



Tax Alert

March 2021

# Serbian Network of Double Taxation Treaties and List of Tax Havens 2021

Situation as at 1 January 2021



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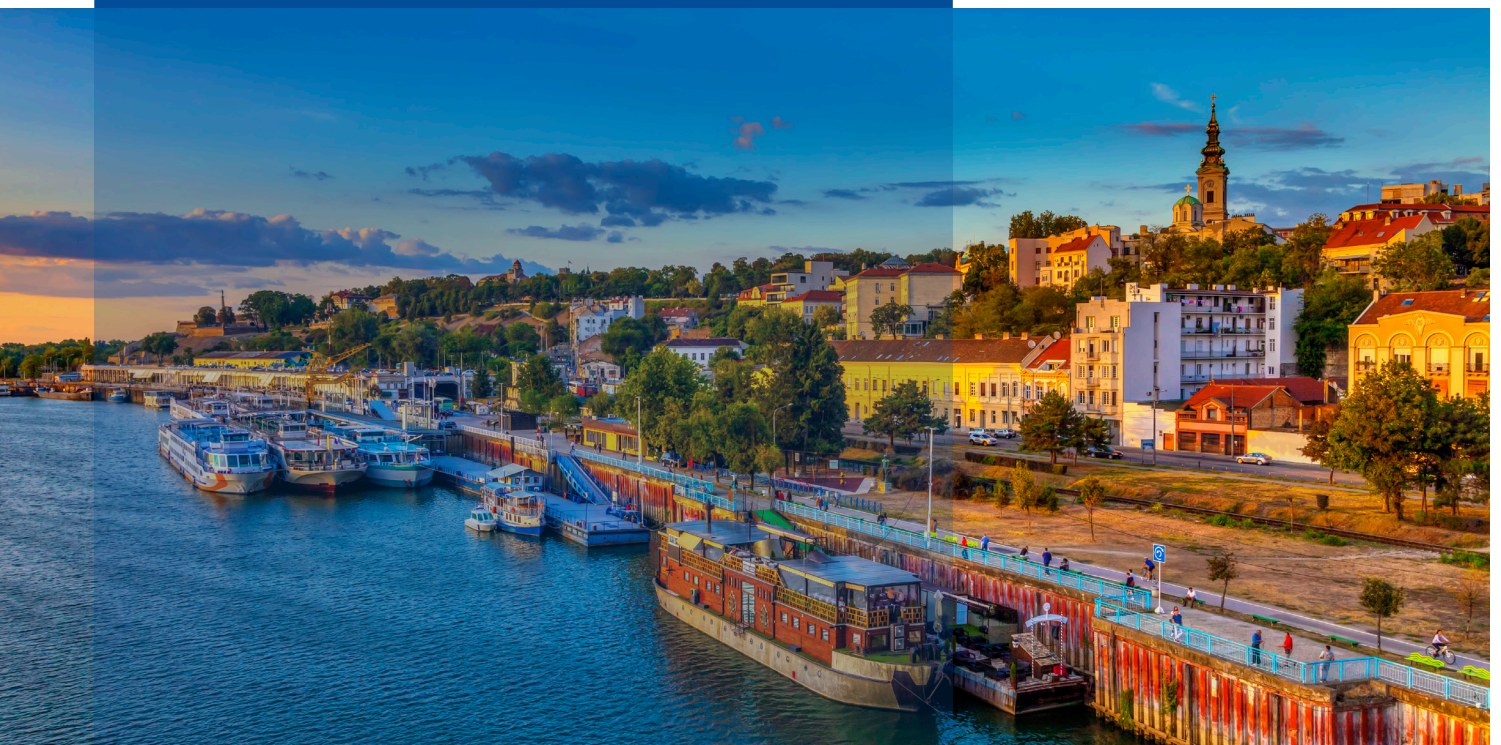


The network of effective double taxation treaties between Serbia and other countries has been increased with the treaty with Hong Kong.































