

CONFIDA

Ideas that pay off.

Monthly Newsletter

October, 2022

CONFIDARS

CALL FOR PARTICIPATION IN THE PROGRAMS OF THE INNOVATION ACTIVITY FUND

The Innovation Activities Fund has announced a new public call for grants available to innovative companies and teams.

The Republic of Serbia and the European Union jointly provide funds in the amount of 3.2 million euros through the IPA project "Increasing the capacity and technological readiness of small and medium-sized enterprises".

The Fund is providing financial incentives for the transformation of innovative ideas into sustainable projects through the Early Development Program and the Innovation Co-financing Program. The programs, with clearly defined criteria, are intended for the development of new products, services or technologies that have a strong innovation potential for which there is a need in the market.

Depending on the program, the Fund allocates from 80,000 to 300,000 euros per individual project.

In this way, the Fund, together with companies, participates in the research and development of innovative solutions, which consequently have a positive impact on the national economy.

As it is envisaged that the mentioned programs cover a maximum of 70% of project costs, companies are obliged to provide a part of funds from other, private sources for the implementation of their projects, independently of the Fund or any other public financing program.

Project applications from all fields of science and technology, as well as all industrial sectors, will be considered. The applications are submitted through the portal, and the necessary application documentation and detailed information about the public call can be found on the website of the Innovation Activities Fund.

Funding programs are in line with the Smart Specialization Strategy in Serbia, therefore at least 50% of the available funds will be allocated to applications from four dominant domains:

- Food for the future
- Information and communication technologies
- Machines and production processes of the future
- Creative industries.

The Fund will provide daily support to all interested applicants during the period in which the call is announced, to present the conditions and details of submitting project applications. Also, workshops called "Open doors" will be held once a week, and information sessions will be organized in cooperation with local partners, as well as all organizations that work with small and medium-sized enterprises and scientific research institutions.

Interested companies and teams can apply for grants in the period from September 15 to November 15, 2022.

NOTICE ON SUBMITTING TAX RETURNS FOR EARNINGS OF NEWLY SETTLED TAXPAYERS

Article 15v of the Law on Citizens' Income Tax stipulates that the income tax base for a newly settled taxpayer, for the earnings based on an employment agreement for an indefinite period with a qualified employer, where the taxpayer establishes employment at a workplace where there is a need for the employee to have a special professional education and for which there is a need that cannot be easily satisfied on the domestic labor market, amounts to 30% of the realized income.

On September 26, 2022, the Tax Administration published a notice on how to submit a tax return on the earnings of newly settled taxpayers who exercise the right to the aforementioned tax relief.

The Rulebook on the tax return for withholding tax prescribes special code OL 24 for the earnings, or compensation of earnings, of a newly settled taxpayer.

The notice of the Tax Administration contains detailed information on the payers' and recipients' income codes, calculation of taxes and contributions, as well as examples of calculations and income codes.

CHANGE OF ADDRESS OF BUSINESS PREMISES AND FISCALIZATION

In the event of a change in the business premises address in which retail goods and services are sold, those subject to fiscalization are obliged to notify the Tax Administration of the said change.

Taxpayers can fulfil their obligation by submitting an Application with data for generating a unique label for business premises – PGJO for each business premise individually.

The PGJO application is submitted electronically, through the ePorezi portal, through which the new address of the business premises is entered in the register. The application for the issuance of a security element can be submitted 24 hours after the submission of the PGJO application for registering the new address of the business premises.

Deletion of the PGJO application that contains data on the invalid or previous address of the business premises, as well as the revocation of the security element for those premises, is carried out after downloading the new security element. The security element contains the address of the business premises, that is, the retail facility, and therefore this information cannot be changed independently without changing the security element.

The taxpayer is obliged to inform the Tax Administration about the change in the data of their individual business premises no later than 24 hours before the said change occurs, while the deadline for generating a new security element in the event of data change is seven days from the submission of the PGJO application.



