

Amendments to the Law on Electronic Invoicing adopted

Tax Alert

December 2022

At its session held on 9 December 2022, Serbian Parliament adopted the Law on Amendments to the Law on Electronic Invoicing (Law). The Law was published in the Official Gazette of the Republic of Serbia No. 138 on 12 December 2022.

The Law enters into force and applies as of 1 January 2023.

The most important novelties are presented below.

Subjects of the Law

It is stipulated that the Law does not apply to individuals who are not payers of self-employment tax.

It is also stipulated that the National Bank of Serbia is considered to be a public sector entity.

Issuance of electronic invoices

It is envisaged that an electronic invoice (**e-invoice**) shall be issued for all requests for payment to a public sector entity.

On the other hand, it is stipulated that there is no obligation to issue an e-invoice for:

1. Supply of electricity and supply of services of taking over of electricity into the energy system, except for the delivery of electricity for final consumption.
2. Supply of goods and services without consideration;
3. Transactions based on which the fee is considered to be a public revenue;
4. Request for payment of costs and awards in court and other proceedings, paid from the funds of the court/other authority where the proceedings are conducted, based on the decision of the court/other authority.

Electronic recording of calculated Value Added Tax

In accordance with the Law, electronic recording of calculated VAT is done cumulatively, for all obligations, by showing data on tax base and calculated VAT, separately per tax rates.

Exceptionally, electronic recording of calculated VAT is performed separately for each obligation, by showing data on the tax base, tax rate and calculated VAT for:

1. Supply of goods and services (advance payment included), for which the recipient of the goods and services is a tax debtor in accordance with the VAT Law;
2. Supply of goods and services (advance payment included) with consideration, performed to the payers of self-employment tax and corporate income tax, for which the supplier of goods/ services is a tax debtor in accordance with the VAT Law.

In addition, if an e-invoice is issued for transactions for which such obligation does not exist, there is no obligation to electronically record calculated VAT for the respective transaction.

Subsequent acceptance of e-invoice

The possibility of subsequent acceptance of an e-invoice that was initially rejected is envisaged (with the exception that for e-invoices that are recorded in the Central Register of Invoices, this provision is applicable as of 1 June 2023).

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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