In addition, as a result of Multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting (MLI), treaties with the following countries are amended:

- Albania
- Austria
- Belgium
- Bosnia and Herzegovina
- Canada
- Cyprus
- Czech Republic
- Denmark
- Egypt
- Finland
- France
- Georgia
- India
- Indonesia
- Ireland
- Kazakhstan
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Norway
- Poland
- Qatar
- Russia
- Slovakia
- Slovenia
- South Korea
- Ukraine
- United Arab Emirates and
- United Kingdom



The list of 61 double taxation treaties of Serbia effective as at 1 January 2021 is presented below (treaties with countries amended by MLI are in **bold font**):

No.	Country	Dividends <sup>1</sup>	Interest	Royalties	Services <sup>6</sup>	Capital gains from sale of shares
1	 <b>Albania</b> <sup>13</sup>	15/5 <sup>14</sup>	10	10	10	20/0 <sup>7</sup>
2	 Armenia	8	8	8	0	20/0 <sup>7</sup>
3	 <b>Austria</b> <sup>13</sup>	15/5	10/0 <sup>11</sup>	10/5 <sup>3</sup>	0	20/0 <sup>8</sup>
4	 Azerbaijan	10	10	10	0	20/0 <sup>8</sup>
5	 Belarus	15/5	8	10	0	0
6	 <b>Belgium</b> <sup>13</sup>	15/10 <sup>14</sup>	15	10	0	0
7	 <b>Bosnia &amp; Herzegovina</b> <sup>13</sup>	10/5	10/0 <sup>11</sup>	10	0	20/0 <sup>12</sup>
8	 Bulgaria	15/5	10	10	0	0
9	 <b>Canada</b> <sup>13</sup>	15/5 <sup>14</sup>	10/0 <sup>11</sup>	10	0	20/0 <sup>12</sup>
10	 China	5	10/0 <sup>11</sup>	10	0	20/0 <sup>7</sup>
11	 Croatia	10/5	10	10	0	20/0 <sup>7</sup>
12	 <b>Cyprus</b> <sup>13</sup>	10	10	10	0	0
13	 <b>Czech Republic</b> <sup>13</sup>	10	10/0 <sup>11</sup>	10/5 <sup>4</sup>	0	0
14	 <b>Denmark</b> <sup>13</sup>	15/5 <sup>14</sup>	10/0 <sup>11</sup>	10	0	20/0 <sup>12</sup>
15	 <b>Egypt</b> <sup>13</sup>	15/5 <sup>14</sup>	15	15	0	20/0 <sup>12</sup>
16	 Estonia	10/5	10/0 <sup>11</sup>	10/5 <sup>4</sup>	0	20/0 <sup>8</sup>
17	 <b>Finland</b> <sup>13</sup>	15/5	0	10	0	0
18	 <b>France</b> <sup>13</sup>	15/5 <sup>14</sup>	0	0	0	20/0 <sup>12</sup>
19	 <b>Georgia</b> <sup>13</sup>	10/5	10/0 <sup>11</sup>	10	0	20/0 <sup>8</sup>
20	 Germany	15	0	10	0	20 <sup>10</sup>
21	 Greece	15/5	10	10	0	0
22	 Hungary	15/5	10	10	0	0
23	 Hong Kong	10/5 <sup>14</sup>	10 <sup>15</sup>	10/5 <sup>3</sup>	0	20/0 <sup>12</sup>
24	 <b>India</b> <sup>13</sup>	15/5 <sup>14</sup>	10/0 <sup>11</sup>	10	10	20/0 <sup>12</sup>
25	 <b>Indonesia</b> <sup>13</sup>	15	10/0 <sup>11</sup>	15	0	20/0 <sup>12</sup>
26	 Iran	10	10/0 <sup>11</sup>	10	0	20/0 <sup>7</sup>
27	 <b>Ireland</b> <sup>13</sup>	10/5 <sup>14</sup>	10/0 <sup>11</sup>	10/5 <sup>4</sup>	0	20/0 <sup>12</sup>
28	 Israel	15/5 <sup>14</sup>	10/0 <sup>11</sup>	10/5 <sup>3</sup>	0	20/0 <sup>12</sup>
29	 Italy	10	10	10	0	0
30	 <b>Kazakhstan</b> <sup>13</sup>	15/10 <sup>14</sup>	10/0 <sup>11</sup>	10	10	20/0 <sup>12</sup>
31	 Kuwait	10/5	10/0 <sup>11</sup>	10	0	0
32	 <b>Latvia</b> <sup>13</sup>	10/5	10/0 <sup>11</sup>	10/5 <sup>3</sup>	0	20/0 <sup>8</sup>
33	 Libya	10/5	10/0 <sup>11</sup>	10	0	20/0 <sup>7</sup>
34	 <b>Lithuania</b> <sup>13</sup>	10/5	10/0 <sup>11</sup>	10	0	20/0 <sup>8</sup>
35	 <b>Luxembourg</b> <sup>13</sup>	10/5	10/0 <sup>11</sup>	10/5 <sup>3</sup>	0	0
36	 <b>Malta</b> <sup>13</sup>	10/5	10/0 <sup>11</sup>	10/5 <sup>3</sup>	0	20/0 <sup>12</sup>
37	 Moldova	15/5	10	10	0	0
38	 Montenegro	10	10/0 <sup>11</sup>	10/5 <sup>3</sup>	0	20/0 <sup>8</sup>
39	 <b>Netherlands</b> <sup>13</sup>	15/5 <sup>14</sup>	0	10	0	0 <sup>9</sup>
40	 North Korea	10	10/0 <sup>11</sup>	10	0	0

