

Ideas that pay off.

Monthly Newsletter

July, 2024

CONFIDARS

“E-BOLOVANJE” SERVICE

The “e – bolovanje” (electronic sick leave service) will be available to Serbian citizens by the end of 2024. With the establishment of this electronic service, citizens will no longer need to physically deliver sick leave certificates to their employers. Instead, these certificates will be sent electronically, speeding up and simplifying the sick leave process.

The “e – bolovanje” portal will make it easier for patients, as employers will automatically have access to the necessary information on the portal. This system connects employers, doctors, and the Republic Health Insurance Fund, providing automatic access to required information. Additionally, the Republic Health Insurance Fund will be able to access information for extending sick leave beyond 30 days.

Currently, technical preparations are underway to fully develop all elements of the system by early 2026. The “E- Recept” (Electronic prescription service), which has been operational since 2019, has saved over 30 million euros in the last 18 months. The “E- karton” (E-Health Record), expected to be fully implemented by early 2026, will enable faster and more efficient navigation through the healthcare system, facilitating access to patients’ medical histories.

SUPPORT FOR SMALL BUSINESSES TO PURCHASE EQUIPMENT

The Serbian government has adopted a regulation to support small businesses in purchasing equipment in 2024, with a budget of 800 million dinars. The program aims to support investments and accelerate economic development.

Micro and small legal entities, cooperatives, and entrepreneurs registered with the Business Registers Agency (APR) are eligible for grants. The program allows co-financing up to 50% of the net value of the equipment, with a minimum amount of 500,000 dinars and a maximum of 5,000,000 dinars.

Businesses must provide 5% of the net value of the equipment, while the remaining 45% will be financed through loans or leasing. A public call for banks and leasing companies will be announced soon, and the call for businesses is expected by the end of July or early August.



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INCREASED TOLL PRICES

As of July 10, 2024, toll prices on Serbian roads have increased following the approval of a new price list by the Serbian government. The toll from Novi Sad to Belgrade is now 310 dinars, up from 290 dinars. The toll from Novi Sad to Subotica has increased from 440 to 490 dinars.

The Ministry of Construction, Transport, and Infrastructure announced that users of electronic toll collection will continue to receive a 6% discount, while trucks with "Euro 6" engines will receive a 10% discount. It is planned to start toll collection on expressways by the end of the year.

ECONOMIC INCENTIVES

The Government of the Republic of Serbia has adopted a series of regulations to support small and medium-sized enterprises. The following regulations were adopted at the session:

- Development Opportunity Program – a line for the processing industry in 2024, intended for the processing industry, implemented in cooperation with the Development Agency of Serbia (RAS) and a bank. The amount of non-refundable funds is 600 million dinars.
- Program to Encourage the Development of Processing Capacities in the Fields of Hunting, Fishing, Wine, Beer, and Strong Alcoholic Beverages Production in 2024 – will be implemented in cooperation with the Development Fund. This program did not exist in previous years, and the amount of non-refundable funds is 160 million dinars.
- Program to Support the Development of Old and Artistic Crafts and Domestic Handicrafts – 10 million dinars of non-refundable funds will be allocated.
- Program to Encourage the Development of Women's Entrepreneurship and Single Mothers in 2024 – 100 million dinars of non-refundable funds will be allocated.
- Program to Encourage the Development of Entrepreneurship through Financial Support for Business Beginners in 2024 – 100 million dinars of non-refundable funds will be allocated.

- Program to Support Strengthening the Capacity of Employers Involved in Dual Education in 2024 – for the first time this year, employers involved in dual education will be allocated 50 million dinars of non-refundable funds.
- Program to Support the Development of Women's Entrepreneurship in Rural Areas in 2024 – the amount of non-refundable funds is 30 million dinars.

EMPLOYEE ASSIGNMENT ABROAD: TAX TREATMENT

The Law on Conditions for Assigning Employees to Temporary Work Abroad and Their Protection regulates the rights of employees who go to temporary work abroad. There are three types of work engagements regulated by this law:

- Work based on a business cooperation agreement.
- Work or professional development in the employer's business units abroad.
- Work within inter-company transfers.

Regarding tax treatment, according to Article 15b, Paragraph 1 of the Law on Personal Income Tax, if a company from Serbia sends an employee, who is also a resident of Serbia, to work abroad for its needs, the tax base for wages is the amount of salary that would be earned in the Republic for the same or similar jobs, in accordance with the law, general act, and employment contract.

This means that, regardless of whether the salary abroad is higher or lower for the same type of job, the tax will be calculated based on the salary the employee had in Serbia before leaving. This salary includes the basic salary and all additional earnings such as seniority, meal allowance, holiday pay, etc.

Additionally, employers are obliged to change the insurance basis for the employee assigned to temporary work abroad in the unified database of the Central Registry of Compulsory Social Insurance (CROSO), including entering the country of assignment and any subsequent changes of the country.

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MONTHLY INFLATION (CONSUMER PRICE GROWTH) IN JUNE 2024

The prices of goods and services for personal consumption in June 2024, compared to May 2024, increased on average by 0.1%. Consumer prices in June 2024, compared to the same month of the previous year, increased by 3.8%, while compared to December 2023, they increased on average by 2.3%.

- For the last month (period: May 2024 – June 2024), inflation is 0.1%.
- For the last year (period: June 2023 – June 2024), inflation is 3.8%.
- Since the beginning of the year (period: December 2023 – June 2024), inflation is 2.3%.

According to consumer price movement data:

- The consumer price index in the Republic of Serbia in June 2024 compared to May 2024 is 100.1.
- The consumer price index in the Republic of Serbia in June 2024 compared to December 2023 is 102.3.

REFERENCE INTEREST RATE REDUCED TO 6.00%

The Executive Board of the National Bank of Serbia, at its session held on July 11, 2024, decided to reduce the reference interest rate (RIR) to 6.00%. The reduction of the RIR directly affects the reduction of the default interest rate as well as the reduction of the interest rate for late payment of public revenues, so accordingly:

- The default interest rate, from July 12, 2024, is 14.00%.
- The interest rate for late payment of public revenues, from July 11, 2024, is 16.00%.

The next session of the Executive Board, where the decision on the reference interest rate will be made, will be held on August 8, 2024.

AVERAGE SALARY FOR APRIL 2024

According to the Announcement of the Statistical Office of the Republic of Serbia No. 168 of June 25, 2024:

- The average gross salary in the Republic of Serbia, paid in April 2024, is 133,356.00 dinars.
- The average net salary in the Republic of Serbia (without taxes and contributions) paid in April 2024 is 96,614.00 dinars.



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