

EXCISE TAX LAW

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I. BASIC PROVISIONS

II. Article 1

The present Law shall govern the excise taxation.

Excise tax shall be levied on the products determined by the present Law.

Meaning of Some Expressions

Article 1a

Some of the expressions used in the present Law shall have the following meaning:

- 1) «Producer of excisable products» means a person that makes, processes, manufactures, finishes, etc. in a production plant the products on which the excise tax is payable under the present Law;
- 2) “Importer of excisable products” means a person that imports the products on which the excise tax is payable under this Law, in its own name and for its own account or for whose account such products are being imported;
- 3) “Excise taxpayer” means a person that accounts and pays the excise tax referred to in this Law;
- 4) “Excise permit” means a document that permits the dispatching and storage of excisable products without accounting and paying the excise tax;
- 5) “Excise storage facility” means one or several inter-connected indoor or fenced off areas making up an entirety, in which an authorized excise storage facility keeper receives or dispatches the products subject to the deferred accounting and payment of excise tax regime, which has to be clearly marked and physically separated from other areas;
- 6) “Authorized excise storage facility keeper” means a producer who has been issued the permit to store excisable products without accounting and paying the excise tax and/or to put on the market the excisable products on which the excise tax has been accounted and paid;
- 7) “Deferred excise tax payment regime” means the period of time in which the excise tax is not accountable and payable;
- 8) “Locally produced cigarettes” mean the cigarettes produced in the Republic of Serbia by a person entered in the Register of Producers of Tobacco Products kept by the Tobacco Agency and entered in the Register of Tobacco Product Brands in favour of the producer of tobacco products and/or the majority owner of the producer of tobacco products.

II. TAXABILITY

Article 2

The following products shall be subject to excise tax:

- 1) Oil products;
- 2) Tobacco products;
- 3) ()
- 4) Alcoholic beverages;
- 5) ()
- 6) Coffee (green, roast, ground and coffee extract);
- 7) ()
- 8) ()

III. COMMENCEMENT OF THE EXCISE TAX LIABILITY Production and Import

Article 3

The excise tax liability commences when the products referred to in Article 2 of the present Law (hereinafter: the excisable products) are:

- 1) Produced in the Republic of Serbia;
- 2) Imported in the Republic of Serbia.

The imported excisable products referred to in paragraph 1, item 2), of this Article shall mean the excisable products imported in conformity with customs and foreign trade regulations.

Article 4 (Deleted) Article 5 (Deleted)

III. EXCISE TAXPAYER

IV. Article 6

The excise taxpayer shall be a producer and importer of excisable products.

The following shall also be the excise taxpayers:

- 1) Any individual who sells to another individual the alcoholic beverage he/she has produced;
- 2) Any legal entity or sole proprietor that purchases alcoholic beverage from an individual who has produced it;
- 3) ()
- 4) Any legal entity that is authorized by a government agency to sell the seized excisable products;
- 5) Any buyer of the excisable products seized in the checking procedure or in the forced collection procedure, which are sold by a government agency;
- 6) Any legal entity or sole proprietor that sells liquid oil gas for motor vehicle propulsion to the end consumer.

Article 7 (Deleted)

V. EXCISE TAX BASE

VI. Article 8

The excise tax base shall be a unit of measure.

The excise tax base for imported coffee (green, roast, ground and coffee extract) shall be the value of product determined in accordance with customs regulations plus the customs duty and other import charges.

VI. EXCISE TAX AMOUNTS AND RATES

Oil Products

Article 9

The excise tax on oil products shall be paid in the following amounts:

- | | |
|--|---------------|
| 1) All types of engine petrol (gasoline) | 44.00 Din/lit |
| 2) All types of diesel fuel | 30.00 Din/lit |
| 3) All other oil products obtained from oil fractions with distilling range up to 380% | 32.00 din/lit |
| 4) Liquid oil gas for motor vehicle propulsion | 15.00 din/lit |

The minister responsible for finance and the minister responsible for mining and energy shall publish the list of oil products referred to in paragraph 1, item 3) of this Article.

Tobacco Products

Article 10

The excise tax set by the provisions of Article 40a, 40b, 40d and 40e of the present Law shall

be payable on tobacco products, with the exception of tobacco products serving for the product quality control purposes.

Cigarettes, cigars, cigarillos, smoking tobacco and other tobacco products shall mean the tobacco products which are produced and put on the market as such kind of products in keeping with the law governing the production and distribution of tobacco and tobacco products.

If the accounted excise tax on cigars, cigarillos, smoking tobacco and other tobacco products, as provided by the provisions of Articles 40a, 40b, 40d and 40e, is lower than the minimum excise tax set by the present Law, the minimum excise tax shall be payable.

