

Pursuant to Article 14 of the Law on the Indirect Taxation System in BiH (Official Gazette of BiH 44/03, 52/04, 34/07, 4/08, 49/09, 32/13, and 91/17), Article 15 paragraph (1) of the Law on Indirect Taxation Authority (Official Gazette of BiH, 89/05) and Article 70 paragraph (2) of the Law on Value Added Tax (Official Gazette of BiH 9/05, 35/05, 100/08, and 33/17), the Governing Board of the Indirect Taxation Authority at the _____ session held on _____, adopted

RULEBOOK ON AMENDMENT TO THE RULEBOOK ON THE IMPLEMENTATION OF THE LAW ON VALUE ADDED TAX

Article 1

In the Rulebook on the Implementation of the Law on Value Added Tax (Official Gazette of BiH 93/05, 21/06, 60/06, 6/07, 65/10, 100/07, 35/08, 85/17, and 44/20) Article 8 paragraph (1) is replaced by the following:

- '(1) Newly constructed building, referred to in Article 4 paragraph (3) point 4 of the Law, shall be considered to be:
- a) unfinished building and/or economically divisible unity within the building at any stage of construction,
 - b) completed building and/or economically divisible unity within the building not being occupied or being occupied for less than two years from the moment of the first occupation.'

Article 2

After paragraph (6) in Article 22 new paragraphs (7) and (8) are inserted as follows:

“(7) Taxable amount for supply of passenger transport services by passenger transport vehicles (bus, minibus, and any other vehicle licensed for passenger transport) shall consist of that part of the total value of the service which shall be taxed in BiH in proportion to the number of kilometers that the vehicle travels across the territory of BiH.

(8) Taxable amount referred to in paragraph (7) of this Article cannot be lower than the average fee consisting of the average value per passenger and per kilometer of BAM 0,10 multiplied by the number of passengers travelling and the number of kilometers that the vehicle travels across the territory of BiH. '

Article 3

Article 33 paragraph (1) is replaced and new paragraph (2) is inserted as follows:

' (1) Tax exemption referred to in Article 25 paragraph (1) point 2) of the Law shall refer to any supply of immovable property except for the first transfer of the right to dispose of a newly constructed building or an economically divisible unity in the buildings within the meaning of Article 4 paragraph (3) point 4) of the Law and Article 8 paragraph (1) point b) of this Rulebook.

(2) Exemption referred to in paragraph (1) of this Article shall not refer to the supply of building and/or economically divisible unities in the building referred to in Article 8 paragraph (1) point a) of this Rulebook, regardless of any possible use.

(3) The current paragraph (2) hereafter becomes paragraph (3).'

Article 4

Article 60 is replaced by the following:

' Article 60

(Entry of the goods intended for export into a free zone)

- (1) VAT exemption (zero-rating) referred to in Article 30 paragraph (1) and paragraph (2) point c) of the Law shall apply to goods used for production and/or further supply of the goods intended for export from Bosnia and Herzegovina in accordance with Article 27 of the Law and which are
 - a) imported into a free zone,
 - b) delivered to a free zone and within a free zone, and
 - c) used in a free zone.
- (2) Exemption referred to in paragraph (1) of this Article shall also apply to equipment, facility and tools that are entered into and used in the free zone solely for production and/or further supply of goods.
- (3) Exemption from paragraph (1) of this Article shall not apply to the goods that are supplied through transmission and distribution systems by power lines and pipelines (gas, electricity, heat/cooling energy and water). General provisions on the right to VAT deduction shall be applied to these goods.
- (4) A taxpayer may exercise the right to tax exemption referred to in paragraphs (1) and (2) of this Law if they hold:
 - a) a document issued by the company running free zones (hereinafter: 'company') confirming that there is a valid contract on use of the free zone between the company and free-zone user - recipient of goods,
 - b) a supplier's invoice for the goods being entered into a free zone and the supply contract between the user of free zone and taxpayer supplying the BiH goods in a free zone to the user of a free zone,
 - c) a statement by the free zone user declaring that the supply of goods shall be considered to be intended or used for production of goods intended for export from Bosnia and Herzegovina,
 - d) a single administrative document and/or invoice and any other document proving that the goods have been entered into a free zone, certified in accordance with customs regulations by the customs office supervising the free zone.

