LAW
ON CORPORATE INCOME TAX

Official Gazette of RS No. 25/01, 80/02 - other law, 80/02, 43/03, 84/04, 18/10, 101/11, 119/12, 47/13, 108/13, 68/14 - other law, 142/14, 91/15 - authentic interpretation, 112/15, 113/17, 95/18, 86/19, 153/20, 118/21, 94/24
Consolidated text up to the amendments from the Official Gazette of RS No. 94/24, which are in effect from 01/01/2025
(amendments in Articles: 34, 63);
- except for certain provisions

Part One
TAXPAYER
Types of Taxpayers

Article 1.

The taxpayer of corporate income tax (hereinafter referred to as: taxpayer) is a company, an enterprise, or other legal entity established for the purpose of conducting activities to generate profit.

The taxpayer also includes a cooperative that earns income from selling products in the market or by providing services for a fee.

In accordance with this law, another legal entity not established for profit-making but founded under the law to achieve other objectives as determined in its general acts, if it generates income from selling products in the market or by providing services for a fee, is also considered a taxpayer (hereinafter referred to as: non-profit organization).

The non-profit organizations referred to in paragraph 3 of this Article particularly include: an institution whose founder is the Republic of Serbia, an autonomous province, a local government unit, a political organization, a trade union, a chamber, a church and religious community, an association, a foundation and an endowment.

Notwithstanding paragraphs 1 to 3 of this Article, a legal entity that, in accordance with the law governing taxation as per tonnage of the ship, meets the conditions and opts to pay a special tax per tonnage of the ship instead of tax on part of the profit, is not a taxpayer under this law for that part of the profit.

Residents and Non-residents

Article 2.

The taxpayer from Article 1 of this law is a resident of the Republic of Serbia (hereinafter referred to as: resident taxpayer) who is subject to taxation on profit earned both within and outside the territory of the Republic of Serbia (hereinafter referred to as: the Republic).

A resident taxpayer, in terms of this law, is a legal entity that is established or has its actual management and control located in the territory of the Republic.

Article 3.

A non-resident of the Republic (hereinafter referred to as: non-resident taxpayer) is subject to taxation on profit earned through a permanent establishment located within the territory of the Republic as prescribed by this law, unless an international treaty on the avoidance of double taxation provides otherwise.

A non-resident taxpayer, in terms of this law, is a legal entity that is established and has its actual management and control outside the territory of the Republic.

Article 3a.

For the purposes of implementing the provisions of this law, a jurisdiction with a preferential tax system is considered to be a territory with tax sovereignty where legislation is applied that provides opportunities for significantly lower tax burdens on the profits of legal entities, either all legal entities or those that meet specific conditions, as well as dividends that they distribute to their founders compared to those provided by the provisions of this law and the law governing the taxation of personal income, or for preventing or hindering the identification of the beneficial owners of legal entities by the tax authorities of the Republic of Serbia and preventing or hindering the determination of those tax facts that would be relevant to assess tax liabilities in line with the regulations of the Republic of Serbia (hereinafter: jurisdiction with a preferential tax system).

A non-resident legal entity from a jurisdiction with a preferential tax system is considered to be a non-resident legal entity which:

1) is established in the territory of a jurisdiction with a preferential tax system, or

2) has a registered office in the territory of a jurisdiction with a preferential tax system, or

3) has a head office in the territory of a jurisdiction with a preferential tax system, or

4) has a place of actual management in the territory of a jurisdiction with a preferential tax system.

Paragraph 2 of this Article does not apply in cases where the non-resident legal entity can be considered a resident of another contracting state for the purposes of implementing an international treaty on the avoidance of double taxation between that state and the Republic of Serbia.

For the purposes of implementing paragraph 1 of this Article, the Minister of Finance determines the list of jurisdictions with a preferential tax system.

Article 4.

A permanent establishment is any fixed place of business through which a non-resident taxpayer conducts business, particularly:

1. a branch;
2. a factory;
3. an office;
4. a production facility, factory, or workshop;
5. a mine, quarry, or other place of extraction of natural resources.

A permanent establishment also includes a construction or installation site, whether fixed or mobile, if it lasts more than six months, specifically:

a) one of several constructions or installations being carried out concurrently, or

b) several constructions or installations carried out consecutively without interruption.

If a person, representing a non-resident taxpayer, has and exercises the authority to conclude contracts on behalf of that taxpayer, it is considered that the non-resident taxpayer has a permanent establishment concerning the activities that the representative conducts on behalf of the taxpayer.

There is no permanent establishment if a non-resident taxpayer conducts business through a commission agent, broker, or any other person who, within their own business, operates in their own name but on behalf of the taxpayer.

A permanent establishment does not include:

1. maintaining inventories of goods or materials belonging to the non-resident taxpayer solely for the purpose of storage, display, or delivery, nor the use of premises exclusively for such purposes;

2. maintaining inventories of goods or materials belonging to the non-resident taxpayer solely for the purpose of processing by another company or by an entrepreneur;

3. maintaining a fixed place of business solely for the purpose of purchasing goods or collecting information for the needs of the non-resident taxpayer, nor for carrying out any other preparatory or auxiliary activity for the needs of the non-resident taxpayer.

Article 5.

A non-resident taxpayer conducting business within the territory of the Republic through a permanent establishment that maintains accounting records in accordance with regulations governing accounting (branch and other organizational parts of the non-resident taxpayer conducting business) assesses taxable income in accordance with this law and files a tax balance sheet and tax return for the permanent establishment.

A non-resident taxpayer conducting business through a permanent establishment that does not maintain accounting records in accordance with the regulations governing accounting is required to keep records in that permanent establishment that cover all data on revenues and expenses, as well as other data relevant to assessing the profit earned by that unit from operations within the territory of the Republic, and to file a tax balance sheet and tax return.

The tax balance sheet and tax return are also filed by a non-resident taxpayer conducting business in the territory of the Republic through a permanent establishment which, according to an international treaty on the avoidance of double taxation, is not considered a permanent establishment.

Part Two
TAX BASE
Taxable Income

Article 6.

The tax base for corporate income tax is taxable income.

Taxable income is determined in the tax balance sheet by offsetting the taxpayer's profit shown in the profit and loss statement, which is compiled in accordance with International Accounting Standards (hereinafter: IAS), International Financial Reporting Standards (hereinafter: IFRS), or International Financial Reporting Standard for Small and Medium-sized Enterprises (hereinafter: IFRS for SMEs) and accounting regulations, in a manner prescribed by this law.

Taxable income for taxpayers who, according to accounting regulations, do not apply IAS, IFRS, or IFRS for SMEs, is determined in the tax balance sheet by offsetting the taxpayer's profit, recognized in accordance with the method of recognizing, measuring, and estimating revenues and expenses prescribed by the Minister of Finance, in a manner prescribed by this law.

Expense Reconciliation

Article 7.

For determining taxable income, expenses are recognized in the amounts determined by the profit and loss statement, in accordance with IAS, IFRS, and IFRS for SMEs, as well as accounting regulations, except for expenses for which this law prescribes a different method of determination.

For determining taxable income for taxpayers who, according to accounting regulations, do not apply IAS, IFRS, and IFRS for SMEs, expenses recognized in accordance with the method of recognizing, measuring, and estimating expenses prescribed by the Minister of Finance are recognized, except for expenses for which this law prescribes a different method of determination.

Article 7a

Expenses not recognized include:

1) costs that cannot be documented;

2) value adjustments for individual receivables from a person to whom there is a simultaneous liability, up to the amount of the liability to that person;

3) gifts and contributions given to political organizations;

4) gifts where the recipient is a related party as defined in Article 59 of this law;

5) interest due to late payment of taxes, contributions, and other public dues;

5a) costs of enforced collection of taxes and other debts, costs of tax misdemeanor proceedings and other misdemeanor proceedings conducted before the competent authority;

6) monetary fines imposed by the competent authority, contractual penalties, and damages.

7) interest on arrears between related parties;

8) costs not incurred for the purpose of conducting business activities, unless otherwise provided by this law.

Article 8.

Costs of materials and the purchase value of sold goods are recognized in amounts calculated using the weighted average price method or FIFO method.

Regarding the purchase price of materials and the value of goods acquired from related parties, the provisions of Article 61 of this law shall apply.

Article 9.

Salary costs are recognized in the amount calculated as a charge to operating costs.

Employee earnings, which are considered wages under the law governing the taxation of personal income, including earnings not taxed up to the amount prescribed by that law, are recognized as an expense in the tax balance for the tax period in which they are paid or realized.

Article 9a

Calculated severance payments and monetary compensation to an employee due to retirement or termination of employment on other grounds are recognized as an expense in the tax balance for the tax period in which they are paid.

Article 10.

Depreciation of fixed assets is recognized as an expense in the amount and manner determined by this law.

Fixed assets referred to in paragraph 1 of this Article include tangible assets with a useful life of more than one year and which are recognized as fixed assets in the business books of the taxpayer in accordance with accounting regulations and IFRS, except for natural resources that are not depleted, and intangible assets, except goodwill.

Assets from paragraph 2 of this Article, except for intangible assets, are classified into five groups with the following depreciation rates:

1) Group I 2.5%;
2) Group II 10%;
3) Group III 15%;
4) Group IV 20%;
5) Group V 30%.

Depreciation for fixed assets classified in Group I is determined using the proportional method, based on the purchase value of the asset, for each fixed asset individually, and in the case where fixed assets from this group are acquired during the tax period, it is determined using the proportional method commensurate to the time from when the depreciation calculation began to the end of the tax period.

Depreciation for fixed assets classified in Groups II-V is determined using the declining balance method on the value of assets classified by groups.

The basis for depreciation from paragraph 5 of this Article in the first year is the purchase value, and in subsequent periods, the undepreciated value.

Fixed assets classified in Group I are real estate.

Exceptionally, fixed assets consisting of immovable and movable parts are classified into groups according to the manner in which they are recorded in the business books of the taxpayer in accordance with accounting regulations.

Depreciation of intangible assets is carried out using the proportional method commensurate with the useful life determined at the time of recognizing these assets in the business books of the taxpayer in accordance with accounting regulations and IFRS.

The Minister of Finance further regulates the method of classifying fixed assets from paragraph 3 of this Article by groups, the type of intangible assets, and the method of determining depreciation.

Article 10a

In the event that a fixed asset, to which the provisions of Article 10 of this law apply, is acquired from a transaction with a related party as per Article 59 of this law, the base for its depreciation shall be the lesser of the following two amounts:

1) transfer acquisition cost of a fixed asset as defined in Article 59 of this law
2) the acquisition cost of a fixed asset determined by applying the "arm's length principle" in accordance with Articles 60 and 61 of this law.

Article 10b

Depreciation of fixed assets is recognized as an expense in the amount and manner determined by this law.

Fixed assets referred to in paragraph 1 of this Article include tangible and intangible assets with a useful life of more than one year and which are in accordance with regulations.

Accounting and IFRS, including IFRS for SMEs, are regulated in the business books of taxpayers as fixed assets, except for natural resources that are not depleted and goodwill.

Fixed assets from paragraph 2 of this Article, excluding intangible assets, are classified into five groups with the following depreciation rates:

1) Group I 2.5%;
2) Group II 10%;
3) Group III 15%;
4) Group IV 20%;
5) Group V 30%.

The depreciation of fixed assets, as mentioned in paragraph 3 of this Article, is determined using the proportional method, based on the acquisition value of the asset, for each fixed asset individually. In cases where fixed assets are acquired during the tax period, the depreciation is calculated using the proportional method in proportion to the time from the commencement of the depreciation calculation until the end of the tax period.

If the depreciation of fixed assets, in accordance with accounting regulations and IAS/IFRS and IFRS for SMEs (hereinafter referred to as: accounting depreciation), is determined in an amount lower than what would have been determined by applying the rates from paragraph 3 of this Article, the recognized expense is the accounting depreciation.

Fixed assets, consisting of immovable and movable parts, are classified into groups according to the manner in which they are recorded in the business books of the taxpayer in accordance with regulations governing accounting.

The depreciation of investment properties, which, after initial recognition in the financial records of the taxpayer, are valued using the fair value method, is determined by applying the rate from paragraph 3, item 1) of this Article to the acquisition cost.

Depreciation of intangible assets is recognized as an expense in the amount of accounting depreciation.

The Minister of Finance shall further regulate the method of classifying fixed assets as stipulated in paragraph 3 of this Article by groups, types of intangible assets, as well as the method of determining depreciation.

Article 11
Official Gazette of RS, issue No. 84/04

Article 12
Official Gazette of RS, issue No. 84/04

Article 13
Official Gazette of RS, issue No. 84/04

Article 14
Official Gazette of RS, issue No. 84/04

Article 15

In the tax balance of the taxpayer, expenses are recognized in the aggregate amount of up to 5% of the total revenue for:

1) healthcare, educational, scientific, humanitarian, religious, and sports purposes, environmental protection, as well as contributions made to institutions, or providers

social protection service established in accordance with the law governing social protection

2) humanitarian aid, specifically the mitigation of consequences arising in the event of an emergency, which have been rendered to the Republic, autonomous province, or local government unit.

