



Corporate Income Tax Law Amendments Adopted

Tax Alert

December 2024

On 27 November 2024, the Parliament of Serbia adopted the Law on Amendments to the Law on Corporate Income Tax (hereinafter: **CIT Amendments**), which was published in the Official Gazette of Serbia No. 94 of 28 November 2024.

CIT Amendments apply from 1 January 2025.

The most important amendments are specified below.

Responsible person for filing tax returns in case of liquidation or bankruptcy

Amendments specify that the liquidation or bankruptcy administrator is the person responsible for submitting tax returns for taxpayers during the liquidation or bankruptcy procedure, as well as after their completion or suspension.

Deadlines and tax period for filing the tax return in case of liquidation or bankruptcy

The beginning of the deadline for submitting the tax return in the liquidation or bankruptcy procedure is determined by the date of entry of a certain change in the competent register, i.e. by the date of registration of that change (when it becomes public and available to third parties). For companies and branches of foreign companies, the competent register is the Agency for Business Registers (hereinafter: **APR**).

The tax return and tax balance must be submitted within 60 days from the date of registration of the change in APR.

The tax return and the tax balance are prepared on the day preceding the day of:

- registration of initiation of liquidation or termination/suspension of liquidation;
- passing a court decision on the opening of bankruptcy;
- the finality of the court's decision on the confirmation of the reorganization plan.

For taxpayers in the process of reorganization, the deadline for submitting the tax return is specified as 180 days from the end of the period for which the tax is determined

Amendments insured harmonization of the period for which the tax return is submitted in case of the end of the liquidation with the Law on Accounting with regard to the obligation to prepare extraordinary financial statements.

Liability of the owner of the liquidated company

The joint and several liability of the owners of a liquidated company is introduced for the fulfillment of the liabilities of that company, which was determined in the tax return submitted after the end of the liquidation. The liability is proportional to the value of the property assigned to them after the liquidation.

Bankruptcy

In case of bankruptcy, the bankruptcy administrator is obliged to submit the tax return and tax balance within 10 days from the date of registration in the APR.

The tax return and tax balance is prepared on the day preceding the day of:

- the finality of the decision on bankruptcy;
- the finality of the decision on the conclusion of the bankruptcy proceedings by bankruptcy or the finality of the decision on the suspension of the bankruptcy proceedings due to the sale of the legal entity.

Deletion of a branch of a foreign company

In case of deletion of a branch of a foreign company, the deadline for submitting the tax return and tax balance is 60 days from the registration of the deletion of the branch, prepared on the day preceding the day of registration of that decision in the APR.

Who submits CIT returns in case of status changes?

CIT amendments specify that in the event of a status change resulting in the termination of the company, the tax return is submitted by the legal successor of the company that has ceased to exist within 60 days from the entry of the status change in APR.

Report on the division of rights and obligations of the legal predecessor

In the case of status changes of demerger and spin-off, legal successors are obliged to submit a report to the Tax Authorities on the division of rights and obligations within 60 days from the date of registration of the status change in the APR.

The goal achieved by these provisions is to make it easier for legal successors to fulfill tax obligations and exercise rights related to their legal predecessors, as well as to implement adequate changes in tax accounting in accordance with the division of rights and obligations.

Harmonization of relevant by-laws

Harmonization of relevant by-laws will be carried out within 30 days from the start of application of the CIT Amendments.

If you have any questions or you need assistance of our tax professionals, please contact us at tax@kpmg.rs.

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