

**CONEO**

# Ideas that pay off.

Monthly Newsletter

September, 2025.

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## 1.

### **NEW LAW ON THE CENTRAL REGISTER OF BENEFICIAL OWNERS ENTERS INTO FORCE ON OCTOBER 1, 2025**

The new Law on the Central Register of Beneficial Owners (Official Gazette RS, no. 19/2025, 51/2025, 60/2025) enters into force on October 1, 2025. All obligated entities must align with the new legal requirements by November 30, 2025.

Entities subject to the law include companies (excluding public joint-stock companies), branches, cooperatives, foundations, associations, political parties, trade unions, sports organizations, churches and religious communities, institutions, and foreign representative offices.

One of the key changes is the ability to select multiple legal grounds when declaring beneficial ownership. Supporting documentation must now be submitted via the Serbian Business Registers Agency (APR) portal. This includes founding acts, ID documents, ownership structure diagrams, trust declarations, and, where applicable, excerpts from foreign registries with certified translations into Serbian.

If there are no changes in the ownership structure, data must still be confirmed annually through the APR portal.

Failure to comply will result in the entity being listed on a “grey list” maintained by APR, which may negatively impact its reputation and business operations.



## 2.

### REPUBLIC INSTITUTE FOR STATISTICS: FOREIGN TRADE DEFICIT AT 7.8% FOR SEVEN MONTHS

According to data from the Republic Institute for Statistics (RZS), the total foreign trade of goods in Serbia for the period from January to July 2025 amounted to approximately €43.75 billion, marking a 9.5% increase compared to the same period last year.

Trade details:

- » Exports were valued at €19.32 billion, a 9.8% increase.
- » Imports were valued at €24.43 billion, an increase of 9.3%.
- » The deficit stands at €5.1 billion, which is a 7.8% increase compared to the previous year.

Notably, the import-export coverage ratio slightly improved to 79.1%, up from 78.8% in the same period last year.

Regional breakdown:

- » In exports, the Vojvodina Region leads (32.6%), followed by the Belgrade Region (22.5%), the South and East Serbia Region (22.0%), and the Šumadija and West Serbia Region (21.5%).
- » In imports, the Belgrade Region dominates (45.0%), followed by the Vojvodina Region (30.8%), the Šumadija and West Serbia Region (13.4%), and the South and East Serbia Region (8.9%).

The largest foreign trade activity was with countries with which Serbia has signed free trade agreements, with European Union member states accounting for 58.2% of the total trade.

## 3.

### WHAT DOES GREEN TRANSITION MEAN FOR COMPANIES IN SERBIA?

For Serbian companies to become more competitive in export markets, a green transition is essential. This process goes beyond simply protecting the environment; it is a strategic move that drives sustainable economic growth, creates new jobs, and reduces business risks.

The green transition involves a fundamental shift in business practices. It includes adopting resource- and energy-efficient technologies, using renewable energy sources, and implementing circular economy principles. Companies are encouraged to focus on the entire product life cycle to achieve significant savings in water, energy, and CO<sub>2</sub> emissions. This approach ultimately leads to the introduction of sustainable business models.

Companies that have already adopted cleaner production methods have seen impressive results, with average annual savings of around €100,000. To support this movement, initiatives like the GreenUp Accelerator are helping startups develop and bring to market green innovations in areas such as recycling, digital energy management, and precision agriculture.



## 4.

### HOW TO BE REMOVED FROM THE LIST OF E-INVOICING SYSTEM (SEF) USERS?

The E-Invoicing System (SEF) is constantly evolving, and a common question is how to get a company removed from its user list.

According to the Law on Electronic Invoicing, an entity can be removed from the list when they are no longer legally obligated to use the system. The most common reason for this is when a company or entrepreneur ceases to exist and is deleted from the business registry. Another reason is if an entity joined voluntarily and their access period has expired.