Expenses from item 1) of this Article are recognized as an expense only if they are incurred by persons registered or established for those purposes in accordance with specific regulations, which exclusively use the said contributions for conducting activities from paragraph 1, item 1) of this Article.

Expenses for investments in the field of culture, including cinematographic activities, are recognized as an expense up to a maximum of 5% of total revenue.

Membership fees to chambers, associations, and unions are recognized as an expense in the tax balance sheet up to a maximum of 0.1% of total revenue.

Membership fees whose amount is prescribed by law are recognized as an expense in the amount prescribed by law.

Expenses for representation are recognized as an expense up to 0.5% of total revenue.

Detailed regulations on what is considered an investment in the field of culture in terms of this law are issued by the minister responsible for cultural affairs, upon obtaining the opinion of the finance minister.

Article 16.

The write-off of the value of individual receivables, which are recognized as revenue in accordance with accounting regulations and IFRS, IAS, and IFRS for SMEs, except for receivables from Article 7a item 2) of this law, is recognized as an expense provided that:

1) it is indisputably proven that these receivables were previously included in the income of the taxpayer;

2) these receivables are written off as uncollectible in the books of the taxpayer;

3) the taxpayer provides evidence that the receivables have been litigated, or that enforcement proceedings have been initiated for the collection of receivables, or that the receivables have been reported in the liquidation or bankruptcy proceedings of the debtor.

The write-off of the value of individual receivables, which are not recognized as revenue in accordance with accounting regulations and IFRS, IAS, and IFRS for SMEs, except for receivables from Article 7a item 2) of this law, is recognized as an expense if the taxpayer meets the conditions prescribed by the provisions of paragraph 1, items 2) and 3) of this Article.

Notwithstanding paragraphs 1 and 2 of this Article, the write-off of the value of individual receivables is recognized as an expense, provided that these receivables are covered by financial restructuring, conducted in a manner prescribed by the law governing consensual financial restructuring of companies.

Notwithstanding paragraphs 1 and 2 of this Article, the write-off of the value of individual receivables covered by an adopted pre-prepared reorganization plan, which is confirmed by a legally binding decision issued in accordance with the law governing bankruptcy, is recognized as an expense.

The write-off of the value of individual receivables for which the conditions from paragraph 1, items 1) and 2), or paragraph 2 of this Article are met, is recognized as an expense, provided that the litigation costs of an individual debtor exceed the total amount of the receivable from that debtor.

The litigation costs in the sense of paragraph 5 of this Article include fees and other public revenues paid for filing a lawsuit in accordance with the law governing court fees.

The correction of the value of individual receivables from paragraphs 1 and 2 of this Article is recognized as an expense if at least 60 days have passed from the due date for their collection or realization until the end of the tax period.

For the amount of expenses due to the adjustment of the value of individual receivables from paragraph 7 of this Article, which were recognized in the tax balance sheet, revenues are increased in the tax balance sheet in the tax period in which the taxpayer writes off the value of the same receivables, if the conditions from paragraph 1, or paragraph 2, or paragraph 5 of this Article are not cumulatively met.

The expense that was not recognized due to the adjustment of the value of individual receivables in the tax period in which it was reported, is recognized in the tax period in which the conditions from paragraph 1, or paragraph 2, or paragraph 7 of this Article are met.

All written-off, adjusted, and other receivables from paragraphs 1, 2, 3, 4, 5, 7, and 9 of this Article that were recognized as an expense, and which are later collected or for which the creditor withdraws the lawsuit, enforcement motion, or claim registration, at the moment of collection or withdrawal of the lawsuit, enforcement motion, or claim registration, are included in the revenues of the taxpayer.

All written-off, adjusted, and other receivables that were not recognized as an expense, and which are later collected, at the moment of collection, do not enter the revenues of the taxpayer.

Article 16a

The loss from the sale of individual receivables in the amount shown in the profit and loss statement of the taxpayer is recognized as an expense in the tax period in which the sale of these receivables was carried out.

In the case that an adjustment of the value of receivables from paragraph 1 of this Article was made, which was recognized as an expense in one of the previous tax periods in accordance with Article 16, paragraph 7, and Article 22a, paragraph 1 of this law, such an expense remains recognized without the obligation to meet the conditions from Article 16, paragraph 1, item 3), or Article 16, paragraph 2 of this law.

Article 17.

Deleted (Official Gazette of RS, No. 43/03)

Article 18.

Deleted (Official Gazette of RS, No. 43/03)

Article 19.

Total calculated interest, except for interest due to outstanding taxes, contributions, and other public levies, are recognized as an expense in the tax balance sheet.

In the case of loans from related parties, the calculated interest will be reduced in the manner provided in Article 62 of this law.

Article 20.

Interest and related costs arising from a loan granted to a permanent business unit from Article 4 of this law by its non-resident headquarters are not recognized as an expense in the tax balance sheet of the permanent business unit.

Remuneration based on copyright and related rights and industrial property rights, which a permanent business unit from Article 4 of this law pays to its non-resident headquarters, is not recognized as an expense in the tax balance sheet of the permanent business unit.

Article 21.
Official Gazette of RS, No. 84/04

Article 22.

Taxes, contributions, fees, and other public levies that do not depend on the operating results, which are paid in the tax period, are recognized as an expense in the tax balance sheet.

Article 22a

In the tax balance sheet of the bank, the increase in the adjustment of the value of receivables of the balance sheet assets and provisions for losses on off-balance sheet items in the amount calculated at the bank level, which are in accordance with the internal acts of the bank shown in the profit and loss statement as an expense in the tax period, in accordance with the regulations of the National Bank of Serbia, is recognized as an expense.

In the bank's expense, the write-off of the value of individual receivables is recognized in accordance with the provisions of Article 16, paragraphs 1 to 6 of this law.

Notwithstanding paragraph 2 of this Article, the write-off of the value of individual claims based on loans granted to unrelated parties, as defined by this law, is recognized as an expense of the bank, provided that at least two years have passed since the claim's due date, along with the provision of documentation that serves as a basis for proving the debtor's inability to fulfill their monetary obligations (e.g., documentation from the debtor's credit file regarding the settling liabilities towards the bank over the last twelve months, correspondence, and other documentation about the bank's contacts with the debtor concerning the collection of claims and the measures taken by the bank to collect).

Notwithstanding paragraph 2 of this Article, the write-off of the value of the remaining part of an individual bank claim that has not been collected from the proceeds of the sale of real estate conducted in accordance with the law is recognized as an expense.

Notwithstanding paragraphs 2 and 3 of this Article, the write-off of the value of individual claims based on loans that are considered non-performing loans in terms of the regulations of the National Bank of Serbia, carried out in accordance with the regulations of the National Bank of Serbia, is recognized as an expense of the bank.

The amount of expenses assessed in the bank's profit and loss statement based on the reduction of debt borne by the bank in the amount determined in accordance with the law governing the conversion of housing loans indexed in Swiss francs, is recognized as an expense of the bank.

All written-off, adjusted, and other claims from paragraphs 1 to 5 of this Article that are recognized as an expense, and which are later collected or for which the creditor withdraws the lawsuit, execution proposal, or claim registration, at the moment of collection or withdrawal of the lawsuit, execution proposal, or claim registration, are recognized as income of the bank.

All written-off, adjusted, and other claims that are not recognized as an expense, and which are later collected, at the moment of collection, are not recognized as income of the bank.

Article 22b

Long-term provisions for the restoration of natural resources, for costs during the warranty period, and retained guarantees and deposits, as well as other mandatory long-term provisions in accordance with the law, are recognized as expenses.

Other long-term provisions that meet the conditions for recognition in accordance with IAS, IFRS, and IFRS for SMEs, to the extent of the utilized amounts of these provisions in the tax period, or settled liabilities and outflows of resources based on these provisions, are recognized as expenses.

Article 22c

In the tax balance sheet, expenses incurred due to the impairment of assets, which is determined as the difference between the net present value of assets determined in accordance with IAS or IFRS and their estimated recoverable value, are not recognized, but are recognized in the tax period in which the asset is disposed of, used, or damaged due to force majeure.

Notwithstanding paragraph 1 of this Article, expenses incurred due to the impairment of the taxpayer's share in the equity of a privatization entity undergoing restructuring, acquired by converting the taxpayer's claim into a share in the equity of such entity, are recognized as expenses in the tax balance sheet.

Article 22d

As an expense in the taxpayer's tax balance sheet, costs directly associated with research and development conducted by the taxpayer in the Republic may be recognized, in a doubled amount.

In the context of paragraph 1 of this Article, research is considered to be an original or planned investigation undertaken with the aim of acquiring new scientific or technical knowledge and understanding. Development refers to the application of research results or the application of other scientific achievements or the design of production of new, significantly improved materials, devices, products, processes, systems, or services prior to commencing commercial production or utilization.

The provisions of this Article do not apply to exploration expenses incurred in the pursuit of discovering and developing oil, gas, or mineral reserves in the extractive industry.

The Minister of Finance shall further regulate what constitutes expenses directly related to research and development, as well as the conditions and method of exercising the rights from paragraph 1 of this Article.

Revenue Adjustment

Article 23.

For assessing taxable income, revenues are recognized in the amounts established in the profit or loss statement, in accordance with IAS, or IFRS, or IFRS for SMEs, and regulations governing accounting, except for revenues for which another method of assessment is prescribed by this law.

For assessing the taxable profit of taxpayers who, according to accounting regulations, do not apply IAS, i.e., IFRS and IFRS for SMEs, revenues recognized in accordance with the method of recognition, measurement, and estimation of revenues prescribed by the Minister of Finance are accepted, except for revenues for which another method of determination is prescribed by this law.

Article 24.

Official Gazette of RS, No. 119/12

Article 25.

The income that a resident taxpayer earns from dividends and profit shares, including the dividend referred to in Article 35 of this law, from another resident taxpayer, is not included in the tax base.

The income that a resident taxpayer earns from interest on debt securities issued, in accordance with the Law, by the Republic, an autonomous province,

a local self-government unit, or the National Bank of Serbia, is not included in the tax base.

The income that a resident taxpayer, established in accordance with the regulations governing investment funds, earns from the disposal of assets referred to in Article 27, paragraph 1 of this law, is not included in the tax base.

The Minister of Finance shall further regulate the method of excluding revenues from paragraphs 1, 2, and 3 of this Article from the tax base.

Article 25a

Revenues derived from unused long-term provisions that were not recognized as an expense in the tax period in which they were incurred, do not enter into the tax base in the tax period in which they are reported.

Revenues generated in connection with expenses that were not recognized in accordance with Article 7a of this law during the tax period, are not included in the tax base in the tax period in which they are reported.

The revenues of the concession grantor, in accordance with the concession agreement, (hereinafter referred to as: concession grantor), derived from the transfer of non-monetary assets without compensation, which is carried out by the private partner or a special purpose entity under the regulations governing public-private partnerships (hereinafter referred to as: private partner), are not included in the tax base in the tax period in which they are reported, provided that the estimated value of the concession amounts to at least 50 million euros.

In the tax period in which they are reported, revenues generated by the taxpayer from the discharge of debts owed to public fund beneficiaries defined in accordance with the law governing the budget system, bankrupt banks, and chambers of commerce, are not included in the tax base when these debts are covered by a pre-prepared reorganization plan confirmed by a legally binding decision in accordance with the bankruptcy law.

The effects of changes in accounting policies resulting from the first implementation of IFRS, and IFRS for SMEs, which, in accordance with accounting regulations, involve the correction of corresponding positions in the balance sheet, are recognized as income or expense in the tax balance starting from the tax period in which the correction was made.

Revenues and expenses referred to in paragraph 5 of this Article are recognized in equal amounts over five tax periods.

The Minister of Finance shall further regulate the method of excluding revenues from paragraphs 1, 2, 3, 4, 5, and 6 of this Article from the tax base.

Article 25b

Eligible income, which a taxpayer, holder of copyright or related rights, earns from compensation for the exploitation of a deposited copyright work or item of related rights, except for compensation for the transfer of copyright or related rights in entirety, may be excluded from the tax base in the amount of 80% of such income, if the taxpayer so chooses and in accordance with the conditions and manner provided by this Article.

Eligible income referred to in paragraph 1 of this Article is excluded from the tax base reduced by the amount of total historical or current tax-recognized expenses related to research and development activities that resulted in the creation of that copyright work or related rights object in accordance with the provisions of Articles 7, 7a, 8, 9, 9a, 10, 10a, 10b, 15, and 22g of this law (hereinafter: eligible expenses).

