

# CONFIDA

## Ideas that pay off.

### Monthly Newsletter

February, 2024

CONFIDARS

#### **LUMP-SUM TAXPAYERS HAVE RECEIVED TAX AUTHORITY DECISIONS FOR 2024 REGARDING THE PAYMENT OF THEIR TAXES AND CONTRIBUTIONS**

The Tax Authority of the Republic of Serbia has informed entrepreneurs who pay tax on income from self-employment and contributions for mandatory social insurance on a lump-sum determined income (lump-sum taxpayers) that their tax obligations for the year 2024 have been calculated.

The Tax authority's decisions on established obligations, as well as reports on how the lump-sum income was determined, will be delivered to them in electronic form, via the Tax Administration portal ePorezi, from January 23 to 28, 2024. The decision is considered delivered on the day it is posted in the ePorezi mailbox, under the Law on Tax Procedure and Tax Administration.

Lump-sum taxpayers will have to make monthly advance payments based on tax and contributions for 2024, with a reference number that contains the payment approval number (BOP) assigned for 2024. The first installment, for January 2024, is due on February 19, as February 15 is a public holiday and a non-working day.

Along with the decisions, the Tax Authority will also send examples of filled-out payment slips for tax and contributions with a QR code, which facilitates payment.

Lump-sum taxpayers can access the Tax Authority portal using a qualified electronic certificate, issued by five certification bodies in the Republic of Serbia (MUP, JP PTT, The Chamber of Commerce of Serbia, Halcom, E-Smart Systems), or via the ConsentID application and certificates in the cloud.

#### **THE BUSINESS REGISTERS AGENCY HAS ENABLED AN APPLICATION FOR THE PREPARATION AND SUBMISSION OF FINANCIAL REPORTS**

As of January 31, 2024, users will be able to use the application for the preparation and submission of financial reports for the year 2023, via the Special Information System of the Agency (PIS Agency).

The Agency has also launched an external portal "Updating the Obligors' Records", through which obligors who are submitting financial reports can submit complaints if their data in the records is not up to date.

Obligors are called upon to verify the accuracy of the data in the Obligors' Records before preparing and submitting requests. Entrepreneurs who started keeping business books according to the double-entry bookkeeping system in 2023 are required to register in this record.



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## SERBIA PLANS TO INVEST 5 MILLION EUR IN STARTUP FUNDS, SPECIALIZING IN ARTIFICIAL INTELLIGENCE

The Cabinet of the Government of the Republic of Serbia has announced that the state plans to invest 5 million EUR in a VC fund that will invest in startups in the field of artificial intelligence. This is part of a broader plan to invest around 70 million EUR in the development of artificial intelligence in Serbia over the next three years, including 30 million EUR in supercomputing platforms.

Serbia aims to maintain its leadership position in Southeast Europe in the field of artificial intelligence. Therefore, it is crucial for Serbia not only to be a place where software is produced but also for citizens to benefit from it through higher-quality public services.

Additionally, the functionality of a platform for connecting domestic companies with startups, provided to Serbia by Singapore, has been announced.

Furthermore, a draft of the Strategy for the Development of Artificial Intelligence until 2030 is currently in the making, which aims to provide ambitious but realistic standards for the next six years.

## PAYMENT OF ADVANCE TAX AND CONTRIBUTIONS ON INCOME FROM SELF-EMPLOYMENT FOR JANUARY 2024

The obligation to pay advance tax and contributions on income from self-employment for January 2024 is due by February 19, 2024. This obligation applies to all entrepreneurs, freelancers, and other self-employed activities.

