



Topics covered in this newsletter are following:

1. **Arm's Length Interest Rates Applicable for 2022**..... 1

1. Arm's Length Interest Rates Applicable for 2022

The Ministry of Finance has published the Rulebook on Arm's Length Interest Rates applicable for 2022 that applies on related parties' loans. Rulebook comes into force on December 24, 2022.

Interest rates in accordance with "arm's-length" principle that apply on banks and financial leasing companies for 2022 are:

- 0.50% applicable to short-term loans in RSD;
- 2.86% applicable to long-term loans in RSD;
- 2.75% applicable to loans in EUR and dinar loans indexed in EUR;
- 3.91% applicable to loans in USD and dinar loans indexed in USD;
- 2.61% applicable to loans in CHF and dinar loans indexed in CHF;
- 3.96% applicable to loans in SEK and dinar loans indexed in SEK;
- 1.88% applicable to loans in GBP and dinar loans indexed in GBP;
- 2.31% applicable to loans in RUB and dinar loans indexed in RUB.

Interest rates in accordance with "arm's-length" principle that apply on for companies for 2022 are:

- 3.12% applicable to short-term loans in RSD;
- 3.39% applicable to long-term loans in RSD;
- 2.25% applicable to short-term loans in EUR and dinar loans indexed in EUR;
- 2.73% applicable to long-term loans in EUR and dinar loans indexed in EUR;
- 6.94% applicable to long-term loans in CHF and dinar loans indexed in CHF;
- 1.85% applicable to short-term loans in USD and dinar loans indexed in USD;
- 3.54% applicable to long-term loans in USD and dinar loans indexed in USD.

Taxpayers can use prescribed interest rate for determining corporate income tax in 2022, i.e. when calculating adjustment of expenses and incomes between related parties.

Additionally, we note that aforementioned interest rates can be used during 2022 while paying out interest rates for received loans, i.e. loans from foreign related parties, since most of Double Taxation Treaties prescribe option of using beneficiary withholding tax rates only up to "arm's length" interest rate amount. Withholding tax rate of 20% is applied on amount that exceeds "arm's length" interest rate.

For any further questions, TPA team is at your disposal.



Your contact in Serbia:

Bojan Žepinić

Tax Advisor, Managing Partner

Tel: +381 11 655 88 00

E-Mail: bojan.zepinic@tpa-group.rs



Monika Andrić Vučićević

The Certified Accountant, Partner

Tel: +381 11 655 88 00

E-Mail: monika.andric@tpa-group.rs



Ana Perović

Tax Advisor, Director

Tel: +381 11 655 88 00

E-Mail: ana.perovic@tpa-group.rs

This Newsletter is a service of TPA Serbia

Kind regards

Your TPA Team

Contact:

TPA Tax and Accounting d.o.o.

Makedonska 30, 3rd floor

11000 Belgrade

Tel.: +381 11 655 88 00

<http://www.tpa-group.rs>

<http://www.tpa-group.com>

If you wish to receive regular information, please sign up for our [newsletter](#).

IMPRINT Information update: December 2022. All rights reserved. This information is simplified and cannot substitute for an individual advice. Responsible for the content: Bojan Žepinić, Tax Advisor, Managing Partner, Makedonska 30 (Eurocentar), 3rd Floor, Belgrade, Tel.: +381 11 655 88 00. Homepage: www.tpa-group.rs: Conception and design: TPA Tax and Accounting doo
Copyright © 2017 TPA Tax and Accounting doo, Makedonska 30 (Eurocentar), 3rd Floor, 11000 Belgrade
All rights reserved.