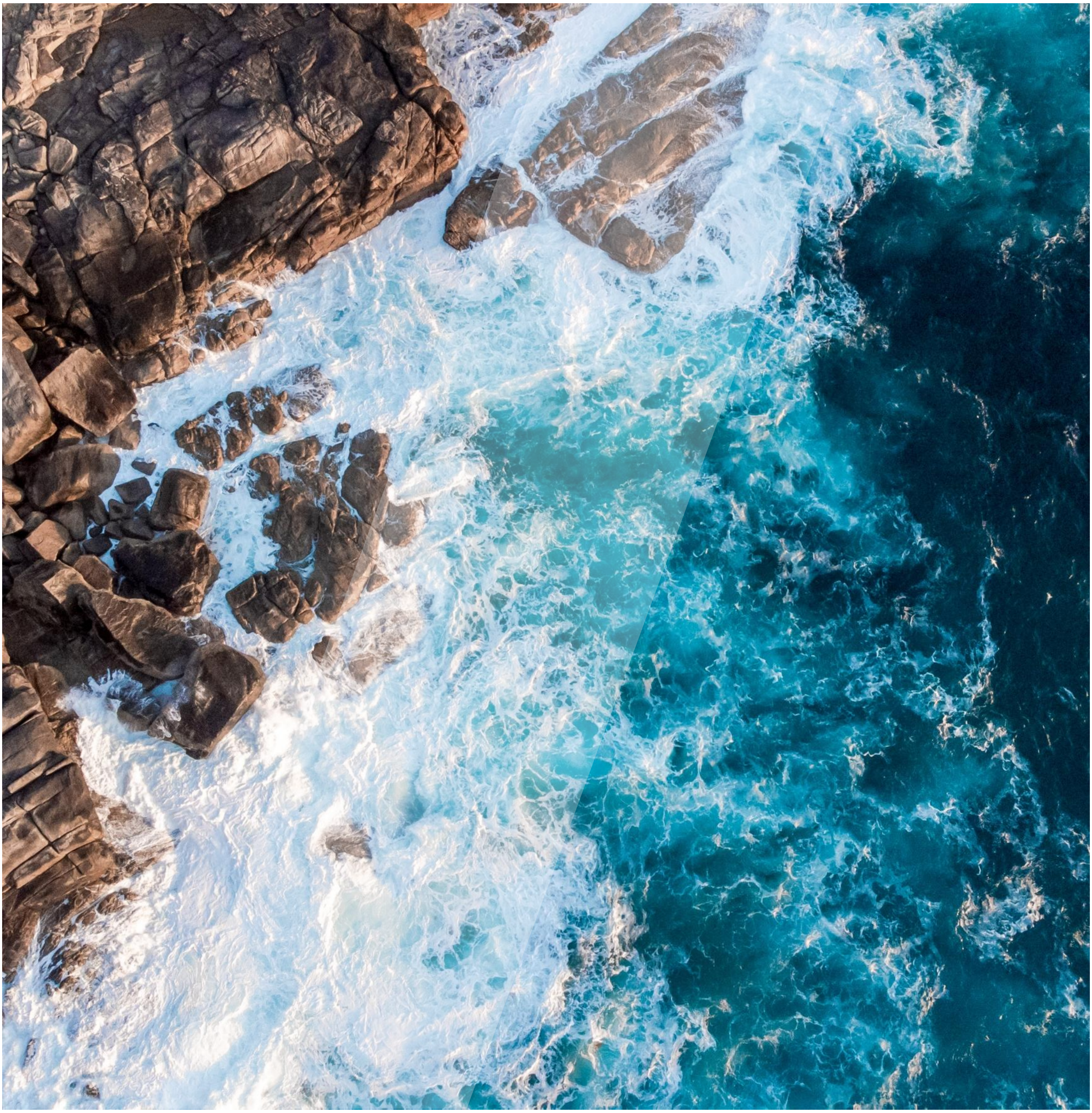

Amendments to the VAT Rulebook and the Rulebook on Electronic Invoicing

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Amendments to the Rulebook on Value Added Tax

The Rulebook on Amendments to the Rulebook on Value Added Tax was published in the “Official Gazette of the RS”, No. 71/2026, introducing significant changes in the area of VAT reporting and the keeping of VAT records.

The most significant amendments relate to the introduction of a new VAT return form, which provides for an expanded scope of data to be disclosed in the tax return. At the same time, new appendices have been prescribed as an integral part of the tax return, as well as amended forms used for exercising the right to VAT refund and reimbursement.

