NOVEMBER **2026**

Issue **#020**

Eurofast

Your Regional Advisor

Eurofast Economy Review

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TAX & LEGAL

Serbia's Corporate Income Tax Law Amended: Key Changes from 1 January 2027



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~ Country Manager

Serbia's National Assembly has adopted the Law on Amendments to the Corporate Income Tax Law, published in the Official Gazette No. 80/2026. It entered into force on 8 September 2026 and applies from 1 January 2027. The reform rewrites part of the corporate tax rulebook in ways that are easily underestimated.

The reform has three main parts. The first is the withdrawal of several domestic tax incentives to align with EU State aid rules. Some of the relief tools businesses have leaned on for years are on their way out, and for at least one of them, the window to lock in eligibility is closing much sooner than a lot would expect. Companies that act promptly will keep benefits their competitors might lose.

The second part is good news for the recycling sector, where a compliance simplification will be removing a recurring obligation for businesses in the industry.

The third is a set of provisions modelled on EU tax directives. They will become operative only upon Serbia's accession to the EU, so although they might not change anything today, they say a lot about where Serbian tax policy is heading. Groups with local entities will want to look at them to ensure they stay compliant and avoid potential issues.



Eurofast's Take

These amendments confirm that Serbia is moving away from broad national incentives and towards a framework that mirrors EU standards. For businesses, the key issue is timing and understanding the scope of the reform. Our team can guide businesses in using the incentives still available and reducing their tax obligations in Serbia. Reach out to us at belgrade@eurofast.eu or nis@eurofast.eu for expert advice on how these changes will affect you and how to plan your next steps to benefit from the reform.

Kosovo's SuperPuna Platform: Connecting Young Jobseekers with Employers



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The SuperPuna platform is a youth employment initiative launched by the Government of the Republic of Kosovo on 6 February 2023. It aims to facilitate young people's access to employment by connecting eligible jobseekers with employers and providing government wage subsidies for a period of six months.

Employers: **Government Subsidy Scheme - SuperPuna** provides employers with the opportunity to engage young people, while the Government subsidises

€500 per month for six months. The number of young people an employer may engage depends on the number of existing employees they have and the applicable program rules, with a maximum cap of **50 young people.**

Jobseekers: Jobseekers must be citizens of the Republic of Kosovo, aged **18–29** and must meet the applicable program eligibility requirements. The scheme provides access to employment opportunities, an employment contract and the opportunity to gain professional experience in their field.

A jobseeker must not have been declared as employed during the **previous six months** of their engagement or must not have previously used this employment benefit under the SuperPuna scheme.

The program aims to support young people's entry into formal employment while enabling businesses to develop their workforce.

Eurofast's Take

The SuperPuna scheme provides employers with an opportunity to engage young workers while benefiting from Government salary support during the first six months.

Employers should ensure they meet the applicable programme requirements and maintain proper employment, payroll and tax documentation throughout the employment period.

At Eurofast, we can assist businesses with the employment, payroll and tax compliance aspects related to participation in the SuperPuna scheme. If you need clarification or support with the employee registration requirement, please contact our team for further assistance at **pristina@eurofast.eu.**



Bulgaria: When Can Employers Deduct Overpaid Wages Without Employee Consent?

Author:
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In Bulgaria, errors in the calculation and payment of remuneration can lead to legal consequences. In practice, overpaying an employee can happen from incorrectly calculated night work, additional pay for professional experience and holiday work, among other reasons.

When can an employer make a deduction without consent?

Bulgarian legislation provides for specific cases in which employers can make deductions from an employee's salary. Such deductions can include taxes, social security contributions, and others. In cases where an amount has been paid due to a technical error, the employer can deduct the amount without the employee's prior consent, but in compliance with legal requirements. It's important to make a distinction between a technical mistake and a wrong interpretation of a law or contract. Not every overpayment can be unilaterally deducted by the employer.

When is the employee's consent required?

When the overpayment does not fall within the specified legal cases for unilateral deduction of the amount.

What happens if the employee refuses to repay?

If the employee refuses to repay, the employer might have to take the claim through legal channels.

How should payroll and accounting handle the case?

Once an overpayment has been identified, you need to find the reason it happened, the exact amount overpaid and the relevant period this refers to. Trace how and where this amount is reflected and check all documents related to the case.

How should the employer document the case?

Employers need to keep documentation showing how the error happened, how the overpayment was calculated and who was notified.