Eligible income as per paragraph 1 of this Article, after reduction referred to in the previous paragraph 2, is considered to be that portion of the taxpayer's income from compensation for the exploitation of a deposited copyright work or item of related rights, except for compensation for the transfer of copyright or related rights in entirety, which is proportional to the share of eligibl expenses related to research and development activities that resulted in the creation of that deposited copyright work and item of related rights in the total costs associated with that deposited copyright work or item of related rights.

In the context of this law, a deposited copyright work or itm of related rights is considered to be a copyright work or related rights item defined by the law governing copyright and related rights, recorded by depositing in the registry of the competent authority.

The provisions of this Article also apply to incomes earned by a taxpayer, rights holder, or patent applicant in connection with an invention, based on the assignment of rights related to the invention with compensation under a license agreement, excluding compensation earned for the transfer of rights related to the invention, based on the patent law.

The taxpayer is required to separately present the income from paragraph 1 of this Article in their tax balance, and to prepare and submit special documentation at request of the Tax Administration in the manner and form prescribed by the Minister of Finance.

The Minister of Finance, drawing on sources related to good practice of tax incentive measures in the field of intellectual property rights by the Organization for Economic Cooperation and Development, further regulates the conditions and method of excluding eligible income from the tax base.

Article 26.

In the valuation of inventories of work-in-progress, semi-finished, and finished goods, production costs are recognized for the calculation of taxable profit in accordance with the law governing accounting.

In cases of long production cycles and significant seasonal impact on activity volume, it is permitted to include a corresponding share of general management and sales costs, as well as financing costs, in the inventory value stated in paragraph 1 of this Article.

The value of inventories calculated in accordance with paragraphs 1 and 2 of this Article cannot exceed their sales value on the date of submitting the tax balance sheet.

Article 26a

Deleted (Official Gazette of RS, No. 84/04)

Article 26b

Deleted (Official Gazette of RS, No. 84/04)

Article 26c

Deleted (Official Gazette of RS, No. 84/04)

Article 26d

Deleted (Official Gazette of RS, No. 84/04)

Article 26e

Deleted (Official Gazette of RS, No. 84/04)

Article 26f

Deleted (Official Gazette of RS, No. 84/04)

Article 26g

Deleted (Official Gazette of RS, No. 84/04)

Article 26h

Deleted (Official Gazette of RS, No. 84/04)

Article 26i

Deleted (Official Gazette of RS, No. 84/04)

Article 26j

Deleted (Official Gazette of RS, No. 84/04)

Article 26k

Deleted (Official Gazette of RS, No. 84/04)

Article 26l

Deleted (Official Gazette of RS, No. 84/04)

Capital Gains and Losses

Article 27.

A taxpayer realizes a capital gain through the sale or other compensated transfer (hereinafter referred to as sale):

1) of real estate used, or intended for use, as a fixed asset in conducting business activities, including real estate under construction;

2) of intellectual property rights;

3) of shares in the capital of legal entities and stocks and other securities, which according to IAS, IFRS, and IFRS for SMEs, are considered long-term financial investments, except for bonds issued in accordance with regulations governing the settlement of liabilities of the Republic based on loans for economic development, citizens' foreign currency savings, and debt securities whose issuer, in accordance with the law, is the Republic, an autonomous province, a local government unit, or the National Bank of Serbia;

4) of investment units of an investment fund, in accordance with regulations governing investment funds;

5) of digital assets, unless the taxpayer, as defined by the law governing digital assets, has a license to provide services related to digital assets and has acquired the digital asset solely for further sale in the course of providing services related to digital assets in accordance with that law.

Capital gain is also the income earned by a non-resident taxpayer from the sale of assets mentioned in paragraph 1, items 1), 3), and 4) of this Article, as well as from the sale of real estate in the territory of the Republic that was not used for conducting business activities.

Capital gain represents the difference between the sale price of the asset from paragraphs 1 and 2 of this Article (hereinafter referred to as the asset) and its acquisition cost, determined according to the provisions of this law.

If the difference stated in paragraph 3 of this Article is negative, it is considered a capital loss.

Capital gains or losses, in accordance with this Article, are not determined by the taxpayer who is established in accordance with the regulations governing investment funds.

Article 28.

For the purpose of determining capital gains, under this law, the sale price is considered to be the agreed price, or, in the case of a sale to a related party as per Article 59 of this law, the market price if the agreed price is lower than the market price.

As agreed or market price from paragraph 1 of this Article, the price is taken excluding the tax on the transfer of absolute rights or value-added tax.

In the transfer of rights through an exchange for another right, the sale price is considered to be the market price of the right received in compensation, adjusted for any cash difference received or paid.

Article 29.

For the purpose of determining capital gains, the acquisition cost, under this law, is the price at which the taxpayer acquired the asset, reduced by depreciation determined in accordance with this law.

The acquisition cost in the sense of this Article is adjusted to the estimated or fair value, determined in accordance with IFRS, or IAS, or IFRS for SMEs and adopted accounting policies, if the change to fair value is fully recognized as income in the period it was made.

The acquisition cost of assets acquired by converting the taxpayer's claim into a share in the equity of a privatization entity in a restructuring process, is the lowest impaired value of such assets after the conversion, determined in accordance with IFRS or IAS and adopted accounting policies, except in the case referred to in paragraph 2 of this Article.

If the price at which the asset was acquired is not recorded in the taxpayer's business books, or is not recorded in accordance with the provisions of paragraphs 1 and 2 of this Article, the acquisition cost for the purpose of determining capital gains is the market price on the day of acquisition, determined by the competent tax authority, in the manner prescribed by the provisions of paragraphs 1 and 2 of this Article.

In the sale of real estate under construction, the acquisition cost consists of the amount of construction costs that are recorded in accordance with IFRS, or IAS, or IFRS for SMEs and regulations governing accounting.

For real estate acquired through a founding contribution or an increase in the founding contribution, the acquisition cost is the market price of the property on the day of the contribution.

For real estate acquired before 1 January 2004, the acquisition cost is the undepreciated value of the property determined on 31 December 2003, in accordance with the accounting regulations that were applied to the financial statements for 2003.

The acquisition cost from paragraph 7 of this Article is reduced by depreciation determined in accordance with this law.

For securities traded in an organized market, as defined by the law governing the securities market and other financial instruments, the acquisition cost is the price the taxpayer documents as actually paid, and if no appropriate documentation is available - the lowest market price achieved on the organized market in the year preceding the sale of the security or during the trading period, if trading lasted less than a year.

For securities not traded on an organized market, the purchae cost of the security is the price the taxpayer documents as actually paid, and if no appropriate documentation is available - its nominal value.

For securities acquired through a capital contribution or an increase in the capital contribution, the purchase cost is the market price that was valid on the organized market

on the day of the capital contribution payment, or if such a price was not established, the nominal value of the security on the day of the capital contribution payment.

The purchase price of shares in the capital of legal entities and intellectual property rights is the price documented by the taxpayer as actually paid. The purchase price of shares in the capital of legal entities and intellectual property rights, acquired through a capital contribution or an increase in the capital contribution, is the market price on the day of the capital contribution.

The purchase price of an investment unit consists of the net asset value of the fund per investment unit on the day of payment, increased by a purchase fee if charged by the management company, in accordance with regulations governing investment funds, if the taxpayer acquires the investment unit by making a payment into the investment fund.

The purchase price of digital assets is the price documented by the taxpayer as actually paid, or if the digital asset is acquired by participating in providing a computer service for confirming transactions in information systems related to a specific digital asset (so-called mining of digital assets), the purchase price is the value of the digital asset recorded in the taxpayer's business books, in accordance with IFRS, or IAS, or IFRS for SMEs and adopted accounting policies.

The purchase price of digital assets acquired through so-called mining of digital assets is adjusted to the estimated, or fair value, determined in accordance with IFRS, or IAS, or IFRS for SMEs and adopted accounting policies, if the change to fair value is fully recognized as income for the period in which it was made.

Article 30.

Capital gains are included in taxable income in the amount determined by the method set forth in Articles 27-29 of this law.

Notwithstanding paragraph 1 of this Article, 20% of the capital gain realized from the transfer of entire property rights based on:

1) copyright or related rights to a deposited copyright work, or items of related rights,

2) rights related to an invention, under the law governing patents.

Capital loss incurred from the sale of one right from the assets can be offset against the taxable amount of capital gain realized from the sale of another right from the assets in the same year, with a maximum of 20% of the capital loss incurred from the transfer under paragraph 2 of this Article being offset against the taxable amount of capital gain realized from the sale of another right from the assets in the same year.

If a capital loss is still shown after the offsetting from paragraph 3 of this Article, it is permissible to offset it against future capital gains over the next five years.

Notwithstanding paragraph 2 of this Article, the taxpayer may choose not to include capital gains realized from the contribution of property rights under paragraph 2 of this Article into the tax base, provided that the resident legal entity does not alienate the rights thus acquired within two years from the date of acquisition, and that during the same period, it does not lease out the right in whole or in part at a price lower than the price determined in accordance with the arm's length principle if the lease is made to a related party under Article 59 of this law or to a party whose owner is a related party under Article 59 of this law.

The market value of property rights under paragraph 2 of this Article, when contributed to the capital of a resident legal entity, is determined by an appraisal conducted by a certified valuer.

In the event that a resident legal entity, as referred to in paragraph 5 of this Article, disposes of or grants the use of the acquired rights, in whole or in part, in the manner prescribed by paragraph 5, within a period of two years from the date of acquisition, the taxpayer loses the right to exclude capital gains from the tax base. The taxpayer is then required to calculate and pay the tax on the tax return for the tax period in which the rights were disposed of or granted. This tax must be calculated in the manner specified in paragraph 2 of this Article, adjusted from the date of filing the tax return for the tax period in which the benefit was obtained under paragraph 5, to the date of filing the tax return for the tax period in which the benefit was lost, using the consumer price index according to data from the national statistical authority.

Capital losses incurred based on the contribution of property rights in accordance with the paragrpah 5 of this Article cannot be offset against capital gains.

Article 30a

Capital gains arising from the transfer of real estate to the concession grantor, conducted by the private partner in the process of implementing the concession agreement, are not included in the tax base of the private partner in the tax period in which they are reported, provided that the estimated value of the concession is at least 50 million euros.

Capital losses incurred from the transfer of real estate as referred to in paragraph 1 of this Article cannot be offset against capital gains.

Article 30b

Capital gains realized from the sale of digital assets are not included in the tax base if the funds from that sale are invested within that tax period into the share capital of a resident taxpayer, or an investment fund established in accordance with regulations governing investment funds, whose center of business or investment activities is located within the territory of the Republic.

Capital losses incurred from the sale of digital assets cannot be offset against capital gains if the proceeds from the sale are invested in a manner prescribed by paragraph 1 of this Article.

Article 31

The status change of resident taxpayers, conducted in accordance with the law governing companies (hereinafter referred to as: status change), postpones the occurrence of tax liability on the basis of capital gains.

The tax liability on capital gains as stipulated in paragraph 1 of this Article shall arise at the moment when the legal entity, which acquired the assets mentioned in Article 27 of this law through a status change, executes the sale of those assets.

Capital gain referred to in paragraph 2 of this Article is calculated as the difference between the sale price of the asset and its purchase cost paid by the legal entity that transferred the asset to another legal entity through a status change, adjusted in the manner described in Article 29 of this law from the date of acquisition to the date of sale.

The right to defer corporate income tax on capital gains realized in the manner described in paragraph 1 of this Article is granted if the owner of the legal entity that transferred the property during the status change received compensation in the form of shares or stakes in the legal entity to which the property was transferred, as well as any possible cash compensation, the amount of which does not exceed 10% of the nominal value of the received shares or stakes.

If the cash compensation from paragraph 4 of this Article exceeds 10% of the nominal value of the acquired shares or stakes, a tax liability arises on the basis of capital gains.

At the moment of change in status, capital gains are calculated as the difference between the market price at which the asset could be sold and the purchase cost as per Article 29 of this law.

Tax Treatment of Losses

Article 32

Losses identified in the tax balance sheet, excluding capital gains and losses determined in accordance with this law, can be carried forward to offset profits determined in the tax balance sheet from future fiscal periods, but not exceeding five years.

Article 33

Utilizing tax benefits in accordance with Article 32 of this law does not cease in the event of status changes or changes in the legal form of companies.

In the event of a division or separation, the benefit from Article 32 of this law shall be proportionately divided, and the competent tax authority shall be notified accordingly.

Part Three
Tax Treatment of Liquidation and Bankruptcy of Taxpayers

Article 34

The liquidation or bankruptcy administrator of the taxpayer shall submit the tax return and tax balance sheet within 60 days from the date of registration in the registry of the competent authority responsible for maintaining the registry.

