

# Expand into Serbia

with cooperation partners of the  
Vienna Economic forum



Foreign Investors Services

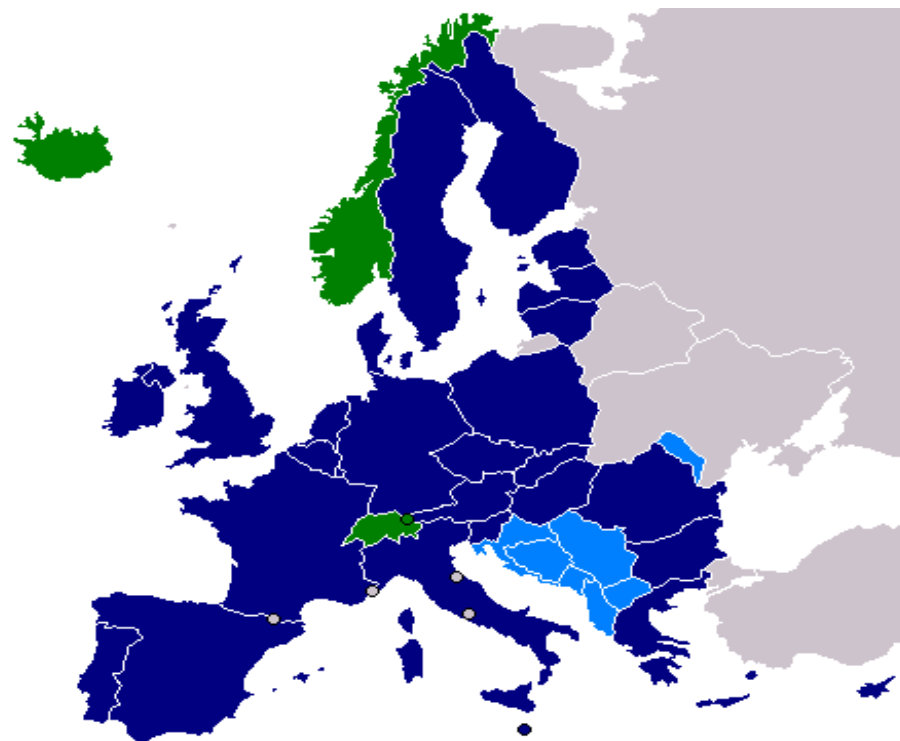
**DR MILAN PARIVODIC**  
CHAIRMAN

*Turkey - Important Player in the Regional Economy*  
18-19 June, 2012  
Vienna, Austria

# Produce and export from Serbia!

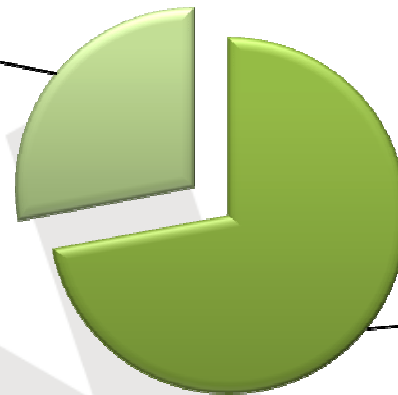
- Customs free exports to EU
- CEFTA (South East Europe Free Trade Area) – market of app. 30 million consumers
- Customs free agreement with Turkey
- Customs free exports to Russian Federation, Kazakhstan and Belarus – (except cars, tractors, televisions, cigarettes and spirits, pumps, wooden furniture, sugar)
- Customs free exports to Switzerland and other EFTA countries

- EU member states
- EFTA member states
- CEFTA member states



# Foreign - Owned Enterprises' Share in Exports (25 Top Serbian Exporters)

Domestic  
investors;  
28%



Foreign  
investors;  
72%

- Significant foreign enterprise share in Serbian export is a result of privatization, restructuring and Greenfield investments .

## Investment Incentives in Serbia

- National treatment of foreign companies
- Free transfer of financial and other assets comprising profits and dividends
- Invest freely 100% in all industries except minority stakes allowed in media and in production and trade in armaments
- Corporate profit tax 10%
- Income tax 12%
- Tax holiday for 10 years for investing more than \$10mn and opening 100 new jobs
- New jobs grants from Eur 2,000-10,000 per job

# Financial Incentives for Job Creation

| Scale              | Large-Scale                      |                         | Standard Scale                                     |  |                              |                               |
|--------------------|----------------------------------|-------------------------|--|--|------------------------------|-------------------------------|
| Project Categories | Manufacturing and Export-Related |                         | Manufacturing                                      |  |                              | Export-Related                |
|                    | Capital and Labour-Intensive     | Capital-Intensive       | Underdeveloped Regions/Regions of Special Interest | Auto, Electronics, IT and Special Interest Regions | Other Regions                | Any Region                    |
| Grant              | 25% of total investment          | 20% of total investment | €4,000 to €10,000 per new job                      | €5,000 to €10,000 per new job                      | €2,000 to €5,000 per new job | €2,000 to €10,000 per new job |
| Minimum investment | €200 mn                          | €50 mn                  | €0.5mn   | €0.5 mn  | €1 mn                        | €0.5mn                        |
| Minimum new jobs   | 1,000                            | 300                     | 50   | 50   | 50                           | 10                            |

## New Double taxation Agreement Austria - Serbia

- DTT between Austria and Serbia first ever between these two countries
  - signed on 7 May 2010
- Dividends earned in Serbia transferred to Austria are taxed in Serbia:
  - 5% withholding tax if the beneficial owner of dividend is a company (but not a partnership) holding directly at least 25% of the capital of the paying company
  - 15% withholding tax (in all other cases)
  - Taxation right in Austria in accordance with domestic law; tax credit (art. 24 DTT)
  - Normally tax on dividends in Serbia is 20%
- Capital gains tax from sale of shares in Serbia owned by an Austrian shareholder is taxed only in Austria (except for shares in real property developing companies where 2,5% conveyance tax applies on value of property sold).

# OUR TRACK RECORD

A long track record of working with very large to medium sized foreign investors made FORINVEST recognized as the **preferred long-term business partner to investors into Serbia**

Mutual trust  
made

Foreign Investors Services  
and Vienna Economic Forum  
**cooperation partners**

# HOW DO WE WORK WITH INVESTORS?

Our support typically includes:

- **We jointly plan the business strategy for Serbia and the SEE region**
- **We solve all legal issues with our team of lawyers**
- **We establish partnerships for the project**—typically with the Government of Serbia and the relevant City or Municipality, your Embassy
- **We ensure that all relevant state institutions serve you efficiently** (e.g. timely issuance of all permits)
- **We introduce serious business partners to you** in order to develop your business in Serbia and the CEE region in the most effective and efficient way (e.g. acquisition target companies, joint venture partners, production suppliers, wholesale and retail distributors)
- **We solve problems that occur inevitably in every business**, both start-up problems and course-of-business problems



**THANK YOU FOR YOUR ATTENTION!**



**Foreign Investors Services**

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