

## ***Amended Rulebook on Tax Balance Sheet Form***

The Ministry of Finance issued in December 2010 new bylaws regulating methods of determining and declaring corporate income tax (CIT), following the changes in the CIT Law in March of the same year. Some of the new rules introduced by the bylaws created controversy in the business community and among tax professionals. As a result of public feedback and dialogue with the business community the Ministry has amended one of the bylaws, the Rulebook on Tax Balance Sheet Form.

### ***Tax adjustments for permanent establishments***



The previous version of bylaw stated that the permanent establishments of non-resident companies that keep accounting records are obliged to complete and submit the same tax balance sheet form as Serbian tax resident companies. However, the tax balance sheet form did not include the position on which non-deductible expenses for a permanent establishment, such as interest and related costs on loan provided by non-resident head office and royalties and related rights paid to non-resident head office, would be stated. This issue has been resolved by amendment of the relevant provisions in the Rulebook and in the tax balance sheet form.

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