The minimum excise tax referred to in paragraph 3 of this Article shall be as follows:

- 1) Cigarettes – 100% of the total excise tax referred to in Articles 40a and 40b of the present Law set for the category of cigarettes having the most popular price;
- 2) Cigars and cigarillos – 100% of the excise tax referred to in Article 40d of the present Law set for the category of cigars and cigarillos having the most popular price;
- 3) Smoking tobacco and other tobacco products (shredded tobacco, pipe tobacco, chewing tobacco and snuff) – 100% of the excise tax referred to in Article 40e of the present Law set for the category of smoking tobacco and other tobacco products having the most popular price.

The most popular price referred to in paragraph 1, items 1) through 3) of this Article shall be the retail price of the cigarette, cigar, cigarillos, smoking tobacco and other tobacco product price categories which had the highest volume of sales in the Republic of Serbia in the previous six months.

At the recommendation of the Administration, the Government shall determine semi- annually the most popular prices referred to in paragraph 4 of this Article in the previous six months, by 31 January and by 31 July of the current year.

The Administration shall recommend the most popular prices referred to in paragraph 6 of this Article on the basis of all published retail prices of cigarettes, cigars, cigarillos, smoking tobacco and other tobacco products in the previous six months in the Republic of Serbia Official Gazette and the data on the volume of sale of these tobacco products in those six months.

The Government of the Republic of Serbia shall set out the modality of and procedure for establishing the most popular prices of cigarettes, cigars, cigarillos, smoking tobacco and other tobacco products for the purposes referred to in paragraphs 5 through 7 of this Article.

The most popular prices and minimum excise tax referred to in paragraphs 4 and 6 of this Article shall be applicable on the first day after publication in the Republic of Serbia Official Gazette.

Article 11 (Deleted) **Alcoholic Beverages**

Article 12

Alcoholic beverages shall be understood to mean the beverages that depending on the raw material they are made of and their ethanol content, are put on the market as such kind of beverage in conformity with the regulation dealing with the quality and other requirements for alcoholic beverages.

For the purposes of this Law, all kinds of beer shall also be regarded as alcoholic beverages, regardless of the kind of container.

The excise tax on alcoholic beverages shall be payable as follows:

- 1) Brandies:
 - Fruit, vegetable, special brandies 53.83 Din/l;
 - Cereals and other agricultural raw materials 136.55 Din/l;
- 2) Hard beverages & liqueurs 87.54 Din/l;

3) Low alcohol-content beverages 9.00 Din/l.

In the case of alcoholic beverages in containers that are different from those referred to in paragraph 3 of this Article, the excise tax shall be payable in proportion to the container involved.

Beer

Article 12a

The excise tax shall be payable on all kinds of beer other than the non-alcoholic beer containing up to 0.5% of alcohol, at the rate of 15.00 Dinars per litre.

Article 13 (Deleted)

Coffee

Article 14

The excise tax on coffee (green, roast, ground and coffee extract) shall be payable at the rate of 30%.

Article 15 (Deleted)

Article 16 (Deleted)

Indexation

Article 17

The amounts of excise tax in Dinars referred to in Articles 9, 12 and 12a of the present Law shall be adjusted yearly to the retail price growth rate in the calendar year preceding the year in which the adjustment is made, as published by the authority in charge of statistics.

Should the producer prices of oil products referred to in Article 9, paragraph 1, items 1) and 2) of the present Law be increased because of an increase in the price of crude oil on the world market, producing a negative impact on the country's macroeconomic stability, the Government of the Republic of Serbia may reduce temporarily the excise tax set in accordance with the present Law by the amount by which the producer prices of such oil products have been increased, where that decrease may not be greater than 20% of the latest published amounts of excise tax adjusted in accordance with paragraph 1 of this Article.

Should the producer prices of oil products referred to in Article 9, paragraph 1, items 1) and 2) be decreased because of a decrease in the price of crude oil on the world market, the amounts of the excise tax set in keeping with paragraph 2 of this Article shall be increased by the amount by which the producer prices of such oil products have been decreased, but by no more than the latest published amounts of excise tax adjusted in accordance with paragraph 1 of this Article.

In adjusting the Dinar amounts of excise tax on oil products as referred to in Article 9, paragraph 1, items 1) and 2) of the present Law to the annual retail price growth rate, the bases for adjustment shall be the latest published adjusted, decreased or increased amounts of excise tax on the mentioned oil products, in keeping with paragraph 1 or paragraphs 2 and 3 of the present Law.

The adjusted amounts of excise tax referred to in paragraph 5 of this Article shall be applicable as of the first days after publication in the Republic of Serbia Official Gazette.

Excise Tax Control Stamps

Article 18

When producing and/or prior to importing cigarettes and alcoholic beverages other than beer, the producer and/or importer shall mark each product with an excise tax control stamp separately.

The ministry in charge of finance shall approve the issuance of excise tax control stamps and keep a record of the excise tax control stamps issued.

