

Ideas that pay off.

Monthly Newsletter
December, 2023

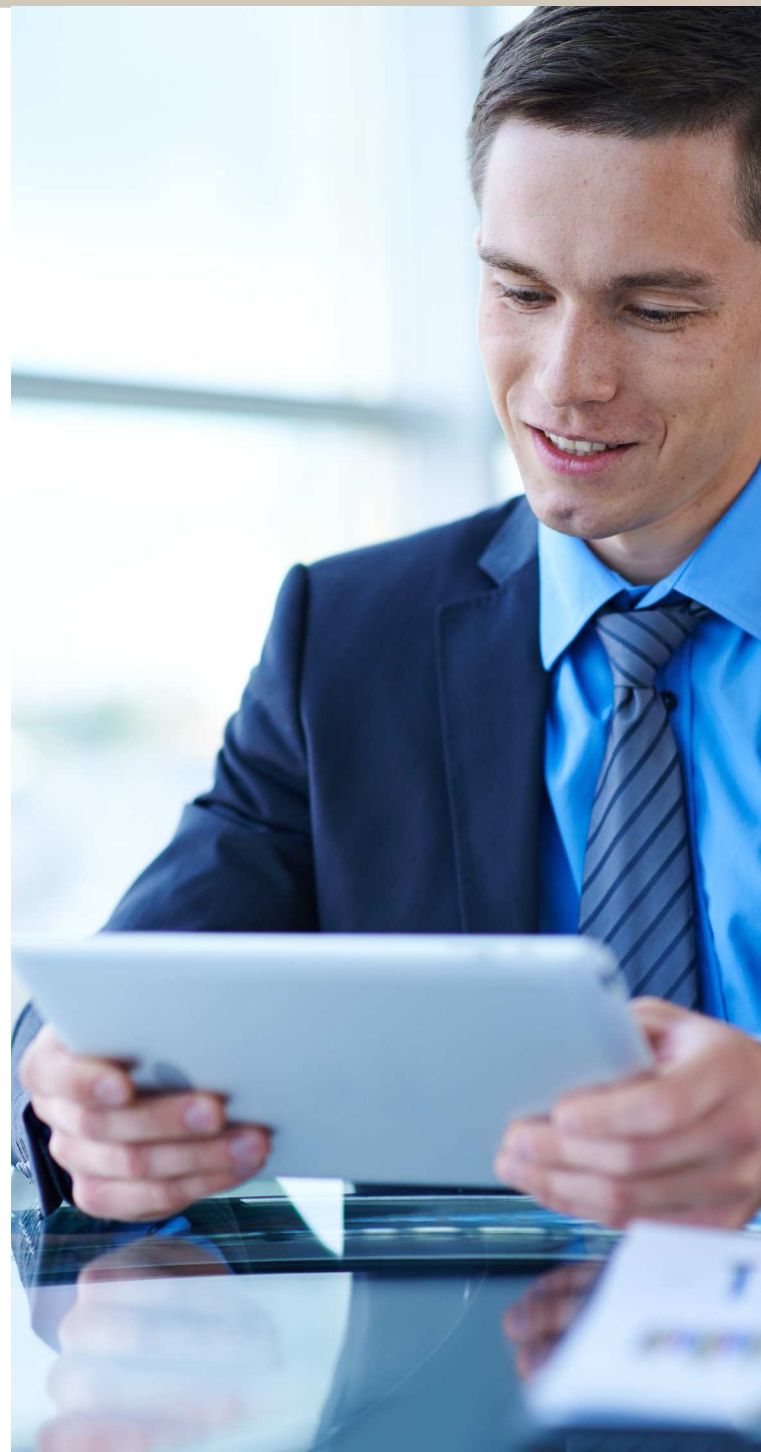
CONFIDA.RS

NEW OBLIGATIONS REGARDING ELECTRONIC ARCHIVING

The Law on Archival Material and Archival Activity has been in effect since February 2, 2021. However, what is currently relevant regarding implementing this law is that starting January 1, 2024, the Regulation on Unified Technical and Technological Requirements and Procedures for the Storage and Protection of Archival Material and Documentary Material will be enacted concerning business entities that store or intend to store and archive documentation, records and acts in electronic form.

Firstly, it is essential to note that all creators and holders of archival material must adopt a general regulation on the category of archival material and documentary material with storage deadlines, subject to approval by the competent archive. Suppose the creator and holder of archival material still need to compile a list of categories of archival material and documentary material with storage deadlines. In that case, it is necessary to do so and submit them electronically to the relevant public archive via the "eArhiv" portal on the "eUprava" platform.

