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WORK. QUALITY. PRACTICAL SOLUTIONS.

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THE TAX CONSULTANT PROFESSION BECOMING MORE SIGNIFICANT



Jelena Mihic Munjic, the Manager of auditing firm Kreston MDM, held a lecture entitled "The perspectives and future of financial and tax consulting" at the Belgrade Banking Academy.

On this occasion the students of this renowned institution of higher education received a chance to acquire first-hand detailed information on what the profession of financial and tax consultant entails and what a working day of a consultant is like.

"Tax consulting has been gaining more significance and becoming the profession of the future, considering its overall influence on the functioning of a government's tax system and public finances. On the one hand, tax consultants facilitate the compliance with tax regulations which is precisely why the development of this profession is important for the state. On the other hand, legal and natural persons acquire many benefits from the engagement of a tax consultant since it enables the settlement of tax obligations in compliance with the current laws, and also in the most favorable manner for them", Jelena Milic, the Manager of Kreston MDM emphasized.

"Our students have had the chance to familiarize themselves with the practical side of the financial and tax consultant profession and consider this area as a promising possibility for future career development. Apart from being a financially lucrative profession,

it also brings great professional satisfaction since it enables the acquirement of new experiences through work with each new client and continuous development

TAX CONSULTING HAS BEEN GAINING MORE SIGNIFICANCE AND BECOMING THE PROFESSION OF THE FUTURE, CONSIDERING ITS OVERALL INFLUENCE ON THE FUNCTIONING OF A GOVERNMENT'S TAX SYSTEM AND PUBLIC FINANCES.

through various trainings and timely monitoring of any changes to the regulations", Professor, Ph.D. Dejan Eric, Dean of the Belgrade Banking Academy, highlighted.

The students of the Belgrade Banking Academy expressed high interest for this subject, and a dynamic discussion regarding the promising future of the financial and tax consultant profession ensued after the lecture.

AMENDMENTS TO THE LAW ON TAX PROCEDURE AND TAX ADMINISTRATION



The National Assembly of the Republic of Serbia adopted the Law on Amendments to the Law on Tax Procedure and Tax Administration (hereinafter referred to as LTPTA). We shall specify some of the amendments to this law.

After the amendments become effective on 1st of January 2019, and within the implementation of the Action Plan for the Tax Administration Transformation Program for the period between 2018 and 2023, it has been prescribed that the Tax Administration shall perform the provision of

THE AMENDMENTS CREATE A LEGAL FRAMEWORK FOR THE TAX ADMINISTRATION TO SEND OUT REMINDERS TO TAXPAYERS, ELECTRONICALLY OR IN WRITING, OR BY SMS MESSAGE, PRIOR TO SENDING OUT NOTICES.

tax services, tax control and activities for the purpose of uncovering tax crimes, instead of the previous definition whereby the Tax Administration performs office and field control, as well as activities for the purpose of uncovering tax crimes. It is prescribed with the amendments that there shall be no difference between office and field control, and the Tax Administration shall provide tax services, including provision of legal assistance to the taxpayer, acceptance, processing and recording of tax returns.

The amendments create a legal framework for the Tax Administration to send out reminders to taxpayers, electronically or in writing, or by SMS message, prior to

sending out notices. Also, a supplement to the record is introduced, which is compiled in case the tax inspector has uncovered new findings or facts which have an impact on the determined factual state after the submission of the record. Such supplement to the record shall be delivered to the taxpayer who is entitled to enter remarks on the supplement to the record within eight days from the receipt date.

Furthermore, the amendments set forth where an amount of tax return or tax loan has been found to be stated as unfounded, misdemeanor procedure shall be initiated, in place of criminal proceedings, if the amount does not exceed one million RSD for the previous 12 months.

In the event of a VAT return to the taxpayer, the return amount shall be reduced by the tax amount outstanding and due on other grounds.

CENTRAL INVOICE REGISTER

According to the amendments to the Law on Deadlines for Settlement of Financial Liabilities in Commercial Transactions, the registration of invoices and other payment orders issued to the public sector has become mandatory in the Central Invoice Register (CIR) which commenced its operations on 1st of March 2018, as a part of the Treasury Administration.

The primary goal of the introduction of CIR was the establishment of a single system where the liabilities in commercial transactions between the public sector and business entities would be recorded, i.e. between the entities of the public sector, with the public sector entities as debtors. The end result of the introduction of this type of mandatory registration should be improvement and acceleration of the process and control of liabilities, debt and payment.