1) initiation of liquidation proceedings with the status as of the day preceding the registration date;

2) termination or suspension of the liquidation process as of the day preceding the registration date

3) initiation of bankruptcy proceedings with the status as of the day preceding the date of the court's decision to commence bankruptcy proceedings.

4) the commencement of the implementation of the reorganization plan as of the day preceding the date on which the court's decision confirming the reorganization plan becomes legally effective.

If the liquidation process or bankruptcy proceedings continue into the next calendar year, the liquidator or bankruptcy administrator of the taxpayer shall also submit a tax return and a tax balance sheet as of 31 December of the current year, in accordance with Article 63, paragraphs 3 and 4 of this law.

A taxpayer undergoing reorganization must file a tax return and tax balance sheet in accordance with Article 63, paragraph 3 of this law.

The profit of the taxpayer from the time the bankruptcy resolution of the insolvent debtor becomes final until the resolution concluding the bankruptcy proceedings or the resolution suspending the bankruptcy proceedings due to the sale of the insolvent debtor as a legal entity (hereinafter referred to as the bankruptcy period) is determined as the positive difference between the asset values of the taxpayer at the end and the beginning of the bankruptcy period, after the creditors have been satisfied. The asset value of the taxpayer at the beginning of the bankruptcy period is the value of the assets on the day preceding the launch of the bankruptcy proceedings, adjusted for changes that occurred up to the start of the bankruptcy period in accordance with the regulations governing bankruptcy.

The bankruptcy trustee of the taxpayers referred to in paragraph 4 of this Article shall file the tax return and tax balance sheet within ten days from the date of registration in the register of the authority competent for maintaining the register:

1) final bankruptcy decree of the insolvent debtor with the status as of the day preceding the date of the finality of that decree

2) final and binding decision on the conclusion of bankruptcy proceedings, or a final and binding decision on the suspension of bankruptcy proceedings due to the sale of the bankrupt entity as a legal entity, with the status as of the day preceding the date of finality of that decision.

In the event of the deletion of a non-resident taxpayer's branch, the tax return and tax balance sheet must be filed within the period prescribed by paragraph 1, item 2) of this Article.

Upon the completion of the liquidation process, the members of the company that has been dissolved through liquidation are jointly and severally liable for the corporate income tax obligation determined by the tax return filed. They are liable up to the value of the assets individually allocated to them in the liquidation process, as established in accordance with the regulations governing the taxation of corporate profits.

Article 35

The liquidation remainder, namely the surplus of the division mass in cash or non-financial assets, exceeding the value of the invested capital distributed to the members of the company undergoing liquidation or concluded bankruptcy proceedings, is considered a dividend.

The value of the non-financial assets referred to in paragraph 1 of this Article is equal to its market value.

The Minister of Finance shall regulate in detail the method and procedure for determining the dividend referred to in paragraph 1 of this Article.

Article 35a

The remaining net value of the assets of an investment fund that does not have legal entity status, distributed to the members proportionally to their investment units in cash or non-financial assets, and which exceeds the acquisition price of these investment units, is considered a capital gain included in the tax base at 50% of the total realized capital gain.

The value of the non-financial assets referred to in paragraph 1 of this Article is equal to its market value on the date of the decision to dissolve.

Article 36.

Deleted (Official Gazette of RS No. 119/12)

Article 37.

Deleted (Official Gazette of RS No. 142/14)

Part Four

TAX PERIOD

Article 38.

The tax period for which corporate income tax is calculated is the fiscal year.

The fiscal year is the calendar year, except in cases of cessation or commencement of activities during the year, including status changes, initiation of bankruptcy or liquidation proceedings, as well as suspension of bankruptcy proceedings due to the sale of the bankrupt debtor as a legal entity, or suspension of liquidation proceedings, during the year.

At the request of the taxpayer who has received approval from the Minister of Finance or the Governor of the National Bank of Serbia to compile and present financial statements as of the last day of the fiscal year different from the calendar year, the competent tax authority approves by decision that the fiscal year and calendar year differ, provided that the tax period lasts 12 months. The approved tax period must be applied for at least five years.

The taxpayer referred to in paragraph 3 of this Article is required to cile a tax return and tax balance sheet to determine the final tax liability for the period from 1 January of the current year to the day when, according to the decision of the competent tax authority, the fiscal year different from the calendar year begins, within ten days from the expiry of the deadline prescribed for submitting financial statements for the period for which the tax return and tax balance sheet are submitted.

If the taxpayer has paid less tax in the form of advance payments than was due according to the liability calculated in the tax return, the difference must be paid no later than the filing of the tax return, along with proof of payment of the tax difference.

If the taxpayer has paid more tax in the form of advance payments than was due according to the liability calculated in the tax return, the overpaid tax is accounted as an advance payment for the subsequent period or is refunded to the taxpayer upon their request within 30 days from the date of receipt of the request for refund.

Notwithstanding paragraph 2 of this Article, for the taxpayer referred to in Article 34, paragraph 4 of this law, the tax period is the period of bankruptcy.

Part Five
TAX RATE

Article 39.

The corporate income tax rate is proportional and uniform. The corporate income tax rate is 15%.

Article 40.

Unless otherwise regulated by an international treaty on double taxation avoidance [4], a withholding tax at the rate of 20% is calculated and paid on the income earned by a non-resident legal entity from a resident legal entity based on:

1) dividends and profit shares in a legal entity, including the dividend from Article 35 of this law;

2) remuneration from copyright and related rights and industrial property rights (hereinafter referred to as: royalty);

3) interests;

4) remuneration from leasing and subleasing of immovable and movable properties on the territory of the Republic;

5) remuneration from market research services, accounting and auditing services, and other services in the field of legal and business consulting, regardless of the place of their provision or use, or the place where they will be provided or used. The income earned by a non-resident legal entity based on membership in an alternative investment fund that does not have the status of a legal entity is considered a dividend in the view of paragraph 1 of this Article.

The withholding tax from paragraph 1 of this Article is also calculated and paid on the income of a non-resident legal entity based on the performance of entertainment, artistic, sports, or similar programs in the Republic, which are not taxed as income

of an individual (performer, musician, athlete, etc.), in accordance with the regulations governing the taxation of personal income.

Notwithstanding paragraphs 1 and 3 of this Article, on the income earned by a non-resident legal entity from a jurisdiction with a preferential tax system based on royalties, interests, remuneration from leasing and subleasing of immovable and movable properties on the territory of the Republic, as well as remuneration from services, regardless of the place of their provision or use, or the place where they will be provided or used, a withholding tax at the rate of 25% is calculated and paid.

The withholding tax from paragraphs 1 and 4 of this Article is not paid on the income earned by a non-resident legal entity, or a non-resident legal entity from a jurisdiction with a preferential tax system, from interests on debt securities issued, in accordance with the law, by the Republic, autonomous province, local government unit, or the National Bank of Serbia.

A resident legal entity, including a management company of an alternative investment fund that does not have the status of a legal entity, is required to file a tax return within three days from the date of income payment from paragraphs 1, 3, and 4 of this Article.

On the income earned by a non-resident legal entity from a resident legal entity, another non-resident legal entity, a individual, non-resident or resident, or from an investment fund, on the territory of the Republic, based on capital gains in accordance with the provisions of Articles 27 to 29 of this law, a tax is calculated and paid by decision at the rate of 20% unless otherwise regulated by an international treaty on double taxation avoidance [4].

Notwithstanding paragraph 1 of this Article, on the income from point 4) of that paragraph which a non-resident legal entity earns from a payer who is not obliged to calculate, withhold, and pay the withholding tax, a tax is calculated and paid by decision referred to in paragraph 7 of this Article.

The tax stipulated in paragraph 7 of this Article is calculated and paid also on the revenues from paragraph 1, items 2), 3), 4), and 5) of this Article, which a non-resident legal entity earns based on the settlement of claims in the enforcement procedure, or in any other claim settlement procedure, in accordance with the law.

A non-resident legal entity - the income recipient mentioned in sections 7, 8, and 9 of this Article, shall file a tax return to the competent tax authority within 30 days from the date of income realizatigenerationon. This filing must be made through a tax representative appointed in accordance with the regulations governing tax procedure and tax administration. The tax return should be filed in the municipality where the property is located, the headquarters of the company in which the non-resident legal entity holds shares or securities that are being sold, or the headquarters or residence of the income payer, or the tax representative, based on leasing and subleasing of movable properties, as well as the headquarters or residence of the tax representative in the case of income realization mentioned in section 9 of this Article, upon which the competent tax authority will issue a decision.

The content of the tax return referred to in paragraph 10 of this Article is further regulated by the Minister of Finance.

Withholding tax under paragraphs 1 and 3 of this Article, and tax per assessment under paragraphs 7, 8, and 9 of this Article, are not calculated and not paid if the income from paragraphs 1, 3, 7, 8, and 9 of this Article is paid to a permanent establishment of a non-resident taxpayer from Article 4 of this law.

If a resident legal entity pays income to a permanent establishment of a non-resident legal entity from a jurisdiction with a preferential tax system, it is required to calculate and pay withholding tax in accordance with the provisions of paragraph 1, item 1) and paragraph 4 of this Article.

In the case of applying paragraph 13 of this Article, revenues to which the provisions of paragraph 1, item 1) and paragraph 4 of this Article apply, as well as expenses related to them, are not considered for the purposes of assessing the tax base of the permanent establishment of a non-resident legal entity from a jurisdiction with a preferential tax system.

A resident legal entity that purchases secondary raw materials and waste from a resident or non-resident legal entity is obligated to calculate, withhold, and deposit the withholding tax at a rate of 1% of the compensation amount into the prescribed account when making payments to these entities. Additionally, it must submit a tax return to the competent tax authority within the timeframe specified by this law.

The compensation amount referred to in paragraph 15 of this Article does not include Value Added Tax.

The types of services referred to in paragraph 1, item 5 of this Article are further regulated by the Minister of Finance.

The content of the tax return as referred to in sections 6 and 15 of this Article is further regulated by the Minister of Finance.

Article 40a

When calculating withholding tax on the income of a non-resident, the income payer applies the provisions of the double taxation avoidance agreement, subject to the condition that the non-resident proves their residency status in the country with which the Republic has concluded a double taxation avoidance agreement and that the non-resident is the beneficial owner of the income.

The status of a resident of a country with which a double taxation avoidance agreement has been concluded, as referred to in paragraph 1 of this Article, is proven by a non-resident through a certificate of residency in accordance with the law governing tax procedure and tax administration.

If the income payer applies the provisions of the double taxation avoidance agreement, and the conditions specified in paragraphs 1 and 2 of this Article are not met, resulting in a lesser amount of tax paid, they shall pay the difference between the tax paid and the tax owed according to this law.

The competent tax authority, upon request of a non-resident, shall issue a certificate of tax paid in the Republic.

For a non-resident legal entity - the recipient of income referred to in Article 40, paragraphs 7, 8, 9, and 15 of this law, the provisions of the double taxation avoidance agreement shall apply in accordance with the provisions of paragraphs 1 to 3 of this Article.

If the income payer does not possess the certificate referred to in paragraph 2 of this Article at the time of disbursing income to a non-resident, they are required to apply the provisions of this law during the income disbursement.

If a non-resident legal entity provides the competent tax authority with a certificate as described in paragraph 2 of this Article, the difference between the amount of tax paid as per paragraph 6 of this Article and the amount of tax that would have been due if the taxpayer had the certificate from paragraph 2 at the time of income payment, is considered as overpaid tax.

Part Six
Tax Incentives

Article 41

To achieve economic policy objectives of stimulating economic growth, taxpayers are provided with tax incentives.

Tax incentives related to corporate income tax are determined solely by this law.

Article 42
Official Gazette of RS, No. 18/10

Article 43
Official Gazette of RS, No. 18/10

Tax Exemptions

Article 44

A nonprofit organization is exempt from corporate income tax for the tax period in which the surplus of revenue over expenses does not exceed 400,000 dinars, provided that:

1) it does not distribute the realized surplus to its founders, members, directors, employees, or associated persons.

2) the annual amount of personal income paid to employees, directors, and their associated persons does not exceed twice the average annual salary per employee in the Republic for the year in which the tax exemption is determined, according to data from the national statistical authority.

3) it does not distribute assets for the benefit of its founders, members, directors, employees, or affiliated persons

4) that it does not hold a monopolistic or dominant position in the market in terms of the legislation governing competition protection.

Related parties as referred to in paragraph 1, items 1) to 3) of this Article are considered to be the persons mentioned in Article 59 of this law.

A nonprofit organization is required to maintain records of its revenues and expenses, to file a tax balance sheet, and to file a tax return.

Article 45
Deleted (Official Gazette of RS No. 119/12)

Article 46

Companies engaged in the vocational training, professional rehabilitation, and employment of disabled persons are exempt from corporate income tax commensurate to the participation of such individuals in the total workforce.

