form to cancel the application.

We suggest that taxpayers check their tax boxes and debts on tax cards because in practice the first problems have already occurred regarding automatically submitted applications that should not have been submitted at all (for persons on sick leave, entrepreneurs who are suspended, etc.) or were submitted with the wrong amounts. After all, there is a possible indebtedness based on automatically submitted applications without the taxpayer being aware of it, which can lead to possible problems with forced collection or problems in exercising certain rights (refunds, health card certification, applying for subsidies, and Fig.).

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### Certificates of residency of the Russian Federation

The competent authority of the Russian Federation has published an official explanation that in that country they can be issued in paper form as well as in electronic (PDF) format for one calendar year. You can find the official instructions on the [link](#).

The issuance of a certificate of residency can be checked on the official [web address](#) by entering the verification code from the certificate of residence.

### The reference interest rate remained unchanged

At the conference of the Executive Board of the National Bank of Serbia held on August 12th, 2021, it was decided to keep the reference interest rate at 1%.

The next conference of the Executive Board will be held on September 9th, 2021.

### Statistical Office of the Republic of Serbia published consumer price indices for July 2021

On August 12th 2021, Statistical Office of the Republic of Serbia published a statement on the consumer price index for July 2021.

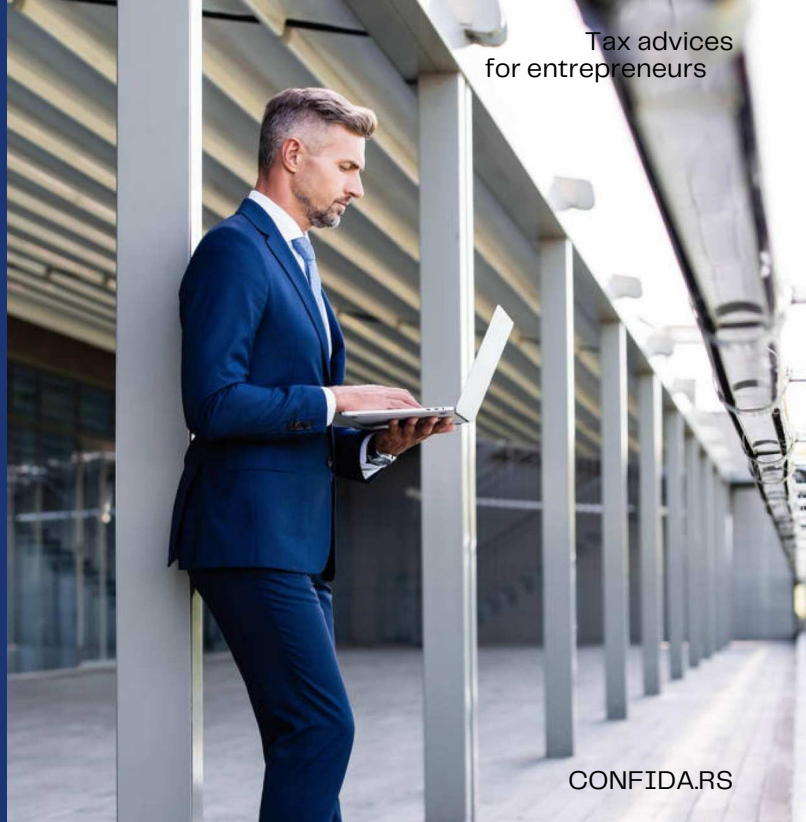
Prices of goods and services of personal consumption in July 2021, on average, increased by 0.2% compared to March 2021. Consumer prices in July 2021, compared to the same month in 2020, increased by 3.3%, while compared to December 2020, they increased by an average of 3.7%.

Observed by the main groups of products and services classified according to the purpose of consumption, in July 2021, compared to the previous month, price growth was recorded in the groups' Alcoholic beverages and tobacco (2.2%), Recreation, and culture (2.1%), Transport (1.6%), Restaurants and hotels (0.6%), Furniture, household appliances and current maintenance of dwellings (0.3%) and in groups Housing, water, electricity, gas and other fuels and Health (0.1%). The fall in prices was recorded in the groups' Food and non-alcoholic beverages (-0.9%) and Clothing and footwear (-0.7%).

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### Statistical Office of the Republic of Serbia published earnings data for June 2021.

On August 25, Statistical Office of the Republic of Serbia published a statement on salaries for June 2021.

The average gross salary calculated for June 2021 was 89 793 RSD, while the average net salary was 65 070 RSD.

Growth in gross salaries in the period January–June 2021, compared to the same period last year, amounted to 8.4% in nominal terms and 6.0% in real terms. At the same time, net earnings increased by 8.9% in nominal terms and by 5.4% in real terms.

Compared to the same month of the previous year, the average gross salary for June 2021 is nominally higher by 8.7%, and really by 5.2%, while the average net salary is nominally higher by 8.9%, ie by 5.4% real.

The median net salary for June 2021 amounted to 49,999 dinars, which means that 50% of employees earned up to the stated amount.

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