

New arm's length interest rates published

12 March 2018

In brief

Serbian Ministry of Finance published arm's length interest rates applicable for 2018.

Ministry of Finance has published the Rulebook on arm's length interest rates that are applicable for 2018. The Rulebook will enter into force eight days after being published in the Official Gazette of Republic of Serbia.

According to the Serbian Corporate Income Tax (CIT) Law the arm's length level of interest can be determined by using the interest rates published by the Ministry or by using general transfer pricing rules. Differences that may arise between interest at actual and the arm's length level are included in the taxable base and taxed accordingly.

Tables below show interest rates that can be used for testing the arm's length nature of interest on loans between related parties for 2018:

<i>Banks and financial leasing</i>	
Currency	Arm's length interest rates for 2018
EUR	3.19%
CHF	3.12%
USD	2.45%
SEK	3.70%
GBP	1.15%
RUB	3.33%
Short-term loans	
RSD	3.10%
Long-term loans	
RSD	4.10%

<i>Other legal entities</i>	
Currency	Arm's length interest rates for 2018
Short-term loans	
EUR	3.10%
RSD	5.84%
USD	4.41%
CHF	12.97%
Long-term loans	
EUR	3.42%
RSD	5.58%
USD	4.16%
CHF	8.21%

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

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