Article 46a
Deleted (Official Gazette of RS, No. 119/12)

Tax Credits

Article 47
Deleted (Official Gazette of RS, No. 119/12)

Article 48.
Deleted (Official Gazette of RS, No. 108/13)

Article 48a
Deleted (Official Gazette of RS, No. 119/12)

Article 49.
Deleted (Official Gazette of RS, No. 18/10)

Article 50.
Deleted (Official Gazette of RS, No. 84/04)

Investment Incentives

Article 50a

A taxpayer who invests, or if another entity invests, more than one billion dinars in their fixed assets and uses these assets to conduct their primary and registered activities as per the articles of incorporation or another act that specifies the activities, and who additionally employs at least 100 individuals based on open-ended contracts during the investment period, is exempt from corporate income tax for ten years commensurate to that investment.

Investment in fixed assets by another party, as referred to in paragraph 1 of this Article, also includes investments in share capital and increases in share capital in accordance with the law.

In the case referred to in paragraph 2 of this Article, the fixed assets are valued at their market (fair) value.

The tax exemption applies upon meeting the conditions of paragraph 1 of this Article, starting from the first year in which profit is made.

Newly employed individuals, as referred to in paragraph 1 of this Article, are those hired by the taxpayer during the investment period so that at the moment of meeting the conditions for using the said tax exemption, the taxpayer has at least 100 additional employees on an open-ended contract compared to the number of permanent employees on the last day of the period preceding the investment period.

Newly employed individuals, as referred to in paragraph 1 of this Article, do not include individuals who were employed by a directly or indirectly related entity as per Article 59 of this law from the last day of the tax period preceding the investment period, as well as individuals who are not directly engaged in work by the taxpayer.

Article 50b
Deleted (Official Gazette of RS, No. 119/12)

Article 50c

If the taxpayer, during the utilization of the tax exemption from Article 50a of this law, reduces the total number of permanent employees below the number of permanent employees at the time the conditions for the tax exemption were met, such that the average number of permanent employees, determined on the last day of the period for which the tax return is filed, is less than the number of permanent employees at the time the conditions for the tax exemption were met, the right to the tax exemption for the entire period of its use is lost, and the taxpayer is required to calculate and pay the tax that would have been paid had this incentive not been used, adjusted from the date of filing the tax return for the tax period in which the right to the tax exemption was obtained, to the date of filing the tax

return for the tax period in which the number of employees was reduced, indexed by the consumer price index according to the data from the national statistical office.

The average number of employees from paragraph 1 of this Article is determined by the taxpayer by summing the number of employees at the end of each month in the tax period and dividing the total by the number of months in the tax period.

Article 50d

If, before the expiry of the tax exemption period, the taxpayer from Article 50a of this law ceases operations, stops using, or alienates the assets mentioned in Article 50a, paragraph 1 of this law, and does not invest in new fixed assets an amount equal to the market price of the alienated assets within the same tax period, at least to the value that ensures the total investment amount does not fall below the amounts determined in Article 50a of this law, they lose the right to tax exemption and are required to calculate and pay the tax that would have been due without this incentive in the tax return for the tax period in which the assets were alienated, adjusted from the date of filing the tax return for the tax period in which the tax exemption was realized, to the date of filing the tax return for the tax period in which the assets were alienated, using the consumer price index according to the data from the national statistical office.

Article 50e

Deleted (Official Gazette of RS, No. 18/10)

Article 50f

Deleted (Official Gazette of RS, No. 112/15)

Article 50g

The ratio from Article 50a of this law is determined in a manner further regulated by the Minister of Finance.

The investment ratio from paragraph 1 of this Article is determined for each tax period throughout the duration of the tax exemption.

Article 50h

The Minister of Finance further prescribes the method for maintaining accounting records for beneficiaries of tax incentives under Article 50a of this law.

Article 50i

The competent organisational unit of the Tax Administration determines whether the conditions for the use of tax incentives under Article 50a of this law are met.

Article 50j

The right to a tax incentive for investments from Article 50a of this law is not granted for the acquisition of equipment previously used in the Republic.

The tax incentive from paragraph 1 of this Article cannot be transferred to another legal entity that has not acquired the right to use this incentive under this law, even in the case where another legal entity participates in a status change with the taxpayer using the said tax incentive.

The right to a tax incentive from paragraph 1 of this Article is not granted for fixed assets, specifically: aircraft and watercraft not used for business activities; passenger cars, except for taxis, rent-a-car, driver training, and special passenger cars with devices installed for patients;

furniture, except for furniture for equipping hotels, motels, restaurants, youth, children's and workers' resorts; carpets; works of fine and applied arts and decorative objects for space decoration; mobile phones; air conditioners; video surveillance equipment; advertising media, as well as tools and inventory with calculative depreciation.

Article 50k

A taxpayer who cannot be considered a newly established company engaged in innovative activities, and who invests in the capital of a newly established company that conducts innovative activities, is granted a tax credit amounting to 30% of the investment made.

The right to a tax credit from paragraph 1 of this Article is granted to a taxpayer who, before investing, alone or together with all associated persons from Article 59 of this law, did not own more than 25% of shares or stakes, or voting rights in the management bodies of the newly established company engaged in innovative activities in which capital is invested.

The right to a tax credit under paragraph 1 of this Article can only be realized based on fully paid cash contributions that increase the capital of a newly established company engaged in innovative activities.

The right to a tax credit under paragraph 1 of this Article is granted provided that the taxpayer has not continuously reduced their investment over a period of three years from the date of investment.

The taxpayer may use the tax credit under paragraph 1 of this Article in the first subsequent tax period following the period in which the condition from paragraph 4 of this Article is met.

The unused portion of the tax credit can be carried forward to offset income tax in future fiscal periods, but not for more than 5 years.

The maximum amount of the tax credit under paragraph 1 of this Article that can be recognized for an individual taxpayer based on investment in the capital of a newly established company engaged in innovative activities is 100,000,000 dinars.

The maximum amount of the tax credit under paragraph 1 of this Article, regardless of the number of investments through which the right to the tax credit under paragraph 1 of this Article is realized, that can be utilized against income tax in one tax year is 50,000,000 dinars.

Notwithstanding paragraph 7 of this Article, the maximum amount of the tax credit under paragraph 1 of this Article for a taxpayer who has related entities as defined in Article 59 of this law represents the positive difference between the maximum amount of the tax credit from paragraph 7 of this Article and the tax credit under paragraph 1 of this Article based on investment in the same newly established company engaged in innovative activities to which related entities are entitled, up to the amount from paragraph 7 of this Article.

A newly established company engaged in innovative activities, for the purposes of this Article, is considered to be a company that has been founded no more than three years ago, predominantly engages in innovative activities as defined by the law regulating innovative activities (activities undertaken to create new products, technologies, processes, and services or significant modifications of existing ones, in accordance with market needs) and meets the following conditions:

1) annual revenue according to the latest financial statements available at the time of investment under paragraph 3 of this Article does not exceed 500,000,000 dinars;

2) since its establishment, it has not distributed dividends or profit shares and will not distribute them for a period of three years from the date of the investment made under paragraph 3 of this Article;

3) the center of business activities is located within the territory of the Republic;

4) it has not been created by a status change in accordance with the law regulating companies;

5) in each tax period starting from the first subsequent period from the period in which it was established and ending with the fulfillment of the conditions from paragraph 3 of this Article:

- research and development costs constitute at least 15% of total expenses, or
- highly silled employees make up more than 80% of all employees, or
- it is the owner or user of a deposited copyright work or patent directly related to the innovative activity it conducts.

The Minister of Finance further regulates the conditions and manner of realizing the right to the tax credit under paragraph 1 of this Article.

Article 50l

A tax credit in the amount of 2% of the remaining debt determined in accordance with Article 4, paragraph 2 of the Law on Conversion of Housing Loans Indexed in Swiss Francs is recognized for the taxpayer - bank.

The taxpayer may utilize the tax credit mentioned in paragraph 1 of this Article over two consecutive tax periods, amounting to 50% of the calculated tax credit.

If the taxpayer is unable to utilize the tax credit as prescribed by paragraph 2 of this Article, the unused amount of the tax credit can be carried forward to offset the corporate income tax in future fiscal periods, but not exceeding ten years.

The Minister of Finance shall further regulate the manner of exercising the right to the tax credit from paragraph 1 of this Article.

Part Seven
AVOIDING DOUBLE TAXATION OF PROFITS EARNED IN ANOTHER COUNTRY
Profit of a Permanent Establishment of a Resident Taxpayer

Article 51.

If a resident taxpayer earns profits through a permanent establishment in another country, on which tax has been paid in that country, a tax credit equivalent to the corporate income tax paid in that country is granted against the corporate income tax assessed pursuant to the provisions of this law.

The tax credit from paragraph 1 of this Article cannot exceed the amount that would be calculated by applying the provisions of this law to the profits earned abroad.

Intercompany Dividends

Article 52.

The parent legal entity - a resident taxpayer of the Republic may reduce the calculated corporate income tax by the amount of tax that its non-resident branch has paid in another country on the profits from which dividends are distributed, and also by the amount of withholding tax that the non-resident branch has paid in another country on those distributed dividends.

Dividend income from a non-resident branch is included in the income of the resident parent legal entity in an amount increased by the paid corporate income tax and the paid withholding tax on dividends from paragraph 1 of this Article.

The obligation from paragraph 2 of this Article exists only in the case of applying the tax credit from paragraph 1 of this Article.

The tax credit from paragraph 1 of this Article can be used to reduce the calculated tax of the parent legal entity by the amount of tax paid in another country, but only up to the amount of tax that would, at the rate prescribed by Article 39, paragraph 2 of this law, be calculated on the income from dividends from the non-resident branch increased by the tax that its non-resident branch has paid in another country on the profits from which dividends are distributed.

The unused portion of the tax credit from paragraph 4 of this Article can be carried forward to offset the tax of the parent legal entity in future fiscal periods, but not exceeding five years.

For the purposes of this law, a parent legal entity is considered to be a legal entity that holds shares or stakes in other legal entities under the conditions provided by this law.

For the purposes of this law, a branch is considered to be a legal entity in which the parent legal entity participates under the conditions provided by this law.

Article 53.

The right to the tax credit from Article 52 of this law is granted to the parent legal entity that has continuously held 10% or more of the shares or stakes in the non-resident branch for at least one year preceding the filing of the balance sheet.

The taxpayer from paragraph 1 of this Article is required to appropriate evidence to the competent tax authority regarding the size of its participation in the capital of the non-resident branch, the duration of this participation, and the tax paid by the branch in another country, along with its profit and loss statement and tax balance.

The provisions of paragraphs 1 and 2 of this Article also apply in cases where the parent legal entity exercises indirect control over a non-resident branch by owning 10% or more of the shares or stakes of another non-resident branch.

Article 53a

A resident taxpayer who earns income from another country from interest, royalties, lease payments for real estate and movable property, dividends that do not meet the conditions to be subject to the provisions of Article 52 of this law, as well as services, on which tax has been withheld in that other country, may reduce the corporate income tax calculated in the Republic by the amount of the withholding tax paid in that other country.

If the resident taxpayer utilizes the tax credit right from paragraph 1 of this Article, the income from interest, royalties, lease payments for real estate and movable property, dividends that do not meet the conditions to be subject to the provisions of Article 52 of this law, as well as services, earned in another country, and for which the tax credit right from paragraph 1 of this Article is used, are included in the income of the resident legal entity in an amount increased by the withholding tax paid on interest, royalties, lease payments for real estate and movable property, dividends, and services.

The tax credit from paragraph 1 of this Article can be used to reduce the corporate income tax calculated for the resident legal entity by the amount of tax paid in another country, up to the amount that would be obtained by applying the tax rate from Article 39, paragraph 2 of this law to the base corresponding to 40% of the income from paragraph 1 of this Article on which withholding tax was paid in another country and which, according to paragraph 2 of this Article, is included in the income of the resident taxpayer.

In the case that the taxpayer uses the right from Article 25b of this law, the provisions of this Article apply only in relation to the income from royalties that are included in the tax base, or only in relation to that part of the withholding tax paid in another country which is commensurate to the income included in the tax base.

Article 53b

A resident taxpayer who realizes a capital gain in another country from the sale of property under Article 27, paragraph 1 of this law, on which tax has been paid in that other country, may reduce the corporate income tax calculated in the Republic by the amount of tax paid in that other country.

The tax credit from paragraph 1 of this Article cannot exceed the amount of tax that would, at the rate prescribed by the provision of Article 39, paragraph 2 of this law, be calculated on the capital gain determined in accordance with the provisions of this law.

The tax credit from paragraph 1 of this Article is not recognized for taxes paid in another country if an international treaty on the avoidance of double taxation exclusively grants the right of taxation of the capital gain to the Republic.

Article 54.

The method of exercising the right to a tax credit from Articles 52, 53, 53a, and 53b of this law is further regulated by the Minister of Finance.

