

New Rulebook on Form, Content and Method of Keeping VAT Records and Form and Content of the Overview of VAT Calculation adopted

TAX ALERT

October 2016

On September 28 the Ministry of Finance of the Republic of Serbia adopted the Rulebook on Form, Content and Method of Keeping VAT Records and Form and Content of the Overview of VAT Calculation (hereinafter: the Rulebook) as published in the Official Gazette of the Republic of Serbia no. 80/2016 dated 30 September 2016.

The Rulebook goes into effect on 8 October 2016 and will be applied as of 1 January 2017.

On the date that this Rulebook starts to be applied, the Rulebook on Form, Content and Method of Keeping VAT Records (Off. Gazette RS, no. 120/2012) shall no longer be effective.

The Rulebook regulates in greater detail the form, content and method of keeping VAT records, as well as the form and content of the overview of VAT calculation.

Effects on taxpayers

Harmonization of VAT records with the Rulebook and filling out of the POPDV form shall require accounting software changes for the majority of taxpayers.

In addition to the costs of accounting software changes, also relevant is the time required for carrying out all the changes, while keeping in mind that all required changes must be carried out by the end of the year.

VAT records

The Rulebook specifies significantly higher data requirements that the VAT taxpayer must provide in VAT records, than was the case up to now.

All invoices and documentation related to performed supply and all other activities are grouped into 13 categories (supply with right to deduct input VAT, taxable supply, supply of goods and services abroad, decrease or increase in contribution, purchase of goods and services, etc.).

As part of each category it is necessary to provide data by transaction type (e.g. as part of supply with right to deduct input VAT it is necessary to indicate separately exports, delivery of goods to the territory of the Autonomous Province of Kosovo and Metohija, supply of goods that are delivered into the free zone and supply of goods within the zone, supply of services in the free zone, etc.).

Accordingly, the Rulebook requires for all invoices and other documentation to be grouped by categories and within each category by transaction type, which is currently not the case.

The Rulebook specifies that VAT records should contain information which up to now did not have to be recorded, such as information which describes more specifically the goods or services (information about the name, sort, model, type, quantity, volume, etc.), the date of occurrence of the tax liability, and the fulfilment of requirements for tax exemption, etc.



Overview of VAT calculation

Based on VAT records, the VAT payer is required to prepare an overview of VAT calculation for each tax period, based on which data is entered into the tax return.

The overview of the VAT calculation is submitted electronically with each tax return on the POPDV form. The form and content of the POPDV form is prescribed by the Rulebook.

The POPDV form contains all 13 categories of supply and other activities for which VAT records are kept, within which transaction types are specified for which information on consideration and VAT is indicated.

The POPDV form is to be submitted together with the tax return starting as of the filing of the tax return for the first tax period in 2017.

Should you have any queries and require additional information and support in the Rulebook implementation process, we remain at your disposal.

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