

CONFIDA

Ideas that pay off.

Monthly Newsletter

June, 2022

CONFIDARS

COMPENSATION AMOUNT FOR NOT EMPLOYING PERSONS WITH DISABILITIES FOR MAY, 2022

The Law on Professional Rehabilitation and Employment of Persons with Disabilities stipulates that all employers in the Republic of Serbia who employ 20 or more persons must employ persons with disabilities. There is an exemption for newly established employers, who are exempt from the obligation to employ this category of persons for 24 months, starting from the date of establishment.

An employer who employs 20 to 49 people is obliged to employ one person with disabilities, and an employer who has 50 or more employees is obliged to employ at least two people with disabilities, ie one person with a disability every 50 employees.

Defining the obligation to employ persons with disabilities is done on the last calendar day of the month by determining the number of employees, and by observing the total number of employees, including persons with disabilities.

If the employer does not employ persons with disabilities, there is an obligation to pay 50% of the average salary in the Republic of Serbia for each person with disabilities who are not employed. This way, the employer fulfills the employment obligation.

The Republic Bureau of Statistics published data on the average salary for March, and the amount of participation in financing the salaries of persons with disabilities for May is known, for employers who do not employ an adequate number of persons with disabilities.

On that basis, employers who do not employ the prescribed number of persons with disabilities can fulfill their obligation for May by paying 51,390.50 RSD, in the name of compensation, per person with disabilities that the employer should have employed.

This legal obligation to employ persons with disabilities is set as an alternative. Namely, if the employer does not have an established employment relationship with a person or persons with disabilities (depending on the total number of employees), he is obliged to pay the legally prescribed amount of compensation.

Below is a table showing the mandatory number of employees with disabilities with the total number of employees:



EMPLOYEE NUMBER (INCLUDING PWD)

MANDATORY NUMBER OF EMPLOYED PWD

1 - 19	➤	0
20 - 49	➤	1
50 - 99	➤	2
100 - 149	➤	3
...	➤	...



AMENDMENT TO THE RULEBOOK ON VALUE ADDED TAX

The Rulebook on Value Added Tax has been amended by an article that stipulates that a VAT payer, upon public entity request, should issue an electronic invoice for turnover in goods and services for which a fiscal invoice has been issued, all per electronic invoicing regulation.

The request contains in particular:

- Number of fiscal invoices;
- Statement of the public entity that the VAT stated in the fiscal invoice was not used as an input VAT, ie that the correction of the input VAT deduction was made.

After issuing the electronic invoice, the VAT payer can then issue a fiscal invoice in which, the turnover for which the fiscal invoice and electronic invoice were issued, is stated as 'refund'.

This amendment has been added to the Rulebook on VAT to record data on the goods turnover and services in the Central Register of Invoices.

The Rulebook entered into force on May 21, 2022.

PUBLIC CALL FOR EQUIPMENT PURCHASE GRANTS

The Ministry of Economy, in cooperation with the Development Agency of Serbia, has announced a public call for grants within the Program of Support to Small Enterprises for the Equipment Purchase in 2022.

The total amount of available grants is around 3.1 billion dinars.

The goal of this program is to support investments and encourage faster economic development, and the grant is supported by the project "Serbia and the EU – Equipment for the Economy", which provided funds and technical support in the total amount of 11 million euros.

Grants are intended to co-finance the purchase of new equipment directly involved in the process of production of exchangeable goods and new construction work equipment.

The condition for applying for the available funds is that:

- Legal entities have to be registered with the Business Registers Agency as companies or cooperatives, as well as to be considered micro and small legal entities;
- Entrepreneurs have to be registered with the Business Registers Agency.

Entities may be eligible for co-financing of up to 25% of the net value of the equipment being purchased. Business entities provide participation amounting to 5% of the total value of equipment, while the rest is provided from loans from commercial banks or financial leasing companies involved in the Program.

The amount of the awarded grant amount depends on the number of employees that the business entity employed on December 31, 2021.

The application and other necessary documents for the grant are submitted personally or electronically in one of the branches of commercial banks and leasing companies participating in this program.

The public call is open until the available funds are used up, ie by December 31, 2022, at the latest.

The table below shows the maximum amount of funds that can be allocated to one entity, with the number of employees.