No.	Country	Dividends <sup>1</sup>	Interest	Royalties	Services <sup>6</sup>	Capital gains from sale of shares
41	 North Macedonia	15/5	10	10	0	0
42	 <b>Norway</b> <sup>13</sup>	15/5 <sup>14/0</sup> <sup>16</sup>	10/0 <sup>11</sup>	10/5 <sup>3</sup>	0	20/0 <sup>8</sup>
43	 Pakistan	10	10/0 <sup>11</sup>	10	10	20/0 <sup>8</sup>
44	 <b>Poland</b> <sup>13</sup>	15/5 <sup>14</sup>	10	10	0	20/0 <sup>12</sup>
45	 <b>Qatar</b> <sup>13</sup>	10/5	10/0 <sup>11</sup>	10	0	0
46	 Romania	10	10/0 <sup>11</sup>	10	0	0
47	 <b>Russia</b> <sup>13</sup>	15/5 <sup>14</sup>	10	10	0	20/0 <sup>12</sup>
48	 San Marino	10/5	10/0 <sup>11</sup>	10	0	20/0 <sup>12</sup>
49	 <b>Slovakia</b> <sup>13</sup>	15/5 <sup>14</sup>	10	10	0	20/0 <sup>12</sup>
50	 <b>Slovenia</b> <sup>13</sup>	10/5 <sup>14</sup>	10/0 <sup>11</sup>	10/5 <sup>3</sup>	0	20/0 <sup>12</sup>
51	 <b>South Korea</b> <sup>13</sup>	10/5	10/0 <sup>11</sup>	10/5 <sup>3</sup>	0	20/0 <sup>8</sup>
52	 Spain	10/5	10/0 <sup>11</sup>	10/5 <sup>4</sup>	0	20/0 <sup>8</sup>
53	 Sri Lanka	12.50	10	10	0	0
54	 Sweden	15/5	0	0	0	0
55	 Switzerland	15/5	10	0 <sup>5</sup>	0	20/0 <sup>7</sup>
56	 Tunisia	10	10	10	10	20/0 <sup>7</sup>
57	 Turkey	15/5	10/0 <sup>11</sup>	10	0	0
58	 <b>Ukraine</b> <sup>13</sup>	10/5	10/0 <sup>11</sup>	10	0	20/0 <sup>12</sup>
59	 <b>United Arab Emirates</b> <sup>13</sup>	10/5/0 <sup>2</sup>	10/0 <sup>2</sup>	10	0	20/0 <sup>8</sup>
60	 <b>United Kingdom</b> <sup>13</sup>	15/5	10	10	0	0
61	 Vietnam	15/10	10	10	0	20/0 <sup>7</sup>

