



## Tax&Legal Highlights

### Serbia

#### **New Ministry of Finance Rulings – Value Added Tax**

##### **Obligation to obtain a single administrative document as a condition for tax exemption for services regarding transport of import – related goods**

In order to claim tax exemption based on provided services involving transport of goods related to import, a VAT payer – provider of transport services is not obliged to obtain a filled out JCI form issued by the competent customs authority.

*(Ministry of Finance ruling, no. 430-00-201/2017-04 as of May 17, 2017)*

#### **New Ministry of Finance Rulings – Value Added Tax**

##### **The right to deduct input VAT for transport services related to import of goods**

When a VAT payer provides a service involving transport of import-related goods to a taxpayer in terms of Article 12 of the VAT Law, and, in addition to the data on the total amount of fee for that service, states the data on portion of fee for transport performed outside of Serbia and portion of fee for

transport performed in Serbia, the invoice with such presented data is considered to be issued in accordance with the VAT Law.

*(Ministry of Finance ruling, no. 011-00-320/2017-04 as of May 17, 2017)*

#### **New Ministry of Finance Rulings – Value Added Tax**

##### **The place of supply of warehousing services where the entire immovable property is not intended for the exclusive storage of goods**

Warehousing services in which the entire immovable property, or its specific part, is not intended for exclusive storage of goods for the particular service recipient, are not considered to be the services directly related to immovable property.

*(Ministry of Finance ruling, no. 011-00-291/2017-04 as of May 15, 2017)*

#### **New Ministry of Finance Rulings – Value Added Tax**

##### **The place of supply of services involving rental of vehicles for the period longer than 30 days**

When a VAT payer performs the supply of services involving rental of vehicles to a company for a period longer than 30 days, the place of supply of such services is considered to be the place in which the service recipient has a seat; if the supply of said services is performed to a permanent establishment which is not located in the same place as the seat of the service recipient (whilst a permanent establishment from Article 12 also includes the representative office of a foreign company), the place of supply of services is considered to be the place where the permanent establishment is located.

*(Ministry of Finance ruling, no. 011-00-306/2017-04 as of May 15, 2017)*

#### **New Ministry of Finance Rulings – Value Added Tax**

##### **The right to deduct input VAT paid on import of goods**

If it is evident from the available documentation that a foreign entity has a business relationship exclusively with an entity which imports the goods on its own behalf and for the account of another person, it may be concluded from a tax point of view that the foreign entity has performed the supply of goods (which are the subject of import), i.e. the transfer of the right of disposal of such goods to the entity importing the goods on its own behalf and for the account of another person, as well as that the entity performs another supply of goods (transfer of right of disposal) to an entity for whose account the goods were imported.

The entity that imports goods on its own behalf and for another person's account is considered to be the beneficial owner of the imported goods, meaning that the VAT payer is entitled to deduct VAT paid on import in accordance with the VAT Law, but is also obliged to issue an invoice, compute VAT and pay the computed VAT in accordance with the VAT Law for the supply of goods performed to an entity for whose account it imported the goods.

*(Ministry of Finance rulings, no. 430-00-202/2017-04 as of May 31, 2017)*

## **New Ministry of Finance Rulings – Value Added Tax**

### **Determining the tax debtor for the supply of geodetic services**

Geodetic services are not considered as services in the field of construction, meaning that the tax debtor for the supply of such services is a VAT payer performing the subject supply.

However, in case that the subject of the contract on execution of works is the supply of goods in the field of construction within construction or reconstruction of a facility, whilst the fee for the subject supply is determined as the sum of all costs (e.g. cost for geodetic services), it is considered that only the supply of goods in the field of construction was performed, for which the taxpayer is a VAT payer – recipient.

*(Ministry of Finance ruling, no. 011-00-204/2017-04 as of June 1, 2017)*

## **New Ministry of Finance Rulings – Value Added Tax**

### **Determining the place of supply of services involving clinical examination of medicines that a VAT payer provides to a foreign entity**

When a VAT payer provides the services involving clinical examination of medicines to a legal entity that performs the activity continuously, and which has its seat abroad, the place of supply of said services is considered to be the place in which the service recipient has a seat, i.e. abroad. Based on the provision of subject services, a VAT payer is not obliged to compute and pay VAT, but has the right to deduct input VAT in accordance with the VAT Law.

For the supply of said services, the VAT payer – service provider issues an invoice which should contain, inter alia, a note on the provision of the VAT Law based on which the VAT is not computed, and which should read: “VAT is not computed in accordance with Article 12, para 4 of the VAT Law”. In addition, with an aim to prove that the supply was performed to a taxpayer referred to in Article 12, para 2 of the VAT Law, who has the seat abroad, the said invoice can include the TIN number of a foreign entity – service recipient (although this is not required).

*(Ministry of Finance ruling, no. 011-00-292/2017-04 as of May 31, 2017)*

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