#### The Removal Process

The user can initiate the process by submitting an electronic request to the Central Information Intermediary, stating the reason for removal. The request should also include basic information about the company. The user may also need to provide additional documents, such as proof of deletion from the business registry. Once the request is processed and validated, the user is officially removed from the list.

It's important to note that the Central Information Intermediary can also remove a user on its own authority if it determines that the company no longer exists or doesn't meet the requirements for using the system. This ensures the user list is regularly updated.

According to tax consultants, there's a difference between being removed from the list and having a deactivated account. A user's account in the SEF portal can be deactivated to prevent system access, but the user remains in the database. This helps preserve a history of business transactions for internal records.

## 5.

### CAN A LIMITED LIABILITY COMPANY OR ENTREPRENEUR REVERT TO AN OLDER BUSINESS MODEL?

As businesses grow, entrepreneurs often wonder if they can switch back to a previous business model.

#### Switching Back from Bookkeeping

Entrepreneurs who move from lump-sum taxation to standard bookkeeping can revert to the lump-sum model, provided they still meet the legal requirements.

#### Switching Back from an LLC is Not Possible

Once an entrepreneur converts to an LLC, there is no legal way to revert to entrepreneur status. The reason lies in the fundamental legal differences: an entrepreneur is personally liable for business debts, while an LLC is only liable with its company assets.

Dissolving an LLC is a long, complex process, making a direct reversal impossible. However, an individual can dissolve the LLC and then open a new entrepreneurial business. It is also legally possible to be both an entrepreneur and an LLC owner at the same time.

For those starting a business, it is crucial to choose the right model from the beginning:

- » Lump-sum offers less administration but has growth limitations.
- » Bookkeeping provides more flexibility.
- » An LLC offers limited liability but comes with more complex procedures and no option to revert.



## 6.

### UNREPORTED WAREHOUSES ARE A LEGAL AND FINANCIAL RISK

The Law on Tax Procedure and Tax Administration is clear: storing goods in unreported warehouses is considered illegal storage. This can lead to serious legal and financial consequences for businesses.

Business consultant Vera Tomić explains that business owners must report changes in their business premises to both the Business Registers Agency (APR) and the Tax Administration. If a space is no longer used, you must file a registration form with the APR and notify the Tax Administration using form PPD-2. Failing to do so can result in unnecessary taxes or fees.

This rule applies to all business spaces, not just the company's official headquarters. This includes any store, warehouse, office, or even an open-air space used for business activities.

#### Severe Penalties for Non-Compliance:

- » Criminal Liability: Storing goods in an unregistered space can result in a prison sentence of three months to three years.
- » Loss of Right to Practice: An entrepreneur or a responsible person within a legal entity can be banned from their profession for one to five years.
- » Confiscation of Goods: Any goods found in an unreported warehouse will be permanently confiscated.
- » Financial Fines: Monetary fines range from RSD 100,000 to 2 million for a company, and up to RSD 150,000 for an entrepreneur.

All tax taxpayers must register every space where they store goods or conduct business activities electronically via the Tax Administration's portal using the EP IPP form. It's important to do this on time, as you cannot submit this form retroactively if a tax audit or tax police investigation has already begun.



## 7.

### **E-INVOICING SYSTEM CHANGES: WHAT'S NEW FOR QUARTERLY TAXPAYERS IN JULY 2025**

As of the July–September 2025 tax period, quarterly VAT taxpayers can expect several changes in how data is reported within the E-Invoicing System (SEF). These new rules bring both automated functions and new requirements.

Starting this period, the tax base from reduction documents will automatically appear in sections 1.4 and 1.6 of the previous tax records. This automatic entry will only occur if the dates of reduction and document issuance are correctly aligned. Furthermore, the tax base for voided invoices will no longer be displayed in the previous tax records for quarterly taxpayers.

Due to the large number of changes, the Ministry of Finance has extended the grace period until the end of 2025. This means that taxpayers who correct errors in their VAT records in a timely manner will not face penalties. Looking ahead to 2026, an automated VAT return is expected to be introduced in January, which will replace the current POPDV form. This new system is designed to make even the smallest discrepancies immediately visible.

For any irregularities, the prescribed penalties are:

- » For Legal Entities: RSD 200,000 to 2,000,000
- » For Entrepreneurs: RSD 50,000 to 500,000
- » For Responsible Individuals: RSD 50,000 to 150,000

## 8.

### **WHAT HAPPENS TO PROPERTY WHEN THERE ARE NO HEIRS?**

In Serbia, forgotten bank accounts, real estate, and other savings are not managed through a transparent system with clear deadlines, leading to uncertainty about unclaimed assets.

According to current laws, if there are no legal heirs up to the fourth degree, the property is transferred to the state. However, the process is not straightforward due to a lack of a centralized registry. In practice, many citizens are unaware of the existence of assets left behind by relatives.

Here are the specific timelines for asset transfer:

- » Movable assets, such as money in bank accounts, are transferred to the state after 3 years.
- » Immovable assets, like real estate, are transferred to the state after 10 years.

Unlike many other countries like the US, the UK, or Spain, which have clear mechanisms and dedicated funds for managing unclaimed property, Serbia still lacks a transparent system. It's time for Serbia to introduce a clear framework that protects citizens' rights and preserves the value of their property.



## 9.

### CAN PENSIONER RECEIVE THEIR PAYMENTS ONLY ON CURRENT ACCOUNT?

Since changes to the Law on Pension and Disability Insurance in 2019, all pension and financial benefit payments are made exclusively to a bank account. Pensioners must provide a mandatory bank account confirmation to receive their payments.

Here are the most important things to know:

- » The address on your application must match your ID card.
- » You are free to choose your bank, but having an active account is mandatory.
- » Pensioners living abroad receive their payments in a foreign currency account and may be required to submit a proof of life certificate.
- » Changing banks is now easier than it was before.
- » Power of attorney is still required if someone else receives your pension on your behalf.

It's crucial to report any changes in your personal information promptly, such as a change of address or new employment. Failure to do so can result in a suspension of payments. While payments can be reinstated retroactively, they can only be recovered for a maximum of 12 months.

These technical improvements to the system are designed to increase security, but they also require pensioners to stay informed and keep their personal information up to date.

## 10.

### UNEMPLOYMENT RATE IN SERBIA DROPS TO 9.1%

Serbia has seen a steady decline in its unemployment rate in recent years, reaching a new low of 9.1%. This positive trend is fueled by economic growth, a developing market, and the creation of more high-quality jobs.

The job market is shifting away from low-skilled positions. More companies are now focused on the design, development, and production of finished goods, which increases demand for specialized skills. The most in-demand professions today include IT professionals, engineers, legal experts, and skilled tradespeople like carpenters and welders.

On the other hand, there is a surplus of workers in fields such as administrative staff and textile workers. According to the National Employment Service, there are over 344,000 registered unemployed individuals, many of whom have low levels of education and digital skills.

To address this skills gap, the employment system is increasingly focusing on the needs of employers. The goal is to provide targeted training, retraining programs, and practical support to help job seekers find stable employment. By actively adapting to the needs of the economy, Serbia is strengthening its labor market and preparing for further structural transformation.



## 11.

### ARE EMPLOYEES ENTITLED TO A JUBILEE AWARD?

The answer is not always. According to the Labor Law, employers can, but are not required to, introduce jubilee awards for their employees. This means it's not a legal obligation, but an option that the employer can specify in one of the following documents:

- » A rulebook on labor
- » A collective agreement
- » An employment contract

If the right to a jubilee award is defined in any of these documents, the employer is then obligated to pay the award to any employee who meets the conditions.

Jubilee awards are most often paid for 10, 20, 30, or 40 years of service, and payment is due within 30 days of the employee becoming eligible.

If an employer does not have an internal document that provides for a jubilee award, the employee cannot demand payment. In this case, it depends entirely on the employer's discretion. Therefore, it is important for both employers and employees to be familiar with all internal regulations and contracts.





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