The National Bank of Serbia Mint shall print and issue the excise tax control stamps and keep a record of the excise tax control stamps issued.

The Government of the Republic of Serbia shall set the appearance of the excise tax control stamps, kind of data on the stamp, way of and procedure for approving and issuing stamps, keeping records of approved and issued stamps and marking the excisable products referred to in paragraph 1 of this Article.

VII. EXCISE TAX FACILITIES Exemptions

Article 19

The excise tax shall not be payable on the following excisable products:

- 1) Those exported by their producer;
- 2) Those sold by their producer and/or importer for:
 - (1) Official needs of diplomatic and consular missions;
 - (2) Official needs of international organisations, if so provided by international agreements;
 - (3) Personal needs of the foreign staff of diplomatic and consular missions, including their family members;
 - (4) Personal needs of the foreign staff of international organisations, including their family members, if so provided by international agreements;
- 3) Oil products sold by their producer or importer, which are traded on the basis of an international agreement, if such agreement provides for exemption from the excise tax;
- 4) Those dispatched by their producer and/or importer for the purpose of being sold in the aircraft and ships operating on international lines, as well as the products dispatched to the duty-free shops opened at the international airports provided with passport and customs control facilities, for the purpose of being sold to passengers in conformity with customs regulations;
- 5) The oil products referred to in Article 9, paragraph 1, item 3), of this Law which are being sold by their producer on condition that such oil products are to be used exclusively for the production of ethylene and propylene by the legal entities and entrepreneurs who are producing ethylene and propylene in their own production facilities or which the importer is importing for it self exclusively for the purpose of producing ethylene and propylene in its own production facilities or for the user (owner) who is using such oil products exclusively for the production of ethylene and propylene in its own production facilities;
- 6) The jet engine fuel – kerosene (petroleum) which is being sold by the producer to the end user (owner) directly for aviation purposes or which is being imported by the importer for it self for the purpose of being used for aviation purposes directly or for the user (owner) who is using such fuel for aviation purposes directly;
- 6a) Cigarettes and/or alcoholic beverages marked by excise tax control stamps, which have been destroyed by their producer by permission or order of the competent authorities.

The right to the exemption referred to in paragraph 1, items 1) and 4) of this Article may be exercised on the basis of customs documents showing that the products have left the territory of the Republic of Serbia or have been dispatched for the purpose of being sold in the aircraft and ships operating on international lines or in the duty-free shops open at international airports provided with passport and customs control facilities.

The exemption referred to in paragraph 1, item 2, sub-items (1) and (3) of this Article is subject to reciprocity, on the basis of a certificate issued by the ministry in charge of foreign affairs.

The minister in charge of finance (hereinafter: the Minister) shall set in greater detail the conditions for, way of and procedure for the tax exemption referred to in paragraph 1, items 2) and 3), of this Article.

Excise Tax Discount

Article 20

Any taxpayer shall be entitled to a reduction of the charged excise tax by the amount of the excise tax paid on the products used as intermediates in the production of products on which excise tax is payable.

The intermediates referred to in paragraph 1 of this Article shall be understood to mean the products that in the process of further production enter the substance of another product, in conformity with this Law.

VIIa DEFERRED EXCISE TAX ACCOUNTING AND PAYMENT REGIME

Article 20a

The accounting and payment of excise tax may be deferred in the following cases:

- 1) If excisable products are being dispatched to the producer's excise storage facility for which the competent authority has issued an excise permit;
- 2) If excisable products are being dispatched from the producer's excise storage facility to the producer's some other excise storage facility.

Article 20b

The producer of excisable products, who has been issued the excise permit, may be the authorized keeper of an excise storage facility.

The authorized keeper of an excise storage facility for tobacco products and/or alcoholic beverages may be the producer of tobacco products and/or alcoholic beverages who is entered in the appropriate register with the Administration and/or the Tax Administration Head Office.

The excise permit referred to paragraph 1 of this Article shall be valid for two years and be renewable.

The excise permit referred to in paragraph 1 of this Article is granted by the minister by rendering a decision to that effect, having obtained the opinion of the competent Tax Administration office.

The decision referred to in paragraph 4 of this Article shall be final in the administrative procedure

The field surveillance tax inspector shall check the dispatch/delivery of excisable products from/to the excise storage facility.

The requirements and procedure for the issuance, renewal and revocation of the excise permit, the way of checking the dispatch/delivery from/to the excise storage facility and the way of keeping records in the excise storage facilities shall be set by the Minister.

VIII. EXCISE TAX ACCOUNTING AND COLLECTION

Excise Tax Accounting

Article 21

Any excise taxpayer shall account the excise tax at the moment of putting the excisable products on the market.

