Ideas that pay off.

Monthly Newsletter

September, 2021

CONFIDA.RS

The right of using the tax incentive based on investments in new fixed assets of taxpayers who in 2021 use the right to a ten-year tax exemption

The Law on Corporate Income Tax in the Republic of Serbia provides incentives for investments in the form of exemption from payment of corporate income tax for a period of ten years, the so-called "tax holiday".

The conditions that must be met in order to exercise the right to the exemption are provided by law and they are as follows:

- That the legal entity invests more than one billion dinars in fixed assets, as well as that it uses these funds to perform the predominant activities listed in the founding act or other acts that determine the activity that the taxpayer performs;
- That the legal entity additionally employs at least 100 persons for an indefinite period in the investment period.

Based on the stated conditions, exemption from payment of corporate income tax is realized in a period of ten years in proportion with that investment.

In this case, we draw attention to the fact that the Ministry of Finance explains the following through the newly published opinions: if in 2021 there was an expiration of ten years in which tax exemption (tax holiday) was used, the taxpayer can start the investment period (for the use of the new ten-year tax exemption) from 2022.

Amendments to the Law on Fiscalization come into force on November 1, 2021, with a transitional period of six months

The Draft Law on Amendments to the Law on Fiscalization was published on the website of the Ministry of Finance, which will be adopted by the Government of the Republic of Serbia as a proposal and sent to the National Assembly for urgent adoption.

The draft envisages that persons who keep records of transactions through the fiscal cash register in accordance with the currently valid Law on Fiscal Cash Registers, modify their operations in the period from November 1, 2021 to April 30, 2022 in accordance with the provisions of the Law on Fiscalization.

Persons who have the obligation to record retail trade via electronic fiscal device according to the Law on Fiscalization and new regulations, are obliged to modify their operations in the period from November 1, 2021 to April 30, 2022 with the provisions of the Law on Fiscalization and bylaws in in accordance with that law.

A six-month transition period for taxpayers is envisaged to allow for gradual adjustment to the new fiscalization model during that period.

Ideas that pay off.

Monthly Newsletter

September, 2021



The website of the Ministry of Finance published internal technical instructions as well as a link to access the page where the version of the eFaktura link system is posted.

Based on the Law on Electronic Invoicing, it is prescribed that most issues are regulated by an internal technical instruction, which is published on the website of the Ministry of Finance and which explains the technical instructions for working on the system.

The application of the technical instruction starts on January 1, 2022.





Absence of the obligation to pay personal income tax in the case of organizing testing of employees for the COVID-19 virus within the premises of the employer

The Law on Personal Income Tax, as well as the newly published opinion by the Ministry of Finance, specify the tax treatment for occasionally organized testing of employees for the infectious virus COVID-19

In the event of organizing periodic testing of employees for the presence of infectious virus Covid–19 within its premises and at its own expense, the employer provides funds and payments directly to the account of the health institution providing laboratory testing services. These expenses do not represent benefits to employees by the employer and as such are not subject to personal income tax and the payment of contributions for compulsory social insurance.

Ideas that pay off.

Monthly Newsletter

September, 2021



At the session of the Executive Board of the NBS held on September 9th, 2021, it was decided to keep the reference interest rate at 1%.

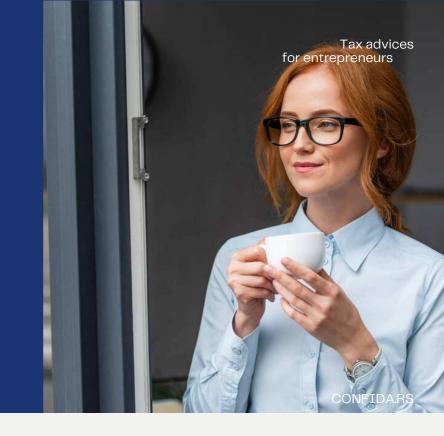
The next session of the Executive Board will be held on October 7th, 2021.

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

On September 13th, the Statistical Office of the Republic of Serbia published a statement on the consumer price index for August 2021.

Prices of goods and services of personal consumption in August 2021, on average, increased by 0,9% compared to July 2021. Consumer prices in August 2021, compared to the same month in 2020, increased by 4,3%, while compared to December 2020, they increased by an average of 4,6%.

Observed by the main groups of products and services classified according to the purpose of consumption, in August 2021, compared to the previous month, price growth was recorded in the groups Food and non-alcoholic beverages (2,0%), Recreation and culture (0,8%), Restaurants and Hotels(0,3%) Transport (0,9%), while price decrease is recorded in the group Clothing and footwear (-0,8%).



Statistical Office of the Republic of Serbia published earnings data for July 2021

On September 24th, the Statistical Office of the Republic of Serbia published astatement on salaries for July 2021.

The average gross salary calculated for July 2021 was 89 330 dinars, while the average net salary was 64 731 dinars.

Growth in gross salaries in the period January–July 2021, compared to the same period last year, amounted to 8,2% in nominal terms and 5,7% in real terms. At the same time, net earnings increased by 8,5% in nominal terms and by 6,0% in real terms.

Compared to the same month of the previous year, the average gross salary for July 2021 is nominally higher by 7,6%, and really by 4,2%, while the average net salary is nominally higher by 7,8% and 4,4% real.

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

Ideas that pay off.

Monthly Newsletter

September, 2021

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to our advisors for specific advice.



CONTACTS



Knez Mihailova 22, Belgrade, 11 000, Serbia

+381113039104

www.confida.rs

Christian Braunig Managing Partner

e-mail

Nevenka Petrovic Director

e-mail

