

Annual Plan of Tax Audits for 2019 published

April 08, 2019

In brief

Recently, Serbian Tax Authorities published Annual Plan of Tax Audits. The plan contains general overview of planned activities of the Tax Authorities during 2019 with respect to audits of taxpayers' tax affairs.

In detail

The Annual Plan envisages that the tax audit efforts would be focused on the following:

- Tax audits of taxpayers, legal entities, which have non-resident founders - focus would be put on related party transactions and application of double tax treaties;
- Tax audits of taxpayers involved in corporate reorganisations (status changes) - focus would be put on VAT and CIT aspects of transfers of assets and liabilities;
- Tax audits of taxpayers which are involved in trade of oil derivatives - focus would be put on review of calculation and settlement of excise duties.

Tax audits would be focused on high-risk taxpayers, which would be identified in operative, monthly plans of the Tax Authorities (which are not publicly available). Risk factors are determined for all industries. Selection of high-risk taxpayers per industry would be done during preparation of operative, monthly plans through application of specific risk identification criteria.

General risk identification criteria are:

- Turnover value;
- Size of taxpayer (according to data from financial statements);
- Frequent change of the local Tax Authorities Office;
- Number of employees compared to size of taxpayer;
- Taxpayers which have related parties, whose tax identification numbers were temporarily suspended;
- Ratio of cash withdrawals and total revenues;
- Realised profit margin;
- Ratio of export and total turnover;
- Amount of operating loss;
- Amount of total loss;
- Status of taxpayer - bankruptcy or liquidation;
- Ratio of costs of intangible property and revenues;
- Ratio of operating expenses and revenues;
- Ratio of total expenses and revenues;
- Ratio of operating profits and revenues;
- Ratio of profits and revenues;
- Effective tax rate;
- Previous tax audits - frequency and outcomes.

Let's talk

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

PricewaterhouseCoopers Consulting d.o.o.
Omladinskih brigada 88a
11070 Belgrade
Tel: +381 11 33 02 100
www.pwc.rs

Branka Rajicic
Partner
branka.rajicic@pwc.com

Dragan Draca
Director
dragan.draca@pwc.com

Mirjana Petkov
Manager
mirjana.petkov@pwc.com

Aleksandar Arsic
Senior Consultant
aleksandar.arsic@pwc.com

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