Measures of the Government of Serbia in counteracting the negative effects of coronavirus pandemic
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1 INTRODUCTION
Pursuant to Article 200, paragraph 5 of the Constitution of the Republic of Serbia, the President of the Republic, the President of the National Assembly and the Prime Minister due to COVID-19 disease caused by SARS-CoV-2 virus declared on 15 March 2020 state of emergency in the Republic of Serbia by rendering the Decision on Declaring of the State of Emergency in the Republic of Serbia ("Official Gazette of the RS", No. 29/2020). As the state of emergency was introduced on the territory of the Republic of Serbia on 15 March 2020, this means that it may last until 14 June 2020 and be extended until 14 September 2020.

The competent state bodies have adopted a set of measures with the purpose of maintaining the existing and ensuring a more favorable financial position of the economy in a state of emergency, where in this document we highlight the most important measures for preserving the stability of the financial system and tax measures in period of state of emergency.
2 Key Novelties
Key novelties

1

2
Each employer is obliged to enable employees to work from home in all workplaces where such way of working can be arranged. In case when this is not possible, the employer is obliged to provide all general, special and extraordinary measures related to the hygienic safety of facilities and persons in accordance with the Law on Protection of Population from Infectious Diseases.

3
Employers are obliged to obtain a permit for movement from the Ministry of the Interior through the Ministry of Commerce, and to issue an appropriate certificate to each employee on the prescribed form in case such employees should go to work during the time of the prohibition of movement.

4
The period of delayed tax liabilities is prolonged for the period of the state of emergency.
Key novelties

5
Tax default interest during state of emergency has been decreased for 10% and is at 1.75% per annum.

6
The National bank of Serbia has introduced moratorium on loan and leasing repayments for at least 90 days and the banks or leasing companies shall not calculate default interest and will not initiate enforcement collection procedure.

7
Ministry of Justice recommended the delay in enforcement procedures in commercial matters during the state of emergency.

8
It is stipulated that the parties cannot bear the consequences of their failure to comply with the deadlines prescribed by the administrative procedures, which means that the deadlines for carrying out the administrative actions of the parties during the administrative procedure are extended in accordance with the provisions of the regulation.
Foreigners may lawfully stay in the Republic of Serbia during a state of emergency without the obligation to initiate proceedings to further determine their status.

The government bodies are closed to the public and submission of documentation can be completed either by electronic mail or by post.

The reports to the NBS on foreign can be submitted in electronic form, and after the state of emergency the documentation shall be delivered to NBS in paper form.
3 Decree on organizing employer activity during the state of emergency
Based on the provisions of the Decree, it is stipulated that each employer is obliged to enable employees to work from home to all workplaces where such a way of working can be arranged in line with the general act or employment contract.

If the general act and the employment contract do not stipulate work from home, the employer may, according to the provision of Decree, through their own decision, allow employees to perform work from home, provided that organizational conditions allow such possibility. Based on the provisions of the Decree, it is stipulated that the employers must keep the evidence of employees working from home.
Decision to work from home must contain

- Working hours
- The manner of supervision of employees
Recommendation for employees with children under 12

In case the employer has an employee who has a child under the age of 12 years, the competent ministry has made a recommendation to allow the employee to work from home, but if this is not possible, to allow the employee to work on shifts but so that shift work does not coincide with the work of another parent who also has a work obligation.
Decree provides that employers who cannot organize home office due to nature of their business activities are obliged to adjust their activities with the declared state of emergency:

- If it is possible and does not require additional funds to organize work in shifts for the purpose of lowering the number of employees to work at the same time with the same work premises;

- To enable all work-related meetings to be held electronically (video link, video call, etc.)

- To suspend all business trips within the country and abroad in line with the applicable decision on prohibition, i.e. temporary limitation of movement.
Ensuring the health and safety of employees

With the goal to insure protection an healt of employees, decree stipulate obligation of each employer to provided all general, special and extraordinary measures related to the hygienic safety of facilities and persons in accordance with the Law on Protection of Population from Infectious Diseases;

The employer is obliged to provide a sufficient amount of protective equipment for employees who are in direct contact with clients or share a work space with more than one person, in accordance with special regulations.
Performing work from 5 pm to 5 am

As of 28 March 2020 from 5 pm, employers whose employees perform work from 5 pm to 5 am (i.e. during the period of prohibition of movement) and have the permission of the Ministry of the Interior to be exempted from the prohibition and restriction order movements of persons in the territory of the Republic are obliged to issue to each employee the appropriate certificate in the prescribed form, while certificates issued in another format will not be taken into account.