The Minister of Finance will further regulate the procedure for exercising the right to avoid double taxation provided by international treaties on the avoidance of double taxation.

Part Eight

GROUP TAXATION AND TRANSFER PRICING

Tax Consolidation

Article 55.

A parent legal entity and its subsidiaries, as defined by this law, constitute a group of related legal entities if there is direct or indirect control over at least 75% of the shares or interests.

Affiliated legal entities are entitled to request tax consolidation provided that all affiliated legal entities are residents of the Republic.

The request for tax consolidation by the parent legal entity is submitted to the competent tax authority no earlier than the expiry of the tax period in which the conditions from the Article have been met.

1. Article 2 of this section, from the beginning to the end of that fiscal period.

If the conditions specified in paragraphs 1 to 3 of this Article are met, the competent tax authority shall, within 30 days from the date of filing the request, issue a decision approving tax consolidation, starting from the tax period in which the conditions specified in paragraphs 1-3 of this Article were met.

Article 56.

Every member of a group of related legal entities is required to file its own tax return and its own tax balance sheet, while the parent legal entity also files a consolidated tax balance sheet for the group of related legal entities.

In the consolidated tax balance sheet, the tax period losses of one or more affiliated legal entities are offset against the profits of other affiliated legal entities within the group, in that tax period.

The taxable profit generated by a member of a group of related legal entities, as reflected in the consolidated tax balance sheet, cannot be reduced by the amount of loss from the tax balance sheets of previous years or previous tax periods of that member of the group of related legal entities.

For the calculation of tax based on the consolidated balance sheet, the liable entities are individual connected legal entities within the group, in proportion to their taxable profit from the individual tax balance sheet.

The Minister of Finance further regulates the methods to prevent double relief or double taxation of certain positions in the consolidated tax balance sheet.

Article 57.

Once tax consolidation is approved, it shall be applicable for a minimum of five years or tax periods.

Should the conditions specified in Article 55, paragraph 1, change before the expiry of the term set forth in paragraphs 1 and 2 of this Article, or should a legal entity, multiple associated legal entities, or all associated legal entities within a group subsequently opt for individual taxation before the expiry of the term stated in paragraph 1 of this Article, all associated legal entities are obligated to determine and proportionately pay the difference due to the tax privilege they utilized in the tax return filed for the tax period in which the conditions for tax consolidation ceased.

Article 58.

Deleted (Official Gazette of RS, No. 84/04)

Transfer Pricing

Article 59.

A transfer price is the price incurred in connection with transactions involving assets or the creation of liabilities among related parties.

A person or entity is considered related to the taxpayer if there exists a possibility of control or significant influence over business decisions in their relationship with the taxpayer.

In cases of direct or indirect possession of at least 25% of shares or stakes, it is considered that there is a possibility of control over the obligor.

The possibility of a significant influence on business decisions exists, in addition to the case provided in paragraph 3 of this Article, when an entity indirectly or directly holds at least 25% of the voting rights in the taxpayer’s management bodies.

A related party is also considered to be a legal entity in which, as with the taxpayer, the same natural or legal persons directly or indirectly participate in management, control, or equity, in the manner provided for in paragraphs 3 and 4 of this Article.

Persons related to the taxpayer are considered to be the spouse or common-law partner, descendants, adoptees and descendants of adoptees, parents, adopters, siblings and their descendants, grandparents and their descendants, as well as siblings and parents of the spouse or common-law partner, and individuals connected to the taxpayer in the manner provided in paragraphs 3 and 4 of this Article.

Notwithstanding paragraphs 2 to 6 of this Article, any non-resident legal entity from a jurisdiction with a preferential tax system is also considered to be an entity related to the taxpayer.

Article 60.

The taxpayer shall separately present the transactions referred to in Article 59, paragraph 1 of this law in their tax balance sheet.

In their tax balance, the taxpayer shall, in terms of paragraph 1 of this Article, separately disclose interest on deposits, as well as interest on loans or credits, up to the level prescribed by the provisions of Article 62 of this law.

The taxpayer shall attach documentation to the tax balance sheet in a manner and scope prescribed by the Minister of Finance, along with the transactions referred to in Article 59, paragraph 1 of this law and paragraphs 1 and 2 of this Article, and specifically display the value of the same transactions at prices that would have been realized in the market for such or similar transactions had they not involved associated parties (the arm's length principle).

Notwithstanding paragraph 3 of this Article, in the case that a transaction with a associated party is one-time and its value does not exceed the turnover value for which the law governing value-added tax prescribes the obligation to record for value-added tax, or the total value of transactions with a single related party during the tax period does not exceed the turnover value for which the law governing value-added tax prescribes the obligation to record for value-added tax, the taxpayer shall submit documentation in the form of a condensed report along with the tax balance sheet, within which they are not required to separately show the value of the same transactions at arm's length prices.

The value of the transaction, or the total value of transactions referred to in paragraph 4 of this Article, does not include interest on the basis of loans or credits, advances given or received, or value-added tax.

Notwithstanding sections 3 and 4 of this Article, the taxpayer is not required to determine the price of the property sold under Article 27 of this law to a related party on an arm's length basis, nor is it required to submit documentation from sections 3 and 4 of this Article.

In terms of paragraph 3 of this Article, for the purposes of presenting the value of a transaction with a related party at a transfer price and its value at an arm's length price, it is permissible, when appropriate to the circumstances of the case, to apply a consolidated approach for a larger number of individual transactions, or a disaggregated approach in the case of complex transactions, where a single transaction encompasses a larger number of individual transactions.

In the event that a taxpayer's transfer price for a transaction with an individual associated entity differs from the price of that transaction determined by applying the "arm's length principle," the taxpayer is required to include in the tax base:

1) the amount of the positive difference between the revenue from the transaction at the price determined by applying the arm's length principle and the revenue from that transaction at the transfer price, or

2) the amount of the positive difference between the expenses incurred from that transaction at the transfer price and the expenses incurred from that transaction at the price determined by applying the arm's length principle.

In cases where a price range is determined for a transaction based on the arm's length principle, it is considered that the transfer price of the transaction does not differ from its arm's length price if the value of the transfer price falls within that range.

In cases where a transaction price based on the "arm's length" principle is determined within a range, and the value of the transfer price of the transaction falls outside this range, the price according to the "arm's length" principle for the purposes of applying paragraph 8 of this Article shall be equal to the median value of the established range.

The Minister of Finance may foresee instances in which a reduction is permitted in the amount that, in accordance with paragraph 8 of this Article, is included in the tax base due to a transaction between a taxpayer and a specified related entity, provided that such reduction shall not lead to a decrease in the taxpayer's tax base below the amount that would have been determined based on its transfer price.

A taxpayer can reduce the tax base for transactions with related parties only if the relevant provisions of international double taxation avoidance agreements are applied.

The provisions of paragraphs 1 to 12 of this Article also apply to transactions between the permanent establishment referred to in Article 4 of this law and its non-resident head office.

Article 61.

When determining the transaction price based on the arm's length principle, the following methods are utilized:

1) Comparative Market Pricing Method

2) Cost-plus pricing method with customary profit margin (gross margin cost method).

3) Resale Price Method

4) transaction net margin method

5) profit-sharing method

6) any other method that can determine the transaction price based on the "arm's length principle", provided that the application of the methods previously mentioned in this clause is not possible or that this other method is more suitable to the circumstances of the case than the methods previously mentioned in this clause.

When determining the transaction price based on the arm's length principle, the method that best suits the circumstances of the case is used, and it is possible to use a combination of multiple methods when necessary.

For the purpose of determining the interest rate that would be calculated on loans or credits between related parties based on the "arm's length" principle, the Minister of Finance may prescribe interest rates that are considered to be in accordance with the "arm's length" principle.

A taxpayer has the right to apply the general rules for determining the transaction price on an arm's length basis, as stipulated in Articles 60 and 61, paragraphs 1 and 2 of this law, instead of the interest rate amount from paragraph 3 of this Article, for the purposes of determining the interest rate that would be calculated on a loan or credit with associated entities.

A taxpayer who decides to exercise the right provided in paragraph 4 of this Article shall apply the general rules for determining the transaction price based on the "arm's length" principle from Articles 60 and 61, paragraphs 1 and 2 of this law, to all loans or credits with related entities.

If a taxpayer decides to exercise the right provided in paragraph 4 of this Article, the tax administration, for the purpose of determining the level of interest that would be calculated on loans or credits between that taxpayer and their associated entities according to the "arm's length" principle, is not bound by the interest rate amounts from paragraph 3 of this Article.

Article 61a.

The Minister of Finance, relying on sources related to the taxation of transactions between associated entities from the Organization for Economic Cooperation and Development (OECD) and other international organizations, will further regulate the implementation of the provisions of Article 10a and Articles 59 to 61 of this law.

Article 61b

The Republic, autonomous province, or local government unit are not considered legal entities for the purpose of applying Articles 59 to 61a of this law.

Article 61c

A resident taxpayer who is considered the ultimate parent legal entity of an international group of associated legal entities, as defined in this Article, is required to submit an annual report on the controlled transactions of the international group of associated legal entities (hereinafter referred to as the annual report) to the competent tax authority, in a manner prescribed by the Minister of Finance.

An international group of associated legal entities (hereinafter referred to as the international group), as defined in paragraph 1 of this Article, is a group of entities that are interconnected by ownership or control as defined by IFRS or IAS, and whose total consolidated revenue, as stated in the consolidated financial statements for the period preceding the reporting period as defined in this Article, is at least 750 million euros in the dinar equivalent at the average exchange rate of the National Bank of Serbia on the day of adopting the consolidated financial statements, and

1) whose one or more members are required to prepare, present, submit, and disclose consolidated financial statements in accordance with IFRS or IAS, or would have such an obligation if it were a legal entity whose shares are traded on a regulated market in the Republic or outside the Republic, and

2) in which at least one legal entity is a resident of another tax jurisdiction relative to the other members of the international group, or at least one legal entity is a resident of one tax jurisdiction and is subject to taxation in another tax jurisdiction based on operations through a permanent establishment.

The ultimate parent legal entity of the international group (hereinafter referred to as the ultimate parent legal entity), as defined in paragraph 1 of this Article, is considered to be a legal entity, a member of the international group, if:

1) it directly or indirectly, over one or more legal entities, members of the international group, has ownership or control that creates an obligation to prepare, compile, present, submit, and disclose consolidated financial statements in accordance with the requirements of IFRS or IAS, or, which would have such an obligation if it were a legal entity whose shares are traded on a regulated market in the Republic or outside the Republic, and

2) there is no other legal entity within the international group that has direct or indirect ownership or control over that entity, and which has the obligation from point 1) of this paragraph.

The annual report is submitted for the fiscal year of the ultimate parent legal entity, for which that entity is obligated to prepare a financial report.

Notwithstanding paragraph 4 of this Article, in the case that the fiscal year of one or more members of the international group differs from the fiscal year of the ultimate parent legal entity, the ultimate parent legal entity shall include in the annual report for all such members of the international group in the same manner.

1) Data for the fiscal year of the member that ended in the 12-month period prior to the last day of the reporting period, or

2) Data for the period corresponding to the period mentioned in paragraph 4 of this Article.

The resident taxpayer, being the ultimate parent legal entity, is required to submit an annual report to the competent tax authority no later than 12 months after the end of the fiscal year for which the annual report is being submitted.

For the purposes of this Article, a tax jurisdiction shall be considered any territory that applies separate tax legislation independent of the regulations of any other territory, regardless of whether it is considered a separate state or part of another state's territory.

The Minister of Finance, relying on sources related to best practices concerning reporting on controlled transactions by the Organization for Economic Cooperation and Development, shall further regulate the conditions and manner of submitting the annual report.

Interest "at arm's length" and Prevention of Thin Capitalization

Article 62.

In the case of debt to a creditor with the status of an associated party under Article 59 of this law, the taxpayer, except for banks and financial leasing companies operating in accordance with regulations governing financial leasing (hereinafter: financial leasing provider), is recognized as an expense in the tax balance the amount of interest and related costs on loans or credits up to four times the value of the taxpayer's own equity.

For banks and financial leasing providers, the limit mentioned in paragraph 1 of this Article is ten times the amount of the taxpayer's own equity.

Own equity, for the purposes of this law, equals the difference between the assets from which the taxpayer generates income and the debts associated with them, with both assets and debts averaged for the status on 1 January and 31 December of the current year.

The Minister of Finance shall further regulate the method of preventing thin capitalization.

Part Nine
ASSESSMENT AND COLLECTION OF CORPORATE INCOME TAX

Filing Tax Returns

Article 63.

The taxpayer shall file a tax return to the competent tax authority, in which the tax is calculated, for the period for which the tax is assessed.

Along with the tax return, the taxpayer shall file a tax balance for the period mentioned in paragraph 1 of this Article.