NUMBER OF EMPLOYEES

MAXIMUM AMOUNT OF FUNDS AVAILABLE

1	➤	1.000.000 RSD
2 – 5	➤	2.500.000 RSD
6 +	➤	5.000.000 RSD



VAT REFUNDS TO FOREIGN TAXPAYERS FOR 2021

The Law on VAT prescribes the right for foreign taxpayers to refund the VAT charged on supplies of the goods and services purchased within Serbia.

A foreign taxpayer must submit a request for a refund of VAT and also, and the foreign taxpayer must meet additional conditions:

- If the VAT on the supply of goods and services is stated in the invoice, and if the invoice is paid;
- The minimum amount for VAT refund in Serbia is EUR 200, in Serbian dinar equivalent;
- If the conditions, which allow the VAT payer to use the right to deduct the input VAT for purchased goods and services, are met;
- If the VAT payer has not supplied any goods and services in Serbia, apart from the zero-rated transport of goods, transport of passengers by bus, for which the Customs Authority charges VAT, as well as goods and services for which the recipient is obliged to charge input VAT.

In addition to the stated conditions, the Law on VAT also prescribes the condition of reciprocity, as the last one that must be fulfilled for a VAT refund to be possible.

The Republic of Serbia has established the condition of reciprocity with 17 countries: the Netherlands, Slovakia, Croatia, Denmark, Austria, Bosnia and Herzegovina, Belgium, Montenegro, Macedonia, Slovenia, Germany, Great Britain, Turkey – (refund is limited to supplies of goods and services relating to transport, fairs, etc.), Switzerland, Norway, Romania, Hungary.

The request for a VAT refund for 2021 can be submitted no later than June 30, 2022.

To submit a request for a VAT refund, a foreign taxpayer must have a Serbian tax identification number.

STATISTICAL OFFICE OF THE REPUBLIC OF SERBIA ANNOUNCES EARNINGS FOR MARCH, 2022

The average salary (gross) calculated for March 2022 amounted to 102,781.00 RSD, while the average salary without taxes and contributions (net) amounted to 74,664.00 RSD.

In the period January–March 2022, compared to the same period last year, the nominal growth of average net salaries was 13.4%. In the same period, net earnings increased by 4.3% in real terms.

The median net salary for March 2022 amounted to 55,146.00 RSD, which means that 50% of employees earned up to the stated amount.

REFERENCE INTEREST RATE INCREASED TO 2%

On May 12, 2022, the Executive Board of the National Bank of Serbia decided to increase the reference interest rate (RKS) to the level of 2%.

The increase in the RKS directly reflects on the increase in the default interest rate as well as on the increase in the interest rate for untimely paid public revenues, so it is in line with the following:

- default interest rate, as of May 13, 2022, 10%,
- interest rate for untimely paid public revenues, as of May 12, 2022, 12%.

The next session of the Executive Board, at which the decision on the reference interest rate will be made, will be held on June 9, 2022.

CONSUMER PRICE INDICES, APRIL, 2022

Prices of personal consumption goods and services in April 2022, compared to March 2022, increased by 1.5% on average. Consumer prices in April 2022, compared to the same month last year, increased by 9.6%, while compared to December 2021, they increased by an average of 4.3%.

For the last month

(period: March 2022 – April 2022)

- inflation is 1.5%.

For the last year

(period: April 2021 – April 2022)

- inflation is 9.6%.

From the beginning of the year

(period: December 2021 – April 2022)

- inflation is 4.3%.

According to consumer price trends:

- The consumer price index in the Republic of Serbia in April 2022, compared to March 2022, is 101.5.
- The consumer price index in the Republic of Serbia in April 2022, compared to December 2021, is 104.3.

Prices of goods and services of personal consumption in April 2022, compared to March 2022, increased by 1.5% on average. Consumer prices in April 2022, compared to the same month last year, increased by 9.6%, while compared to December 2021, they increased by an average of 4.3%.

Observed by the main groups of products and services classified by the purpose of consumption, in April 2022, compared to the previous month, price growth was recorded in the groups' Food and non-alcoholic beverages (2.7%), Clothing and footwear (2.1%), Transport (1.8%), Restaurants and hotels (1.3%), Recreation and culture (1.2%), Housing, water, electricity, gas and other fuels (1.0%), Apartment equipment and current maintenance (0.9%) and in the Health group (0.6%).

The prices of other products and services did not change significantly.



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