

Amendments to the Rulebook on VAT and the Rulebook on electronic invoicing

In the Official Gazette of the RS No. 101 of 12/20/2024., amendments to the Rulebook on Value Added Tax ("Official Gazette of RS", No. 37/2021, 64/2021, 127/2021, 49/2022, 59/2022, 7/2023, 15/2023, 60/2023, 96/2023, 116/2023, 29/2024, 65/2024, 73/2024 and 101/2024 "Rulebook on VAT") and the Rulebook on electronic invoicing ("Official Gazette of the RS", no. 47/2023, 116/2023, 65/2024, 73/2024 and 101/2024, "Rulebook on e-invoicing") were published, which enact changes in the the tax period for VAT payers, and harmonize with the new changes in the Law on Value Added Tax ("Law on VAT").

Changes to the VAT Rulebook pertain to the procedure and method for changing the tax period.

Under the new provisions, if a quarterly VAT taxpayer wishes to switch to a monthly VAT payment period in 2025, they may submit a request to the tax authority to change the tax period to a calendar month. This request can be made between December 20 and December 31 of the current year for the upcoming calendar year.

If the tax authority approves the change, a confirmation will be sent electronically to the taxpayer's inbox via the Tax Administration portal, with the approved tax period lasting no more than 12 months.

Notably, if the tax authority delivers the confirmation by January 20, 2025, the tax period becomes a calendar month starting from January 2025. However, if the

confirmation is delivered after January 2025, the tax period will start as a calendar month from April 2025.

Since the approved tax period is limited to a maximum of 12 months, taxpayers wishing to continue paying VAT on a monthly basis in 2026 will need to repeat the procedure and file a request for changing the tax period each subsequent year.

On the other hand, the amendments to the Rulebook on E-Invoicing are technical in nature and relate to how the start date of VAT activities is recorded. According to the adopted changes, the date of commencement of VAT activities is determined in accordance with the VAT Law. If a VAT taxpayer has initiated VAT activities multiple times, the date of commencement refers to the most recent start date of VAT activities.

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