



Tax&Legal Highlights

SERBIA

New Ministry of Finance Rulings – Value Added Tax

The right to deduct input VAT based on food expenses for individuals engaged based on agreement on work performed outside the employment relationship

When a VAT payer – a company engaged in production of cinematographic works, audio – visual products and television programs, purchases food (catering) for the needs of individuals engaged based on temporary service agreement or another agreement on work performed outside the employment relationship, it is not entitled to deduct VAT computed and stated in the invoice of previous supply participant as input tax.

(Ministry of Finance Ruling no. 011-00-00509/2017-04 as of July 13, 2017)

New Ministry of Finance Rulings – Value Added Tax

The place of supply of services involving transloading of certain goods from a wagon to a truck

When a VAT payer provides services of transloading certain goods from a wagon to a truck, from one truck to another, etc. to a foreign entity with the

seat / permanent establishment located outside of Serbia, the place of this supply is considered to be abroad.

(Ministry of Finance ruling, no. 413-00-102/2017-04 as of July 4, 2017)

New Ministry of Finance Rulings – Value Added Tax

Determining the VAT debtor for the supply related to delivery with installation of computer equipment and software – systemic and applicative

Supply related to delivery with installation of computer equipment and software – systemic and applicative, as part of works on a plant construction, is not considered to be the supply in the field of construction.

(Ministry of Finance ruling, no. 011-00-432/2017-04 as of July 18, 2017)

New Ministry of Finance Rulings – Value Added Tax

The right of a taxpayer to reduce computed corporate income tax based on income realized from another country

A taxpayer is not entitled to reduce computed tax as stipulated by the provision of Article 53a of the Law on Corporate Income Tax based on income realized from another country for a service provided to a non-resident legal entity.

(Ministry of Finance ruling, no. 430-00-260/2017-04 as of July, 4, 2017)

New Ministry of Finance Rulings – Value Added Tax

The obligation to compute and pay withholding tax on income that a non-resident legal entity realized from a resident legal entity

When a non-resident (parent company) assigns to a resident (member of the group) the right of direct sale of goods (from resident's assortment) in a particular geographic area, whilst such assignment of rights involves exploitation of one of the forms of industrial property rights (eg. transfer of acquired knowledge and experience in the sale of these products which are not available to the public, transfer of the list of buyers), the fee realized by the non-resident has a character of a royalty, taxable with withholding tax unless double tax treaty stipulates otherwise.

(Ministry of Finance ruling, no. 430-00-237/2017-04 as of August 2, 2017)

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