

CONFIDA

# Ideas that pay off.

## Monthly Newsletter

August, 2022

CONFIDA.RS

### AMENDMENT TO THE DECREE ON CRITERIA FOR DETERMINING THE CATEGORY OF FOREIGNERS

The Government of the Republic of Serbia adopted the Decree on Amendments to the Decree on Criteria for Determining Categories of Foreigners and Categories of Foreigners Who Can Be Granted Temporary Residence in the Republic of Serbia Independently of the Grounds for Granting Temporary Residence.

The decree determines the criteria for determining the categories of foreigners and categories of foreigners who can be granted temporary residence in the Republic of Serbia, regardless of the grounds for granting temporary residence.

**This decree stipulates that temporary residence, regardless of the grounds for granting temporary residence prescribed by the provisions of the Law on Foreigners, may be granted to the following categories of foreigners:**

- foreigners who founded a company in the Republic of Serbia whose innovative activity is recognized by a registered science and technology park, one of the founders of which is the Republic of Serbia, an autonomous province, the city of Belgrade, or a local self-government unit (so-called "startup");
- foreigners who invest in an already registered business company in the Republic of Serbia, that is, in the activities of that company by investing in fixed tangible and intangible assets (the so-called "investor");

- foreigners who have a decision on the professional recognition of a higher education certificate issued by the competent authority of the Republic of Serbia (the so-called "talent");
- foreigners who have Serbian origins.

The last one is a novelty and is prescribed by this decree. It is considered that the applicant has Serbian origin if he is related by blood or adoption to an ancestor in the direct line who is a citizen of the Republic of Serbia, or its predecessor countries, as well as if the applicant declares or has declared himself as a Serb.

**In addition, the novelty introduced by this decree is the possibility to attach the following documents as proof of the justification of the request when submitting a request for approval of the first temporary residence:**

- The baptismal certificate of the Serbian Orthodox Church, which can be used to determine the Serbian origin of the applicant or his ancestor;
- A domestic public document or a foreign public document that has the probative force of a domestic public document, and which can be used to determine the applicant's Serbian origin.

The first temporary stay in the Republic of Serbia is granted to the newly prescribed category of foreigners for a period of one year.

## UPDATED INTERNAL TECHNICAL MANUAL AND NEW CHANGES OF SEF

On August 5, 2022, the internal technical instructions were updated, and new corrections were made to the Electronic Invoice System-SEF.

### The new changes to the SEF include:

#### The possibility of automatic registration of companies in SEF ➤

All companies that are not budget users and are not already registered in SEF will be able to register automatically thanks to the implementation of the new mechanism for automatic registration.

#### The possibility to filter by date when searching for individual and summary VAT records ➤

The ability to filter results by date for API calls to search for Individual and Aggregate VAT records is added.

#### The possibility of recording transactions in foreign currency ➤

It is possible to create a document in foreign currency. When selecting a foreign currency, the user must also enter the dinar exchange rate for that currency so that the system will recalculate and display the basis and VAT in dinars.

### In addition to the new changes, certain corrections to the SEF were also made:

- the mark "Calculate VAT in RSD" was removed from the PDF document;
- when a user of public funds is added to contacts, JBKJS is no longer entered in the field provided for the personal identification number;
- it is impossible to change the status of the document from "Error when sending" to "Draft";
- added an error message for using special characters in comments that are not accepted by CRF;
- it is possible to update data on the business entity from the competent institution even in cases where some of the data does not exist in the competent institution;
- it is no longer possible to enter a number with more than two decimal places in the field for entering a discount at the item level;
- typo correction in the message that notifies that the download of the document will start;
- the "Service ID" field has been removed;
- the "Model by number" field is limited to 2 characters and only accepts numbers. The aforementioned change is shown on page 215 of the Internal Technical Instruction;
- the error that appeared after replacing the "Basis for VAT exemption/exemption" after updating the draft document was removed.

## PUBLIC CALL FOR THE IMPROVEMENT OF MSME BUSINESSES IN ŠUMADIJA AND WESTERN SERBIA

A public call for business improvement of micro, small and medium enterprises-MSMEs by providing expert support and purchase of equipment as a part of the project "Strengthening support to enterprises – working on the sustainable growth of MSMEs in Šumadija and western Serbia" has been announced.

The program is financed by the European Union in partnership with the Government of the Republic of Serbia, through the EU PRO Plus program, and is implemented by Business Innovation Center d.o.o. Kragujevac, in partnership with Business Innovation Programs.