DEADLINE FOR REPORTING TO THE NBS ON CREDIT TRANSACTIONS WITH FOREIGN COUNTRIES

Residents are obliged to submit reports on their foreign trade and foreign exchange activities to the National Bank of Serbia by October 10, 2022.

The reports that are most often submitted to the National Bank are:

- report on claims of residents for foreign trade of goods or services that have not been settled within a period longer than one year
- report on the resident's obligation for foreign trade of goods or services that has not been settled within a period longer than one year
- report on foreign direct investments of non-residents in the country for the third quarter
- report on foreign direct investments of residents abroad for the third quarter.

This obligation of residents is prescribed by the Law on foreign exchange operations, and the method of reporting is prescribed by the Decision on reporting on foreign credit operations.

Reports are submitted to the National Bank of Serbia quarterly, by January 10, April 10, July 10, and October 10 for the previous quarter in the calendar year, in electronic form.

THE "TAX ALARM" MOBILE APPLICATION MAKES IT EASIER TO REPORT TAX IRREGULARITIES

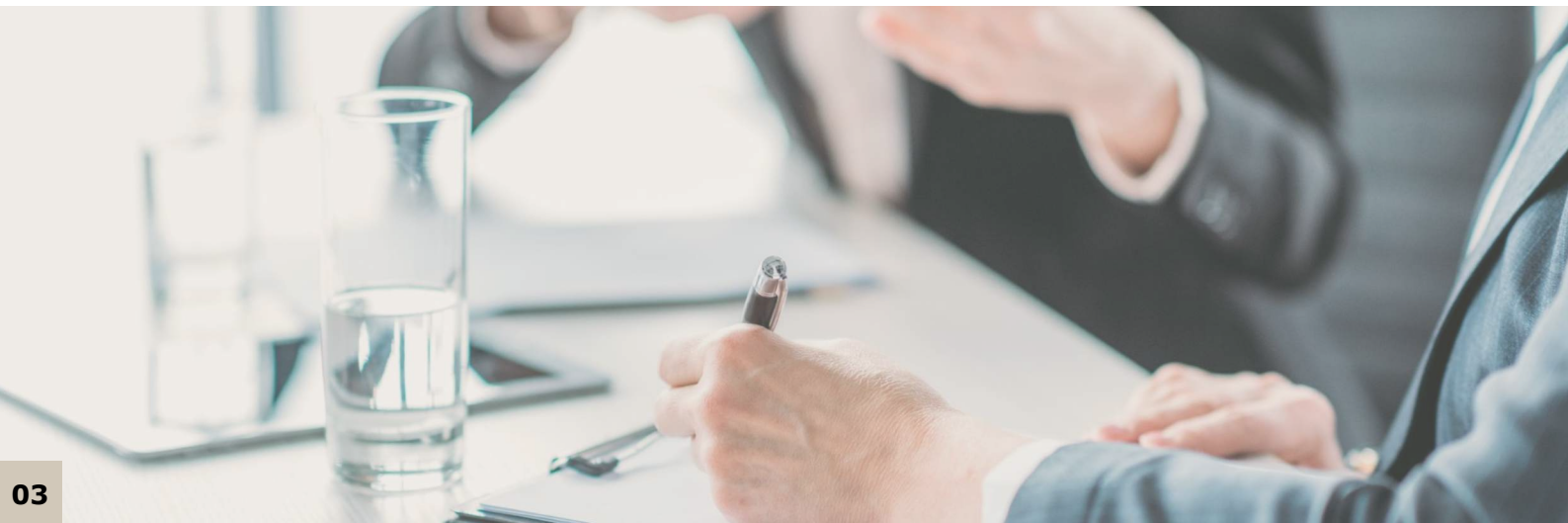
Issuing a fiscal receipt is proof of purchase, and at the same time, it serves as proof of tax payment for such a transaction. During the purchase irregularities, such as issuing an incorrect invoice or not issuing an invoice at all may occur. Such abnormalities must be reported to the Tax Administration.