The tax return must be filed within 180 days from the end of the period for which the tax is assessed.

In addition to the tax return mentioned in paragraph 3 of this Article, the liquidation or bankruptcy administrator of the taxpayer must also file a tax return within the period prescribed by Article 34, paragraph 1 of this law.

The bankruptcy administrator of the taxpayer from Article 34, paragraph 4 of this law, submits exclusively tax returns within the deadlines prescribed by paragraph 5 of that Article of this law.

Notwithstanding paragraph 3 of this Article, in the case of a status change resulting in the termination of the company, the tax return must be fild within 60 days from the date of registration of the status change in the competent registry, and it is filed by the legal successor of the company that ceased to exist in the status change. If there are multiple legal successors, the tax return shall be filed by the legal representative of the company that ceases to exist due to the status change.

In the case of status changes such as division and spin-off, the legal successors of the company over which the status change was carried out are required to submit to the Tax Administration a report on the implementation of the division of rights and obligations of the legal predecessor within 60 days from the date of registration of the status change in the competent registry.

If a taxpayer fails to submit the tax balance sheet along with the tax return, it shall be considered that the tax return has not been filed.

The provisions of paragraphs 1 to 3 of this Article shall also apply correspondingly to the non-resident taxpayer referred to in Article 5 of this law.

The content of the tax return and tax balance sheet submitted by the taxpayer referred to in Article 1, paragraphs 1 to 3, and Article 5 of this law, as well as the report from paragraph 7 of this Article, is further regulated by the Minister of Finance.

Article 64.

A taxpayer who commences business activities during the year shall file a tax return within 15 days from the date of registration with the competent authority's registry.

In the tax return referred to in paragraph 1 of this Article, the taxpayer provides an estimate of income, expenses, and profit for the tax period which, for a taxpayer registered by the 15th of the month, begins in the month of registration, and for a taxpayer registered from the 16th to the end of the month, the following month. In the tax return, the taxpayer also calculates the monthly amount of advance corporate income tax.

The debtor - a bankrupt entity undergoing a suspension of bankruptcy proceedings during the year due to the sale of the bankrupt entity as a legal person, is required to file a tax return within 15 days from the finality of the decision to suspend the bankruptcy proceedings.

In the tax return referred to in paragraph 3 of this Article, the taxpayer provides an estimate of income, expenses, and profit for the tax period that begins the day after the date on which the decision to suspend the bankruptcy proceedings becomes final. In the tax return, the taxpayer also calculates the monthly installment of the corporate income tax.

The provisions of paragraphs 3 and 4 of this Article shall also apply in the event of a suspension of the liquidation process during the year.

Article 65.
Deleted (Official Gazette of RS No. 119/12)

Calculation and Payment of Taxes
Article 66.

A taxpayer shall calculate the income tax in the tax return for the fiscal period for which the return is filed.

If a taxpayer, in the form of advance payments, has paid less tax than they were obligated to pay according to the liability calculated in the tax return, they are required to pay the difference no later than the filing of the tax return.

If a taxpayer, in the form of advance payments, has paid more tax than they were obligated to pay according to the liability calculated in the tax return, the overpaid tax is credited as an advance payment for the subsequent period or refunded to the taxpayer upon their request.

Article 67.

A taxpayer, excluding a non-profit organization and the taxpayer referred to in Article 34 of the law, with the exception of the taxpayer undergoing reorganization, shall pay the corporate income tax in the form of monthly advance payments throughout the year. The amount of these payments is determined based on the taxable profit that does not include capital gains and losses, as reported in the tax return for the previous year or previous tax period. This tax return also includes data significant for assessing the amount of the advance payment in the current year.

Monthly advance corporate tax payments are due by the 15th of the month for the preceding month.

Payment of monthly advance payments in accordance with the tax return referred to in paragraph 1 of this Article shall be made for the month in which the return is submitted, starting from the first day of the following month relative to the month in which the return is filed.

Until the commencement of monthly advance tax payments in accordance with paragraph 3 of this Article, the taxpayer shall pay a monthly advance in the amount corresponding to the monthly advance from the last month of the previous tax period. Upon the commencement of monthly advance payments in accordance with paragraph 3, the amount of these advances shall be adjusted upwards or downwards, so that the total advances paid from the beginning of the current year, or the start of the tax period, match the amount as if the advance payments had been made in accordance with the tax return from paragraph 3.

On the amount of monthly advances not paid within the deadline set in paragraph 2 of this Article, the taxpayer is required to calculate and pay interest, in accordance with the law governing tax procedures and tax administration.

Article 68.

If significant changes occur in the taxpayer's operations, changes in tax instruments, or other circumstances that significantly affect the amount of the monthly tax advance during the current year, the taxpayer may, after filing the tax return from Article 63, paragraph 1 of this Law, file a tax return with a tax balance sheet, which will present data significant for the modification of the monthly advance and calculate its amount, no later than 30 days after the end of the period for which the tax balance is compiled.

The taxpayer may begin paying the advance in accordance with the tax return from paragraph 1 of this Article for the month in which the return is filed, starting from the first day of the following month relative to the month in which the return was filed.

Article 68a

A taxpayer who is not obligated to pay corporate income tax in the form of monthly advances in accordance with this law, shall pay the corporate income tax for the tax period within the deadline prescribed for submitting the tax return and tax balance for that period.

Article 69.

If the taxpayer fails to file a tax return, or if it is determined during the tax audit that the tax return is incomplete, contains inaccurate data, or there are other defects and irregularities significant for assessing the tax liability, the Tax Administration shall determine the tax liability for the tax period, or the monthly advance for the current year, in accordance with the law governing tax procedures and tax administration.

Article 70.

Deleted (Official Gazette of RS No. 142/14)

Article 70a

The decision on the filed tax return from Article 40, paragraph 10 of this law shall be made by the competent tax authority within 15 days from the date of receipt of the return.

The tax determined by the decision of the competent tax authority from paragraph 1 of this Article must be paid within 15 days from the date the decision is delivered to the taxpayer.

Withholding Tax

Article 71.

Withholding tax on income from Article 40, paragraphs 1, 3, 4, and 15 of this law for each taxpayer and for each individual income earned or paid, the payer calculates, withholds, and pays into the prescribed accounts within three days from the date the income is earned or paid.

The income from paragraph 1 of this Article is the gross income that a non-resident legal entity or a resident taxpayer would have earned or collected if the tax had not been withheld from the earned or paid income.

The tax return for withholding tax from paragraph 1 of this Article must be filed within three days from the date of payment of the income on which the withholding tax is calculated and paid in accordance with this law.

The withholding tax from paragraph 1 of this Article is calculated and paid according to the regulations in force on the day the income is earned or paid.

Article 71a

If the tax return contains deficiencies regarding formal correctness and mathematical accuracy, the Tax Administration electronically notifies the submitter of the tax return about these deficiencies.

Resubmitting the tax return with the rectified deficiencies mentioned in paragraph 1 of this Article is not considered as submitting an amended tax return.

A tax return is considered filed when the Tax Administration confirms the formal correctness and mathematical accuracy of the data presented, assigns a registration number, an approval number for the payment of the total amount due under this basis, and electronically delivers this information to the submitter of the tax return.

Appeal

Article 72.
Deleted (Official Gazette of RS No. 80/02)

Renewal of Proceedings

Article 73.
Deleted (Official Gazette of RS No. 80/02)

Implementation of the Law Governing Tax Procedure

Article 74.

In regard to assessing, collecting, and refunding taxes, legal remedies, penal provisions, and other issues not regulated by this law, the provisions of the law governing tax procedure and tax administration shall apply.

Article 75.
Deleted (Official Gazette of RS, No. 84/04)

Article 76.
Deleted (Official Gazette of RS, No. 84/04)

Enforced Collection

Article 77.
Deleted (Official Gazette of RS No. 80/02)
Decision on Determining Enforced Collection

Article 78.
Deleted (Official Gazette of RS No. 80/02)

Costs of Enforced Collection

Article 79.
Deleted (Official Gazette of RS No. 80/02)

Enforcement Objects and Means

Article 80.
Deleted (Official Gazette of RS No. 80/02)

Delivery of the Decision

Article 81.
Deleted (Official Gazette of RS No. 80/02)

Priority in Satisfaction

Article 82.
Deleted (Official Gazette of RS No. 80/02)

Decision on the Subject and Means of Enforcement

Article 83.
Deleted (Official Gazette of RS No. 80/02)

Collection on Immovable Property

Article 84.
Deleted (Official Gazette of RS No. 80/02)

Exemption from Enforced Collection

Article 85.
Deleted (Official Gazette of RS No. 80/02)

Enforced Collection on the Account Assets of the Tax Debtor

Article 86.
Deleted (Official Gazette of RS No. 80/02)

Article 87.
Deleted (Official Gazette of RS No. 80/02)

Enforced Collection on Movable Properties of the Tax

Debtor

Article 88.
Deleted (Official Gazette of RS No. 80/02)

Inventory and Assessment

Article 89.
Deleted (Official Gazette of RS No. 80/02)

Article 90.
Deleted (Official Gazette of RS No. 80/02)

Article 91.
Deleted (Official Gazette of RS No. 80/02)

Article 92.
Deleted (Official Gazette of RS No. 80/02)

Exclusion Lawsuit Article 93.
Deleted (Official Gazette of RS No. 80/02)

Article 94.
Deleted (Official Gazette of RS No. 80/02)

Article 95.
Deleted (Official Gazette of RS No. 80/02)
Seizure of Listed Items and Sale
Article 96.
Deleted (Official Gazette of RS No. 80/02)

Article 97.
Deleted (Official Gazette of RS No. 80/02)

Article 98.
Deleted (Official Gazette of RS No. 80/02)

Article 99.
Deleted (Official Gazette of RS No. 80/02)

Enforced Collection on Monetary Claims of the Tax Debtor

Article 100.
Deleted (Official Gazette of RS No. 80/02)

Article 101.
Deleted (Official Gazette of RS No. 80/02)

Enforced Collection on Non-monetary Claims of the Tax Debtor

Article 102.
Deleted (Official Gazette of RS No. 80/02)

Legal Remedies in the Enforced Collection Procedure

Article 103.
Deleted (Official Gazette of RS No. 80/02)

Article 104.
Deleted (Official Gazette of RS No. 80/02)

Securing the Collection
Article 105.
Deleted (Official Gazette of RS No. 80/02)

Order of Satisfaction in Enforced Collection
Article 106.
Deleted (Official Gazette of RS No. 80/02)

Interest
Article 107.
Deleted (Official Gazette of RS No. 80/02)

Tax Refund and the Right to Interest

Article 108.
Deleted (Official Gazette of RS No. 80/02)

Statute of Limitations

Article 109.
Deleted (Official Gazette of RS No. 80/02)

Official Secret

Article 110.
Deleted (Official Gazette of RS No. 80/02)

Guarantee

Article 111.

The payer of income guarantees the payment of withholding tax.

For unpaid tax liabilities of a legal entity organized as a partnership, each member of the partnership is jointly and severally liable with their personal assets.

For unpaid tax liabilities of a legal entity organized as a limited partnership, the general partner is jointly and severally liable.

A shareholder or member of a limited liability company who owns 50% or more of the shares or stakes is jointly and severally liable for the unpaid tax liabilities of a dependent company.

Tax liabilities in the sense of paragraphs 2 to 4 of this Article include the costs of enforced collection, interest, and monetary fines, as well as the costs of tax misdemeanor proceedings.

Part Ten
PENAL PROVISIONS

Article 112.

Deleted (Official Gazette of RS No. 68/14)

Article 112a

Should a taxpayer fail to attach the documentation required by Article 60, paragraph 3 of this law, or file it in an incomplete form, the competent tax authority will issue a warning and order that it be filed or completed within a period not shorter than 30 nor longer than 90 days from the date of the warning.

Article 113.

Deleted (Official Gazette of RS No. 68/14)

Article 114.

Deleted (Official Gazette of RS No. 80/02)

Part Eleven
TRANSITIONAL AND FINAL PROVISIONS

Article 115.

A taxpayer who has acquired the right to tax exemption and relief under Articles 42 and 46 of the Law on Corporate Income Tax (Official Gazette of RS, Nos. 43/94, 53/95, 52/96, 54/96, 42/98, 48/99, and 54/99) before the effective date of this law may continue to use that exemption until the expiration of the period for which it was granted.

Article 116.

The procedure for determining and collecting corporate income tax for the year 2001, which began under Articles 43 and 60a of the Law on Corporate Income Tax (Official Gazette of RS, Nos. 43/94, 53/95, 52/96, 54/96, 42/98, 48/99, and 54/99), will be concluded in accordance with that law.

Article 117.

The tax balance for the period from 1 January to 30 June 2001 shall be prepared in accordance with the regulations that were in effect until the start date of this law.