In addition, the Rulebook regulates in detail the form, content and manner of preparing the preliminary VAT return that will be generated through the Electronic Invoicing System (SEF), together with the forms that constitute its integral part. The provisions governing the content and manner of keeping VAT records have also been significantly amended and supplemented in order to align them with the new concept of VAT reporting. The new forms, including the VAT return form (PP PDV), the preliminary VAT return (PPP PDV) and the accompanying appendices, will apply as of 1 January 2027.

The new rulebook also introduces Article 202v, which regulates the procedure in the event of cancellation of invoices and other documents from the perspective of increasing and decreasing the tax base and VAT. These provisions take over the rules contained in the previous Article 255a of the VAT Rulebook, which is deleted.

Most of the amendments will apply starting from the tax period January 2027, or January–March 2027 for taxpayers with a quarterly tax period, while certain amendments relating to documents on increases and decreases of the tax base will apply from 1 September 2026.

Amendments applicable from 1 September 2026

The Rulebook introduces amendments relating to documents on increases and decreases of the tax base.

First, it has been prescribed that a VAT taxpayer who has supplied goods or services to a person who is not a VAT taxpayer is required, in the event of a subsequent decrease of the tax base, to issue an appropriate decrease document. This obligation is already provided for by the VAT Law, and the amendments to the Rulebook further specify its implementation.

The provision regulating the subsequent charging of costs has also been supplemented. The Rulebook specifies that, where a previously issued increase document has been cancelled and a new document subsequently charging costs has then been issued, the increase of the tax base is linked to the date of issuance of the new document.

In addition, a special rule has been introduced for documents on the decrease of advances, so the possibility of stating the last day of the tax period as the date of decrease will no longer apply to these documents.

Amendments in the area of VAT records

In addition to the above amendments, the Rulebook regulates in greater detail the content of certain parts of the general VAT records. Thus, separate recording is envisaged for decreases of the tax base and VAT based on advances, both for supplies for which the taxpayer is the tax debtor and for supplies for which the recipient of goods or services is the tax debtor.

Significant amendments also relate to records of supplies exempt from VAT with and without the right to deduct input tax. Starting from 2027, these records will be kept analytically according to the provision of the VAT Law under which the tax exemption is exercised, instead of the previous grouping of certain types of supplies. At the same time, the records will also contain data on increases and decreases of consideration, as well as on decreases of advances.

The content of records relating to supplies not subject to VAT, as well as to purchases of goods and services, has also been amended, with the data further aligned with the structure of the new VAT return forms.

With regard to the special taxation schemes for travel agencies, and for second-hand goods, works of art, collectors' items and antiques, data on these supplies will no longer be recorded within the general records, but in special VAT records.

No significant substantive amendments have been introduced in the part relating to input tax records and adjustments of input tax deductions, except for certain additional analytical breakdowns of data.

General VAT records

The amendments largely relate to the content of the general VAT records, which has been adapted to the structure of the new VAT return form. The general records continue to include data on supplies, purchases, imports, input tax and input tax adjustments, but the manner of recording them has been further elaborated.

Among other things, an obligation has been introduced to record data on internal invoices, including their number and date; the types of supplies recorded for VAT calculation purposes have been specified; and it has also been confirmed that the records include supplies of goods and services with and without consideration.

The Rulebook further regulates the rules for recording supplies, advances and subsequent changes to the tax base. Data on supplies made by a VAT taxpayer are recorded based on executed transactions, while for certain purchases and other business changes, records are kept based on an invoice or other document evidencing the business change.

Significant novelties also relate to the analytical keeping of data on supplies exempt from VAT with and without the right to deduct input tax. Starting from 2027, these records will be kept by individual grounds for tax exemption prescribed by the VAT Law, instead of the previous aggregate disclosure for certain categories of supplies. Separate recording of data on decreases of advances, as well as on increases and decreases of consideration, or the value of supplies, is also envisaged.

The rules for recording purchases of goods and services have also been amended, with the data structure aligned with the new tax return form. At the same time, data relating to special taxation schemes for travel agencies, second-hand goods, works of art, collectors' items and antiques will no longer be recorded within the general records, but in special VAT records.

No significant substantive amendments have been introduced in the part relating to input tax and input tax adjustments, except for certain additional analytical breakdowns of data within the records.

Special records

The amendments also cover special VAT records. The Rulebook provides for the keeping of special records for taxpayers applying special taxation schemes for travel agencies, as well as for taxpayers applying the special taxation scheme for second-hand goods, works of art, collectors' items and antiques.

