



Tax&Legal Highlights

Bosnia and Herzegovina

Rulebook on the Assignment of ID Number, Registration and Identification and Records of Taxpayers Within the Territory of FBiH

The Federal Ministry of Finance adopted a new Rulebook on the Assignment of Identification Number, Registration and Identification and Records of Taxpayers Within the Territory of the Federation of Bosnia and Herzegovina ("Rulebook") that was published in the Official Gazette of FBiH, no. 69/17 on 13 September 2017.

The Rulebook entered into force on 14 September 2017 and shall commence to apply as of 1 October 2017. As of the day of commencement of application of the Rulebook, the act, which has previously regulated the concerned matter – the Rulebook on the Assignment of Identification Number and Tax Registration of Taxpayers on the FBiH Territory ("Official Gazette of FBiH", no. 39/02, 1/03, 11/04, 2/10, 83/10, 66/11 and 104/14), will cease to apply.

Some of the new issues introduced by the Rulebook are follows:

- New official forms, including the Application for Assignment of ID Number for Business Units (form PI-505)

Tax&Legal Highlights

- Procedure on the ID number assignment is described in detail, separately for each type of entity which is obliged to obtain the tax ID number
- Tax Authority is obliged to initiate the procedure on tax registration ex officio in case the taxpayer does not submit appropriate application
- Documentation which shall be submitted to the Tax Authority is exhaustively listed, separately for each case of registration (including the case of tax registration of foreign legal entity's branch office)
- Tax Authority is obliged to issue the Certificate on Tax Registration within 5 days upon receipt of requested documentation
- In case when the company changes its registered headquarter from Republika Srpska or Brčko Distrikt BiH to FBiH – the company's tax ID shall remain the same
- Tax identification procedure, i.e. the procedure on tax ID number assignment to a taxpayer, only for purposes of reporting and payment of public revenues, is introduced
- The Tax Authority is obliged to create a record on bank accounts of non-resident legal entities and individuals, whilst banks are obliged to notify the Tax Authority on (de)activation of non-resident bank accounts

Positive trend of tax collection in RS: in eight months 1,5 billion BAM

The Tax Administration of Republic of Srpska in the first eight months of this year collected 1,543 billion BAM on the Public Revenue Account of RS; which is 8% or 112,7 million more than in the same period last year, and therefore the positive trend of tax collection has continued.

The Tax Administration of RS published that in these eight months the direct taxes have been collected in the amount of 323,2 million BAM, which is 9% or 25,3 million BAM more than in the same period last year.

The highest increase in direct tax collection was recorded in personal income tax, which has been collected in the amount of 154,6 million BAM, or 9% more than last year.

The collection increase of 7,9 million BAM has been recorded in corporate income tax, while in the tax on use, holding and carrying goods 421.489 BAM more were collected.

An increase in real estate tax collection has also been recorded, which in eight months of this year was in the amount of 16 million BAM, which is almost four million BAM or 33% more than in the same period last year.

When it comes to the contributions, from January to August 2017, 951,5 million BAM have been collected, which is an increase of 8% or 70,4 million BAM.

Tax&Legal Highlights

The contributions for the pension insurance fund have been collected in the amount of 521,9 million BAM, or 6% more, while the contributions for the health insurance fund are collected in the amount of 360,2 million BAM or 11% more than in the same period last year.

An increase has been recorded also in the income based on contributions for the Child Protection Fund, which is higher for 6% and for the employment fund for persons with disabilities for 15%.

With regards to other public revenues a collection of 262 million BAM has been collected, which is 9% or 21,4 million BAM more than in the same period last year.

The greatest growth has been recorded in the revenue from taxes and fees which were collected in the amount of 174,1 million BAM, which is 18% or 26,9 million more than last year.

A significant growth in the public revenue segment has been also achieved from the games of chance fees, which have been collected in the amount of 16,5 million BAM, or 14% more, and from the penalty fees, which have been collected in the amount of 13,6 million BAM, or 18% more than last year.

A smaller collection has been recorded in concession fees, which in the first eight months of this year have been collected in the amount of 23 million BAM, which is 9,3 million less than in the same period last year.

“By entering into force of the Law on Amendments to the Law on fees for the use of natural resources for the production of electricity in March last year, the fees for the use of natural resources for the production of electricity and payment method have been reduced, i.e. restored to the level before the flood, which has influenced a lower income collection from concession fees in this period”, it is written in the statement.

When it comes to the backlog obligations on indirect taxes and contributions to the Solidarity Fund, in eight months of this year 6.557.470 BAM have been collected, which is less for 4,4 million BAM than last year.

The Administration clarifies that the reason for this is the entry into force of the Law on Termination of the Law on Special Contribution to Solidarity, which is in force from January 1, 2017.

In the first eight months of this year on the territory of RS 807 taxpayers - legal entities and 2.213 taxpayers - entrepreneurs have been registered, while 219 taxpayers - legal entities and 755 taxpayers - entrepreneurs have signed out.

In August record revenues from indirect taxes in BiH, 680 million BAM collected

The Indirect Taxation Authority of Bosnia and Herzegovina collected 680 million BAM in August, which is 66 million more compared to the same period last year.

This is the largest amount of collected revenues from indirect taxes in one month ever since the establishment of the Indirect Taxation Authority.

In the first eight months of this year the Indirect Taxation Authority collected 4,589 billion BAM, which is 7,53% or 321 million BAM more than in the same period last year.

After refunds were made to taxpayers, which were in the amount of 850 million BAM in the first eight months in 2017, net collected revenue that were distributed to users, the state, entities and Brčko District, was in the amount of 3,739 billion, which is an increase of 183 million BAM compared to the funds which were distributed to the users from the Unique Account in the same period of 2016.

The amount of 499 million BAM was allocated for financing state institutions. The Federation of BiH received 2,80 billion BAM, Republic of Srpska 1,57 billion BAM and Brčko District 115 million BAM.

The growth of income from indirect taxes covered the increase of the external debt in 2017, so by the end of the year it is expected that the entities shall also receive more money from indirect taxes than last year directly on their accounts.

Based on a special toll for the construction of highways (0,10 BAM) in the period from January 1 until August 31, the Federation of BiH received an additional amount of 70 million BAM, Republic of Srpska 46 million BAM and Brčko District 2,3 million BAM. The difference represents a reservation on a separate toll account in the amount of 0.10 BA

Contacts Details

Emir Ibišević

Senior Manager

Tel: +387 33 277 560

Mobile: +387 61 396 047

Email: eibisevic@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 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.

© 2017. For information, contact Deloitte Central Europe