The tax balance referred to in paragraph 1 of this Article must be submitted within eight days after the deadline prescribed for submitting the semi-annual business results report.

Article 118.

With this law entering into force, the Law on Corporate Income Tax (Official Gazette of RS, Nos. 43/94, 53/95, 52/96, 54/96, 42/98, 48/99, and 54/99) shall cease to be applicable.

Until the regulations under this law are enacted, the regulations adopted based on the law referred to in paragraph 1 of this Article shall apply.

Article 119.

This law takes effect on the eighth day after its publication in the Official Gazette of RS and will apply from 1 July 2001, except for Article 107, which shall be applicable from the effective date of the Law.

PROVISIONS NOT INCLUDED IN THE CONSOLIDATED TEXT

Law on Amendments and Supplements to the Law on Corporate Income Tax
(Official Gazette of RS, No. 43/03)

Article 5.

Banks and other financial organizations shall prepare the tax balance for the year 2003 and subsequent years in accordance with Article 2 of this law.

Law on Amendments and Supplements to the Corporate Income Tax Law
(Official Gazette of RS, No. 84/04)

Article 50.

The effect of aligning the opening balances in the financial records as of 1 January 2004 for the application of IFRS in accordance with the regulations governing accounting, and Article 16 of this law do not affect the assessed tax liability of the taxpayer for the year 2003 and the amount of the determined advance payment for the year 2004.

Article 51.

The Government of the Republic of Serbia shall regulate the method for assessing and paying monthly advance corporate tax payments for the year 2004 following the enactment of this law.

Article 52.

The tax credit under Article 30 of this law can be utilized by the taxpayer in the year 2004 based on investments in fixed assets made in accordance with the provisions of that Article, from the date this law comes into effect.

Article 53.

A taxpayer who, prior to the enactment of this law, acquired the right and began utilizing the tax relief under Article 49 of the Corporate Income Tax Law (Official Gazette of RS, Nos. 25/01, 80/02, and 43/03), shall continue to use this relief until the expiry of its term, under the conditions that were prescribed by the provisions of that Article.

Article 54.

Taxpayers who qualify for tax incentives under this law cannot be placed in a less favorable position in terms of conditions and deadlines for exercising these rights due to subsequent amendments to the law and other regulations.

Article 55.

The tax balance sheet for the year 2004 will be prepared in accordance with the provisions of this law.

Law on Amendments and Supplements to the Corporate Income Tax Law
(Official Gazette of the RS, No. 18/10)

Article 71.

A taxpayer who has not exercised the right to tax incentives under Articles 50a and 50b of the Corporate Income Tax Law (Official Gazette of RS, Nos. 25/01, 80/02, 80/02 - other law, 43/03, and 84/04) by 31 December 2009, shall utilize these tax incentives under the conditions set by regulations effective from 1 January 2010.

Article 72.

A taxpayer who, by 31 December 2009, has exercised the right to transfer capital losses and loss carryforwards from Article 30, paragraph 3, and Article 32, as well as the right to transfer the unused portion of the tax credit from Article 52, paragraph 4, of the Corporate Income Tax Law (Official Gazette of RS, Nos. 25/01, 80/02, 80/02 - other law, 43/03, and 84/04), and has reported these details in the tax balance sheet and tax return for the year 2009, may continue to utilize these rights until the expiry of the period and in the manner prescribed by that law.

Article 73.

The provisions of Articles 3, 18, 30, 53, and 59 of this law shall be enacted by the Minister of Finance no later than 12 months from the effective date of this law.

Article 74.

The tax balance sheet for the year 2009 will be prepared in accordance with the regulations that were in effect on 31 December 2009.

Article 75.

Under the provisions of this law, the assessment, calculation, and payment of tax liabilities shall commence from 1 January 2010, in accordance with the provisions of Articles 3, 6, 8, 9, 10, 11, 15, 16, 18, 20, 21, 29, 33, 34, 39, 40, 41, 47, 52, 58, and 59 of this law.

Law on Amendments to the Corporate Income Tax Law

(Official Gazette of the RS, No. 101/11)

Article 13.

The provisions of this law apply to the assessment, calculation, and payment of tax liabilities starting from the year 2012.

Law on Amendments and Supplements to the Corporate Income Tax Law
(Official Gazette of RS, No. 119/12)

Article 53.

A taxpayer who, by 31 December 2012, has earned the right to tax incentives under Articles 45, 48a, 50a, and 50b of the Corporate Income Tax Law (Official Gazette of RS, Nos. 25/01, 80/02, 80/02 - other law, 43/03, 84/04, 18/10, and 101/11) and has reported this in the tax balance and tax return for the year 2012, may continue to use this right until the expiry of the term and in the manner prescribed by that law.

Article 54.

A taxpayer who, by 31 December 2012, has not met the conditions to be eligible for the tax incentive under Article 50a of the Corporate Income Tax Law (Official Gazette of RS, nos. 25/01, 80/02, 80/02 - other law, 43/03, 84/04, 18/10, and 101/11), will use the mentioned tax incentive under the conditions set by regulations effective from 1 January 2013.

Article 55.

The regulations from Articles 1, 15, 38, and 42 of this law will be issued by the Minister of Finance no later than six months from the date this law takes effect.

Article 56.

The provisions of this law apply to the assessment, calculation, and payment of tax obligations starting from the year 2013, and the provisions of Articles 1, 6, 7, 15, 18, 19, 22, 47, and 48 of this law apply from the day following the date this law takes effect.

The advance payment of corporate income tax for the year 2013, which is determined in the tax return for the year 2012, is established and paid using the rate from Article 17 of this law.

Until the commencement of monthly advance payments in accordance with paragraph 2 of this Article, the taxpayer pays an advance payment, starting from January 2013 until the commencement of the advance payment determined in the tax return for the year 2012, in an amount corresponding to the advance payment calculated for December 2012, increased by 50%.

Article 57.

A taxpayer who assesses tax for a tax period different from the calendar year is required to increase the advance payment for January 2013, and each subsequent month of 2013, until the end of the tax period in 2013, by 50%.

For the tax period that began in 2012 and expires in 2013, the taxpayer referred to in paragraph 1 of this Article submits the tax balance in accordance with the provisions of this law, and the final tax liability is calculated by applying the tax rate that represents the weighted average of tax rates of 10% and 15%.

The weighted average tax rate from paragraph 2 of this Article is calculated by adding the amount obtained by multiplying the number 10 by the number of months of the tax period during the calendar year 2012, to the amount obtained by multiplying the number 15 by the number of months of the tax period during the calendar year 2013, dividing the resulting amount by 12, and adding the percentage sign.

Law on Amendments and Supplements to the Corporate Income Tax Law
(Official Gazette of RS, No. 47/13)

Article 20.

The provisions of this law apply to the assessment, calculation, and payment of tax liabilities starting from the year 2013, and the provisions of Articles 9, 10, and 18 of this law apply from the day following the date this law takes effect.

The provision of Article 1, paragraph 4 of this law applies from the date the law regulating taxation with a special tax per ship tonnage takes effect.

Law on Amendments and Supplements to the Corporate Income Tax Law
(Official Gazette of RS, No. 108/13)

Article 3.

A taxpayer who, by 31 December 2013, has exercised the right to a tax incentive under Article 48 of the Corporate Income Tax Law (Official Gazette of RS, Nos. 25/01, 80/02, 80/02 - other law, 43/03, 84/04, 18/10, 101/11, 119/12, and 47/13) and has reported data in the tax balance sheet and tax return for the year 2013, may continue to use this right until the expiry of the period and in the manner prescribed by that law.

Law on Amendments to the Corporate Income Tax Law
(Official Gazette of RS, No. 142/14)

Article 20.

The assessment, calculation, and payment of tax liabilities for taxpayers who have not completed or concluded proceedings conducted in accordance with the law governing liquidation, or in accordance with the law governing bankruptcy, up to the date of the enactment of this law, shall be subject to the provisions of the Corporate Income Tax Law (Official Gazette of RS, Nos. 25/01, 80/02, 80/02 - other law, 43/03, 84/04, 18/10, 101/11, 119/12, 47/13, 108/13, and 68/14 - other law).

Article 21.

The provisions of Articles 3 and 12 of this law apply to the assessment, calculation, and payment of tax liabilities for the year 2014.

The provisions of Article 9, paragraphs 7 to 9, Article 18, paragraph 1, and Article 19 of this law shall apply from the date determined by the law governing tax procedure and tax administration as the date from which tax returns must be filed exclusively in electronic form.

Law on Amendments and Supplements to the Corporate Income Tax Law
(Official Gazette of RS, No. 112/15)

Article 27

The provisions of Articles 18, 19, 25, and 26 of this law shall apply from 1 March 2016.

Law on Amendments and Supplements to the Corporate Income Tax Law

(Official Gazette of RS, No. 113/17)

Article 18.

A taxpayer who has not met the conditions for tax exemption under Article 50a of the Corporate Income Tax Law (Official Gazette of RS, No.s 25/01, 80/02, 80/02 - other law, 43/03, 84/04, 18/10, 101/11, 119/12, 47/13, 108/13, 68/14 - other law, 142/14, 91/15 - authentic interpretation and Article 112/15), shall use the specified tax incentive under the conditions prescribed by this law.

Article 19.

The provisions of Articles 2, 3, and 4 of this law apply to the assessment, calculation, and payment of tax liabilities for the year 2017.

The provisions of Article 9 and Article 17 of this law shall apply from 1 April 2018.

The provisions of Article 7 and Article 16 of this law shall apply from 1 August 2018.

Law on Amendments and Supplements to the Corporate Income Tax Law
(Official Gazette of RS, No. 95/18)

Article 14

Provisions of Article 10 of the Corporate Income Tax Law (Official Gazette of RS, Nos. 25/01, 80/02, 80/02 - other law, 43/03, 84/04, 18/10, 101/11, 119/12, 47/13, 108/13,
The provisions (68/14 – other law, 142/14, 91/15 - authentic interpretation, 112/15 and 113/17) apply to the depreciation calculation of fixed assets acquired up to 31 December 2018, or the last day of the tax period beginning in 2018. For fixed assets classified in groups II-V, the latest depreciation calculation of these assets is up to 31 December 2028, or the last day of the tax period beginning in 2028.

If, by applying paragraph 1 of this Article, the final balance for: Group II is less than 10%; Group III is less than 15%; Group IV is less than 20%; and Group V is less than 30%, compared to the balance determined on 31 December 2018, or the last day of the tax period beginning in 2018, the entire balance of the group is recognized as depreciation expense.

The depreciation calculation in accordance with the provisions of Article 1 of this law applies to fixed assets acquired from 1 January 2019, or from the first day of the tax period beginning in 2019.

Article 15.

The provisions of this law apply to the assessment, calculation, and payment of tax liability starting from the 2019 tax year, or for the tax period beginning in 2019. The provisions of Article 4 of this law apply from the date this law takes effect, or for assessing, calculating, and paying tax liability starting from the 2018 tax year.

The provisions of Article 5 of this law apply to revenues earned from compensation for the use of copyright or related rights works, which are deposited in the register of the competent authority, starting from 1 January 2019.

The provision of paragraph 2 of this Article also applies to revenues earned by the rights holder or applicant in connection with an invention, under the law governing patents.

Law on Amendments and Supplements to the Law on Corporate Income Tax
(Official Gazette of RS, No. 86/19)

Article 9.

The provisions of this law apply to the assessment, calculation, and payment of tax liability starting from the 2020 tax year, or for the tax period beginning in 2020, and the provisions of Article 1 of this law apply to the determination, calculation, and payment of tax liability starting from the 2019 tax year.

Law on Amendments and Supplements to the Law on Corporate Income Tax
(Official Gazette of RS, No. 153/20)

Article 10.

The provisions of this law apply to the assessment, calculation, and payment of tax liability starting from the 2021 tax year, or for the tax period beginning in 2021.

The provisions of Article 1, paragraph 2, Article 2, paragraph 5, and Article 3 of this law apply from the date this law takes effect, which regulates digital assets.

Law on Supplements to the Law on Corporate Income Tax
(Official Gazette of RS, No. 118/21)

Article 2.

The provisions of this law apply to the assessment, calculation, and payment of tax liability starting from the 2022 tax year, or for the tax period beginning in 2022.

Law on Amendments and Supplements to the Law on Corporate Income Tax
(Official Gazette of RS, No. 94/24)

Article 3.

Subordinate legislation from Article 63, paragraph 9 of the Corporate Income Tax Law (Official Gazette of RS, Nos. 25/01, 80/02, 80/02 - other law, 43/03, 84/04, 18/10, 101/11, 119/12, 47/13, 108/13, 68/14 - other law, 142/14, 91/15 - authentic interpretation, 112/15, 113/17, 95/18, 86/19, 153/20, and 118/21), shall be aligned with the provisions of this law within 30 days from the start date of the implementation of this law.