



Amendments to the Value Added Tax Rulebook adopted

Tax Alert

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Serbian Ministry of Finance adopted the Amendments to the Rulebook on Value Added Tax (**Rulebook**), which were published in the Official Gazette of the Republic of Serbia no. 107/2024 dated 30 December 2024.

The most important changes are presented below.

The changes apply from 1 January 2025, unless otherwise specifically noted in the text below.

Determination of tax base by assessment

The application of the rule for determination of tax base by assessment is extended to all cases when the tax debtor does not know the amount of tax base on the date of the tax liability (the rule no longer applies only to cases where the tax debtor is the recipient).

It is additionally specified that the subsequent change of the estimated tax base shall be made in the tax period in which the tax base becomes known.

Increase of tax base

In order to comply with the latest amendments to the VAT Law, it is prescribed that in the event of a subsequent increase of tax base for supply, the VAT payer who performed the supply (in addition to the obligation to calculate VAT on the amount for which tax base was increased) correspondingly has the obligation to issue a debit note.

Decrease of tax base

In order to comply with the latest amendments to the VAT Law, the provisions of the Rulebook regulating the decrease of tax base are amended.

Accordingly, the Rulebook stipulates that a tax debtor, VAT payer who supplied goods and services to another VAT payer, can reduce the amount of calculated VAT if:

1. he issued a credit note,
2. the recipient corrected input VAT, if he used calculated VAT as input VAT, and
3. has the confirmation of the recipient that he corrected the input VAT, and that he did not use the calculated VAT as input VAT.

A tax debtor, VAT payer who supplied goods and services to an entity that is not a VAT payer, can reduce the amount of calculated VAT if:

1. he issued a credit note,
2. has confirmation of the tax base reduction (agreement, proof on refund, etc.), and
3. has confirmation that for the amount of VAT that has been reduced, a request for VAT refund has not been and will not be submitted in line with the VAT Law.

Due to a subsequent decrease of the tax base for the supply for which the recipient VAT payer is a tax debtor, and who has the right to deduct input VAT, the tax debtor can decrease the amount of calculated VAT if:

1. he created an internal invoice, and
2. corrected input tax, if the calculated VAT was used as input tax.

Due to a subsequent decrease of the tax base for the supply of goods and services for which the VAT payer is a tax debtor, and who does not have the right to deduct input VAT, the tax debtor can decrease the amount of calculated VAT if:

1. he created an internal invoice, and
2. has a document that confirms that a fee decrease occurred.

The Rulebook also stipulates that if the fee for the supply of goods and services is charged in foreign currency, the amount of the increase or decrease in Serbian dinars is determined by applying the exchange rate of dinars applicable on the day of the increase or decrease, whereby the decrease cannot be more than the amount of the original base.

Correction of input VAT deduction

The Rulebook specifies that the rules on correction of input VAT deduction in case of an increase/decrease of tax base correspondingly apply on the recipient of goods and services who is a tax debtor.

In addition, it is stipulated that the correction of input VAT deduction shall be performed in case of cancellation of invoices, as well.

Issuance of invoices before supply/advance

It is prescribed that in the invoice for supply of services for which there is a possibility of issuing an invoice before the supply, i.e. before the advance payment (services from Article 5, paragraph 3, point 1 of the VAT Law, services directly related to those services, as well as technical support services related to the use of software, hardware and other equipment for a certain period of time), as the date of supply the date of issuance of the invoice shall be indicated.

In addition, it is prescribed that in case of cancelation and issuance of a corrected invoice for respective services, as the date of supply the date of issuance of initially issued invoice shall be indicated.

Date of tax liability in case of invoice cancelation

It is prescribed that in the replacement invoice that is issued instead of the canceled invoice, as information on the date of the tax liability the date when the tax liability actually arose shall be indicated.

Content of credit note

The Rulebook also stipulates that the document on the decrease of the tax base should also contain information on the date of decrease of the tax base.

The respective change is applicable as of 1 July 2025.

Invoice for successive deliveries

The deadline for issuing an invoice for multiple separate deliveries made to the same person in the tax period (so-called successive deliveries) has been abolished.

In addition, presentation of data on the date of supply on respective invoices is regulated in a uniform way (regardless of whether it is an electronic invoice or another form of invoice). Namely:

1. In the invoice issued for the whole tax period, the last day of that tax period shall be stated as the date of supply;
2. In the invoice that is issued for a time period shorter than the tax period, the last day of that time period shall be stated as the date of supply.

Deadline for creating an internal invoice

The Rulebook extended the deadline for creating an internal invoice. In accordance with the Rulebook, the deadline for creating an internal invoice is the 10th day of the calendar month following the end of the tax period in which the basis for creating the internal invoice occurred.

In addition, it is stipulated that if the internal invoice was created after the elapse of the above deadline, the right to input tax deduction can be exercised for the tax period in which the respective internal invoice was created.

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