- If the recipient company holds at least 25% (20% in DTT with Switzerland, 5% in DTT with UAE) of the paying company, the lower of the two rates shown applies.
- 0% rate will apply if paid to the government of the contracting state (or political subdivisions or local authorities). In the case of payment of dividends by Serbian tax residents to tax residents of the United Arab Emirates, the Protocol provides specific list of entities to which 0% rate on dividends is applicable.
- For the use of, or the right to use, any copyrights of literary, artistic or scientific work, including cinematography films, films and tapes for television and radio, the tax shall not exceed 5% of the gross amount of the royalties. For the use of, or the right to use, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment, or for information concerning industrial, commercial or scientific experience, the tax shall not exceed 10% of the gross amount of the royalties.
- For the use of, or the right to use, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use, industrial, commercial or scientific equipment or for information concerning industrial, commercial or scientific experience, the tax shall not exceed 10% of the gross amount of the royalties.  
For the use of, or the right to use, any copyright of literary, artistic or scientific work **except for computer software** and including cinematography films or films or tapes used for radio or television broadcasting, the tax shall not exceed 5% of the gross amount of the royalties.
- Provided by the Protocol to the treaty between Serbia and Switzerland. Valid until Switzerland imposes withholding tax on royalties.
- 0% rate is provided by the article dealing with business profits.
- Gains from the alienation of shares of the capital stock of a company the property of which consists directly or indirectly principally of immovable property situated in Serbia may be taxed in Serbia by 20% rate.
- Gains derived by a resident of other Contracting State from the alienation of shares or comparable interests deriving more than 50 % of their value directly or indirectly from immovable property situated in the other Serbia may be taxed in Serbia by 20% rate.
- In case of gains from the alienation of shares or other rights participating in the profits of a company, the capital of which is wholly or partly divided into shares and which is a resident of the Contracting State, derived by an individual who is a resident of the other State and has been a resident of the first-mentioned State in the course of the last five years preceding the alienation of the shares or rights, each of the States has the right to levy according to its own law a tax on such gains.
- Gains from the alienation of rights from a contract on investments in a Yugoslav organization of associated labor may be taxed in Yugoslavia.
- 0% rate will apply if paid to: 1) the government of the contracting state (or political subdivisions or local authorities), 2) the Central or National Bank of the contracting state or 3) a financial institution controlled or mainly owned by the Government of the other Contracting State or political subdivisions or local authorities thereof.
- Gains derived by a resident of a Contracting State from the alienation of shares or comparable interests, such as interests in a partnership or trust, may be taxed in the other Contracting State if, at any time during the 365 days preceding the alienation, these shares or comparable interests derived more than 50 % of their value directly or indirectly from immovable property (real property) situated in that other Contracting State.
- Double Tax Treaty is changed by MLI.
- 5% rate is provided only if the ownership conditions for at least 25 % of the capital are met throughout a 365 day period that includes the day of the payment of the dividends (for the purpose of computing that period, no account shall be taken of changes of ownership that would directly result from a corporate reorganization, such as a merger or divisive reorganization, of the company that holds the shares or that pays the dividends).
- 0% rate will apply if paid to: 1) Hong Kong government (Special Administrative Region), 2) Monetary Authorities of Hong Kong and 3) Stock Exchange Fund.
- 0% rate applies to dividends distributed to: 1) Central Bank of Norway, 2) Government Global Pension Fund and 3) any entity wholly or predominantly owned or established by Norwegian Government as agreed by relevant authorities of the treaty countries.




























# Jurisdictions with a preferential tax system



If a foreign legal entity is located in a jurisdiction with a preferential tax system, the tax rate is 25%. In addition, the tax is paid on fees paid to a foreign person for all services, regardless of the place of delivery or use.

From 1 January 2021 Hong Kong is no longer on the list of jurisdictions with a preferential tax system. The list of jurisdictions with a preferential tax system applicable as of 1 January 2021 is presented below:

	Andorra
	Anguilla
	Antigua and Barbuda
	Aruba
	Bahamas
	Bahrain
	Barbados
	Belize
	Bermuda
	British Virgin Islands
	Cayman Islands
	Christmas Island
	Cook Islands
	Dominican Republic
	Falkland Islands
	Fiji
	Gibraltar
	Grenada
	Guam
	Guernsey
	Guyana
	Isle of Man
	Jersey
	Liberia
	Liechtenstein

	Macao
	Maldives
	Marshall Islands
	Mauritius
	Monaco
	Monserrat
	Nauru
	Netherlands Antilles
	Niue
	Normand Isles
	Palau
	Panama
	Saint Kitts and Nevis
	Saint Lucia
	Saint Vincent and the Grenadines
	Samoa
	Seychelles
	Solomon Islands
	Tonga
	Trinidad and Tobago
	Turks and Caicos Islands
	Tuvalu
	US Virgin Islands
	Vanuatu



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