

Ideas that pay off.

Monthly Newsletter

September, 2024

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AVERAGE NET SALARY IN JUNE

The average net salary in June 2024 was close to 96,000 dinars, while the average gross salary reached 132,290 dinars, according to the Republic Statistical Office.

In the first six months of 2024, gross salaries increased by 14.8% nominally and 9.3% in real terms compared to the same period last year. Average net salaries saw a similar growth, with an increase of 14.7% nominally and 9.2% in real terms.

Compared to June 2023, gross salaries increased by 12.1% nominally and 8.0% in real terms. The average net salary for June 2024 is 12.0% higher nominally and 7.9% higher in real terms.

The median net salary for June was 74,185 dinars, meaning that half of the employees received a salary up to that amount.

MINISTRY OF FINANCE PUBLISHED ADDITIONAL CLARIFICATIONS FOR VAT ACCOUNTING

The Ministry of Finance of the Republic of Serbia has issued new clarifications intended for users accessing the Electronic Invoicing System (SEF) through application access. These clarifications provide precise guidelines for recording VAT depending on the type of transaction and document. The details include rules for linking documents such as invoices, advance invoices, internal accounts, and other records, in accordance with tax periods and calculation rules.

A brief overview of key rules:

- Monthly tax periods – For taxpayers with a monthly VAT calculation, values are linked to the corresponding months of the year, from January to December. This allows for proper recording in each tax month.
- Quarterly tax periods – For taxpayers with a quarterly VAT calculation, values refer to the quarterly periods: Q1 (January–March), Q2 (April–June), Q3 (July–September), and Q4 (October–December).
- Invoice rules – For deliveries, document types such as invoices, advance invoices, credit notes, and debit notes must be correctly linked. Additionally, it is possible to link multiple advance invoices to a single invoice.
- Rules for Purchases – For purchases, document types such as internal accounts of foreign entities and internal accounts of taxpayers are linked to the basis, such as transactions, advances, increases, or decreases. This ensures accurate tracking of transactions within the SEF system.



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- Linking Internal Accounts – For internal purchase accounts, the rules provide the possibility of linking with advances or other internal accounts, depending on the type of transaction or document.
- Increase and Decrease Documents – When recording transactions, documents related to increases and decreases (e.g., invoices or advance invoices) must be linked to the corresponding original documents to ensure the accuracy of the records.
- Rules for Canceling Records – It is not possible to cancel individual VAT records if they are linked to other VAT records, such as advances. Cancellation can only be done after all related documents have been voided.

These rules provide clear and precise tracking of VAT transactions through the Electronic Invoicing System (SEF).

WHEN DOES TAX DEBT EXPIRE?

Tax debts expire after a certain period, and in some cases, 50% of the interest may be forgiven for the debtor. The Tax Administration sends a reminder to the taxpayer when obligations are not settled within the legal deadline or according to the debt resolution.

If the taxpayer does not pay the tax within the prescribed period, the Tax Administration can initiate collection proceedings, including account blockage or enforcement on property. The payment deadline after receiving a reminder is usually between 5 and 15 days, depending on the type of tax.

According to the law, the Tax Administration has a period of five years to determine and collect tax debts. If measures are not taken within that period, the right to collect the debt is lost. The statute of limitations on tax debt starts from January 1 of the year following the obligation's occurrence, and the debt can be collected along with interest for up to five years retroactively.

DEMOSTAT: WAGES ARE RISING, BUT PRICES ARE FOLLOWING THE TREND

According to Demostat's research, wages in Serbia have almost tripled in the last 15 years, while prices and the cost of living have risen at a slightly slower pace. However, a large part of this wage increase is due to inflation, which means that the standard of living has not risen to the same extent. Statistical data and citizens' experiences do not show a significant improvement in living standards, despite the wage increase.

Although average and minimum wages in Serbia have reached record levels, according to officials, they are still not enough to solve the problems of citizens living on the edge of poverty. Even when one person in a family covers the costs of the minimum consumer basket for a three-person household, the family may still live below the poverty line.

Compared to countries in the region, Slovenians have the highest average salary of €1,502 and the highest minimum wage of €949. Croatians follow with an average salary of €1,324 and a minimum wage of €677. Serbia ranks third in terms of average net salary (€856), but is in fifth place for the minimum wage, behind Slovenia, Croatia, the Republic of Srpska (€461), and Montenegro (€450).

Also, the median salary in Serbia, which amounts to 77,579 dinars, shows that half of the employees earn less than this amount, indicating that around 1.2 million workers are barely surviving, especially in households where only one person is employed.



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DID YOU NOT USE YOUR ANNUAL LEAVE? FIND OUT UNDER WHAT CONDITIONS YOU CAN REQUEST PAYMENT FROM YOUR EMPLOYER

If you have not used your annual leave and want to be compensated for it, this is only possible under certain conditions. Although many believe that money can be received instead of taking leave by agreement with the employer, this is not the case. According to the Labor Law, the right to annual leave is legally guaranteed and inalienable. Workers cannot waive this right, nor can the employer deny it to them.

The only exception when unused leave can be compensated with a financial payment is in situations where the employment relationship unexpectedly ends, and the worker is unable to use the remaining leave days. For example, if an employee resigns with a shorter notice period and has unused leave, the employer will pay the appropriate compensation for those days.

The compensation is calculated based on the employee's average salary during the period preceding the termination of employment.

