



Council of the
European Union

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OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council
To: Delegations
Subject: The EU list of non-cooperative jurisdictions for tax purposes

- Compilation of commitment letters received from jurisdictions

= Serbia



The Republic of Serbia
THE MINISTRY OF FINANCE

No: 337-00-00342/2017-04

November 17, 2017

20 Kneza Milosa St.

Belgrade

THE GENERAL SECRETARIAT OF THE COUNCIL OF THE EUROPEAN UNION
Chairman of the Code of Conduct Group (Business Taxation)

████████████████████
Chair of the Code of Conduct Group (Business Taxation)

██████████
Ms Fabrizia Lapecorella

Rue de la Loi/Wetstraat 175
B-1048 Bruxelles/Brussel
Belgique/België

Subject: Letter for the attention of the authorities of the Republic of Serbia
- Taxation: follow-up to the screening process

Your ref.: - your letter n° SGS17/00695 as of 02 February 2017
- your letter n° SGS17/09117 as of 23 October 2017

Dear ██████████
Dear Ms Fabrizia Lapecorella,

Thank you very much for your A.M. letters by which the Republic Serbia was invited to provide additional information to the experts designated to assess the compliance with the criteria agreed by the Council of the EU, concerning the areas of tax transparency, fair taxation and implementation of anti-Base Erosion and Profit Shifting (*anti-BEPS*) measures, as set out in the Council „Conclusions on criteria and process leading to the establishment of the EU list of non-cooperative jurisdictions for tax purposes”.

With respect to that, we would like to inform you of the following:

Criterion 1.2. - NO Membership of the Global Forum on Transparency and Exchange of Information for Tax Purposes (*hereinafter, the Global Forum*)

At present, the Republic of Serbia applies Double Taxation Treaties with 58 countries (*27 of which are EU Member States - The Treaty with Portugal was initialled*) which, in the provisions of its Articles, contain a special article concerning the exchange of information.

At the same time, we point out that the Tax Administration of the Republic of Serbia has concluded four (4) agreements on cooperation and mutual assistance in tax administrative matters, namely:

- 1) Agreement on cooperation and mutual assistance dated 11. 6. 2006, concluded between Indirect Tax Administration of Bosnia and Herzegovina, MoF - National Revenue Agency of the Republic of Bulgaria, MoF - Public Revenue Office of Macedonia, MoF - Tax Administration of the Republic of Montenegro and Tax Administration of the Republic of Serbia;
- 2) Agreement on cooperation in the field of direct taxes dated 14. 10. 2010, concluded with the Tax Administration of Republic of Srpska;
- 3) Agreement on cooperation between the member states of the group in the field of activity of the Tax Administration, dated 17. 3. 2011, that is to say B6, concluded between: Tax Administration of the Federation of Bosnia and Herzegovina; Indirect Tax Administration of Bosnia and Herzegovina, Tax Administration of Republic of Srpska, Tax Administration of the Republic of Slovenia; Tax Administration of the Republic of Montenegro and Tax Administration of the Republic of Serbia;
- 4) Memorandum of Understanding in the field of information cooperation with the Finance Police of Italy, concluded on 8. 3. 2012.

In this regard, we emphasize that the most frequent object of information exchange is the control of business relationship, provision of data on the realized taxable income and delivery of tax administrative acts (*more precisely, the Tax Administration conducts the exchange of tax information - in writing - upon request, and in cases of concluded regional agreements on administrative cooperation and mutual assistance, the mentioned information can be exchanged spontaneously, pointing out that tax information is not exchanged automatically*).

Bearing in mind the aforesaid, we would ask for clarification whether, in addition to the above, the Republic of Serbia is still expected to join the Global Forum?

Criterion 1.3. - The OECD Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAC - as amended) to be signed

At present, the Republic of Serbia applies Double Taxation Treaties with 58 countries (*27 of which are EU Member States - The Treaty with Portugal was initialled*) which, in the provisions of its Articles, contain a special article concerning the exchange of information.

At the same time, we point out that the Tax Administration of the Republic of Serbia has concluded four (4) agreements on cooperation and mutual assistance in tax administrative matters, namely:

- 1) Agreement on cooperation and mutual assistance dated 11. 6. 2006, concluded between Indirect Tax Administration of Bosnia and Herzegovina, MoF - National Revenue Agency of the Republic of Bulgaria, MoF - Public Revenue Office of Macedonia, MoF - Tax Administration of the Republic of Montenegro and Tax Administration of the Republic of Serbia;
- 2) Agreement on cooperation in the field of direct taxes dated 14. 10. 2010, concluded with the Tax Administration of Republic of Srpska;
- 3) Agreement on cooperation between the member states of the group in the field of activity of the Tax Administration, dated 17. 3. 2011, that is to say B6, concluded between: Tax Administration of the Federation of Bosnia and Herzegovina; Indirect Tax Administration of Bosnia and Herzegovina,

Tax Administration of Republic of Srpska, Tax Administration of the Republic of Slovenia; Tax Administration of the Republic of Montenegro and Tax Administration of the Republic of Serbia;

4) Memorandum of Understanding in the field of information cooperation with the Finance Police of Italy, concluded on 8. 3. 2012.