The putting of excisable products on the market shall mean the following:

- 1) Any dispatch of excisable products from the production plant by a producer of excisable products for which he does not have an excise permit;
- 2) Any dispatch of excisable products from the excise storage facility, with the exception of dispatch to one's own other excise storage facility;
- 3) Declaration of deficit in an excise storage facility, with the exception of any deficit that can be justified by Force majeure;
- 3a) Declaration of a deficit of liquid oil gas for motor vehicle propulsion occurred in the retail outlet of the payer of excise tax on that gas, with the exception of deficits owed to Force majeure;
- 4) Declaration of deficit (ullage, wastage, loss and breakage) in the excise storage facility, and/or in the retail outlet of the excise tax on the liquid oil gas for motor vehicle propulsion in

excess of the quantities specified in the regulations enacted by the Government of the Republic of Serbia.

Accounting the Excise Tax when Importing Excisable Products

Article 21a

The liability for accounting the excise tax when importing excisable products, except in the case of importing liquid petroleum gas for the propulsion of motor vehicles, shall run from the date on which the liability for accounting import charges begins to run.

The excise tax on coffee (green, roast, ground and coffee extract) shall be accounted on the date of its import.

The competent customs office shall account the excise tax.

Accounting the Excise Tax on Liquid Petroleum Gas

Article 21b

The excise tax on liquid petroleum gas shall be accounted on its sale to the end user for motor vehicle propulsion purposes.

Article 22 (Deleted)

Special Cases of Accounting the Excise Tax

Article 22a

The liability for accounting the excise tax shall exist also in the following cases:

- 1) Sale of seized excisable products through a legal entity duly authorized by a government agency for the sale of such products;
- 2) Sale through a customs office or tax office the excisable products seized in the checking procedure and/or in the forced collection procedure;
- 3) Purchase of alcoholic beverage from an alcoholic beverage-producing individual.

Payment of Excise Tax

Article 23

Any excise taxpayer shall pay the accounted excise tax as follows:

- 1) Not later than on the last day of the month, in case of the excise tax accounted for the period from the 1st to the 15th day of the month;
- 2) Not later than on the 15th day of the month, in case of the excise tax accounted for the period from the 16th day to the end of the previous month.

The excise tax accounted at the time of importing shall be paid by its payer within the terms and in the manner determined for the payment of import charges.

Compilation and Presentation of the Excise Tax Account

Article 24

Any excise taxpayer shall make an account of the excise tax quarterly, within 20 days from expiration of the quarter and present it to the competent tax office.

Any payer shall enclose with the excise tax account also the orders for payment of the excise tax balance, if the amounts paid in are smaller than the amounts stated in that account and in case of overpayment, a request for reimbursement or a statement in writing that it shall deduct the overpaid amount from his next monthly dues.

Article 25

Any payer shall make the final excise tax account at the end of the year.

The final excise tax account shall be made and presented together with the annual tax return.

Article 26

For the purpose of making the final excise tax account, the payer shall take an inventory of stocks as on 31 December of the year for which the final account is made.

The inventory of stocks shall be taken for each excisable product separately.

The payer who is unable, because of the volume of his operations, to take an inventory of stocks on 31 December, may make an inventory of stocks in the course of December of the current year, but not later than 15 January of the following year.

The payer who takes an inventory of stocks in the course of December of the current year or from 1 to 15 January of the following year shall declare stocks as on 31 December for each excisable product separately.

Article 27 (Deleted) Article 28 (Deleted)

Place of Excise Tax Payment

Article 29

Excise tax shall be payable according to the payer's registered office address or place of residence.

IX. DECLARING AND KEEPING RECORDS OF EXCISE TAX AND PRESENTING DATA AND DOCUMENTS

Reporting the Place of Business

Article 30

Any person who is registered for the production of tobacco products, oil products and/or alcoholic beverages shall report to the competent Tax Administration office the location of the plant or similar premises on which it is going to run such production before starting to conduct such business.

The Tax Administration Head Office shall keep the Register of Producers of Alcoholic Beverages.

The legal entity and/or the sole proprietor referred to in Article 6, paragraph 2, item 2), of this Law shall also be entered in the Register referred to in paragraph 2 of this Article.

The person who is selling the liquid petroleum gas to end consumers for motor vehicle propulsion purposes shall notify the Tax Administration Head Office of the place at which it is selling that product.

The Tax Administration Head Office shall keep a register of the sellers of liquid petroleum gas to and consumers for motor vehicle propulsion purposes.

The contents, kind of data and way of keeping the Register referred to in paragraphs 2 and 5 of this Article shall be set by the minister.

Records

Article 31

Any payer shall keep an orderly and expedient tax record, on the basis of credible documents, of excisable products in a manner allowing the excise tax liability to be determined and checked for each accounting period.

Article 32 (Deleted)

Article 33 (Deleted)

Article 34

The Minister shall set out the method of accounting and paying the excise tax, kind, contents and way of keeping records, as well as the way of and procedure for approving the quantity of tobacco products which is exempt from the excise tax accounting and payment, which serves for product quality testing.

