

*The Rulebook on Amendments to
the Rulebook on Value Added
Tax Rulebook (Official Gazette of
the Republic of Serbia, No.
7/2023 & 15/2023)*

In the Official Gazette of the Republic of Serbia No. 7 of 31 January 2023, the Rulebook on Amendments to the Rulebook on Value Added Tax (hereinafter: the '**Rulebook**') was published, which entered into force on 1 February 2023. In addition, amendments to the Rulebook published in the Official Gazette of the Republic of Serbia No. 15/2023 of 24 February 2023, entered into force on 1 March 2023.

The main purpose of Amendments to the Rulebook is harmonization with the regulations on electronic invoicing, while at the same time certain novelties have been introduced.

The most important novelty is certainly the obligation to perform internal accounting by tax debtors for all services received without compensation (for business or non-business purposes) from foreign persons who are not liable for VAT in the Republic of Serbia.

Consequently, the tax debtor, i.e. the recipient of services, calculates VAT at the prescribed tax rate and pays the calculated VAT in accordance with the Law on Value Added Tax ("Official Gazette of RS", No. 84/2004) 86/2004 - amended, 61/2005, 61/2007, 93/2012, 108/2013, 6/2014, 68/2014 - other laws, 142/2014, 5/2015, 83/2015, 5/2016, 108/2016, 7/2017, 113/2017, 13/2018, 30/2018, 4/2019, 72/2019, 8/2020, 153/2020 and 138/2022; hereinafter: '**Law**').

When it comes to the method of determining the tax base for transactions carried out for a fee, the Rulebook specifies in more detail the method of determining the market value for the purposes of determining the tax base on which VAT is calculated in connection with fees or part of the fee that are not realized in money.

Furthermore, the Rulebook provides that a VAT payer who carries out sales of goods and services for which a tax exemption is prescribed with the right to deduct the previous tax, issues an invoice in which he does not show information about the amount of the base, the tax rate that is applied, the amount of VAT calculated on basis and a note that the billing system is applied for the sale of goods and services. However, the VAT payer is obliged to enter the tax exemption certificate number from the Tax Administration if the tax exemption for that transaction is obtained on the basis of that certificate.

The Rulebook now also regulates the situation in which a VAT payer issues an invoice for sales that is partly subject to VAT and partly exempt from the obligation to calculate VAT. In the mentioned case, for the part of the turnover that is taxable with VAT, the tax base for calculating VAT and the VAT calculation should be stated in the invoice, and for the part of the turnover that is exempt from VAT, the amount of compensation should be stated.

In addition, Amendments to the Rulebook include provisions regulating situations when, after the sale of goods and services, the compensation for that sale is changed. In that case, the VAT payer issues a document on the increase or decrease of

the fee, i.e. a document on the increase or decrease of the base.

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Also, in case of change of a taxpayer after the advance payment, the VAT payer who made that transaction issues an invoice showing the total amount of the base, without VAT, and the recipient of the goods, that is, services, calculates VAT for that transaction in accordance with the Law. The VAT payer, i.e. the person who performed the transaction of services or goods, has the right to cancel the advance invoice, as well as to correct the calculated VAT, if he has a recipient's document confirming that he has corrected the deduction of the previous tax, i.e. that the VAT on the advance he did not use the account as a previous tax.

Amendments to the Rulebook, published in the Official Gazette 15/2023, refer to amendments of Article 192 of the Rulebook, which regulate the issuing of invoices for multiple individual deliveries of goods or services performed to one person, and which now provides for the possibility of electronic invoices for the sale of goods, that is, the service for multiple individual deliveries of goods or services performed to one person, may be issued after the last day of the tax period regulated by paragraphs 2 and 3 of Article 192 of the Rulebook, and no later than within 15 days from the expiration of the specified period, whereby as information on the date turnover in such an electronic invoice, the last day of the tax period referred to in paragraph 2, i.e. the last day of the calendar month referred to in paragraph 3 of Article 192 of the Rulebook, is stated.

For any additional consultation or legal assistance, you can contact the Tasić & Partners team by email: