

A close-up photograph of a wooden gavel with a brass band, resting on a stack of white papers. A silver pen is also visible on the papers. The background is a light-colored wooden surface.

Amendments to the Law on Tax Procedure and Tax Administration

TAX ALERT
January 2017

On 28 December 2016 the Serbian Parliament adopted the Law on Amendments to the Law on Tax Procedure and Tax Administration (hereinafter: **Law on Amendments to LTPTA**) as published in the Official Gazette of the Republic of Serbia number 108 dated 29 December 2016

The Law on Amendments to LTPTA goes into force on 1 January 2017.

An overview of significant changes is provided below.

Transfer of competencies for conducting the tax appeals procedure from the Tax Authority to the Ministry of Finance

The competence of the Tax Authority for conducting the tax appeal procedure is cancelled, such that appeals procedures against tax administrative rulings shall henceforth be handled by an appeals body formed within the Ministry of Finance.

It is specified that this shall apply starting as of 1 July 2017. Appeals proceedings that are not concluded by 30 June 2017 shall be taken over by the appeals body formed within the Ministry of Finance.

Application of regulations related to inspection in tax procedure

It is specified that tax procedure, besides being regulated by the Law on General Administrative Procedure, shall also be regulated in subsidiary capacity by the Law on Supervisory Inspection.

Prohibition against issuing of TIN

The prohibition against issuing of TIN is introduced for legal entities whose founder (legal entity, entrepreneur or

private individual) is at the same time the owner of a legal entity whose TIN has been temporarily suspended.

Temporary reassignment of TIN in bankruptcy proceedings

Amendments specify that the Tax Authority can reassign a temporarily suspended TIN to a legal entity during the duration of bankruptcy proceedings if so instructed by a bankruptcy judge.

Prohibition against change of information in the Register of Companies

The prohibition is introduced against deletion of a legal entity, registration of a status change, change of information about the founders, members, name, address, ownership share and form of organization of the legal entity in the Register of Companies as kept by the Business Registers Agency whose TIN has been temporarily suspended for the duration of the temporary suspension of TIN.

Assessment of tax by the Tax Authorities without previous response by taxpayer

Amendments specify that in exceptional cases the Tax Authorities, based on the records of competent authorities, can issue an assessment of tax liability directly without previous response by the taxpayer on facts of relevance to the assessment.

Specifying deadlines for deciding on the request for postponement of execution of tax assessment

Amendments specify that a request for postponement of execution of an administrative document can only relate to documents that specify a tax liability. The deadline of 5 days is specified for deciding on the request for postponement of execution of tax assessment.

Tax violations by foreign entities performing supplies in Serbia without having appointed a tax representative

The violation is introduced for entities performing supplies of goods and services in the Republic of Serbia

without a permanent establishment, and which had not appointed a tax representative and did not register as a VAT taxpayer.

The fine specified for a legal entity is specified in the range from 100,000 to 2,000,000 dinars.

The fine specified for a private individual is specified in the range from 5,000 to 150,000 dinars.

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