Article 35 (Ceased to be valid)

The right of determining and collecting excise tax, interest, forced collection costs and fines levied under the provisions of this Law shall become unenforceable upon expiration of five years from the year in which the excise tax, interest, forced collection costs and fines should have been determined and collected.

Article 36 (Ceased to be valid)

XII. EXCISE TAX REFUND AND DISCOUNT

Excise Tax Refund

Article 37

Any payer from which the excise tax has been collected although it was not bound to pay it or which has paid the excise tax in excess of the amount determined by law, shall have the right to be refunded the excise tax thus paid.

Any payer may file a request for the excise tax refund referred to in paragraph 1 of this Article only if the buyer who had paid that excise tax through the price of excisable product, has requested the refund from the payer in writing, in which case the excise tax shall be refunded to the buyer.

As an exception, any excise taxpayer who has paid from its own sources the excise tax it was not bound to pay or paid it in excess of the amount determined by law, may file a request for the thus paid excise tax to be refunded to it.

If interest, forced collection costs or fine have been collected from an excise taxpayer referred to in paragraph 1 of this Article, it shall have the right to a refund for such payments.

The request for a refund relating to the excise tax, interest, forced collection costs and fine referred to in paragraphs 2 through 4 of this Article may be filed with the tax office with which the payer is registered as a taxpayer, together with evidence of the payment of excise tax and other payments and the buyer's request in writing.

In a case referred to in paragraph 2 of this Article, the payer shall present to the competent tax office evidence that such funds have been transferred to the buyer, within eight days from the date on which the excise tax was refunded to it.

Article 38 (Ceased to be valid)

Excise Tax Discount

Article 39

Any person who has exported an excisable product which has been obtained in the country from its producer directly shall be entitled to an excise tax discount.

Article 39a

If diesel fuel is sold to the end users for the purpose of powering tractors, the excise tax paid when purchasing that fuel in the quantity necessary for tilling the land by the farms entered in the Register of Farms kept by the authorities competent for keeping such register, may be discounted on condition that the diesel fuel is sold through an authorized distributor.

The minister shall set the requirements for obtaining the licence for distribution of diesel fuel, standard quantities of fuel needed for the purposes referred to in paragraph 1 of this Article, requirements for exercising the right to discount and the way of and procedure for being granted the discount referred to in paragraph 1 of this Article.

Article 39b

Any person who is using the oil products referred to in Article 9, paragraph 1, item 3), of this Law for industrial purposes, may be given a discount on the excise tax paid on such oil products, on condition that it is obtaining such oil products from an importer or producer of such oil products and the importer or producer has paid the required excise tax on such oil products.

The minister shall set out in greater detail the requirements for, way of and procedure for exercising the right to the excise tax discount as referred to in paragraph 1 of this Article.

Article 40

The excise tax discount referred to in Article 39 of this Article shall be obtainable on the basis of a request made in writing, to which evidence that the invoice of the excisable product producer with declared excise tax has been paid and evidence that the products have been

exported are attached.

The request for an excise tax discount may be filed with the competent tax office.

XIIa ACCOUNTING AND PAYMENT OF EXCISE TAX ON CIGARETTES

Article 40a

The excise tax on imported cigarettes and locally produced ones shall be payable as follows:

- 1) Until 31 December 2009, at the rate of 12.00 Din/pack;
- 2) From 1 January to 31 December 2010, at the rate of 17.00 Din/pack;
- 3) From 1 January to 31 December 2011, at the rate of 21.00 Din/pack;
- 4) From 1 January 2012, at the rate of 25.00 Din/pack.

The excise tax on the cigarettes referred to in paragraphs 1 of this Article shall be payable per pack of 20 cigarettes.

The excise tax on the cigarettes in packs that are different from the packs referred to in paragraph 2 of this Article shall be payable in proportion to such packs.

Article 40b

Besides the excise tax referred to in Article 40a of this Law, the excise tax shall also be payable on imported cigarettes and locally produced cigarettes at the rate of 35%.

The base for the excise tax referred to in paragraph 1 of this Article shall be the retail price of cigarettes, as fixed by the cigarette producer/importer.

Article 40c

The amounts of the excise tax referred to in Articles 40a and 40d of the present Law in Dinars shall be adjusted to the retail price growth rate.

The adjusted amounts of the excise tax referred to in paragraph 1 of this Article shall be applicable as of the first day upon publication in the Republic of Serbia Official Gazette.

The adjustment of the amount of excise tax in Dinars shall be carried out in conformity with Article 17 of this Law.

Article 40d

The excise tax on cigars and cigarillos shall be payable at the rate of 15.50 Din/ piece.

The excise tax on cigars and cigarillos referred to in paragraph 1 of this Article shall be payable per piece.

Article 40e

The excise tax on smoking tobacco and other tobacco products shall be payable at the rate of 35%.