Employer who have up to 100 employees on a shift that lasts during the period of prohibition of movement issues a certificate on a daily basis, while an employer with more than 100 employees on a shift issues a certificate on a weekly basis, for each employee for whom the approval of the Ministry of Internal Affairs has been obtained that they are exempt from the application of the mentioned order.
Decree on Emergency Tax Measures to mitigate the economic consequences of COVID-19 caused by the SARS-CoV-2 virus
Decree on Emergency Tax Measures to mitigate the economic consequences of COVID-19 caused by the SARS-CoV-2 virus

In order to increase taxpayers’ liquidity, the following tax measures has been established for:

- legal entities
- entrepreneurs
- farmers and individuals

during a state of emergency for the amount of more or less paid taxes and incidental payments, except interest, interest should be charged and paid at a rate equal to the annual reference rate of the National Bank of Serbia, which is as of 11 March 1.75%.

With other words, during the state of emergency the interest rate was reduce for 10% comparing to interest, which is valid under ordinary conditions.
Decree on Emergency Tax Measures to mitigate the economic consequences of COVID-19 caused by the SARS-CoV-2 virus

The decree stipulates that taxpayers who have an approved rescheduled tax debt within the meaning of Art. 73-74b of the Law on Tax Procedure and Tax Administration, during the state of emergency no measures will be taken prescribed by Article 74, para. 7–9. of this Law beginning with the installment due in March 2020.

During the state of emergency, the Tax Administration shall not annul the agreement ex officio, ie terminate the decision on the postponement of payment of the tax due and shall not carry out the procedure of enforced collection for the purpose of collecting it, whereby no interest within the meaning of Art. 75 and 76 ZPPA.

Delayed payment of tax liabilities

However, the aforementioned regulation does not foresee a delay in the enforcement of enforced collection of arrears but not of taxes and incidental tax payments, which is important to keep in mind, since the tax authorities have no obstacle to initiate the procedure of enforced collection of taxes.
5 General Act of the National Bank of Serbia
In order to maintain achieved level and to further strengthen the stability of the financial system in conditions of potential risks caused by emergency health situation in Serbia, the National bank of Serbia has on 17 March 2020 adopted:

- The decision on Temporary Measures for Maintenance of Stability of Financial System and
- The decision on Temporary Measures for Leasing Providers for the Purpose of Maintenance of Stability of Financial System.
The moratorium is introduced for all debtors who wish so (individuals and legal entities, as well as entrepreneurs) and entails moratorium in payment of liabilities which cannot be shorter than 90 days or term of state of emergency introduced due to a pandemic of Covid-19 virus.

Banks and financial leasing companies are required to publish the notification of offering of a moratorium on their internet pages upon which it will be considered that the notification has been sent to all clients (debtors). If the client within 10 days as of the publishing of such notification does not reject such a proposal it shall be considered that he has accepted the proposal without any obligation to visit the bank or financial leasing company.

Upon expiration of the above-mentioned deadline moratorium will have a legally binding effect but debtors will be allowed to repay their liabilities.
Prohibition of interest calculation and initiation of enforcement collection procedure during Moratorium

During the state of emergency, the bank or leasing company shall not calculate default interest on due but unsettled liabilities and shall not initiate enforcement collection procedure, nor they will conduct any other legal measure for the purpose of collection of receivables from the clients. Besides, banks and leasing companies shall not be able to claim any compensation related to the costs stemming from adopted regulations.
6 The Regulation on time limits in court proceedings during the state of emergency
The Regulation on time limits in court proceedings during the state of emergency

Interruption of time limits in court proceedings

The Decree define that the deadlines for filing civil lawsuits, private criminal proceedings, motions for instituting non-contentious or enforcement and security proceedings, filing an administrative lawsuit and lodging a constitutional complaint shall cease to be during the state of emergency declared on 15 March 2020.

Also, the deadlines for declaring remedies, remedies or for taking other procedural actions in the procedures referred to in Article 1 of this Decree shall cease to be during the state of emergency declared on 15 March 2020.

In criminal proceedings, misdemeanor proceedings and proceedings for economic offenses, the deadlines for lodging appeals against decisions terminating the proceedings, as well as for declaring extraordinary legal remedies, cease to exist during the state of emergency declared on 15 March 2020.

