

CONEO

Ideas that pay off.

Monthly Newsletter

May, 2025.

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1.

SELF-EMPLOYMENT SUBSIDIES IN 2025 – UP TO RSD 420,000 AVAILABLE FOR STARTING A BUSINESS

The National Employment Service (NSZZ) is expected to launch a call for self-employment subsidies in March 2025. Unemployed individuals planning to start their own business can apply for non-refundable funds of RSD 380,000—or RSD 420,000 for persons with disabilities.

Applicants must be registered with the NSZZ, complete a business development training course, and submit a well-prepared business plan. Subsidies can be used for equipment purchases, workspace setup, initial business expenses, and professional training. A minimum score of 65–70 points is required for approval.

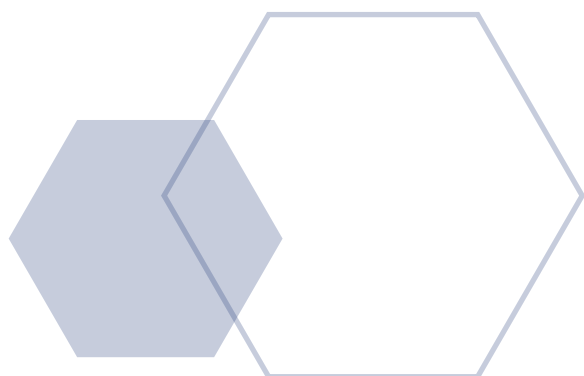
2.

WHEN ENTREPRENEURS LOSE ELIGIBILITY FOR LUMP-SUM TAXATION

Lump-sum taxation is a simple and popular business model, but it can be revoked in the following cases:

- » When total annual income exceeds RSD 6,000,000
- » When turnover in any 12-month period exceeds RSD 8,000,000 (triggering VAT registration)
- » When there is a change in ownership structure (e.g., adding a partner)
- » When engaging in activities not allowed under the lump-sum scheme (e.g., retail, marketing, real estate)

Regular monitoring of income and business activity is essential to maintain lump-sum taxation status.



3.

ESG IN SERBIA: FROM COMPLIANCE TO COMPETITIVE ADVANTAGE

As ESG (Environmental, Social, and Governance) principles gain global traction, companies in Serbia are no exception. While Serbia has yet to adopt a comprehensive ESG legal framework akin to the EU's CSRD or SFDR, existing national laws and growing international expectations are already shaping business obligations—and opportunities.

WHAT'S DRIVING CHANGE IN SERBIA?

- » Environmental: Serbian companies must comply with strict environmental laws aligned with EU standards—covering emissions, waste, water, and air protection.
- » Social: Labor, anti-discrimination, and health & safety laws are pushing firms to strengthen workplace policies on inclusion, employee well-being, and data privacy.
- » Governance: Companies—especially those seeking international capital or partnerships—are under increasing pressure to demonstrate ethical leadership, anti-corruption safeguards, and board-level transparency.

WHY IT MATTERS:

Even without direct CSRD applicability, Serbian companies involved in EU markets or M&A activity are increasingly subject to ESG due diligence. Non-compliance isn't just a legal risk—it's a business risk.

WHAT YOU CAN DO NOW:

- » Assess gaps in your company's ESG posture.
- » Update internal policies to reflect current and emerging standards.
- » Train staff on ESG responsibilities.
- » Seek expert guidance to navigate evolving local and cross-border requirements.



4.

AMENDED LAW ON OCCUPATIONAL SAFETY AND HEALTH

Serbia's amended Law on Occupational Safety and Health—initially adopted in 2023— enters full force by May 7, 2025. Employers who fail to comply risk hefty penalties, including fines over 1.5 million RSD.

KEY UPDATES YOU NEED TO KNOW:

- **Home & Remote Work Now Covered:** Risk assessments are mandatory for all work environments, including home offices. Employers must ensure safety standards and involve employees in the process.
- **Mandatory Health Checks:** Regular medical exams, aligned with specific job risks, are now obligatory—especially for high-risk roles (heights, chemicals, power infrastructure).
- **Training is Non-Negotiable:** Safety training must be ongoing—for all employees and especially for managers. Additional training is required after serious or fatal incidents.
- **Working at Heights:** Defined as any job 2+ meters above ground. Employers must provide protective gear, prevention systems, and emergency protocols.
- **Record-Keeping Requirements:** Employers must log high-risk roles, injuries, occupational diseases, and biohazard exposure in electronic form.

- **Construction in Focus:** Detailed site safety plans, environmental protections, and mandatory PPE enforcement are now codified.
- **Enforcement Symbols:** Red tape on a worksite now means an official shutdown due to safety violations.





5.