The base for the excise tax referred to in paragraph 1 of this Article shall be the retail price per kilo.

The excise tax on smoking tobacco and other tobacco products which are in packings that are different from those referred to in paragraph 2 of this Article shall be payable in proportion to the packing.

Article 40f

The retail prices of the tobacco products referred to in Article 10, paragraph 1, of the present Law shall be fixed by the producers/importers of such tobacco products.

The producers/importers shall fix the retail price per unit measure of cigarettes prior to filing a request for being issued the control excise tax stamps.

The producers/importers shall fix the retail price per unit of measure of the tobacco products referred to in Articles 40d and 40e prior to putting such products on the market.

The producers/importers shall report the retail price per unit measure of the tobacco products referred to in paragraphs 2 and 3 of this Article to the Administration and publish them in the Republic of Serbia Official Gazette, with the Administration's consent given in writing.

The producers/importers of tobacco products shall report to the Administration any changes

in the retail prices referred to in paragraphs 2 and 3 of this Article and publish them in the Republic of Serbia Official Gazette, with the Administration's consent in writing.

The cost of publishing the retail prices referred to in paragraphs 1 and 2 of this Article in the Republic of Serbia Official Gazette shall be borne by the producer/importers by paying the sum involved in the account of the JP Službeni glasnik, Belgrade.

The producers/importers of tobacco products shall specify in the report on retail prices as referred to in paragraphs 4 and 5 of this Article and/or in the document fixing or altering the retail prices as referred to in paragraphs 4 and 5 of this Article, the date of applicability of such retail prices.

The sale of tobacco products at retail prices that differ from those fixed by producers/importers shall not be permissible.

The retail prices referred to in paragraph 1 of this Article shall be so displayed in the retail outlet, that they are clearly visible to the consumers of tobacco products.

XIIb SALE OF EXCISABLE PRODUCTS FROM THE AP OF KOSOVO AND METOHİJA

Article 40g

The Government shall deal with the implementation of this Law in the territory of the AP of Kosovo and Metohija for the duration of validity of the OUN Security Council Resolution No. 1244.

XIII. PENAL PROVISIONS

Article 41

Any legal entity shall be fined RSD 10,000 to 1,000,000 for breach of regulations in the following cases:

- 1) (Deleted)
- 2) If it fails to pay in the accounted excise tax within the set term (Article 23);
- 3) If it fails to present the excise tax account or does not present it timely (Articles 24 and 25);
- 4) If it fails to report the commencement of its business to the competent tax office, or to notify the Tax Administration Head Office of the place at which it sells the liquid petroleum gas to the end consumers for motor vehicle propulsion purposes (Article 30);
- 5) If it does not keep a record of excisable products in a manner that allows the excise liability to be determined and audited (Article 31);
- 6) (Deleted)
- 7) Deleted
- 8) If it fails to present to the competent tax office evidence that it has transferred to the buyer the refunded excise tax (Article 37, paragraph 6);
- 9) If it sells tobacco products at retail prices that are different from those fixed by the producer and/or importer (Article 40f);
- 10) If the retail prices of tobacco products have not be reported to the Administration, as well as if they are not so displayed in/on the retail outlet that they are clearly visible (Article 40f);
- 11) If it fails to publish the retail prices of tobacco products in the Republic of Serbia Official Gazette, publishes the retail prices of tobacco products in the Republic of Serbia Official Gazette without the Administration's consent in writing or publishes in the Republic of Serbia Official Gazette the retail prices of tobacco products which are different from those reported to the Administration (Article 40f).

The person who is responsible in a legal entity for any act referred to in paragraph 1 of this Article shall also be fined RSD 500 to 50,000 for breach of regulations.

Article 42

Any excise taxpayer having the status of a legal entity shall be fined two to ten times the amount of non-charged excise tax, but not less than RSD 125,000, for breach of regulations if it does not account the excise tax or does so incorrectly (Article 21).

The person who is responsible in a legal entity for an act referred to in paragraph 1 of this Article shall also be fined RSD 100 to 10,000 for breach of regulations.

Article 43

Any individual having the status of sole proprietor shall be fined RSD 5,000 to 500,000 for breach of regulations in the following cases:

- 1) If he fails to pay in the accounted excise tax within the set term (Article 23);
- 2) If he fails to present the excise tax account or does so untimely (Articles 24 and 25);
- 3) If he fails to report the commencement of his business to the competent tax office or to notify the Tax Administration Head Office of the place at which it sells the liquid petroleum gas to the end consumers for motor vehicle propulsion purposes (Article 30);
- 4) (Deleted)
- 5) (Deleted)
- 6) If he has not presented to the competent tax office evidence that he has transferred funds to the buyer (Article 37, paragraph 6);
- 7) If he sells tobacco products at retail prices that are different from those fixed by the producer and/or importer (Article 40f);
- 8) If the retail prices of tobacco products have not been reported to the Administration, as well as if they are not so displayed in/on the retail sale outlet so as to be clearly visible (Article 40f);
- 9) If he fails to publish the retail prices of tobacco products in the Republic of Serbia Official Gazette, publishes the retail prices of tobacco products in the Republic of Serbia Official Gazette without the Administration's consent in writing or publishes in the Republic of Serbia Official Gazette the retail prices of tobacco products which are different from those reported to the Administration (Article 40f).

In the case of a violation referred to in paragraph 1, items 1), 3) and 4), of this Article, the individual who produces alcoholic beverage shall also be fined RSD 500 to 50,000.

Article 44

Any excise taxpayer having the status of a sole proprietor shall be fined twice to ten times the amount of non-accounted excise tax, but not less than RSD 75,000, for breach of regulations, if he fails to account the excise tax or does so incorrectly (Article 21).

Article 45

If a taxpayer is selling cigarettes and alcoholic beverages which are not specially marked by the excise tax control stamps as provided by Article 18 of this Law, a protective measure involving a ban on the conduct of business in the duration of three months to a year may be applied to the legal entity concerned and in the duration of six months to three years to the sole proprietorship concerned.

Article 46 (Ceased to be valid)

XIV TRANSITIONAL AND CONCLUDING PROVISIONS

Article 47

Any excise taxpayer which is a producer shall take an inventory of the stock of excisable products in the warehouse, stockyard, store, etc. existing outside the factory grounds, on the effective date of this Law and to include (account) in the sale price of stocks the excise tax at new rates and in new amounts.

If the included excise tax referred to in paragraph 1 of this Article is higher than the excise tax included at the former rates, including also special fees, the excise taxpayers shall pay in that balance by 5 May 2001 at the latest.

If the included excise tax referred to in paragraph 1 of this Article is lower than the excise duty included at the former rates, including also special fees, the excise taxpayers may reduce their next excise tax advance by such difference.

Any payer, which is the keeper of duty-free shops, shall make an inventory of the existing stocks of products in those shops on the effective date of this Law.

Any payer referred to in paragraph 4 of this Article shall include (account) the excise tax in the sale price of the existing stocks of excisable products, which it had not returned to a foreign supplier in conformity with customs regulations.

Any excise taxpayer who has been allowed to keep excise stores shall take an inventory of the existing stocks in such stores on the effective date of this Law and pay in the excise tax included in the sale price of the existing stocks of products within 60 days from the effective date of this Law.

The accounted excise tax referred to in paragraph 5 of this Article shall be paid in within 60 days from the enforcement date of this Law.

Article 48

Pending the adoption of regulations pursuant to the provision of Article 18, paragraph 4, of this Law, the Decree on the Issuance of Excise Tax Control Stamps and the Modality of Marking

Tobacco Products and Alcoholic Beverages with Such Stamps (FRY Official Gazette, Nos. 33/97, 39/97 and 55/98) shall be applicable.

Article 49

The validity of the section of the Excise Tax and Sales Tax Law (RS Official Gazette, Nos. 43/94, 53/95, 24/96, 55/96, 1/97, 60/97, 42/98, 33/99, 48/99, 54/99 and 25/00) dealing with excise tax and the provisions of Article 1, paragraph 1, items 1) through 3) and paragraph 2, item

1), Articles 2 through 7 and Article 22 through 26 of the Law on Raising Funds towards Implementing the Social Welfare Programme of the Republic of Serbia (RS Official Gazette, Nos. 44/98 and 48/99) shall expire on the effective date of this Law.

Pending the adoption of regulations pursuant to this Law, the regulations adopted pursuant to the laws referred to in paragraph 1 of this Article shall be applicable.

Article 50

The present Law shall come into force on the eighth day upon its publication in the Republic of Serbia Official Gazette.

Provisions of the Law Amending the Excise Tax Law (Republic of Serbia Official Gazette, No. 73/01) (not entered in updated text of the law)

Article 4

The excise tax on table salt shall not be payable for the years 2002 and 2003.

Provisions of the Law Amending the Excise Tax Law (Republic of Serbia Official Gazette, No. 135/04) (not entered in updated text of the law)

Article 28

Any excise tax paying producer shall take an inventory on 1 January 2005 of the stock of the excisable products referred to in Article 8 and 9 of this Law existing in the warehouse and storage facility, with the exception of an excise storage facility, account the excise tax levied under this Law and pay it within the set deadline.

If the calculated excise tax referred to in paragraph 1 of this Article is greater than that calculated and paid in the amounts valid until 1 January 2005, the excise taxpayer shall pay in the difference by 31 January 2005 at the latest.

If the calculated excise tax referred to in paragraph 1 of this Article is smaller than that calculated and paid in the amounts valid until 1 January 2005, the excise taxpayer may reduce the next excise tax advance by that difference.