A free mobile device application called "Tax Alarm" is a platform for reporting tax irregularities. The application is easy to use, and you can download it from the Google Play Store for Android devices, or the Apple Store for iPhone devices.

This way, citizens can report irregularities, such as non-issuance of invoices, incorrect invoices, the performance of unregistered business activities, and employment of unregistered workers, as well as other tax irregularities, to the Tax Administration of the Republic of Serbia through the application.

The report is submitted by entering data regarding the determined irregularities, along which a photo can also be attached as proof. Also, it is possible to choose whether the report will be made anonymously or not. After filing the report, an electronic notification confirming the successful report appears, which is then also visible in the Tax Administration's system. If the report is deemed to be truthful, the Tax Administration of the Republic of Serbia will take measures in accordance with the law and its power and will sanction behaviors that are not in accordance with tax regulations.

The application was developed within the project "Platform for Responsible Management of Public Finances", under the leadership of the Tax Administration of Serbia and the United Nations Development Program.



AVERAGE EARNINGS PER EMPLOYEE, JULY 2022

Average gross earnings calculated for July 2022 amounted to RSD 100 937, while average earnings without taxes and contributions – net earnings amounted to RSD 73 114.

Compared to the same period of the previous year, the nominal growth of average gross and net earnings for the period January–July 2022 was 13.4%. In the same period, earnings increased by 3% in real terms.

Compared to July 2021, average net earnings in July 2022 were nominally higher by 13% and by 0.2% in real terms.

Median net earnings amounted to RSD 56 000 in July 2022, which means that 50% of employees earned up to the stated amount.

MINIMUM EARNINGS AMOUNT PER WORK HOUR FOR 2023

On September 14, 2022, the Government of the Republic of Serbia adopted a Decision on the amount of the minimum wage for the period January–December 2023. Following the aforementioned Decision, the minimum earnings amount per working hour is RSD 230.00, excluding taxes and contributions for mandatory social insurance.

THE REFERENCE INTEREST RATE INCREASED TO 4%

At the session held on October 6, 2022, the Executive Board of the National Bank of Serbia decided to increase the reference interest rate to the level of 4%.

The increase in the reference interest rate directly reflects the increase in the default interest rate, as well as in the increase in the interest rate for untimely paid public revenues, therefore the annual default interest rate amounts to 12%, while the annual interest rate for untimely paid public revenues amounts to 14%.

The next session of the Executive Board, at which the decision regarding the reference interest rate for the next period will be made, will be held on November 10, 2022.

CONSUMER PRICE INDICES, AUGUST 2022

Consumer price indices measure changes in the prices of products and services that households purchase to meet their needs and are used as a measure of inflation.

In August 2022, the prices of personal consumption products and services increased by 1.2% on average compared to July 2022. Compared to the same month of the previous year, consumer prices in August 2022 increased by 13.2%, while compared to December 2021, they increased by an average of 9.8%.

Observed by the main groups of products and services classified according to the purpose of consumption, in August 2022, compared to the previous month, price growth was recorded in the groups Housing, water, electricity, gas and other fuels (3.9%), Food and non-alcoholic beverages (2.5%), Restaurants and hotels (1.4%), Recreation and culture (1.3%), Housing equipment and ongoing maintenance (1.0%), as well as in the Alcoholic beverages and tobacco groups, Communications, Health and Education (by 0.1% each). The drop in prices was recorded in the groups Transport (-2.5%) and Clothing and footwear (-0.6%).

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

According to data on consumer price trends:

- The consumer price index in the Republic of Serbia in August 2022 compared to August 2022 is 101.2.
- The consumer price index in the Republic of Serbia in August 2022 compared to December 2021 is 109.8.

PERIOD:		INFLATION:
July – August 2022	➤	1.2%
August 2021 – August 2022	➤	13.2%
December 2021 – August 2022	➤	9.8%

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