To understand the obligation outlined in the Regulation on Unified Technical and Technological Requirements and Procedures for the Storage and Protection of Archival Material and Documentary Material, one must comprehend the concept of an electronic document. This document is created electronically within a qualified information system, utilizing an electronic certificate and timestamp.



A business entity that is a creator or holder of an electronic document must perform electronic archiving of such documents in the manner prescribed by the Regulation. The key tool for electronic archiving is using an appropriate information system for managing documentation in electronic form. In addition to the software solution for electronic archiving, a business entity that chooses to store electronic documents must have a specific internal regulation regarding the registration, protection, and use of electronic records. A business entity that conducts electronic archiving through a software solution must provide access to documentary material to the competent archive through the "eArhiv" application (note: the "eArhiv" application has yet to be released, and information on its use will be published later). An electronic document originating from state information systems/portals (SEF, "ePorezi", CROSO, APR) is not necessary to be stored within its own software solution.

In simpler terms, there is no obligation to scan paper documents. Even if you choose to do so, a scanned document is not considered as an electronic document unless the paper document is digitized so that the electronic copy has the same probative force as the original.

Therefore, the obligation of electronic archiving applies to business entities that are holders and creators of electronic documents. Business entities that continue to store documentation in paper form are not obligated to implement a software solution. However, they must maintain and submit the Archive Book within the legal deadline.

The Archive Book is the basic record of all archival and documentary material created in the creator's work. It should be kept on the prescribed form, with a copy submitted to the competent public archive.

Creators and holders of archival material and documentary material are obliged to keep the Archive Book in the prescribed AK form and submit a copy of the Archive Book to the competent public archive by the end of April of the following year. The Archive Book can be kept in paper or electronic form. The Regulation does not prescribe in which format Archive Book should be kept, it is left to the taxpayer to decide—it can be in Excel or Word format with named columns and elements.

Since the "eArhiv" application has yet to be released, and additional clarifications on electronic archiving are expected, the following newsletter will provide further explanations of the archiving process.

AMENDMENT TO THE LAW ON FEES FOR THE USE OF PUBLIC GOODS (ECO TAX)

Amendments to the Law on Fees for the Use of Public Goods include the following changes:

- The fee payer is also a branch of a foreign legal entity that performs certain activities affecting the environment.
- A construction site where activities are carried out continuously for 12 months is considered a separate business unit.

The fee for protection and improvement of the environment is not charged to:

- Direct and indirect users of budget funds, residential communities, and mandatory social insurance organizations (do not submit return);



CONFIDA

- Entrepreneurs during the cessation of activities registered in accordance with Law on registration;
- Associations – non-profit organizations, churches, and religious communities, financed exclusively from membership fees, contributions, donations, grants, subsidies, etc. (do not submit return);
- The manager of a national park, a public enterprise managing forests and forest land (do not submit return);

CHANGES TO THE VALUE ADDED TAX REGULATION

Amendments to the Regulation on Amendments to the Value Added Tax Regulation, which will apply from January 1, 2024, include the following changes:

New Form EZPPDV – Record of requests from passengers for VAT refund:

- It is significantly more detailed and includes, among other things, a serial number of the record, the name and surname, the passport/travel document number of the buyer-passenger, the date of the VAT refund request, and the method of VAT refund.

The deadline for indicating data in Form EZPPDV has been shortened:

- Data in the record in Form EZPPDV is indicated within seven days from the end of the tax period in which the certified original request for VAT refund was received.

Method of keeping records in Form EZPPDV:

- The seller – VAT payer, a fiscalization obligor, keeps the prescribed record in electronic form by indicating the data in the EZPPDV Form within the user application for fiscalization on the Tax Administration portal. The seller – VAT payer, who is not a fiscalization obligor, keeps the prescribed record as before, either in paper or electronic form, but on the new EZPPDV Form.

AMENDMENTS AND SUPPLEMENTS TO THE ELECTRONIC INVOICING LAW

The National Assembly of the Republic of Serbia adopted, on October 27, 2023, the Law on Amendments and Supplements to the Electronic Invoicing Law.

