

8



NEWSLETTER

DOING BUSINESS IN TIMES OF
CORONA

[WORK ORGANIZATION - WORK FROM HOME](#)
LEGAL REGULATION OF WORK FROM HOME

[EMPLOYEES EARNINGS IN STATE OF EMERGENCY](#)
SALARIES, REIMBURSEMENTS AND OTHER EMOLUMENTS OF EMPLOYEES...

[WORK OF PUBLIC INSTITUTIONS IN STATE OF EMERGENCY](#)
Organization of work of public institutions during a state of emergency...

[PUBLIC SECTOR PROTECTION MEASURES FOR PRIVATE SECTOR](#)
THE NATIONAL BANK OF SERBIA HAS ADOPTED DECISIONS...

[NOTICE OF WORK DUE TO THE COVID-19 VIRUS PANDEMIC](#)
GENERAL INFORMATION ABOUT THE WORK OF KRESTON MDM

WORK ORGANIZATION WORK FROM HOME

LEGAL REGULATION OF WORK FROM HOME

“WORK FROM HOME” AS ONE FORM (ANOTHER IS REMOTE WORKING) OF EMPLOYMENT IN WHICH THE CONTRACTED WORK IS PERFORMED OUTSIDE THE PREMISES OF THE EMPLOYER, IS SPECIFICALLY REGULATED BY THE PROVISIONS OF THE LABOR LAW. THESE CAN BE ONLY JOBS THAT ARE NOT DANGEROUS OR HARMFUL TO THE HEALTH OF THE EMPLOYEE AND OTHER PERSONS AND DO NOT ENDANGER THE ENVIRONMENT.

For the purpose of legally regulating work from home, or as a basic way of performing the contracted work of an employee, or as an opportunity for the employee to perform occasionally or where necessary contracted work at home on the employer’s premises, employer is not obliged to adopt any kind of general act in form of Rulebook.

The legal regulation of work at home, or as a basic way of performing contracted tasks, or as an opportunity for employees to carry out contracted tasks at home or from time to time in addition to performing contracted work at the premises of the employer, is regulated by the Employer and Employee Contract. For already employed persons with the employer, valid Employment Contracts must be annexed (fully) in accordance with the provision of Article 42, paragraph 3. Counts 1-6. Of the Labor Law.

Regarding the current state of emergency, a Decree on Organizing Employers’ Work during Emergency (Official Gazette of the RS, No. 31/2020 - hereinafter: the Decree), which establishes work outside the premises and from home, introduces a ban on official travel and defines obligations around employee health protection. During a state of emergency, the employer is obliged to enable employees to perform activities outside the premises of the employer at all workplaces where such work can be organized in accordance with the general act and the employment contract. Forms of this kind of work include remote working and working from home.

The Decree also states that if the general act and the employment contract do not provide for this type of work, the employer may, by decision, allow the employee to perform activities outside the premises of the employer “if the organizational conditions allow”.

EMPLOYEES EARNINGS IN STATE OF EMERGENCY

SALARIES, REIMBURSEMENTS AND OTHER EMOLUMENTS OF EMPLOYEES FOR CONDUCTING WORK OUTSIDE THE PREMISES OF THE EMPLOYER.

SALARIES, REIMBURSEMENTS AND OTHER EMOLUMENTS OF EMPLOYEES WHO HAVE BASED AN EMPLOYMENT RELATIONSHIP OUTSIDE THE EMPLOYER'S PREMISES IN TERMS OF TAX, CONTRIBUTION AND TAX EXEMPTION ARE TREATED IN THE SAME WAY AS FOR OTHER EMPLOYEES OF THE EMPLOYER.

Compensation for expenses paid by the employer to the employee who works from home is calculated and paid with payroll tax at the rate of 10%, while the compulsory social security contributions are not calculated and paid, since according to the provision of Article 105 of the Law these employee benefits are not defined as salary.

DECREASE IN SALARY

The Labor Law does not regulate the concept of a state of emergency, so there is no unambiguous and universally applicable answer to the question of treatment of earnings during a state of emergency.

Article 116. defines that an employee is entitled to a remuneration of at least 60% of the average salary in the previous 12 months, but may not be less than the minimum wage during the termination of work, or reduction of the volume of work that occurred without the fault of the employee, maximum of 45 working days in a calendar year (longer leave is possible with the consent of the Minister).

Article 117. defines that an employee is entitled to compensation of wages in the amount stipulated by a general act and employment contract during the termination of work, which was ordered by the competent state body or the competent body of the employer for failure to provide safety and protection of life and health at work, which is a condition of further performing work without endangering the life and health of employees and other persons.