IF THE SET ADVANCE PAYMENT IS SMALLER THAN 100%, THE PRO-FORMA INVOICE SHOULD

Invoices where Beneficiaries of public funds (type 0,1,2,4 and 6) are debtors shall be registered in the CIR, while the invoices to the public enterprises shall not be registered. Should an invoice not be properly registered, the debtor – public sector entity shall not be obliged to pay the amount thereof, which shall be of particular significance in the court proceedings for the debt collection.

In regards to the advance payments, if a contract provides for 100 % advance payment, registration of a pro-forma invoice may also be performed. If the set advance payment is smaller than 100%, the pro-forma invoice should be registered for the advance payment amount, as should the invoice itself subsequently, for the remaining amount.

A misdemeanor is prescribed for the creditor who fails to register an issued invoice with the CIR, thereby introducing an additional legal obligation of the creditor to register with the CIR the invoices issued to the debtors from the public sector. Therefore, a misdemeanor procedure may be initiated against the creditor who fails to register such invoice, while the debtor is in violation of the law by making payment based on a non-registered invoice.

ARTIFICIAL INTELLIGENCE AND THE FUTURE OF ACCOUNTANCY



Artificial Intelligence has been garnering a lot of media attention of late. But why is it suddenly taking off now when it has been around for decades? The answer can be traced back to 2006.

The New York Times pinpointed it to when Amazon started selling cheap computing over the internet and Google and Yahoo! released statistical methods for dealing with the unruly data of human behaviour. A

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year later, Apple released the first iPhone, which began a boom in unruly-data collection. Combined with the consequent proliferation of smartphones and declining computing costs, artificial intelligence has been given the conditions where it has been able to thrive.

There doesn't seem to be an industry untouched by artificial intelligence and accountancy is far from exempt. The Financial Times commented, "Better technology can improve the quality of audit work by carrying out tasks faster and more accurately than a

human ever could. It can also assess huge volumes of data and generate new types of insights". Furthermore, the speed and ability to solve complex problems makes artificial intelligence adept at decision-making.

Will artificial intelligence completely do away with accountants all together? At its heart, accountancy is a face-to-face profession. Clients are people and it's fair to say that they deserve somebody who knows them and whom they can count on, not just lines of code; somebody who understands their needs, aspirations and the challenges they face. That's something a bot will never be able to do.

Taken from [Kreston International](#)

CHINA'S ONE BELT, ONE ROAD INITIATIVE – THE NEW TRADE NETWORK



Officially unveiled in 2013, the One Belt, One Road (OBOR) initiative represents the grand vision of the Chinese government to create a vast infrastructure and transport network that spreads over 68 countries and has the potential to reshape the global political and economic landscape.

OBOR initiative is not just about creating physical connections. It aims to create the world's largest platform for economic cooperation. This includes policy alignment, trade and financing collaboration, and social and cultural cooperation. OBOR has already made some practical achievements, including bilateral cooperation agreements with Hungary, Mongolia, Russia, Tajikistan, and Turkey. Furthermore, 200 enterprises have also signed cooperation agreements for projects along OBOR's routes.

However, the West views the OBOR with a mix of skepticism and mistrust. OBOR projects have also faced criticism because of the lack of transparency and use of Chinese contractors. On top of this, there have also been

a significant number of stalled and failed projects – mostly due to funding and bidding issues.

OBOR has the potential to be the most important economic development of the 21st century. And as a result, it's imperative that businesses are aware of all the opportunities and tax implications it brings. But whatever the long-term implications of OBOR, Kreston's global network of experts have the knowledge to help your business operate efficiently and profitably, in China and across the entire OBOR region.

Taken from [Kreston International](#)

ABOUT US

Kreston MDM is a company that provides service in audit, consulting, tax and financial advisory. The company was founded in 2005 as MDM Audit with the goal of using its own resources to build a dynamic business relationship with clients and providing the highest service quality. In February 2015, after an extensive due diligence and strict selection process, MDM Audit became an exclusive member, for Serbia, of KRESTON global network of independent high ranking accounting firms with extensive experience and knowledge of local markets providing daily support to its customers in over 100 countries.

Kreston International continual success depends on hard work and dedication of every affiliated company and all employees. It is the quality of each individual that allows us to maintain the basic

values of the brand, given that we firmly believe that 'people do business with people who are familiar with the brand they know, like and trust.'

Kreston MDM offers a wide range of services including audit of financial statements and accounting services, valuation of companies, financial and tax consulting, financial and tax due diligence. Our primary goal is to find solutions to real problems in the areas of finance and accounting.

Our team of highly professional experts with extensive years of experience uses business skills and experience to help organizations mitigate risks and cope with challenging environment.

Every day our employees strive to expand their knowledge and give new perspective to every project.