STRICTER CONTROLS FOR EXCHANGE OFFICES – FX LAW AMENDMENTS IN FORCE

As of March 14, 2025, Serbia's amended Foreign Exchange Operations Law introduces stricter oversight, mandatory digital records, and tougher penalties—especially targeting authorized exchange dealers.

HERE'S WHAT'S NEW:

- » National Bank of Serbia (NBS) now maintains a public online registry of licensed exchange offices.
- » All changes to registration data must be reported immediately.

NEW PENALTY SYSTEM

- Written warnings for minor breaches
- Compliance orders for more serious violations
- Temporary suspension of licenses (up to 30 days) for major non-compliance
- Fines range from 100,000 to 3 million RSD for companies and 50,000 to 2 million RSD for sole proprietors
- Fines may exceed these amounts if 10% of the annual revenue is higher

VIOLATIONS THAT MAY LEAD TO FULL LOSS OF LICENSE FOR AT LEAST 5 YEARS INCLUDE:

- Failing to start operations within 30 days
- Obtaining licenses using false data
- Breaches of anti-money laundering or terrorism financing laws

Former owners and directors of such firms cannot re-enter the business during this ban period.

NEW INSPECTION POWERS

- Inspectors can temporarily seize foreign currency, checks, digital assets, or documentation if suspicious transactions are detected.
- Authorities may confiscate illegally obtained assets tied to violations.

NBS has 3 months to issue detailed bylaws. Until then, current rules apply—except where they contradict the new law.



6.

WHEN DOES THE RIGHT TO INPUT VAT DEDUCTION ARISE BASED ON AN E-INVOICE?

As of 2025, Serbia's VAT Law and e-Invoicing regulations clearly define when a VAT payer can exercise the right to input VAT deduction—especially when an e-invoice is involved.

The key rule is: input VAT can only be deducted based on an accepted e-invoice, not merely its receipt. Acceptance through the official SEF (Serbian e-invoice system) is required under the law.

WHEN CAN VAT BE DEDUCTED?

- If the e-invoice is accepted before the VAT return is filed (but no later than the 10th day of the month following the tax period), input VAT may be claimed for that tax period.
- If the invoice is accepted after that date, the right to deduct applies to the next tax period.

WHAT IF A DEDUCTION IS CLAIMED TOO EARLY?

If the input VAT is claimed before the e-invoice is officially accepted, interest must be paid on the difference, calculated from the due date until the corrected VAT return is filed. Interest is charged at the NBS reference rate plus 10 percentage points.

IMPORTANT

According to Article 28 of the VAT Law, an e-invoice qualifies as a valid invoice only if accepted. If the SEF system is down, the invoice is considered delivered only once the system is back online.

To ensure compliance and avoid penalties, businesses are advised to monitor the acceptance status of e-invoices in SEF and align VAT return timing accordingly.



7.

WORKING WHILE RETIRED: LEGALLY PERMITTED, BUT UNDER STRICT CONDITIONS

The legal framework in Serbia increasingly recognizes flexible models of post-retirement work. While the general rule remains that pension rights are acquired only after the termination of insurance, certain categories of individuals may continue working without suspension of pension payments.

WHO CAN WORK WHILE RECEIVING A PENSION?

Entrepreneurs, foster carers, individuals engaged under service contracts, and elected or appointed officials may simultaneously work and receive a pension. However, there must be at least one day between the start of pension payments and re-engagement in work.

WHAT ARE THE EXCEPTIONS?

Recipients of disability or survivor pensions must terminate their insurance. For survivor pensioners, any form of employment—including temporary or freelance work—results in the suspension of pension payments during the period of employment.

PENSION RECALCULATION AFTER ADDITIONAL WORK

Pensioners who worked for at least 12 months after retirement may request a pension recalculation, provided they terminate their insurance before submitting the request. The recalculation is not applied retroactively—official termination of insurance is required.

Due to numerous exceptions and specific situations, it is advisable to consult the competent institutions in advance to ensure proper compliance and avoid errors.

8.

ENFORCEMENT AS THE MOST SECURE WAY TO RECOVER OUTSTANDING CLAIMS

In the case of unpaid invoices, creditors may initiate enforcement proceedings by submitting a request to the competent court, along with copies of the invoices and proof of delivery to the debtor—via signature, postal receipt, or electronic invoice confirmation.

Once the court issues an enforcement decision, the case is handed over to a public enforcement officer. Collection can be made from bank accounts, salaries, pensions, movable or immovable assets. Legal experts recommend verifying whether the debtor has any property from which the claim can realistically be collected.

If successful, the creditor is entitled to statutory default interest, all procedural costs, and a fixed compensation of RSD 20,000 for payment delay. Priority is given to the creditor who first initiated enforcement, regardless of when the debt occurred.

Legal consultation is advised to ensure proper case assessment and minimize unnecessary costs.



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