

## **INSTRUCTIONS FOR FILLING IN THE FORM FOR THE FINANCIAL SERVICES TAX RETURN**

These instructions provide an explanation to taxable persons about completing the financial services tax return. The legal basis for these instructions are the Financial Services Tax Act (Official Journal of the RS, No. 94/12 and 90/14; hereinafter: ZDFS Act) and the Tax Procedure Act (Official Journal of the RS, No. 13/11 – official consolidated text, 32/12, 94/12 101/13 – ZDavNepr, 111/13, 22/14 – odl. US, 25/14 –ZFU, 40/14 – ZIN-B and 90/14; hereinafter: ZDavP-2 Act).

In accordance with Article 13, Paragraph 1 of the ZDFS Act, for corrections of mistakes from previous tax periods in the current tax return, for retrospectively submitted tax returns after their submission deadline and for presenting tax returns at procedures of a taxpayer's cessation (regular liquidation, bankruptcy or death), as well as for company administration procedures, provisions of the VAT Act (Official Journal of the RS, No. 13/11 – official consolidated text, 18/11, 78/11, 38/12, 40/12 – ZUJF, 83/12, 46/13 – ZIPRS1314-A, 101/13 – ZIPRS1415 and 86/14; hereinafter: ZDDV-1 Act) shall apply by analogy. Therefore, in the case of correcting mistakes from previous tax periods or retrospectively submitting tax returns, Articles 88b and 88c of the ZDDV-1 Act apply, and in the case of procedures of cessation and company administration, Article 88, Paragraph 6 to 9 and Article 89, Paragraphs 5 to 8 of the ZDDV-1 Act.

The taxable person is obliged to submit a tax return for each tax period in which they have performed financial services that are subject to taxation in accordance with the Financial Services Tax Act, i.e. at the latest on the last working day of the month following this tax period. The tax period covers the period of one calendar month. The tax return is to be submitted to the tax authority in electronic form, via the eDavki system.

### **INFORMATION NEEDED TO COMPILE A TAX RETURN**

The taxable person has to submit a tax return to the tax authority with all the information necessary to calculate the tax, for which the obligation arises to file a return. For corrections of mistakes from previous tax periods, the tax return has to contain the information about a reduction or increase in the total tax base from previous tax periods and information about lower or higher tax amounts from previous tax periods. The tax return also has to provide information about the amount of tax to be paid or reimbursed. It does not contain information about the value of transactions that are exempt from tax.

In the case of a retrospectively submitted tax return (self-declaration), when the taxable person failed to file a return within the prescribed time limit, they have to pay the declared tax liability when they file this tax return, as well as the interest charged according to the Europe Interbank Offered Rate (Euribor) and with a corresponding mark-up as laid down by Article 88c of the ZDDV-1 Act.

Information about retrospective corrections made to the tax charged also has to be included and entered into the corresponding box of the tax return; that is in the tax return for the period in which the mistake has been discovered (and not the tax return for the period that is being corrected, i.e. the period in which the mistake occurred). In the case of correcting mistakes from previous tax periods due to under-declared tax in the current tax return, the amount of tax to be corrected is automatically charged with interest at a rate of Euribor and a corresponding mark-up as laid down by Article 88b of the ZDDV-1 Act.

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Information about financial services performed in the tax period is entered into the tax return, where the tax period is the period of a calendar month (the mm.IIIl format is used to enter the tax period). A financial service is considered to have been performed when a fee (commission) has been paid for it.

Values are entered in euro and cents, without negative signs.

The taxable person completes the boxes 01 to 04 and boxes 07, 08 and 09 only if their tax liability for the previous tax periods changes in comparison to the submitted tax return. Boxes 06 and 10 to 18 are filled in automatically. The "financial services" box is of an informative nature and is not filled in by the taxable person.

## ANNEX 2

A taxable person, who has not filed tax returns within the prescribed time limit, has to submit a separate tax return for each tax period.

### I. Tax liability for the current period

Into the box 04, the taxable person enters the total tax base for all financial services that are subject to taxation in accordance with Article 3 of the Financial Services Tax Act.

The box 06 – amount of tax – is completed automatically as the sum of the tax base from box 04 and the tax rate of 8.5% from box 05.

A taxable person who in retrospect files a tax return, which has not been filed within the prescribed time limit, completes the first part of the return for that tax period to which the retrospective return refers to. When doing so, the interest is calculated at a rate of Euribor and a corresponding mark-up is added as laid down by Article 88c of the ZDDV-1 Act.

### II. Corrections for the previous tax periods

If a taxable person is correcting mistakes from previous tax periods, they have to fill in also the boxes 07, 08 and 09 in this section, where they enter in separate lines the information for individual tax periods, for which they have discovered a mistake that they are correcting subsequently, that is:

- box 07: tax period, to which the correction refers to, with an indication of the month and year (mm.III format), to which the correction refers to;
- box 08: reduction or increase in tax liability with regard to the tax period to which the correction refers to (the taxable person selects "reduction" or "increase");
- box 09: difference between the initially declared tax base and the subsequently established correct tax base for the tax period, to which the correction refers to.

Boxes 10 to 16 are automatically completed with the following information:

- box 10: amount of tax to be corrected;
- box 11: amount of interest and mark-up as laid down by Article 88b of the ZDDV-1 Act;
- box 12: total tax base for previous tax periods from boxes under the section 09 with the type of correction marked as "increase";
- box 13: total amounts of tax representing an increase in tax liability for previous tax periods and equal to the sum of amounts of tax from boxes under the section 10, with the type of correction marked as "increase";
- box 14: total interest plus mark-up, which is charged to the amount of tax to be corrected due to under-declared tax liability in previous tax periods and is equal to the total interest from boxes under the section 11;
- box 15: total tax base for previous tax periods from boxes under the section 09 with the type of correction marked as "reduction".

- box 16: total amounts of tax representing a reduction in tax liability for previous tax periods and equal to the sum of amounts of tax from boxes under the section 10, with the type of correction marked as "reduction";

### III. Total amount to be paid/reimbursed

Boxes 17 and 18 are filled in automatically.

If the sum of the amount of tax for the current tax period (box 06), the amount of tax representing an increase in tax liability for previous tax periods (box 13) and the amount of interest plus a corresponding mark-up as laid down by Article 88b of the ZDDV-1 Act (box 14), exceeds the amount of tax determined by the reduction in tax liability for previous tax periods (box 16), then this difference is entered into box 17. This amount is the total amount to be paid.

### ANNEX 2

If the sum of boxes 06, 13 and 14 is lower than the amount of the difference, box 18 is filled in automatically. This amount represents the total amount to be reimbursed to the taxable person in accordance with the manner and conditions determined by Article 97 of the ZDavP-2 Act.

If the taxable person retrospectively files a tax return that has not been filed within the prescribed time limit, the amount of interest plus a corresponding mark-up as determined by Article 88c of the ZDDV-1 Act is added to the sum of boxes 06, 13 and 14.

If the sum of boxes 06, 13 and 14 equals the amount in box 16, then the number 0 is automatically entered into boxes 17 and 18.