The first adjustment of the amount of excise tax to the retail price growth rate in the case of the products referred to in paragraph 1 of this Article shall be made at the end of the first half of 2005.

The last quarterly adjustment of the amount of excise tax to the retail price growth rate for the products referred to in Article 2, items 1), 2) and 5) of the Excise Tax Law (Republic of Serbia Official Gazette, Nos. 22/01, 73/01, 80/02, 43/03, 72/03, 43/04 and 55/04) shall be made in January 2005 and the first semi-annual adjustment on the expiration of the first quarter of 2005.

The producers of excisable products who receive the decision granting the excisable product storage facility status before the beginning of enforcement of this Law shall satisfy the requirements stipulated by the regulation to be enacted by the minister in charge of finance pursuant to the authorization referred to in Article 13 of this Law, within 90 days from the effective date of that regulation.

Article 30

The present Law shall come into force on the first day upon its publication in the Republic of Serbia Official Gazette and be enforceable as of 1 January 2005, with the exception of its provisions containing the authorisations for enactments of bylaws, which shall be applicable as of the effective date of this Law.

Provisions of the Law Amending the Excise Tax Law (Republic of Serbia Official Gazette, No. 46/05) (not entered in updated text of the law)

Article 11

Notwithstanding Article 3 of the present Law, at the proposal of the tobacco organisation, the Government of the Republic of Serbia shall set and publish in the Republic of Serbia Official Gazette, within 15 days from the effective date of the present Law, the amounts of the most popular prices and minimum excise tax on cigarettes, cigars, cigarillos, smoking tobacco and other tobacco products for the first half of 2005, on the basis of all announced retail prices of these products in the Republic of Serbia Official Gazette and the data on the quantity of cigarettes, cigars, cigarillos, smoking tobacco and other tobacco products sold in 2004

The amounts of the most popular prices and minimum excise tax referred to in paragraph 1 of this Article shall apply as of the first day after publication in the Republic of Serbia Official Gazette until the setting of the amounts of the most popular prices and minimum excise tax on cigarettes, cigars, cigarillos, smoking tobacco and other tobacco products for the second half of

2005, in keeping with Article 3 of the present Law.

Article 12

The adjustment of the excise tax on the oil products referred to in Article 9, paragraph 1, items 1) and 2), of the Excise Tax Law (Republic of Serbia Official Gazette, Nos. 22/01, 73/01,

80/02, 43/03, 72/03, 43/04, 55/04 and 135/04) to the retail price growth rates in October, November and December 2004, shall be made in July 2005.

Provisions of the Law Amending the Excise Tax Law (Republic of Serbia Official Gazette, No. 5/09) (not entered in updated text of the law)

Article 27

The right to be refunded the excise tax paid on the oil products referred to in Article 39b, paragraph 2, of the Excise Tax Law (RS Official Gazette RS, Nos. 22/01, 73/01, 80/02, 43/03, 72/03, 43/04, 55/04, 135/04, 46/05, 101/05-second law and 61/07), which were sold and dispatched to buyers from the territory of the AP of Kosovo and Metohija prior to the effective

date of this Law, may be exercised in accordance with the regulations which were in force until the effective date of this Law.

Article 28

The most popular prices and minimum excise tax on tobacco products shall not be fixed in 2009 pursuant to Article 4 of this Law and instead of that, the most popular prices and minimum excise tax on tobacco products shall be fixed for the second half of 2008, in January 2009, pursuant to Article 10 of the Excise Tax Law (RS Official Gazette RS, Nos. 22/01, 73/01, 80/02, 43/03, 72/03, 43/04, 55/04, 135/04, 46/05, 101/05-second law and 61/07).

The most popular prices and minimum excise tax on tobacco products as fixed in the way referred to in paragraph 1 of this Article shall be applicable in 2009.

Article 29

The first next adjustment of the amount of excise tax in Dinars, as referred to in Articles 3, 5, 18 and 21 of this Law, to the retail price growth rate in 2009, shall be carried out in January 2010.

Article 30

The present Law shall come into force on the eighth day upon its publication in the Republic of Serbia Official Gazette.

Provisions of the Law Amending the Excise Tax Law (Republic of Serbia Official Gazette, No. 31/09) (not entered in updated text of the law)

Article 8

The first next adjustment of the excise tax in Dinars, as referred to in Articles 1, 3 and 5 of the present Law, to the retail price growth rate as of the first month after the effective date of the present Law to 31 December 2009, shall be carried out in January 2010.

The first next adjustment of the amounts of the most popular prices and minimum excise tax on tobacco products in accordance with the present Law shall be carried out by 31 July 2009, on the basis of the quantity of tobacco products sold in the Republic of Serbia in the first half of 2009.

Article 9

The present Law shall come into force on the eighth day upon its publication in the Republic of Serbia Official Gazette.