

Pursuant to Article 70 of the Law on Value Added ("BIH Official Gazette" , No: 9/05 and 35/05), and in relation to Article 14 Paragraph 3 of the Law on Indirect Taxation System in Bosnia and Herzegovina ("BIH Official Gazette", No: 44/03 and 52/04), the Governing board of the Indirect Taxation Authority, on its 65<sup>th</sup> session held on 25 July 2006 issued

**BOOK OF RULES**  
**ON AMENDMENTS AND SUPPLEMENTS TO THE BOOK OF RULES ON**  
**THE IMPLEMENTATION OF THE LAW ON VALUE ADDED TAX**

**Article 1**

Article 91 of the Book of Rules on the Implementation of the Law on Value Added Tax ("Official Gazette of BiH", No. 93/05 and 21/06) shall be amended to read as follows:

“(1) The right to refund of input tax on the basis of export within a period of 30 days from the date of submitting the VAT return shall have the taxpayers that had export of over 30% of the total turnover in the previous year and shall gain status of an exporter.

(2) Notwithstanding Paragraph 1 of this Article the taxpayers who for the first time commence their business activities and/or have an intention to export, may obtain the right to refund within 30 days on the basis of a contract from which it could be seen that in the current year their export will exceed 30% of turnover as of the time when they have had 2 consecutive VAT returns with input tax exceeding output tax.

(3) For VAT refund purposes under Paragraphs 1 and 2 of this Article “the export” shall mean supply of goods and services which are exempt from VAT with the right to deduct input tax.”

**Article 2**

In Chapter XIX - INTERIM AND FINAL PROVISIONS shall before Article 133 be inserted a new Article 132a to read as follows:

“Article 132a  
**(Expiry of the VAT refund suspension period)**

(1) The period of suspending the refund of VAT for a tax period as provided for under Article 72, Paragraph 1 of the Law expires as follows:

- a) for the tax periods January and February 2006 – by 10 August 2006;
- b) for the tax periods March and April 2006 – by 10 September 2006;
- c) for the tax period May and June – by 10 October 2006;

- d) for the tax period July 2006 – by 10 November 2006;
- e) for the tax period August 2006 – by 10 December 2006;
- f) for the tax period September 2006 – by 10 January 2007;
- g) for the tax period October 2006 – by 10 February 2007;
- h) for the tax period November 2006 – by 10 March 2007; and
- i) for the tax period December 2006 – by 10 April 2007.

(2) Notwithstanding Paragraph 1 of this Article, the period of suspending the VAT refund does not expire prior to the submission of the tax returns for the tax period for which refund is requested and prior tax periods.

(3) As soon as possible and within 30 days after the expiration of the VAT refund suspension period the ITA shall ex officio issue a notification of the amount of refund to be made and communicate it to the taxpayer.

(4) The amount of refund notified under Paragraph 2 of this Article shall be paid no later than 5 days after the issuance of the notification.

(5) The ITA shall pay default interest to the taxpayer if payments under Paragraph (4) of this Article are made later than 60 days after the expiration of the VAT refund suspension period.

### **Article 3**

This Book of Rules shall come into force on the day following the day of its publication in the “Official Gazette of Bosnia and Herzegovina”.

No. \_\_\_\_\_/06

Date: \_\_\_\_\_

Chairman  
Governing board  
**Peter Nicholl**