UNPAID LEAVE

Only at the request of the employee may the employer grant unpaid leave to the employee in accordance with Article 78 of the Labor law. During unpaid leave, the employee shall be deprived of his / her rights and obligations arising from the employment relationship, unless otherwise specified by law, general act and employment contract. Based on the decision on unpaid leave within three days, the employer shall, in the database of the Central Register of Compulsory Social Security, exempt the employee from insurance for the period for which unpaid leave is granted. The cancellation is made using code 31 - termination of the insurance on the basis of employment due to standstill.

WORK OF PUBLIC INSTITUTIONS IN STATE OF EMERGENCY

ORGANIZATION OF WORK OF PUBLIC INSTITUTIONS DURING A STATE OF EMERGENCY (COURTS, NOTARIES, POST OFFICE)

COURTS

The High Judicial Council (HJC) specified the cases in which the courts continue to work, due to different interpretations of the Ministry of Justice's recommendations. During the state of emergency, only emergency trials will be held.

IN THE FIRST INSTANCE:

Criminal matters will hold trials in the following cases:

- In which custody has been ordered or detention is requested,
- for the offenses referred to in Articles 235, 248 and 249 of the CC
- Against juvenile offenders, that is, where the injured person is a minor in relation to sexual offenses referred to in Article XVIII of the Criminal Code
- Related to domestic violence
- Where there is a risk of obsolescence
- For offenses committed during a state of emergency and in connection with a state of emergency

Trials in civil matters will be held in the following cases:

- In which interim measures should be decided
- When deciding on family protection measures,
- Deciding not to disperse the press and disseminate information in the media
- Deciding whether to stay in a healthcare facility that performs activities in the field of neuropsychiatry.
- As well as executing executive documents regarding family relationships.

The Supreme Court of Cassation, based in Belgrade, will not work with parties during a state of emergency, so parties will only be able to submit their written submissions to this court by mail. The parties may be informed of the course of their cases in the Supreme Court of Cassation, the Commercial Court of Appeal, the Administrative Court and the Court of Appeal in Belgrade at the Ministry of Justice website <https://portal.sud.rs/cr>

NOTARIES

Notaries will not continue to perform official activities outside the notary public offices, which will continue to work every working day from 9am to 5pm, but with the suspension of signatures, manuscripts and transcripts, except in particularly urgent and justified situations. Notaries will continue solemnizing contracts, drafting notary notes and notary records, unless the parties are in the category of persons under special protection.

Deals with the parties will be scheduled at least an hour apart and will only be allowed to parties involved in the proceedings.

In order to receive paper documents, notaries should provide one counter with a controlled number of parties that can access it.

During a state of emergency, notaries will not schedule hearings in mortality proceedings, inheritance debates, and other non-contentious proceedings entrusted to public notaries by the courts requiring the participation of parties. Also, hearings already scheduled in these proceedings will be postponed, except in cases requiring urgent treatment, which does not endanger specially protected categories of the population.

TAX ADMINISTRATION

The Tax Administration of the Republic of Serbia advises the use of ePorezi electronic services, then the electronic way of communicating via e-mail, as well as the use of the Contact Center services instead of visits to the tax administration organizational units.

Electronic services ePorezi will work smoothly in the future. They will be able to easily submit electronically signed tax return forms, monitor the status of submitted returns, have an insight into the account balance and receive e-certificates.

The Tax Administration of the Republic of Serbia has enabled electronic communication with taxpayers by opening special e-mail addresses for receiving submissions electronically. [The lists of electronic addresses for the electronic submissions](#) have been published on the website of the Tax Administration and prominently displayed in the form of notifications on the premises of all organizational units of the Tax Administration.

For the immediate receipt of the submissions, if necessary, there will be four offices of the Tax Administration of the Republic of Serbia, namely:

- Belgrade: Office of the Tax Administration in Belgrade, ul. Despot Stefan 118;
- Novi Sad: Office of the Tax Administration in Novi Sad, ul. Modene 7;
- Kragujevac: Tax Administration Office in Kragujevac, 27 March 14 i
- Niš: Office of the Tax Administration in Niš, ul. Nikola Pasic 24.

Contact Center will be available on weekdays from 8:00 am to 6:00 pm for all information, which fall under the jurisdiction of the Tax Administration of the Republic of

Serbia on the phone numbers:

- 0700-700 007
- 011-33 10 111

Information on any subsequent changes will be published regularly on the Tax Administration website www.purs.gov.rs.

POST OFFICE

Public company Post of Serbia, starting from March 17, organized the operations of the post in emergency conditions, as follows:

- in post offices that have worked so far throughout the day, working hours will be organized between 10am and 5pm on weekdays, and on Saturdays from 10am to 2pm;
- In post offices that work on Sundays, working hours will be organized between 10am and 2pm;
- The main post office in Takovska 2 in Belgrade will not work 24 hours, but in the period from 10 am to 5 pm on weekdays, and on Saturdays and Sundays in the period from 10 am to 2 pm;
- In smaller post offices where work was organized in one shift, working hours will not change (applies to post offices where work is only organized by the counter service);
- In some smaller post offices (post offices where the work of the post office and delivery service is organized), the opening hours will be from 10 AM.