In addition, the data recorded in connection with the purchase of secondary raw materials, as well as agricultural and forestry products and services from persons not registered for VAT, have also been amended.

New VAT return and preliminary tax return

One of the most significant novelties relates to the introduction of new forms for VAT reporting. The Rulebook prescribes the new VAT return form (PP PDV), the preliminary VAT return (PPP PDV), as well as several accompanying appendices that will form an integral part of the VAT reporting system.

The preliminary tax return will be prepared in the Electronic Invoicing System based on the data available to SEF and will be submitted as an appendix to the VAT return. At the same time, the provisions regulating the form and content of the VAT calculation overview (Form POPDV) have been deleted. Starting from the tax period January 2027 (or January–March 2027 for quarterly taxpayers), instead of Form POPDV, a preliminary tax return prepared in the Electronic Invoicing System based on the data available to SEF will be submitted as an appendix to the tax return. In addition, the existing PPPDV form will cease to apply and will be replaced by the new PP PDV form.

In addition, new forms relating to VAT refund and reimbursement have been prescribed, as well as new appendices that will accompany the submission of the tax return.

Preliminary tax return

The preliminary tax return consists of three forms: Form PPP PDV, which represents the basic overview of the VAT calculation; Form Appendix 1, which is automatically populated with data from SEF; and Form Appendix 2, in which the taxpayer enters data on supplies of equipment and facilities used for business activities and investments in such facilities.

The new Form PPP PDV retains the basic logic of the current Form POPDV, but also introduces certain important changes in the manner of presenting data. Supplies are systematised into five basic categories: taxable supplies, supplies for which the recipient of goods and services is the tax debtor (reverse charge mechanism), supplies exempt with the right to deduct input tax, supplies exempt without the right to deduct input tax, and supplies not subject to VAT. At the same time, the part of the form relating to purchases has been reorganised into separate sections covering: purchases of goods and services from domestic VAT taxpayers for which the supplier is the tax debtor, purchases for which the recipient of goods and services is the tax debtor (reverse charge mechanism), acquisition of all or part of assets and supplies under Article 6a of the Law, as well as data on VAT paid on import or delivery of goods and VAT compensation paid to farmers.

Compared with the existing Form POPDV, the new form introduces a considerably higher level of data aggregation in certain segments. This is particularly the case for supplies exempt from VAT with and without the right to deduct input tax, where individual types of exemptions (e.g. exports, supplies to the territory of AP KiM, etc.) will no longer be presented separately; instead, data will be entered in aggregate within the relevant sections. At the same time, taxpayers will continue to be required to ensure analytical data in their records by individual statutory grounds for exercising tax exemptions, so part of the level of detail is effectively moved from the tax return to internal records.

The new form also introduces certain technical novelties. Separate fields are envisaged for recording decreases of advances, which do not exist in the current Form POPDV, while data on transactions for which the recipient is the tax debtor will be presented both on the output VAT side and on the purchases side.

In addition, certain types of supplies that are currently presented separately, such as supplies without consideration or supplies subject to special taxation schemes (e.g. travel services and supplies of second-hand goods), will be included in the general fields for taxable supplies.

Appendix 1 and Appendix 2

Appendix 1 is an integral part of the preliminary tax return and, in terms of its structure, largely follows Form PPP PDV, but does not contain aggregate fields. It automatically imports data from electronic invoices, individual and aggregate VAT records and the Input Tax Records, which are then used for the automatic completion of Form PPP PDV.

The data in Appendix 1 are automatically populated based on electronic invoices, individual and aggregate VAT records, as well as the Input Tax Records. Thereafter, by an appropriate user action, the data from Appendix 1 are transferred to Form PPP PDV, with the aggregate fields necessary for determining the tax liability for the tax period also being automatically populated.

At the same time, Appendix 2 is also introduced, which does not serve to calculate VAT as such, but to properly determine the total turnover relevant for the application of Article 33 of the VAT Law. In this appendix, taxpayers disclose supplies of equipment and facilities used for business activities, as well as supplies of investments in such facilities, provided that the supplies are taxable for VAT purposes or exempt with the right to deduct input tax.

Preparation of the preliminary tax return

The Rulebook regulates in detail the procedure for preparing and submitting the preliminary tax return, which will be submitted through the Electronic Invoicing System within the deadline for filing the VAT return. The preliminary tax return is prepared at the request of the VAT taxpayer, based on the data available to SEF as at the day preceding the day of its preparation. A request for preparation of the preliminary tax return may be submitted exclusively within the deadline for filing the VAT return for the relevant tax period.

