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## Serbia: New amendments of the Law on Tax Administration and Tax Proceedings

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Tax

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Despite the recently adopted amendments of the Law on Tax Proceedings and Tax Administration ("Law"), on 24 February 2016 the National Assembly of the Republic of Serbia has adopted a brand new set of amendments in order to accommodate timely fulfillment of tax obligations by the tax payers. However, it should be also noted that certain rights previously available to tax payers are now being limited to a greater extent as compared to the previous regime.

In the part governing the procedure of granting tax payers a tax identification number ("TIN"), besides the existing restrictions, new ones are also added such as the provision stipulating that the TIN cannot be granted to a company in case the competent authority already withdrew TIN of its founder (other company or entrepreneur). The same restriction is also prescribed for a spin-off in case the competent authority withdrew the TIN from its demerging (parent) company. Additionally, the Tax Administration may also withdraw the TIN from a tax payer in case of temporarily blocked accounts if such temporary measure is in force for longer than one year.

Tax payer can no longer apply for postponing the payment of a tax obligation which has not become due. Now only the payment of a due tax obligation can be postponed. The interest on the outstanding amount of tax obligation will be calculated for the entire period of the payment postponement, but the interest rate is significantly reduced. The period for which the payment of tax obligation can be extended by payment in installments is extended from a maximum 24 months to 60 months. In case a tax payer timely settles installments of the postponed tax obligation as well as due current tax obligations, a portion of the calculated interest for a debt paid during the relevant period may be written off in accordance with the conditions under the Law and up to 50%.

Further, the maximum amounts of the tax obligation subject to postponement for which tax payer will not be obliged to provide collateral are raised. The respective amount for natural persons goes up to RSD 200,000.00 and for companies up to RSD 1,500,000.00. Exceptionally, the postponement of settlement of tax obligation in installments, without collateral provided, under the prescribed conditions will be granted to a tax payer who has submitted a request for postponement of a tax obligation that was due prior to entry into force of these amendments and provided that such tax obligation does not exceed the amount of RSD 2,000,000.00.

The amendments of the Law also regulate the status and rights of tax payers, that already acquired the right to postponement of tax obligation through installments for a period of 24 months, in accordance with the Law on Conditional Writing-off of Interest and Debt Standstill, and the status of tax payers that have submitted the request for postponement prior to entry into force of these amendments, including those tax payers to whom the Tax Administration ex officio annulled the agreement on postponement of tax obligation or revoked its decision on granting the postponement of tax obligations through installments.