

THE SERBIAN GOVERNMENT HAS ANNOUNCED A SET OF MEASURES TO HELP THE ECONOMY

AN OFFICIAL LEGISLATION AND A FULL IMPLEMENTATION GUIDE ARE EXPECTED IN THE NEXT 10 DAYS. FURTHERMORE, THE ANNOUNCED MEASURES ARE ONLY INTENDED FOR COMPANIES THAT HAVE LAID OFF LESS THAN 10% OF EMPLOYEES

The following measures are announced:

1. **POSTPONING OF PAYMENT OF DUE TAX LIABILITIES, WITH SUBSEQUENT REPAYMENT IN INSTALLMENTS FOR AT LEAST THREE MONTHS**, for following taxes:
 - payment of taxes and contributions for at least three months (employers who choose to use this measure may use deferral of payment of taxes and contributions to earnings until January 2021, and thereafter there is a possibility of further deferral of payment of these taxes and contributions up to 24 months without obligation to pay interest, at the request of the taxpayer)
 - postponing of payment of the income tax advance (in the meantime, companies may file a periodic tax balance and tax return to reduce the monthly advance if significant changes in the taxpayer's business have occurred in the current year)
2. **EXEMPTION FROM VAT FOR DONATIONS** (exemption for donors from the obligation to pay VAT means that donors who donate their products and goods to institutions directly involved in activities aimed at preventing the spread and treatment of citizens from Covid-19 will be exempt from VAT for that turnover)
3. **PAYMENT OF THREE MINIMUM WAGES FOR ENTREPRENEURS, MICRO, SMALL AND MEDIUM ENTERPRISES FOR EACH EMPLOYEE**. The state will pay minimum wage support for entrepreneurs, micro, small and medium-sized enterprises in the

private sector for each employee. The minimum wage is about 31,000 RSD, so a total of about 93,000 RSD per employee will be paid. Companies can expect the state to pay them the first third of the funds mid-May, the second installment in June, and the third installment in July. Companies will be required to transfer this money to employees. Large companies whose employees are sent on forced leave will receive subsidies in the amount of 50% of minimum wage due to reduced business volume or complete shutdown.

4. **CORPORATE BONDS**. It is one of the ways in which large enterprises can count on the state support. Given the complicated legislation, changes to legislation are to be made
5. **FAVOURABLE LOANS AND GUARANTEE SCHEMES** in order to maintain liquidity during and after the state of emergency:
 - Program for granting favorable loans with 1% interest through the Development Fund of the Republic of Serbia, for maintaining liquidity and working capital for entrepreneurs, companies classified into micro, small and medium-sized legal entities, agricultural households and cooperatives
 - Guarantee schemes for business support for loans for maintaining liquidity and working capital for entrepreneurs, companies classified into micro, small and medium-sized legal entities, agricultural holdings and cooperatives. Guarantee schemes will refer to loans granted by commercial banks, and practically the state will guarantee these loans.
6. **PAYMENT OF DIRECT ASSISTANCE IN THE AMOUNT OF 100 EUR** in RSD equivalent to all adult citizens of Serbia, upon termination of the state of emergency

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