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UPDATE

on COVID-19

**The Belt and Road Initiative Tax
Administration Cooperation Mechanism**

EDITOR'S NOTE:

At this critical moment in the world's fight against the COVID-19, the Special Edition of the BRITACOM Update on COVID-19 is issued, aiming to provide a platform for BRITACOM Council Members, Observers and other stakeholders to exchange views and share experience in responding to the outbreak. Issue 6 is about measures Serbian Government enacted to support taxpayers during COVID-19 pandemic situation. Later we will share more experience of tax administrations from countries and regions and views of international tax experts with you. If you would like to make contributions to the Special Edition, please contact us via email britacom@163.com.

Serbian Government Enacts Measures for Taxpayers During COVID-19 Pandemic Situation

- Deferral of payments of tax on wages and social contributions for private sector is given till 2021. This measure has the goal to enhance liquidity of all the legal entities in Serbia which pays wages to their employees.
- Deferral of paying corporate profit tax in the second quarter of this year. This measure has the goal to enhance the liquidity of legal entities. The taxpayers are obliged to submit their tax returns within the legal deadlines.
- To all the taxpayers who reached an Agreement with the Tax Administration to pay taxes in installments, during the state of alarm, Tax Administration will not suspend the Agreement, nor calculate the interest rate for the installments not paid on time.
- During the state of alarm, interest rate is calculated and paid, but it is decreased by 10% and is equal to annual referent rate of the National bank of Serbia, which currently amounts 1,75%. When it comes to paying tax on wages, social contributions and corporate profit tax, there won't be any interest calculated since their payment is deferred.
- In Serbia, all the tax returns could be submitted electronically, the taxpayers could see the balance on their tax accounts and to get tax certificate online. There are new e-mails introduced for taxpayers to be able to submit any kind of request they want, and not to come to the premises of the TA. Only 4 desk offices can accept written request of the taxpayers, face to face. Contact center is enhanced by the employees who are working at face to face contact points which are closed now, and many new telephone lines were open.
- Direct help to individuals and SME's - the Government will execute payment of minimal wage during the state of alarm - 3 minimal wages.
- Direct help to large taxpayers - the Government will execute payment amounting 50% net minimal wage during the state of alarm for the employees which are fired due to lack of work.

- Donors are free from paying VAT - donors which produce its own products and donate them to institutions which are directly fighting the virus.
- Our Government introduced Program for grants for retaining liquidity and cash flow for individuals and SME's, agricultural companies and all those who are registered for producing food.
- There are also guaranty schemes for grants in commercial banks for individuals and SME's, agricultural companies and all those who are registered for producing food.
- Deferral of payments of installments for credits given by commercial banks and leasing installments lasting 90 days where there is no interest rate calculated.
- Deadlines in legal matters are relaxed in a way that clients won't be punished for not meeting the deadlines during the state of alarm. In court procedures, the deadlines are not calculated during the state of alarm.

Special measure introduced by the Government of the Republic of Serbia is to pay direct help to all the citizens of the Republic who are 18 years old and older, amounting 100EUR.



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