

Deloitte Tax Alert

February 2014



In the previous period the Ministry of Finance has issued a number of Rulings relevant for applying the provisions of the Value Added Tax Law and Corporate Income Tax Law.

The selected Ministry of Finance Rulings are:

- **Triggering the tax liability for the supply of natural gas – time of supply** – The tax liability for the supply of goods is triggered on the day the supply is deemed to be made. The supply of natural gas is deemed to be made on the day the meter for the consumption of gas was read. Bearing in mind that as of January 1, 2014 supply of natural gas is taxed using the rate of 10%, instead of 8%, the rate which should be applied will depend on the date the reading was done. In other words, if reading the meter for consumption of natural gas was done in December 2013, the supply should be taxed using the rate of 8%. On the other hand, if the meter reading was done in January 2014 the rate of 10% should be levied.

(Ruling of the Ministry of Finance, no. 413-00-40/2014-04 issued on February 10, 2014)

- **Invoice can be used as proof that goods were brought into a free trade zone if it is accepted (stamped) by the customs authority** – The supply of goods to the free trade zone user that are brought into the zone and from which input VAT could be used if such goods were acquired for carrying out activities outside of the zone is zero-rated. One of the necessary items for the supply to be zero-rated is the possession of the stamped copy of the declaration that verifies goods were brought into the zone. In this respect, an invoice stamped by the customs authority is also considered as a declaration and may be used as proof for zero-rating the supply.

(Ruling of the Ministry of Finance, no. 413-00-126/2013-04 issued on January 24, 2014)

- **The status of a related entity to Serbia, autonomous province or local government unit as legal entities** – All taxpayers in whose capital or management bodies Serbia, autonomous province or local government unit as legal entities have 25% of shares or stakes, and/or votes are considered as related entities to Serbia, autonomous province or local government unit. On the other hand, Serbia, autonomous province or local government unit are not considered as related entities between themselves for transfer pricing purposes.

(Ruling of the Ministry of Finance, no. 401-00-40/2014-04 issued on February 3, 2014)

- **The possibility to submit an amended tax return after the tax authority initiated the tax audit, or after the decision on tax assessment has been issued** – Taxpayers cannot submit an amended tax return for the assessed period after the tax audit had been initiated, or after the decision on tax assessment has been issued.

(Ruling of the Ministry of Finance, no. 430-00-264/2012-04 issued on November 5, 2013)

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