The Law will be in force from January 1, 2024. Apart from the provisions related to the new obligation of electronic recording of the input VAT, which will be applied for tax periods starting after August 31, 2024,

the most significant proposed changes include:

- Introducing a new obligation for electronic recording of VAT calculated in the previous stage of turnover, i.e., paid on the import of goods, regardless of whether the taxpayer can claim the right to deduct input VAT.



- Shortening the deadline for the taxpayer to electronically record the calculation of VAT to ten days after the end of the tax period instead of the previously prescribed 15 days after the end of the tax period.
- The obligation to issue an electronic invoice for paid fee which represents public revenue.
- Conditions for deleting SEF users.
- Information about the recipient's business account is no longer prescribed as a usual element of the electronic invoice.

BASIS FOR PAYMENT OF CONTRIBUTIONS FOR MANDATORY SOCIAL INSURANCE IN 2024

The lowest and highest contribution base amounts for mandatory social insurance in 2024 were determined based on published data on the average salary in Serbia paid for the period from October 2022 to September 2023 ("Official Gazette of RS", number 104/2023).

The lowest base for calculating mandatory social insurance contributions is 40,143 dinars, while the highest for 2024 is 573,470 dinars.

The highest monthly contribution base represents five times the amount of the determined average monthly salary paid in the last 12 months, starting from September of the current year. Meanwhile, the lowest monthly contribution base for contributions is 35% of the average salary determined in the same way.

The new bases for calculating contributions will apply from January 1, 2024.

THE DEADLINE FOR SUBMITTING THE NOTIFICATION ON THE PERSONAL INCOME PAYMENT OF THE ENTREPRENEUR'S SALARY

The personal income is the amount of funds that the entrepreneur payout and records in the business books as his monthly personal income, increased by the corresponding taxes and social contributions.

For the entrepreneur to payout personal income in 2024, he must notify the Tax Authorities through the electronic portal "ePorezi" by December 15, 2023, in accordance with Article 33a of the Law on Personal Income Tax. If the entrepreneur chooses to payout personal income, he cannot change such a determination during the tax period.

On the other hand, if the entrepreneur wants to change the method of payout of personal income in 2024, he needs to submit a notification to the Tax Authorities electronically through the portal "ePorezi" by December 15, 2023.

Entrepreneurs who already payout personal income and want to continue with the payout method in future periods don't need to notify Tax Authorities again.

AMENDMENTS TO THE LUMP SUM TAXATION OF ENTREPRENEURS

Amendments to the Regulation on Detailed Conditions, Criteria, and Elements for the Lump Sum Taxation of Income Taxpayers, which apply from January 1, 2024, stipulate a 50% reduction in the tax base for newly registered entrepreneurs in the year of registration.

Furthermore, the application of the limitation of increasing the tax base for lump-sum taxpayers is extended to a maximum of 10% per year until the end of 2025.

Exceptionally, an increase in the obligation greater than 10% will apply in the case of a change in the activity code, municipality, or location where the taxpayer is registered. Changing the municipality does not count as a change of residence from one municipality to another within the same city.



THE REFERENCE INTEREST RATE REMAINS AT 6.50%

The Executive Board of the National Bank of Serbia decided at the December 7, 2023, meeting to maintain the reference interest rate (RIR) at 6.50%. The Executive Board of the NBS will convene on January 11, 2024, for the next session to decide on the reference interest rate.

MONTHLY INFLATION (CONSUMER PRICES) IN OCTOBER 2023 IS 0.3%

Prices of products and services for personal consumption in October 2023, compared to September 2023, increased on average by 0.3%. Consumer prices in October 2023, compared to the same month of the previous year, increased by 8.5%, while compared to December 2022, they increased on average by 7.0%.

THE AVERAGE SALARY FOR SEPTEMBER 2023

According to the statement of the Republic Institute of Statistics number 319 from November 24, 2023:

- The average gross salary in Serbia, paid in September 2023, was 117,472.00 dinars.
- The net average wage in Serbia (without taxes and contributions), paid in September 2023, was 85,066.00 dinars.

Compared to the same month of the previous year, the average gross and net salaries for September 2023 increased nominally by 13.5%, and in real terms by 3.0%.



Ideas that pay off.

Monthly Newsletter
December, 2023

CONFIDA.RS

CONTACT

CONFIDA – Consulting d.o.o.
AUDICON d.o.o.

Knez Mihailova 22,
Belgrade, 11000, Serbia

+381 11 3039104

www.confida.rs

Christian Braunig
Managing Partner
e-mail

Nevenka Petrović
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.