In addition, on 17 March 2020, the Ministry of Justice adopted a recommendation for the work of public bailiffs during a state of emergency recommending the postponement of enforcement proceedings to settle certain monetary and non-monetary claims, which primarily relate to the collection of claims from commercial relations.
7 Decree on application of deadlines in administrative procedures

The decree regulates the application of deadlines in administrative during the state of emergency.

It has been prescribed that delivered documents and notifications in administrative procedures for which deadlines cannot be extended are deemed delivered upon expiration of 15 days as of the termination on state of emergency.

Deadlines that are expiring during a state of emergency and which pertain to administrative actions, finalization of administrative procedures and decision-making based on legal remedies shall be deemed expired 30 days as of the termination of a state of emergency.
DECISION ON THE STATUS OF FOREIGN NATIONALS IN THE REPUBLIC OF SERBIA DURING A STATE OF EMERGENCY
Decision on the status of foreign nationals in the Republic of Serbia during a state of emergency

Legal presence of foreign nations in the Republic during a state of emergency

Foreign nationals who were legally residing in Serbia on the day of introduction of the state of emergency on 15 March 2020 on the basis of grounds prescribed by the Law on Foreigners may lawfully reside in Serbia, as long as the state of emergency is in force, without the obligation to initiate processes for further determination of their status.

Expiry of ID

It is also envisaged that in the case of an identity card for an foreigner issued in accordance with the Law on Foreigners, an ID card for an asylum seeker and an ID card for asylum seekers who have expired or expire while on Decisions to declare a state of emergency shall be considered valid while the said decision is in force.
Business Agency suspended working with clients through direct contact i.e. at the counters of Agency during the state of emergency, and this will remain unchanged as long as the decision on the introduction of a state of emergency is in force or until another act of the Government of the Republic of Serbia is abolished.

Requests and application forms can be sent by post, while the: eRegistration of establishment of one-member and multi-member LLC, eRegistration of establishment of entrepreneurs, eConstruction licenses, eSubmission of financial statements and Central records of real owners will still be available for users.

The Tax Administration of the Republic of Serbia has terminated working with clients in person, and enable electronic communication with taxpayers by opening special e-mail addresses for receiving submissions electronically, while filing of tax returns through the electronic service "E-Taxes" will be enabled as smoothly as before, with respect to the deadlines that were in force before the introduction of the state of emergency.
In state of emergency conditions, documentation, which should normally be delivered during the reporting process of the National Bank of Serbia on foreign credit operations, can also be delivered in electronic form, as a PDF format file, to the e-mail address izvestavanje.kpi@nbs.rs.

The National Bank of Serbia shall, during the state of emergency, conduct certification, i.e. accept the mentioned documentation in electronic form.

Residents who reported their foreign credit operations to the National Bank of Serbia during the state of emergency in this way, must deliver the documentation, based on which certification was conducted, in paper form in a way proscribed by this decision within 10 days after the end of the state of emergency.
11 Set of economic measures announced by the Government of Serbia
Beside the previously announced measures which are related to moratorium on loan and leasing payments and decreasing of key policy rate to 1.75% per annum, the announced fiscal measures are as follows:

Set of economic measures announced by the Government of Serbia

- Deferring of payment of salary tax and social security contributions for private entities during the state of emergency until 2021 when the payment will be possible in instalments

- Deferring of corporate income tax advance payments in the second quarter of 2020

- VAT exemption for donations

- Direct support to entrepreneurs, micro, small and medium entities in private sector by payment of the amount of minimum salary in Serbia in the period of three months

- Direct support to large entities in private sector by payment of the amount of 50% of minimum salary in Serbia in the period of three months for employees whose work has been paused in line with Article 116 and 117 of the Labour Law
Beside the above measures, the Government of the Republic of Serbia has announced measures for maintaining liquidity:

- **Financial aid program** to the economy via Development Fund for entrepreneurs, micro, small and medium entities, farms and cooperatives in the amount of EUR 200 million.

- **Guarantee scheme for maintenance of liquidity and working capital** for entrepreneurs, micro, small and medium entities through commercial banks, where the value of guarantee scheme is approximately EUR 2 billion (RSD 240 billion).
Measures mentioned in previous slides are applicable for all private entities who have not:

- Decreased the number of employees **for more than 10%** during the state of emergency (whereby the employees employed for definite term whose contracts have expired are not included) and

- **Frozen** their activities prior 15 March 2020.
It was also announced that there will be an additional support to the industry sector who have suffered the most, as well as support for large entities through corporate bonds.

One of the measures also entails that the Government of Serbia will donate EUR 100 to each adult.

The procedure for application of the above-mentioned measures will be announced within 10 days.
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