- (5) For the use of goods in contravention of the provisions of paragraphs (1) and (2) of this Law, the taxable person shall be obliged to calculate VAT for the tax period in which the VAT liability would incur at the import and/or entry of the goods.
- (6) ITA may prescribe appropriate procedures necessary for supervision and monitoring of entry and exit of the goods into/from a free zone, as well as special records on movement of those goods.“

Article 5

Article 61 is replaced as following:

„Article 61

(Services supplied to the users of free zones in relation to supply of goods intended for export)

- (1) The right to VAT exemption (zero-rating) referred to in Article 30 paragraph (1) point 3) of the Law applied to transport and other services supplied to the users of free zones which are directly related to entry of goods into a free zone and construction of buildings intended for carrying out activities in free zone referred to in Article 60 paragraphs (1) and (2) of this Rulebook, may be exercised by a taxpayer if they hold:
- a) a document issued by the company confirming that there is a valid contract on use of a free zone between the company running the free zone and free-zone user – recipient of services,
 - b) contract on supply of services with the free zone user – recipient of service,
 - c) an invoice of a supplier of services,
 - d) a free zone user's statement that those are the services for which a taxpayer-recipient of goods and services would be entitled to deduct input tax, had those services been supplied for the purpose of performing activities outside the free zone,
 - e) a certified single administrative document proving that the service to the free zone user is directly related to the goods referred to in Article 60 paragraphs (1) and (2) of this Rulebook,
 - f) a statement by the zone user that these are services and goods which shall be intended or used for the production of the goods intended for export from Bosnia and Herzegovina.“

Article 6

Article 76 paragraph (2) is replaced as following:

“(2) The moment of beginning of use of a building referred to in Article 36 paragraph (3) of the Law shall be documented by bookkeeping records on putting a building and/or its parts into use or by any other documentation proving the use of immovable property and its parts, such as: acceptance record, lease contract, contract for supply of power, water, etc.

Paragraph (3), beginning of the paragraph, after the word 'Corrigendum', the words 'initial deduction' are deleted.

Article 7

Article 78 is replaced as following:

"Article 78 (Submission of VAT returns)

- (1) A taxpayer, or the tax representative of a person not seated in BiH, shall make a monthly calculation of VAT and submit it in a VAT return by the 10th day of the following month upon the expiry of the tax period.
- (2) The return form referred to in paragraph (1) of this Article shall be submitted on a uniform VAT return form (VAT form) which, together with the Instruction for filling out a VAT return explaining how to fill out the field on final consumption, form the integral parts of this Rulebook.
- (3) The figures on a VAT return shall be entered in whole numbers and shall be rounded to two decimal places.
- (4) A taxpayer shall submit electronically the VAT return form referred to in paragraph (1) of this Article via ITA's ePortal.
- (5) Taxpayers with the status of 'large indirect taxpayers' shall be obliged to submit electronically to the ITA the VAT return form referred to in paragraph (1) of this Article by using qualified certificate as of tax period January 2023.
- (6) Notwithstanding the provisions of paragraph (5) of this Article, the taxpayers with the status of 'large indirect taxpayers' may, even before the tax period of January 2023, submit electronically to the ITA the VAT return form referred to in paragraph (1) of this Article by using qualified certificate and at the earliest from the tax period October 2022.
- (7) Other taxpayers who do not have the status of 'large indirect taxpayers' shall be obliged to submit electronically to the ITA the VAT return form referred to in paragraph (1) of this Article by using qualified certificate as of the tax period January 2024.
- (8) Notwithstanding the provisions of the paragraph (7) of this Article, other taxpayers who do not have the status of 'large indirect taxpayers' may, even before the tax period of January 2024, submit electronically to the ITA the VAT return form referred to in paragraph (1) of this Article by using qualified certificate, and at the earliest from the tax period of January 2023.
- (9) In order for a taxpayer to submit the VAT return form electronically, using electronic signature, the condition is to have a qualified electronic certificate issued by the authorised body.
- (10) VAT return form submitted electronically by using qualified certificate shall be considered to bear the handwritten signature.
- (11) VAT return form is submitted electronically in accordance with the regulations of the ITA.”