CHANGES TO SEF (VERSION 3.9) AND NEW USER GUIDE FOR ELECTRONIC VAT RECORDING

The Ministry of Finance has published details on its official website regarding the latest corrections and updates to the Electronic Invoicing System (SEF) and updated the Technical Guide.

Currently, the listed changes are only available in the demo version of SEF, while they are expected to be applied to the production version from September 1, 2024. Most changes were introduced to align with amendments to the Rulebook on Electronic Invoicing.

The most important changes include:

- Introduction of new tax categories (S10, S20, AE10, AE20) with corresponding codes for all types of electronic invoices;
- Updating the status of the entity and tax period;
- Integration of SEF with the Customs Administration System;
- VAT recording, both individual and aggregate;

- Changes in the "VAT Liability Arises" section, replacing "VAT Calculation Date";
- Display of invoices in the user interface and PDF format;
- Option to issue invoices in a foreign currency after an advance payment;
- Display of the NBS IPS QR code on the extended PDF view of the invoice;
- The ability to enter multiple bank accounts in the company profile.

A User Guide for Electronic VAT Recording has also been published, providing guidelines for data entry in accordance with the new rules for tax periods starting after August 31, 2024.

NEW AMENDMENTS TO THE VAT RULEBOOK AND THE ELECTRONIC INVOICING RULEBOOK

Less than a month after the previous amendments, the Ministry of Finance has introduced new changes: Rulebook on Amendments to the VAT Rulebook (5 articles); Rulebook on Amendments to the Electronic Invoicing Rulebook (8 articles).

These rulebooks were published in the Official Gazette of the Republic of Serbia, No. 73/24, on August 30, 2024, and will come into force on September 1, 2024. An exception is the provisions related to filling out the POPDV Form and electronic VAT recording, which will start applying with the submission of tax returns for tax periods after August 31, 2024 (September and October-December 2024).

Although the amendments are not extensive, they mainly focus on clarifying and correcting errors from previous versions of the rulebooks.

It is particularly important to note that the amendments to the Electronic Invoicing Rulebook, adopted at the beginning of August 2024, will take effect on September 1, 2024. However, the provisions related to electronic VAT recording, not just for input VAT, will apply for tax periods starting after August 31, 2024, in accordance with the VAT Law.

Additionally, the Electronic Invoicing Rulebook introduces a "relaxation" provision, stating that the Ministry of Finance will not penalize any errors in VAT data recording during the period from September 1 to December 31, 2024.

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FREE PROGRAM FOR YOUNG ENTREPRENEURS OPEN UNTIL SEPTEMBER 30

The Regional Incubator for Social Entrepreneurs (RISE), a program that provides professional and financial support to young people developing businesses focused on social change, has opened a call for applications, running until September 30. The organization Smart Kolektiv, which implements the program in Serbia, invites young people aged 18 to 35 with ideas for solving social or environmental problems to apply and develop their projects during the four-month program.

The RISE program offers free support for developing innovative solutions to community challenges. In addition to Serbia, the competition is also open in five other Western Balkan countries, and six teams from each country will have the opportunity to enhance their entrepreneurial skills. At the end of the program, two teams from each country will be awarded financial support to establish a social enterprise.

The program is aimed at young people with ideas that contribute to environmental protection, employment of vulnerable groups, women's empowerment, rural development, education, or culture. Participants will gain knowledge and skills in the field of social entrepreneurship, enabling them to bring their projects to life and earn a living by doing what they believe in.

This is the fifth cycle of the RISE program, through which 508 young entrepreneurs have participated so far, and 175 socially beneficial ideas have been developed, 48 of which received financial support. Some successful projects include "Link in Bioska," "Common Threads," "Soko Camp," and "Blatology."

Teams of at least two young people from Serbia who are motivated to develop their ideas and participate regularly in the program can apply. Applications are submitted via a form available on the Smart Kolektiv website, where additional information can also be found.

Smart Kolektiv has been implementing the RISE program in Serbia since 2019, with support from the French Development Agency, the European Union, the Regional Youth Cooperation Office, the Franco-German Youth Office, and the PULSE organization. RISE program activities are carried out by organizations across the Western Balkans, including ARNO, Balkan Green Foundation, and others.



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CONFIDA SERBIA IS HIRING!

At CONFIDA Serbia, we believe that a company's success is directly linked to the success and satisfaction of our employees. That's why we are committed to creating an environment that inspires, motivates, and supports your professional and personal growth. Our strength lies in the exceptional expertise and dedication of our team, which daily provides innovative solutions and adapts to the specific needs of our clients.

As part of an international network with over 30 years of experience, we have the opportunity to work with leading companies in Serbia and the region. We offer development opportunities that match the ambitions of each individual employee, with mentoring, continuous training, and clearly defined career paths. Our employees enjoy balancing professional challenges with personal life – because their family is as important to us as their professional success.

We are currently looking to fill 4 positions:

- ➔ **JUNIOR TAX CONSULTANT**
- ➔ **ACCOUNTANT**
- ➔ **TAX MANAGER**
- ➔ **SENIOR TAX CONSULTANT**

If someone in your personal and/or professional circles is looking for a stimulating work environment that values their skills, offers advancement opportunities, and allows them to achieve a balance between work and personal life, we would be grateful if you could share this information and help us in our continued growth in the domestic and regional markets



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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

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