The program aims to improve the competitiveness and sustainability of micro, small and medium-sized enterprises from the region of Šumadija and western Serbia by providing expert support for business improvement following the needs of individual enterprises.

All micro, small and medium enterprises from Šumadija and western Serbia, which are already present in the domestic and/or foreign market, have the right to participate in the public call, regardless of the area in which they operate.

**The program is implemented through two components. The first component consists of expert support for business improvement and will be provided in the following areas:**

- marketing and branding,
- product design,
- packing labels,
- development of new products and services,
- raising the quality of already existing products and services,
- sales management and establishment of online stores,
- innovation management in order to develop and grow the business,
- financial services in order to access funding sources,
- digitization of business processes, production, sales and
- support for the development of E-commerce.

The number of companies that can be supported through this component ranges from 10 to 15, and the number of expert hours available per company is 35, for one or more areas of support.

The second component refers to the purchase of new equipment that must be under the registered activity of the business entity and intended for professional use.

The total funds available for the purchase of equipment amount to RSD 835,380.00, and the maximum amount of grants per individual company is RSD 167,076.00, excluding VAT. The number of companies that can be supported through this component ranges from 5 to 7 micro, small and medium-sized companies.

**The application deadline for participation in the program is August 31, 2022.**



## CAPITAL MARKET LAW: NEW RULEBOOKS

Based on the Capital Market Law, the Securities Commission adopted new rulebooks that came into force on July 16, 2022.

The Commission adopted 20 new rulebooks, which, among other things, regulate the following areas: market research, reporting of public companies, investment recommendations, access to insider information, and granting of permits for investment company activities.

**The application of these regulations will enable the achievement of the goals of the new Capital Market Law, which are:**

- Investor protection;
- Ensuring a fair, efficient and transparent capital market;
- Reduction of systemic risk on the capital market.

The implementation of the rulebooks starts from the day of application of the Law, i.e. from January 6, 2023, except for the provisions related to the adoption of general and other acts harmonizing the work and operations of market participants with the new regulations, which are applied from the day these rulebooks entered into force.

## AVERAGE EARNINGS PER EMPLOYEE, MAY 2022

The average gross salary calculated for May 2022 amounted to RSD 102,432.00, while the average salary without taxes and contributions amounted to RSD 74,168.00.

Compared to the same period the previous year, the nominal growth of average net salaries for the period January–May 2022 was 13.3%. In the same period, net earnings increased by 3.8% in real terms.

**Compared to May 2021, the average net salary in May 2022 was nominally higher by 14.1% and by 3.4% in real terms.**

The median net salary amounted to RSD 56,582.00 in May 2022, which means that 50% of employees earned up to the stated amount.



## CONSUMER PRICE INDICES, JUNE 2022

The prices of personal consumption of products and services in June 2022, compared to May 2022, increased by 1.6% on average.

The prices of personal consumption of products and services in June 2022, compared to May 2022, increased by 1.6% on average. Consumer prices in June 2022, compared to the same month of the previous year, increased by 11.9%, while compared to December 2021, they increased by 7.3% on average.

Observed by the main groups of products and services classified according to the purpose of consumption, in June 2022, compared to the previous month, price growth was recorded in the groups' Transport (2.7%), Food and non-alcoholic beverages, and Recreation and culture (by 2.3%), Restaurants and hotels (1.4%), Clothing and footwear (1.2%), Housing equipment and ongoing maintenance (1.1%), Housing, water, electricity, gas and other fuels (1.0%), Alcoholic beverages and tobacco (0.4%) and Health (0.2%).

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

Consumer price indices are defined as a measure of the average change in retail prices of goods and services used for personal consumption.

### According to data on consumer price trends:

- The consumer price index in the Republic of Serbia in June 2022 was 101.6, compared to May 2022.
- The consumer price index in the Republic of Serbia in June 2022 was 107.3, compared to December 2021.

### PERIOD:

### INFLATION:

May - June 2022



1,6%

June 2021 - June 2022



11,9%

December 2021 - June 2022



7,3%



**CONFIDA**

# Ideas that pay off.

Monthly Newsletter

August, 2022

CONFIDA.RS

## CONTACT

**Confida – Consulting d.o.o.**  
**AUDICON d.o.o.**

Knez Mihailova 22,  
Belgrade, 11000, Serbia

+381 11 3039104

**[www.confida.rs](http://www.confida.rs)**

**Christian Braunig**  
**Managing Partner**  
e-mail

**Nevenka Petrovic**  
**Director**  
e-mail

This material has been prepared for general informational purposes only and is not intended to be used as accounting, tax or other professional advice. For any additional information, contact our consultants.