



Amendment to the Decree on Fiscal Benefits and Direct Aid to Private Sector and Citizens due to COVID-19

Tax Alert

April 2020

In the Official Gazette of the Republic of Serbia No. 60 of 24 April 2020, the Government of Serbia has published the Amendments of the Decree on Fiscal Benefits and Direct Aid to Companies in the Private Sector and Monetary Aid to Citizens Aimed at Reducing Economic Consequences due to COVID 19 (**Amendments**).

The Amendments entered into force on 24 April 2020.

Amendments related to entrepreneurs, micro, small and medium sized entities

Dopune koje se odnose na preduzetnike, mikro, mala i srednja lica

Number of employees who qualify for direct aid should be decreased by the number of employees whose employment is terminated in the following way:

1. for the second payment (made in June 2020 based on the number of employees in April 2020) – for the number of terminated employment contracts between 10 and 30 April 2020,
2. for the third payment (made in July 2020 based on the number of employees in May 2020) – for the number of terminated employment contracts between 1 and 31 May 2020.

Amendments related to large entities

Only employees who are on so-called “forced leave” for at least 15 working days in April and in May 2020 may qualify for direct aid in the amount of 50% of minimum wage provided to big entities, for second and third payment made in June and July 2020.

Amendments related to all users of fiscal benefits

Funds received as direct aid must be distributed to employees no later than 15 August 2020.

Moratorium on dividends payment is additionally précised to include any payments made by legal entity to its owners which are based on ownership over shares/stakes in that entity.

Entities which have been delisted from the List of public funds users by 24 April 2020 are eligible for fiscal benefits.

Entities which lose the right to benefits must repay received funds increased for late payment interest, to the assigned account with the Treasury Administration.

If you have any questions or need the support of our experts, feel free to contact us at tax@kpmg.rs

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