

# New VAT Rulebooks



On 1 November 2012 the Minister of Finance and Economy adopted the **Rulebook on Determining Services Provided Electronically**, in Respect of the Law on Value Added Tax (hereinafter: Rulebook on Determining Services Provided Electronically), the **Rulebook on Determining Secondary Raw Materials and Services Directly Related With Secondary Raw Materials**, in Respect of the Law on Value Added Tax (hereinafter: Rulebook on Determining Secondary Raw Materials), as well as the **Rulebook on Amendments to the Rulebook on Procedure for Exercising Rights to VAT Refunds and Method and Procedure for Refunding and Repayment of VAT** (hereinafter: **Amendments to the Rulebook on VAT Refunds**).

All three rulebooks were published in the Official Gazette of the Republic of Serbia number 107/2012 dated 9 November 2012

## Application

- The Rulebook on Determining Services Provided Electronically and the Rulebook on Determining Secondary Raw Materials are applicable as of 1 January 2013
- The Amendments to the Rulebook on VAT Refunds will go into force on 1 January 2013, except for the provisions relating to VAT refunds for humanitarian organizations, VAT refunds for diplomatic and consular offices and international organisations and VAT refunds for first-time homebuyers, which are applicable as of 17 November 2012.

## Services Provided Electronically

The Rulebook on Determining Services Provided Electronically defines in greater detail what are considered to be services provided electronically, in the sense of article 12 paragraph 3 point 4) sub-point (10) of the VAT Law.

Services provided electronically are considered to be:

- supply of web pages, storage and maintenance of web pages;
- supply of programs and their updating, remote maintenance of programs and computer equipment;
- supply of pictures, texts and information and enabling database access;
- supply of audio and video records, as well as supply of games;
- supply of political, cultural, art, sports, science, educational and entertainment programs and events during or after their shooting;
- services in the area of long distance learning.

In accordance with the Rulebook on Determining Services Provided Electronically, communication between service supplier and recipient via electronic mail does not mean that that services have been provided electronically.

## Secondary Raw Materials

The Rulebook on Determining Secondary Raw Materials defines in greater detail what are considered to be secondary raw materials and services directly related to secondary raw materials in the sense of article 10 paragraph 2 point 1) of the VAT Law.

Secondary raw materials in accordance with the Rulebook on Determining Secondary Raw Materials are considered to be *inter alia*:

- waste and refuse (including slag and ash) contained in iron, steel, copper and other metals or precious metals;
- waste and refuse from paper or cardboard;
- waste and refuse from glass, plastic, rubber, textile, leather, imitation leather and fur.

Services that are directly related to secondary raw materials are considered to be services of sorting, cutting, dismantling into parts, cleaning, polishing and pressing of secondary raw materials.

## Amendments to the Rulebook on VAT Refunds

### VAT refunds for foreign taxpayers

Provisions related to the right to a refund in accordance with the latest amendments of article 53 of the VAT Law which regulates this area are fully harmonized. Furthermore, the Rulebook prescribes that the period for processing a refund request is 30 days, instead of the previous period of 15 days, and that VAT refunds to a foreign taxpayer are made in the currency of the country filing the request for refund, converted at the currency selling exchange rate of the National Bank of Serbia.

### VAT refunds for humanitarian organizations

The Rulebook prescribes that the period for processing a refund request is 30 days, instead of the previous period of 15 days.

### VAT refunds for traditional congregational churches and religious communities

Provisions related to the right to a VAT refund in accordance with the latest amendments to the VAT Law are fully harmonized, whereby the Rulebook specifies that the request for a refund shall be accompanied by proof that invoices for which the refund is requested have been paid by an entity which is entitled to such refund, in accordance with article 55 of the VAT Law, which regulates this area. The Rulebook prescribes that the period for processing a refund request is 30 days, instead of the previous period of 15 days.

### VAT refunds for diplomatic and consular offices and international organizations

The Rulebook prescribes that the period for processing a refund request is 30 days, instead of the previous period of 15 days.

### VAT refunds for first-time homebuyers

Provisions related to the right to a VAT refund in accordance with the latest amendments to article 56a of the VAT Law, which regulates this area, are fully harmonized.

## VAT refunds for purchase of baby food and accessories

Provisions related to the right to a VAT refund in accordance with the new article 56b of the VAT Law, which regulates this area, are fully harmonized.

The Rulebook prescribes that the refund request must be submitted in written form to the organizational unit of the Tax Authority on whose territory the applicant has a permanent address, on a specially prescribed RFBN form. The Rulebook specifies that the request must be filed from 1 to 15 July for the period from 1 January to 30 June of the current year, and from 1 to 15 February of the current year for purchases made from 1 July to 31 December of the previous year. The Rulebook specifies documents that must be submitted along with the refund request.

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