



## Tax&Legal Highlights

### Serbia

#### The Ministry of Finance has published three new Rulebooks

- Rulebook on amendments and changes to the Rulebook on the contents of the tax return for the calculation of corporate income withholding tax on income and fees realized by nonresident and resident legal entities that will enter into force on **April 1, 2018**;
- Rulebook on amendments to the Rulebook on PP OPO tax return that entered into force on **March 17, 2018**; and
- Rulebook on amendments to the Rulebook on PPP PD tax return that entered in force on **March 17, 2018**.

#### **Rulebook on amendments and changes to the Rulebook on the contents of the tax return for the calculation of corporate income withholding tax on income and fees realized by nonresident and resident legal entities**

One of the most important changes is that a **payer of income is no longer obliged to submit a tax return in case where, in line with the provisions of a double tax treaty, the tax is paid in another country**, provided that at the time when the taxable supply occurs a payer of income has an evidence that a non resident legal entity is a resident of the country with which the double tax treaty was concluded and that it is the beneficial

owner of income in accordance with the Law on Tax Administration and Tax Procedure.

#### **Rulebook on amendments to the Rulebook on PP OPO tax return**

The Rulebook prescribes the following changes:

- Tax Authority jurisdiction for submission of non-residents tax return via tax proxy is more precisely defined;
- Data on the taxpayer is additionally defined;
- In the Income types catalogue, the titles **Dividends and participation in profit** and **Investment unit income** are added;
- The title Income from own immovable property is changed to **Income from immovable property** and all types within this group are listed without "own";

This Rulebook prescribes the new self-assessment tax return – **PP OPO form**.

#### **Rulebook on amendments to the Rulebook on PPP PD tax return**

The Rulebook prescribes the following changes and amendments:

- In PPP-PD form codes for entrepreneurs are added;
- In the Income types catalogue, the title (type of income) **Salary, or personal salary, with the relief under the Article 21dj of the Law and Article 45g of the Law on mandatory social security contributions** is added;
- **Salary of the employee assigned for professional development and training purposes for the needs of the employer is added;**
- Financial support for the medical treatment of the employee in the country or abroad is added;
- Salary reimbursement during the maternity leave, child care leave and special child care leave paid out in accordance with the Law on financial support to families with children is added as new type of income;
- The title Income from own immovable property is changed to **Income from immovable property** and all types within this group are listed without "own";
- **New types of income, for the income above the prescribed non-taxable amount under the Article 9 of the Law on Personal Income Tax, are added.**

#### **Rulebook on "arm's length" interest rates on intercompany loans**

**Pursuant to Article 61, para 3 of the Corporate Income Tax Law (Official Gazette RS no 25/01...112/15 and 113/17), the Ministry of Finance has adopted the Rulebook on interest rates for 2018 that are considered to be at "arm's length".**

Pursuant to Article 61, para 3 of the Corporate Income Tax Law (Official Gazette RS no 25/01, 80/02, 80/02 – oth. law, 43/03, 84/04, 101/11,119/12, 47/13, 108/13, 68/14 – oth. law, 142/14, 91/15 – authentic interpretation and 112/15 and 113/17), the Ministry of Finance has adopted the Rulebook on interest rates for 2018 that are considered to be at "arm's length".

## Tax&Legal Highlights

The Rulebook prescribes the following "arm's length" interest rates for credits, i.e. loans between related parties:

### **Banks and financial leasing entities**

3,10% short term loans in RSD;  
4,10% long term loans in RSD;  
3,19% loans in EUR and dinar loans denominated in EUR;  
2,45% loans in USD and dinar loans denominated in USD;  
3,12% loans in CHF and dinar loans denominated in CHF;  
3,70% loans in SEK and dinar loans denominated in SEK;  
1,15% loans in GBP and dinar loans denominated in GBP;  
3,33% loans in RUB and dinar loans denominated in RUB;

### **Other legal entities**

5,84% short term loans in RSD;  
5,58% long term loans in RSD;  
3,10% short term loans in EUR and dinar loans denominated in EUR;  
3,42% long term loans in EUR and dinar loans denominated in EUR;  
12,97% short term loans in CHF and dinar loans denominated in CHF;  
8,21% long term loans in CHF and dinar loans denominated in CHF;  
4,41% short term loans in USD and dinar loans denominated in USD;  
4,16% long term loans in USD and dinar loans denominated in USD.  
This Rulebook will enter into force on the eight day following its publication in the "Official Gazette of the Republic of Serbia".

### **Rulebook on various types of services that are subject to withholding tax**

**The Minister of Finance has adopted the Rulebook on the different types of services based on which a non-resident legal entity generates income that is subject to withholding tax that will come into force on April 1, 2018.**

In accordance with the new Rulebook, withholding tax should be paid on income realized by a nonresident legal entity for the following services:

- **market research** - these services are considered to be: collecting information from the market related to the delivery of data to a resident legal entity, which are used for the planning, organization and control of the business process; processing and analysis of collected data; determining market characteristics and measuring market potential; analysis of market shares; sales analysis; competition analysis; testing new and existing products on the market.

Market research services are not considered to be advertising and propaganda services;

- **accounting and auditing services** - these services include services related to the preparation of financial statements, as well as the audit of financial statements; as well as

- **other services related to legal and business counseling** – these services are considered to be services relating to any form of legal and business counseling, in particular tax consultancy services, lawyers' services, management services to a resident legal entity, as well as any type of advice and consultation in relation to the business of a resident legal entity.

Services in this field are not considered to be services relating to seminars, lectures, workshops, as well as intermediation services relating to the trade of goods and services.

### **Rulebook on amendments and changes to the Rulebook on the conditions and procedure for exercising the right to refund paid excise duties**

**The Minister of Finance has adopted the Rulebook on amendments of the above-mentioned Rulebook.**

**One of the more important changes include the clarification of already existing practice, i.e. that the right to refund excise tax paid on oil derivatives and biological products referred to in Article 9 of the Law on Excise can be realized by the buyer - the end consumer who uses the mentioned oil derivatives and biological products both as energy fuel or as a raw material in the process of producing excise or non-excise products.**

### **Contacts Details**

**Pavle Kutlesic**

**Manager**

Tel: + 381 11 3812 173

Mobile: + 381 65 224 3120

Email: [pkutlesic@deloittece.com](mailto:pkutlesic@deloittece.com)

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more about our global network of member firms.

Deloitte provides audit, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 245,000 professionals make an impact that matters, please connect with us on [Facebook](#), [LinkedIn](#), or [Twitter](#).

Deloitte Central Europe is a regional organization of entities organized under the umbrella of Deloitte Central Europe Holdings Limited, the member firm in Central Europe of Deloitte Touche Tohmatsu Limited. Services are provided by the subsidiaries and affiliates of Deloitte Central Europe Holdings Limited, which are separate and independent legal entities.

The subsidiaries and affiliates of Deloitte Central Europe Holdings Limited are among the region's leading professional services firms, providing services through nearly 6,000 people in 44 offices in 18 countries.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2018. For information, contact Deloitte Central Europe