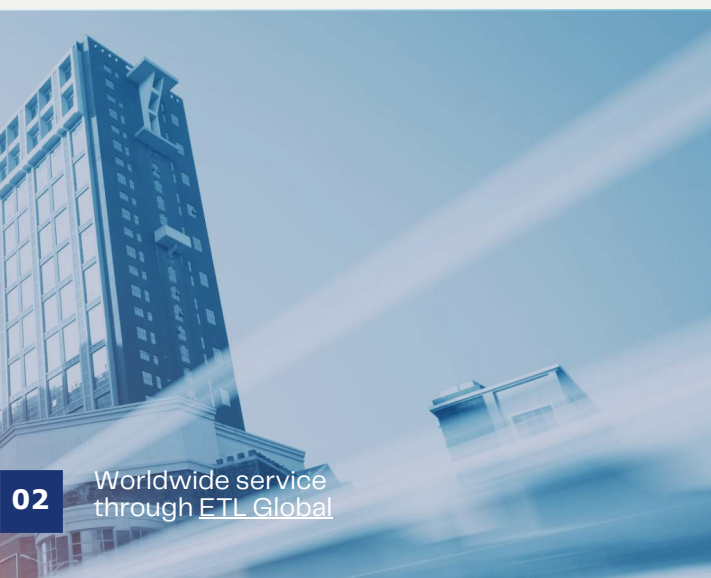
The advance tax and contributions represent a pre-paid amount calculated based on estimated income for the current year. This amount is later deducted from the total annual tax and contributions calculated at the end of the year.

## NEW PROCEDURE IMPLEMENTED FOR ISSUING UNIFIED WORK PERMITS TO FOREIGNERS IN SERBIA

Starting from February 1, 2024, the implementation of a new procedure for issuing a unified permit for temporary residence and work of foreigners in the Republic of Serbia begins. This change is the result of amendments and supplements to the Law on Employment of Foreigners and the Law on Foreigners, published in the "Official Gazette of the RS", number 62/2023. Therefore, under these laws, the "Official Gazette of the RS", number 6/2024, has published the following regulations:

- Regulation on the approval of temporary residence,
- Regulation on submitting requests for permanent residence electronically,
- Regulation on issuing a unified permit for temporary residence and work of a foreigner.

These changes represent a significant step in improving the process of employing foreigners in Serbia, enabling a more efficient and transparent procedure for issuing permits.



## INCREASE IN PUBLIC REVENUE COLLECTION IN THE FOURTH QUARTER OF 2023

The Tax Authority of the Republic of Serbia achieved a significant increase in the collection of public revenues in the fourth quarter of 2023 (from October to December) compared to previous years. A total of more than 1.131 billion dinars was collected, which is 22.1 billion dinars more than in the same period in 2022. The Tax Authority accounted for 61.5 percent of the total collection of public revenues in the fourth quarter of 2023.

This result confirms that the Tax Authority has established a constant trend of increasing public revenue collection, which is visible when comparing data with previous years. For example, the collection in the fourth quarter of 2023 was 224.4 percent higher than in the same period in 2014, and 216.8 percent higher than in the same period in 2015.

As part of the fight against the grey economy, the Tax Authority conducted 4,037 tax audits in the fourth quarter of 2023, which resulted in temporary bans on business activities in 726 facilities due to non-issuance of electronic fiscal receipts.

In the period from October to December 2023, the Tax Authority discovered and calculated more than 10.5 billion dinars of new revenues, of which the largest part (56 percent) is Value Added Tax (VAT).

The Tax Authority also confiscated excise goods worth over 14 million dinars, which is 68.63 percent less than in the fourth quarter of 2022, indicating the success of measures to combat the grey economy.

The Tax Police filed 213 criminal charges and 8 supplements to criminal charges against 380 persons during the same period, for tax evasion amounting to 4.39 billion dinars, which is 60.84 percent more than in the same period in 2022.

## THE REFERENCE INTEREST RATE REMAINS AT 6.50%

At a meeting held on February 8, 2024, the Executive Board of the National Bank of Serbia decided to keep the reference interest rate at 6.50%. The Executive Board of the NBS will hold the next meeting on March 7, 2024, where they will decide if there will be amendments to the reference interest rate.



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## MONTHLY INFLATION (INCREASE IN CONSUMER PRICES) IN JANUARY 2024 IS 0.1%

The prices of goods and services for personal consumption in December 2023, compared to November 2023, increased on average by 0.1%. Consumer prices in December 2023, compared to the same month of the previous year, increased by 7.6%. In 2023 compared to 2022, consumer prices increased on average by 12.1%.

- For the last month (period: November 2023 – December 2023) inflation is 0.1%.
- For the last year (period: December 2022 – December 2023) inflation is 7.6%.
- From the beginning of the year (period: 2022 – 2023) inflation is 12.1%.

According to the data on the movement of consumer prices:

- The consumer price index in the Republic of Serbia in December 2023, compared to November 2023, is 100.1.
- The consumer price index in the Republic of Serbia in December 2023, compared to December 2022, is 107.6.



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