Deloitte Bosnia and Herzegovina
Tax & Legal Advisory

Tax Alert

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In this issue:

The new Corporate Income Tax Law (hereinafter "CIT Law") is expected to be enacted by the end of the year and will, most probably, enter into force in January 2015.

The most important changes are listed below.
Please note that this overview is based on the current draft of the new CIT Law that still can be subject to amendments.

Tax losses

As per the current legislation, tax losses may be carried forward for up to 5 years. This period will be shortened to 3 years. In addition, taxpayers that do not record profit in 3 consecutive years will lose right to carry forward tax losses.

Tax incentives

Tax incentives shall relate to employment of new staff and proportion of revenue realized by export.
In addition, criteria for entitlement for such incentives are subject to discussion.

Transfer pricing

Existing rules will be extended in order to include all 5 transfer pricing methods as prescribed by OECD TP Guidelines.
In addition, TP documentation will be required in order to be able to recognize tax losses in tax balance sheet. Otherwise, expenses arising in related party transactions will be tax non-deductible.

In case of any information or clarification needs, please do not hesitate to contact us.

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