The submission procedure itself is organised through three interconnected forms. First, Appendix 1 is displayed to the taxpayer, which is automatically populated with data from electronic invoices, individual and aggregate VAT records, as well as the Input Tax Records. Thereafter, the taxpayer accesses Appendix 2, in which, if necessary, the taxpayer enters data on supplies of equipment and facilities used for business activities and investments in such facilities. Based on the data from these two appendices, Form PPP PDV is automatically generated; it represents the central part of the preliminary tax return and contains aggregate data on supplies, input tax and the determined tax liability for the tax period.

It is particularly important that the user cannot amend the data automatically retrieved and processed by SEF. The data from Appendix 1 are automatically transferred to the corresponding fields of Form PPP PDV, including the fields in which aggregate disclosures and calculations are made. In this way, the preliminary tax return represents the result of the automated consolidation of data contained in the system's electronic records.

The Rulebook provides for the possibility for the taxpayer to prepare the preliminary tax return multiple times during the deadline for filing the VAT return. In that case, each newly created preliminary tax return automatically cancels the previously prepared return for the same tax period. However, after the expiry of the deadline for filing the VAT return, it is no longer possible to submit a new request for its preparation.

In addition, certain restrictions have been prescribed. A preliminary tax return is not prepared for a tax period in which the taxpayer's VAT activity has commenced or ceased; it cannot be subsequently amended; and it may constitute an appendix only to a tax return filed on time. Furthermore, a VAT taxpayer may not submit more than one preliminary tax return during the same day.

Although the procedure is formally organised through three forms, its essence is that SEF automatically generates the preliminary tax return based on available data, while the taxpayer's role is primarily focused on checking the generated data and entering information disclosed through Appendix 2. This makes the process of preparing the VAT return significantly different from the previous model based on manual completion of Form POPDV and introduces a considerably higher degree of automation into the VAT reporting process.

For additional information on the practical application of the new rules, a user manual for submitting the preliminary tax return is also available to users on the SEF portal, explaining in greater detail the individual steps in the procedure for its preparation and submission through the electronic invoicing system.

Form and content of the new VAT return (Form PP PDV)

Starting from the tax period January 2027, or January–March 2027 for quarterly taxpayers, the VAT return will be filed using the new Form PP PDV.

The new Form PP PDV largely follows the structure of the preliminary tax return, i.e. Form PPP PDV, but also contains certain additional parts and fields not covered by the preliminary return. In other words, the preliminary tax return represents the basis for completing the new Form PP PDV, while taxpayers will additionally disclose in the tax return data that cannot be taken over from the preliminary return.

Along with Form PP PDV, the preliminary tax return prepared in SEF will be submitted as the first appendix and an integral part of the form. Where the preliminary tax return is prescribed as an appendix to the tax return, the submission of Form PP PDV will be technically conditional upon its delivery from SEF to the Tax Administration portal. This means that, in the case of timely filing of the tax return, the taxpayer will not be able to submit Form PP PDV without a previously prepared and delivered preliminary tax return.

The structure of the new Form PP PDV comprises nine parts. The first six parts relate to general data on the tax return, the taxpayer, the filer and the tax representative, while Parts VII, VIII and IX are of essential importance for the VAT calculation. These parts relate to supplies of goods and services and calculated VAT, purchases of goods and services and VAT, as well as the determination of the tax liability for the tax period and VAT corrections for previous tax periods.

Parts VII, VIII and IX of Form PP PDV largely correspond to the relevant parts of the preliminary tax return. Thus, the part relating to supplies of goods and services follows the same logic as Part III of Form PPP PDV, i.e. it covers taxable supplies, supplies for which the recipient is the tax debtor, supplies exempt with the right to deduct input tax, supplies exempt without the right to deduct input tax, and supplies not subject to VAT. However, in practice there will be situations in which certain data will not be automatically included in the preliminary tax return, but will instead be disclosed by the taxpayer directly in Form PP PDV.

This will particularly be the case for transactions for which SEF does not have data, for example certain supplies made to persons who are not SEF users, supplies to individuals, certain exempt supplies, as well as certain supplies deemed to have been made outside the Republic of Serbia. In such cases, the data will not be automatically taken over into the preliminary tax return, but will be disclosed through the tax return.

A significant difference compared with the preliminary tax return exists in the part of Form PP PDV relating to purchases. Namely, while the preliminary tax return includes three subsections relating to purchases with calculated VAT, purchases for which the recipient is the tax debtor and acquisition of all or part of assets, the new Form PP PDV contains additional subsections for purchases not covered by the preliminary return. This includes, among other things, purchases from VAT taxpayers that are exempt from VAT, purchases from foreign persons for which there is no obligation to perform the reverse charge mechanism, purchases from domestic persons who are not VAT taxpayers, and purchases of goods and services deemed to have been made outside the Republic of Serbia.

