

Notice by the Ministry of Finance related to the obligation of banks in executing payment orders for salary payments



On 5 June 2012 the Ministry of Finance issued Notice no. 011-00-326/2012-04 related to the application of article 30a of the Law on Tax Procedure and Tax Administration, which will become effective as of 1 July 2012.

Article 30a of the Law prescribes that a bank will release payment of salaries and salary compensation, only if payment is made concurrently of related taxes and contributions for mandatory social insurance to the appropriate account of public institutions, calculated in accordance with the law.

If there are insufficient funds on the bank account of the payer for concurrent payment of salaries and salary compensation, and of related taxes and contributions, the bank shall only allow for payment of the proportional portion of salaries and salary compensation and related taxes and contributions.

In accordance with the Ministry of Finance Notice, banks will not perform control of calculation and payment of taxes and contributions on salaries and salary compensation, and will only notify the Tax Authorities of executed payment orders for payments of salaries, salary compensations, wages for temporary and occasional jobs and related taxes and contributions.

Exchange of information will be carried out in the manner specified by the Tax Authorities HQ in conjunction with the Association of Serbian Banks.

Once it receives information, the Tax Authorities shall undertake appropriate activities that are within their competence of supervision, collection and initiation of misdemeanour and criminal proceedings.

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