From March 19 2020 some smaller post offices will be temporarily closed.

PUBLIC SECTOR PROTECTION MEASURES FOR PRIVATE SECTOR

PUBLIC SECTOR PROTECTION MEASURES FOR PRIVATE SECTOR

The National Bank of Serbia has adopted decisions prescribing a delay in payment of debtors' debt (moratorium), which is prescribed for all debtors who wish to do so, and implies a delay in payment of liabilities that may not be less than 90 days, or length of the state of emergency which is introduced due to the pandemic of the virus corona in Serbia. During the state of emergency, the bank, as well as the leasing provider, will not charge default interest, and will not initiate enforcement or enforced collection, nor will it take any other legal action to collect its receivables from clients.

As for the other measures, for now, there are only recommendations to the Government published by NALED:

- Temporary reduction of labor taxes and contributions or introduction of installment payments of all labor-related liabilities, without interest, for entrepreneurs, micro and SME sector, and/or the most jeopardized sectors, depending on the results of economic impact analysis of the pandemic;
- In cooperation with the banking sector, combined with additional funds allocated from the national budget, ensuring access to low-cost or interest-free loans to businesses, intended for maintaining liquidity and refinancing liabilities, with a possibility of approving grace periods for the repayment of new loans;
- Ensure one-time financial support and/or introduce a moratorium during at least three months for repaying bank loan and all liabilities to the state for companies and entrepreneurs operating in the most jeopardized sectors and recording a significant drop in revenues, as well as for the individuals who were laid off;
- Prevent the rise of prices with an adequate system of using commodity reserves and strengthened inspection oversight, along with the introduction of contact center for citizens and businesses;
- Expand the measure of labor tax and contributions exemptions during the first year of work to lump-sum entrepreneurs, to encourage self-employment;
- Expand the scope of regulations governing simplified / electronic registration of seasonal workers to sectors particularly prone to fluctuations (such as tourism), and temporary jobs that will be particularly seen during the epidemic (household assistance, couriers, babysitting etc.);
- Stimulate cashless payments through media channels, as well as the potential reduction / partial refund of VAT in case of card payments as a measure for preventing epidemics, but also a measure to maintain the legal flows of economy;
- Introduce public works as a measure for encouraging employment of vulnerable groups and stimulating local economic development;
- Introduce extended maternity leave and vouchers for hiring household assistance for babysitting, to help parents deal with the closing of schools;
- Establish a special fund for financial support to local governments / regions whose population and businesses experience the most adverse effects.

AS WELL AS RECOMMENDATIONS OF AMCHAM:

GENERAL MEASURES:

- For COVID-19 related sick leaves up to a month (isolation if no WFH can be done, quarantine etc), employer to cover only net salary (relief of taxes and contributions on salary);
- For COVID-19 related cessation of work, employer to pay net compensation (relief of taxes and contributions);
- Decrease of corporate profit tax advance payment for 50%;
- Moratorium on late tax payment interest until 30 days after the State of emergency is abolished (in effect, posing opportunity for delaying tax payments);
- Establishing "green lanes" on all border crossings for freight transport (effecting decrease of time spent at the border crossings).

ADDITIONAL SME MEASURES INCLUDE:

- Decreasing lump sum tax obligation by 50%;
- Introducing liquidity guarantee schemes.

Special measures for hard hit sectors – tourism industry,

especially hotel industry, international haulage and automotive (additional criteria may apply):

- Full cancellation of advance payment for corporate profit tax;
- Partial refund of salaries during cessation of work;
- Decrease of property tax 50%.

OTHER MEASURES:

- Allowing exemption from export ban for medicines that are not registered in Serbia and are manufactured specifically for foreign markets;
- Rethinking order from Health Insurance Fund to commit to delivering 6 months stocks;
- Resolving administration related issues in labor regs related to COVID-19 online – opening sick leave, administering WFH notices etc;
- Prescribing safety at work attainable standards related to COVID-19.

NOTICE OF WORK DUE TO THE COVID-19 VIRUS PANDEMIC

GENERAL INFORMATION ABOUT THE WORK OF KRESTON MDM.

In accordance with the recommendations of the Government of the Republic of Serbia, Kreston MDM has taken all necessary measures to prevent the spread of the COVID-19 virus.

In order to protect the health of our clients, as well as the health of our employees, all meetings and consultations with clients will be held through digital services, while most documentation is submitted electronically to minimize all contacts and the possibility of spreading the virus. All

precautions will not affect the scope and quality of service, as we operate with unchanged capacity in accordance with the recommendations and the current situation.

We invite you to follow the general preventive measures for the protection of the coronary virus and to work according to the instructions of the Ministry of Health to prevent the transmission of infections and to protect your health and the health of people from your area.

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.

Kreston MDM

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