In addition, the new Form PP PDV contains a separate part relating to VAT corrections for previous tax periods. This part is not contained in the preliminary tax return, but is disclosed exclusively through the tax return, based on data from Form Appendix 4. According to the current understanding of the proposed amendments to the VAT Law, this mechanism should be particularly relevant in situations where a taxpayer has not registered in the VAT system on time and, in the first tax return after registration, performs VAT corrections for previous tax periods.

Additional appendices will also form integral parts of the new tax return. In addition to the preliminary tax return as the first appendix, Form PP PDV will also be accompanied by Appendix 2, which is identical to Appendix 2 of the preliminary tax return; Appendix 3, which relates to the notification on the purchase of secondary raw materials, agricultural and forestry products and agricultural services from persons who are not VAT taxpayers; and Appendix 4, in which VAT corrections for previous tax periods are disclosed.

The new VAT reporting model is based on a combination of an automatically generated preliminary tax return and additional data disclosed by the taxpayer directly in Form PP PDV. In this way, a significant portion of the data is taken over from SEF, while the tax return retains the function of a final calculation and supplementing data not available to the system.

Amendments to the Rulebook on Electronic Invoicing

Amendments to the Rulebook on Electronic Invoicing were published in the “Official Gazette of the RS”, No. 71/2026, substantively improving the rules relating to the keeping of VAT records in SEF and regulating new rules necessary for the functioning of the preliminary tax return.

Most of the amendments are connected with the introduction of the preliminary VAT return, which will be submitted as an appendix to the VAT return starting from tax periods beginning after 31 December 2026. At the same time, certain provisions regulating the Aggregate VAT Records and the Input Tax Records have been amended in order to ensure alignment with the new VAT reporting model.

We note that the amendments relating to the preparation of the preliminary tax return will begin to apply from January 2027, or from the tax period January–March 2027 for quarterly taxpayers, while the other amendments apply from the entry into force of the rulebook.

Amendments to the Aggregate VAT Records

The Rulebook amends the content of the Aggregate VAT Records, primarily in the part relating to the recording of cancelled documents.

The most significant novelty relates to the separate disclosure of increases in the tax base and VAT based on advances in cases of cancellation of documents on decreases of advances. These amendments have already been implemented through an update of the SEF system, and separate fields have therefore been introduced within the Aggregate VAT Records for disclosing increases in the tax base and VAT based on advances, separately from data relating to supplies of goods and services.

In addition, it has been further specified that a subsequent increase of the tax base and VAT may relate exclusively to supplies of goods and services, while the same rules do not apply to advances. At the same time, it has been prescribed that the rules applicable to recording decreases of the tax base and VAT for supplies apply mutatis mutandis to cases of decreases of advances, both for supplies for which the supplier is the tax debtor and for supplies for which the recipient of goods or services is the tax debtor.

Link between the Input Tax Records and the preliminary tax return

One of the most important novelties relates precisely to the alignment of deadlines and procedures for keeping the Input Tax Records with the new process for submitting the preliminary tax return.

The Rulebook prescribes that, on the day of preparation of the preliminary tax return, input tax is recorded if this has not previously been done, or, if necessary, it may be corrected or updated.

However, after the filing of the tax return, it is no longer possible to update automatically entered data; only data entered independently by the user may be corrected. In practical terms, taxpayers will have to ensure that all necessary updates are made no later than by the time the VAT return for the relevant tax period is filed.

Preliminary tax return in SEF

The amendments to the Rulebook on Electronic Invoicing regulate in detail for the first time the process of preparing the preliminary tax return within SEF.

The preliminary tax return represents a set of data on supplies of goods and services, imports, input tax and other data relevant for the VAT calculation, which is automatically generated based on the data contained in SEF.

The preliminary tax return consists of three forms: Form PPP PDV, Appendix 1 and Appendix 2. The data in Appendix 1 are automatically taken over from electronic invoices, the Aggregate VAT Records, the Input Tax Records and other data available to SEF, while the data in Appendix 2 are entered by the user.

If the system does not have the required data for certain fields of the preliminary tax return, the value “0” is automatically shown in those fields, which is why timely and proper recording of data in SEF will be of particular importance for the quality of the automatically generated preliminary tax return.

The Rulebook further provides that the preliminary tax return may be prepared every day between 09:00 and 24:00, within the deadlines prescribed for filing the VAT return.

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