

WESTERN BALKANS: CORPORATE TAX MATRIX

	Taxpayer	Tax Base	Corporate Tax Rates	Withholding Tax	Withholding Tax Rate	Tax Treaty	CIT Deadline
Bosnia and Herzegovina	<ul style="list-style-type: none"> • Legal entity registered in BIH (Brcko district, Republic of Srpska, Federation of BIH) • Branch office of Republic of Srpska registered in Brcko district of Federation of BIH for profit made in Republic of Srpska • Non-resident entity via branch office for profit made in BIH. 	<ul style="list-style-type: none"> • Taxable profit assessed from the accounting gross profit realized in accordance with accounting regulations and standards (difference between total revenue and total expenses), increased for the unrecognized expenses. • Profit made in one business jurisdiction by legal entity from another jurisdiction is evidenced only for that jurisdiction. 	10%	<ul style="list-style-type: none"> • Withholding tax is paid for following payments to any non-resident: <ul style="list-style-type: none"> ○ dividend and profit shares, interests, royalties, insurance premiums (only Republic of Srpska), lease of movable assets, telecommunication services paid abroad, consulting (legal, audit, accounting, education and similar services), Additionally, any service paid to any country which BIH does not have any double tax treaty in force. 	10%	40 countries	February 28 th for previous calendar year
Croatia	<ul style="list-style-type: none"> • Legal Entity and other natural persons registered as entrepreneurs for profit purposes • Branch office of foreign legal entity • Craftsman registered as entrepreneur • Any natural person who surpass revenue of HRK 3.000.000 or satisfies 2 of 3 criteria: <ul style="list-style-type: none"> ○ Revenue < HRK 400.000 ○ Long term asset < HRK 2.000.000 ○ 15 employees on year average. 	<ul style="list-style-type: none"> • Taxable profit assessed from the accounting gross profit realized in accordance with accounting regulations and standards (difference between total revenue and total expenses), increased for the unrecognized expenses. 	12% for revenue Up to HRK 3.000.000 18% for revenue above HRK 3.000.000	<ul style="list-style-type: none"> • Withholding tax is paid for following payments to any non-resident: <ul style="list-style-type: none"> ○ interests, dividends and profit shares, royalties to non-resident legal entities, market research, consulting (legal, audit and business advice, and all any type of services paid to any offshore zones except EU based entities and ones which Croatia have DTT in force. Listed countries as offshore zones are publicly listed and updated on Tax authority newsletter. 	15% 12% on dividend and profit share 20% on any payments to offshore zones outside EU and no DTT in force.	66 countries	April 30 th for previous calendar year
North Macedonia	<ul style="list-style-type: none"> • Resident Legal entity resident that gains profit by performing activity in the country and abroad. A resident is an entity which is established or has headquarters on the territory of the country. Taxpayer of CIT is also a permanent establishment of a non-resident for the profit realized by performing activity on the territory of the republic. 	<ul style="list-style-type: none"> • Object of taxation of a resident is the profit that the resident realizes in and outside of the Republic of Montenegro. • Object of taxation of a non-resident is the profit that the non-resident realizes in the Republic of Montenegro. • The object of taxation of a non-resident's permanent establishment is the profit attributable to such business unit in the Republic of Montenegro. 	10%	<ul style="list-style-type: none"> • Withholding tax is due on revenues paid in the republic or abroad to foreign legal entities, which are not realized by a permanent establishment of the foreign legal entity on the territory of the republic, provided it is not otherwise determined by bilateral treaties for avoiding double taxation. <ul style="list-style-type: none"> ○ Includes revenue from dividends, interest, royalties, revenue from management, consulting, financial services, R&D services; revenue from insurance premiums for insurance or reinsurance of risks; telecommunication services; rental property. 	10%, unless reduced by a treaty. For physical persons the rate is between 0% and 15%, depending on the type of revenue.	33 countries	March 15 th for previous calendar year
Montenegro	<ul style="list-style-type: none"> • The taxpayer of the tax on profit is a resident or nonresident legal person, which carries out a business activity for profit. Limited partnership is also a taxpayer of the tax on profit. • A construction site or a prefabricated building constitutes a permanent establishment only if it continues to exist for the period exceeding six months. 	<ul style="list-style-type: none"> • Taxable profit assessed from the accounting gross profit realized in accordance with accounting regulations and standards (difference between total revenue and total expenses), increased for the unrecognized expenses. 	9%	<ul style="list-style-type: none"> • Withholding tax is paid for following payments to any non-resident: <ul style="list-style-type: none"> ○ dividends and profit distribution, capital gains, interest, royalties, intellectual property rights fees, rental income, fees for consulting, market research, and audit services, as well as to income earned on the basis of performing entertainment, artistic, sport, or similar programs. Additionally, on income earned by non-resident or resident individuals on the basis of repurchase of used products, semi-final products, and agricultural products from a manufacturer registered for VAT purposes. 	9%	42 countries	March 31 st for previous calendar year
Serbia	<ul style="list-style-type: none"> • Legal Entity and other natural persons registered as entrepreneurs for profit purposes • Branch office of foreign legal entity • Nonresident via its permanent establishment in Serbia unless DTT states otherwise • Nonresident registered in preferred jurisdictions determined by Serbian tax authorities. 	<ul style="list-style-type: none"> • Taxable profit assessed from the accounting gross profit realized in accordance with accounting regulations and standards (difference between total revenue and total expenses), increased for the unrecognized expenses. • Capital gains is separately taxed. Capital gains are revenues derived from disposal of real estate, share capital of other entities, intellectual property etc. Tax base is difference from disposal fee and prior costs. 	15%	<ul style="list-style-type: none"> • Withholding tax is paid for following payments to any non-resident: <ul style="list-style-type: none"> ○ dividend and profit shares, royalties, interests, lease and sublease of real estate and movable properties, market research studies, audit, legal fees, accounting, business consulting, amusement, sport and similar activities. 	20% 25% for jurisdictions which are listed as tax heavens by Serbian Tax Authority.	59 countries	June 30 th for previous calendar year