Article 8

New Article 78a is inserted following Article 78:

“ Article 78a

(Calculation and payment of VAT by a foreign passenger transport operators)

- (1) For the purposes of the VAT calculation and payment, a foreign passenger transport operator shall be every person carrying out passenger transportation in the BiH territory who has neither the seat nor domicile in BiH.
- (2) Calculation and payment of VAT for passenger transport services supplied by a foreign passenger transport operator in the BiH territory shall be done by a tax representative of the foreign transport operator seated in the BiH territory.
- (3) On entry into and exit from the BiH territory, a foreign transport operator referred to in paragraph (2) of this Article shall fill out the Notification of passenger transport (SPP-PDV I form) which forms an integral part of this Rulebook, in two copies; the ITA shall keep one copy after certification.
- (4) Notwithstanding paragraph (2) of this Article, VAT calculation to a foreign transport operator without a tax representative seated in the BiH territory shall be determined by the ITA in accordance with paragraphs (5), (6), and (7) of this Article.
- (5) On entry into and exit from the BiH territory, a foreign transport operator referred to in paragraph (4) of this Article shall submit to the competent customs authority the completed Declaration for VAT calculation to a foreign transport operator who does not have a tax representative in the BiH territory (SPP-PDV form) which forms an integral part of this Rulebook.
- (6) On entry into the BiH territory, the competent customs authority shall, using the data from the Notification referred to in paragraph (5) of this Article (SPP-PDV form), fill out and issue the Certificate on calculated VAT to a foreign transport operator who does not have a tax representative in the BiH territory (SPP-PDV UC form) which forms an integral part of this Rulebook. The Certificate is issued in two copies; the competent customs authority shall keep one copy for its own purposes.
- (7) Prior to leaving the BiH territory, the competent customs authority shall do the final calculation of VAT for a foreign transport operator based on the taxable amount determined in a manner referred to in Article 22 paragraphs (7) and (8), and shall issue to the foreign transport operator a Certificate, which forms an integral part of this Rulebook, on total amounts of calculated and paid VAT that has been charged to a foreign transport operator who does not have a tax representative in the BiH territory (SPP PDV IC form). The Certificate is issued in two copies; the competent customs authority shall keep one copy for its own purposes.

(8) A foreign passenger transport operator shall be obliged to present to the competent customs authority, at the latest at the moment of leaving the BiH territory, the proof of VAT payment, in the amount equal to the one determined in the final calculation of VAT referred to in paragraph (7), executed with a reference to the number from the Certificate referred to in paragraph (6) of this Article.“

Article 9

Article 137 is replaced as following:

"Article 137

(Obligations of a VAT taxpayer in construction activity)

(1) On the day of entry into force of this Rulebook the persons who are VAT taxpayers in accordance to the Law shall be obliged to make an inventory of the buildings under construction and to submit the completed inventory lists to the ITA at the latest within 15 days from the date of completion of the inventory.

(2) The inventory list referred to in paragraph (1) of this Article shall contain at least the following information: the name of the taxpayer, the ID number of the taxpayer, the address of the building, the total project area of the building and/or economically divisible unities, the total VAT per invoices received, the total VAT deducted on the date of the inventory, the value of the supplies carried out and the value of received payments for future supplies by which an invoice, advance invoice or other document proving the value of supplies carried out and/or received payments has been submitted. The list shall be accompanied by a specification of the separately issued invoice and advance invoice or other document on supplies conducted out and/or payment received.

(3) The provisions of the Rulebook that has been in force until the entry into force of this Rulebook shall be applied to the VAT-related rights and obligations in respect of buildings under construction incurred before the entry into force of this Rulebook.“

Article 10

(Entry into force)

This Rulebook shall enter into force on the eighth day following its publication in the Official Gazette of BiH.

Ref. Number: 02-02-42-1/22
14 July 2022
Sarajevo

Chairman of the ITA Governing Board

Vjekoslav Bevanda, m. p.