Eurofast's Take

An overpaid salary might seem like a small payroll error, but it can have serious employment, tax, and accounting implications. Eurofast helps employers manage these kinds of payroll issues, from spotting and documenting overpayments to assessing the impact on taxes and social security. Our team combines payroll expertise with a deep understanding of Bulgarian employment laws to help employers avoid errors, financial discrepancies, and legal disputes. Contact us at sofia@eurofast.eu or plovdiv@eurofast.eu to learn more.

Family Office in Greece: The Institutional Management of Family Wealth and Its Limits

Guest Author: Piperakis Dimitrios, Attorney at Law – Managing Partner

Article 71H of the Greek Income Tax Code (ITC) establishes a dedicated institutional and tax framework for structuring high-net-worth family estates. Its true value, however, depends on a sound understanding of what it regulates and, crucially, what it does not guarantee.

The traditional approach of preserving wealth in physical cash, hidden reserves, or private vaults represents neither an effective management strategy nor succession planning. Beyond raising questions of legality and the documentation of the origin of funds, it leaves wealth economically idle. It also turns every asset transfer, tax audit, or hereditary succession into a significant liability.

Since 2021, the Greek legislator has offered a formal, institutional alternative. Article 25 of Law 4778/2021 introduced Article 71H into the ITC, governing **Special Purpose Family Wealth Management Companies** (commonly referred to by the Greek acronym EESDOP). This framework was further implemented through Decision A.1043/2022 and has undergone subsequent amendments. Law 4916/2022 expanded its statutory scope to include the administration of family living expenses. More recently, Article 211 of Law 5222/2025 reduced the minimum operational expenditure threshold, permitted the provision of advisory services to trustees, and explicitly addressed the place of effective management of foreign corporate entities.

What It Is

An EESDOP may operate under any corporate legal form recognized by Article 45 of the ITC, with the exception of non-profit entities. In accordance with Decision A.1043/2022, it may be incorporated either in Greece or abroad.

Its exclusive corporate purpose is the administration and management of family assets and investments, whether held directly or through corporate vehicles, in Greece or internationally. This scope extends to managing living expenses as well as the family's philanthropic and cultural activities. The company may also act as an advisor to trustees of trusts that have been settled by family members or in which family members are beneficiaries.

Decision A.1043/2022 provides an indicative list of eligible services: ranging from lifestyle management and administrative support to financial planning, succession planning, and legal, accounting, tax, and technical services. The entity must register family wealth management services as its sole business activity code and is strictly prohibited from carrying out any commercial activity outside this scope.

Eligible Persons

The regime applies to natural persons who are tax residents of Greece, including those who have relocated their tax residence under the special alternative tax regimes of Articles 5A (High-Net-Worth Individuals), 5B (Foreign Pensioners), and 5C (Foreign Workers/Professionals) of the ITC.

Qualifying family members include:

- The spouse or registered civil partner, and their unmarried children.
- Subject to specific statutory custody requirements, the unmarried children of only one of the spouses or civil partners.
- Direct ascendants (parents/grandparents) of either spouse or registered partner.



Key Requirements

To maintain eligibility, the company must satisfy two core continuous criteria:

- **Staffing:** Within twelve months of incorporation, the company must hire at least five employees in Greece. Under Decision A.1043/2022, this headcount threshold must be met continuously on a month-by-month basis after the initial twelve-month period; if an employee departs, the position must be filled by the end of the following calendar month.

- **Operating Expenditures:** The company must incur annual operating expenses in Greece of at least €500,000. While the threshold was initially set at €1,000,000 and Decision A.1043/2022 still references the original figure, the lower €500,000 threshold introduced by Article 211 of Law 5222/2025 constitutes primary statutory law and takes precedence.

Compliance is audited annually. The company must submit staffing records, audited financial statements, formal statutory declarations regarding qualifying family members and the adherence to the exclusive corporate purpose, as well as bank transaction statements to the Athens Tax Office for Large Enterprises (DOY FAE Athinon). If any statutory condition is breached, the company's taxable profits for that fiscal year are assessed under the general corporate tax provisions of the ITC.

Tax Treatment

The company's gross revenue is determined using the cost-plus method. A mandatory profit markup of 7% is applied to total operating expenses and depreciation, excluding corporate income tax.

The underlying expenses upon which the markup was calculated are deductible from these gross revenues; consequently, in standard operating conditions, taxable profit equals the 7% markup.



