

# Deadlines After Termination of the State of Emergency in Serbia

## Tax Alert

May 2020



On 6 May 2020 the Serbian Parliament adopted the Decision on Termination of the State of Emergency (hereinafter: the **Decision**) introduced on 15 March 2020. The Decision was published in the Official Gazette of the Republic of Serbia no. 65/2020 on 6 May 2020.

The Decision is effective as of 6 May 2020.

As we informed you earlier, on the date of termination of the state of emergency, being 6 May 2020, special tax measures introduced during the duration of the state of emergency are no longer effective. As a result, deadlines for meeting specific statutory requirements are reinstated which had been deferred due to the state of emergency, including deadlines within which taxpayers can exercise their right to protection of their legal interests by invoking particular legal means.

For reference purposes, a summary of the most significant implications of the termination of the state of emergency is presented below.

### Special tax measures introduced during the duration of the state of emergency that are no longer effective

Taxpayer categories	Date of termination of state of emergency – 6 May 2020
Taxpayers under the regimen of deferred payment of tax liabilities	<p>The prohibition against canceling agreements and revoking of decisions on postponement of taxes owed ex officio is no longer effective.</p> <p>The prohibition against enforced collection of matured liabilities under the postponement regimen during the duration of the state of emergency is no longer effective.</p> <p>Accrual of interest on postponed tax liabilities commences again.</p>
VAT payers	<p>The right to VAT exemption with the right to deduct input VAT on the supply of protective equipment (masks) is cancelled, where the National Health Insurance Fund (RFZO) conducts such supplies for entities that are engaged in distributing protective equipment (masks).</p> <p>The right to VAT exemption with the right to deduct input VAT on the supply of goods and services without consideration performed by a VAT payer to the Ministry of Health, the National Health Insurance Fund or a publicly owned healthcare institution is henceforth revoked.</p>
Taxpayers who have not settled their liabilities on time/are entitled to accrual of positive interest	<p>The application of temporary accrual of interest at a rate equal to the National Bank of Serbia's key policy rate on the amount of due but unpaid tax liability is hereby discontinued, including overpaid amounts of tax.</p> <p><b>Starting as of 6 May 2020 interest on the amount of due but unpaid tax liability is accrued at the rate of 11.50% (instead of previous 1.50%).</b></p>

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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## Deadlines that are effective as of the date of termination of the state of emergency

As of the date of termination of the state of emergency deadlines presented in the table below shall go into effect:

Action/activity	Deadline - descriptive	Deadline expiry date
Filing of regular financial statements for 2019	90 days from date of termination of state of emergency	3 August 2020
Filing of consolidated financial statements for 2019	120 days from date of termination of state of emergency	2 September 2020
Filing of interim financial statements	30 days as of termination of the state of emergency, if the regular deadline (60 days as of the date on which interim financial statements are prepared) falls in the period of the state of emergency	4 June 2020
Filing of regular annual financial statements for companies whose financial year differs from the calendar year	90 days as of termination of the state of emergency, if the regular deadline (6 months as of the date on which financial statements are prepared) falls in the period of the state of emergency	3 August 2020
Filing of annual reports and financial statements with auditor's report for all entities whose reporting requirements are regulated by the Law on Capital Markets or the Law on Investment Funds or the Law on Open Investment Funds With Public Offering	60 days from the date of termination of state of emergency	6 July 2020
Filing of corporate income tax return for 2019	90 days from the date of termination of the state of emergency	3 August 2020
Filing of corporate income tax return for a tax period other than the calendar year	90 day as of termination of state of emergency, if the regular deadline (180 days as of the expiry of the period for which tax is determined) falls in the period of the state of emergency	3 August 2020
Holding of regular shareholders' meetings of joint stock companies	90 days from date of termination of state of emergency	3 August 2020
Submission of documentation in hard copy to the NBS based on which forms are certified on reporting about credit transactions of residents with foreign countries	10 days from of termination of state of emergency	15 May 2020
Filing of complaints to the Administrative Court against a final tax act issued during the state of emergency	30 days from date of termination of state of emergency	4 June 2020

## Deadlines for invoking legal remedies in tax and customs proceedings

Deadlines for invoking legal remedies against first instance authority assessments and decisions by tax and customs authorities, issued in proceedings of assessment, payment, collection and auditing of public revenues during the state of emergency are presented below:

Action/activity	Deadline - descriptive	Date of filing/deadline expiry date
Regular submission of documents (assessments, decisions)	15 th day from the date of termination of the state of emergency	20 May 2020
Filing of appeals against first instance authority assessments and decisions by tax and customs authorities	15 days from the date of receipt of first instance authority's assessment/decision	4 June 2020

The KPMG team is at your disposal for any questions.

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