In this regard, we emphasize that the most frequent object of information exchange is the control of business relationship, provision of data on the realized taxable income and delivery of tax administrative acts (*more precisely, the Tax Administration conducts the exchange of tax information - in writing - upon request, and in cases of concluded regional agreements on administrative cooperation and mutual assistance, the mentioned information can be exchanged spontaneously, pointing out that tax information is not exchanged automatically*).

Bearing in mind the foregoing, please clarify if, in addition to the above, the Republic of Serbia is still expected to sign (*or express its intention to sign*) OECD Multilateral Convention on Mutual Administrative Assistance in Tax Matters, as amended?

Criterion 3 - Inclusive Framework on BEPS

The Republic of Serbia is interested and, in this regard, hereby commits to the agreed BEPS minimum standards and their consistent implementation.

Yours sincerely,

**On behalf of the Minister
STATE SECRETARY**


Nenad Mijailović



The Republic of Serbia
THE MINISTRY OF FINANCE
No: 337-00-00342/2017-04
November 24, 2017
20 Kneza Milosa St.
Belgrade

THE GENERAL SECRETARIAT OF THE COUNCIL OF THE EUROPEAN UNION
Chairman of the Code of Conduct Group (Business Taxation)

████████████████████
Chair of the Code of Conduct Group (Business Taxation)

████████
Ms Fabrizia Lapecorella

Rue de la Loi/Wetstraat 175
B-1048 Bruxelles/Brussel
Belgique/België

VERY URGENT !!!

Subject: Letter for the attention of the authorities of the Republic of Serbia
- Taxation: follow-up to the screening process

Your ref.: - your letter n° SGS17/00695 as of 02 February 2017
- your letter n° SGS17/09117 as of 23 October 2017
- your e-mail message (*from the Secretariat DGG2B COGC Jurisdictions*)
as of 17 November, 2017

Our ref.: letter from Mr. Nenad Mijailovic, State Secretary in the Ministry of Finance of the
Republic of Serbia N° 337-00-00342/2017-04 as of 17 November, 2017

Dear ██████████
Dear Ms Fabrizia Lapecorella,

Thank you very much for your A.M. letters by which the Republic Serbia was invited to provide additional information to the experts designated to assess the compliance with the criteria agreed by the Council of the EU, concerning the areas of tax transparency, fair taxation and implementation of anti-Base Erosion and Profit Shifting (*anti-BEPS*) measures, as set out in the Council's „Conclusions on criteria and process leading to the establishment of the EU list of non-cooperative jurisdictions for tax purposes”.

In this regard, I would like to emphasize that due to specific objective reasons we were unable, until November 21, 2017 (*as it was noted in your e-mail message of November 17, 2017*) to reply to your questions.

Bearing in mind the above said, I would like to inform you (*concerning all three criteria*) about the following:

Criterion 1.2. - NO Membership of the Global Forum on Transparency and Exchange of Information for Tax Purposes (*hereinafter, the Global Forum*)

The Republic of Serbia hereby commits to join the Global Forum by the end of 2019.

Please inform us if this is acceptable and also advise us on further steps which the Republic of Serbia should take in the future in relation to the above said.

Criterion 1.3. - The OECD Multilateral Convention on Mutual Administrative Assistance in Tax Matters (*MAC - as amended*) to be signed

The Republic of Serbia shall sign and ratify the OECD Multilateral Convention on Mutual Administrative Assistance in Tax Matters, as amended before the end of 2019.

Please advise if this is also acceptable and inform us about further steps which the Republic of Serbia should take in the future in relation to the above said.

Criterion 3 - Inclusive Framework on BEPS

The Republic of Serbia is interested and, in this regard, commits to join, by the end of 2019, the Inclusive Framework on BEPS.

Please be so kind as to inform us if this is acceptable, as well as to advise us on further steps which the Republic of Serbia should take in the future in relation to the above said.

Yours sincerely,

On behalf of the Minister
STATE SECRETARY


Mirjana Cojbasic