- Expenses are tax-deductible provided they are evidenced by documentation conforming to Greek Accounting Standards (Law 4308/2014) and, per Decision A.1043/2022, have been settled via corporate bank accounts.

- If actual revenues recorded in the company's books exceed the amount calculated under the cost-plus formula, the higher actual revenue is taken into account.

- Income tax is levied at the standard corporate income tax rate under Article 58 of the ITC (currently 22%).

- All gross revenues must be collected strictly via bank wire transfers.

Illustration: Assuming annual operating expenses and depreciation total €500,000, the minimum deemed gross revenue is €535,000. Following the deduction of the €500,000 in qualifying expenses, taxable net profit—prior to any other statutory tax adjustments—stands at €35,000.

VAT Treatment: Internal transactions between the company and its participating family members or entities are deemed transactions carried out within a single entity and fall outside the scope of Greek VAT. This rule, however, applies strictly to internal family services and does not constitute a blanket VAT exemption for third-party procurement or standard external transactions.

Foreign Family Entities

The provision of management services under Article 71H to foreign corporate entities owned directly or indirectly by the family does not, in and of itself, constitute the exercise of effective management (Place of Effective Management - POEM) in Greece.

For families with cross-border holdings, this safe harbor substantially reduces the risk of foreign holding companies being recharacterized as Greek tax residents. It does not, however, neutralize independent factual circumstances that might otherwise prove that key commercial, management, and strategic decisions of a foreign entity are routinely made within Greek territory.

What It Is Not

An EESDOP is an operational management and service vehicle. It is not an asset protection trust, nor an autonomous shield against third-party creditors or the State.

Asset transfers made to the detriment of existing creditors, where the debtor's remaining unencumbered estate is insufficient to satisfy outstanding claims, remain vulnerable to clawback actions (actio pauliana / revocation of fraudulent conveyance) pursuant to Articles 939 et seq. of the Greek Civil Code. While the launch or imminent prospect of a tax audit may serve as persuasive evidence of fraudulent intent, it does not alter the formal legal prerequisites of a Paulian action.

Depending on the facts, such behavior may also trigger criminal liability under Article 397 of the Greek Penal Code regarding fraudulent debt evasion. Civil clawback actions and criminal liability are distinct legal remedies, each requiring independent evaluation.

Furthermore, running an active family office does not shield managers or directors from joint and several personal liability for unpaid corporate tax debts under Article 49 of the Tax Procedure Code (TPC) when the three cumulative statutory conditions are met: holding an executive office, temporal nexus with the debt's accrual, and culpability/fault on the part of the executive.

Key Considerations Prior to Incorporation

Setting up a family office is a family governance commitment, not merely an exercise in tax optimization. Before proceeding, several fundamental questions must be resolved:

- Do the scale and complexity of the estate genuinely justify minimum annual operating expenses of at least €500,000 in Greece, over and above the regular administrative and regulatory compliance costs?
- Which specific assets will be brought under management, and through which corporate structures are they currently held?
- Which family members will participate in the entity, and what will be the formal contractual basis for billing services to each participant?
- Where are day-to-day and strategic management decisions of foreign entities currently executed, and what paper trail documents their genuine place of effective management?
- How does the family office structure interface with succession planning and existing or contemplated trusts?
- Is there exhaustive documentation establishing the lawful origin of each asset before it is folded into the new structure?

When these questions can be answered clearly, Article 71H provides the legal foundation for a transparent, institutional, and long-term organization of family wealth. Where these answers are lacking, incorporating an entity will not resolve the underlying structural deficiencies.



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Eurofast Academy

What is Eurofast Academy?

Eurofast Academy is a **hands-on graduate program** designed to bridge the gap between academic knowledge and professional experience. Focused on **Accounting & Payroll**, the program combines structured training with real-world application inside a dynamic business environment. Participants will not only learn, they will actively contribute to real business operations.

Program Outcomes

- Hands-on experience in real business operations
- Development of practical skills in Accounting & Payroll
- Familiarisiation with ERP systems and professional tools
- Understanding how multinational clients operate
- Building confidence working in a professional environment
- Strengthened CV with real industry experience
- Opportunities for employment at Eurofast

Who Should Apply

- Final-year students or recent graduates in Accounting and/or Finance
- Individuals motivated to gain practical experience and start a career in professional services

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