

Bosnia and Herzegovina, Federation of Bosnia and Herzegovina

LAW  
ON MITIGATION OF NEGATIVE ECONOMIC CONSEQUENCES OF COVID19

PART ONE - INTRODUCTORY PROVISIONS

Article 1.

(Subject)

This law prescribes: subsidizing contributions for compulsory insurance, suspension of calculation and payment of default interest on public revenues, abolition of obligations to pay advance income tax, abolition of obligations to pay advance income tax on self-employment, termination of calculation of default interest on late payments to debtors. creditor relations, termination of forced collection, maintenance of stability of certain payments, postponement of application of regulations during the state of the accident in the Federation of Bosnia and Herzegovina (hereinafter: the Federation), and establishment of the Guarantee Fund.

Article 2.

(The meaning of certain terms)

The terms used in this law have the following meaning:

- a) Business entities are considered to be: legal entities, ie companies, except for public companies, banks and other financial organizations, associations, public institutions, administrative bodies, bodies and units of local self-government, and natural persons who independently perform registered business activity, excluding those who in accordance with the regulations on income tax, income tax is paid on that basis according to a lump sum;
- b) default interest on late payments of public revenues is interest in the sense of the provisions of the regulation which regulates the amount of the default interest rate on public revenues;
- c) default interest on late payments in debtor-creditor relations is interest in the sense of regulations which regulate the amount of default interest rate;
- d) contributions are contributions for compulsory insurance in terms of regulations on contributions;
- e) moratorium is a period of time in which the execution of debts of a certain type and forced collection procedures are postponed and / or suspended;
- f) the state of the accident was determined by the Decision on declaring the state of the accident caused by the appearance of coronavirus (COVID-19) on the territory of the Federation of Bosnia and Herzegovina ("Official Gazette of the Federation of BiH", No. 21/20);
- g) advance payment of profit tax is considered an advance payment of profit tax regulated by the regulation on profit tax in the Federation;

- h) advance payment of personal income tax is considered to be advance payment of personal income tax regulated by the regulation on personal income tax in the Federation;
- i) the limitation period includes: 1) rokove zastare razreza, naplate i povrata poreznih obaveza uređeni propisom o Poreznoj upravi Federacije i  
2) rokove zastare uređene propisom o porezu na dobit u Federaciji.

Article 3.

(Law enforcement)

- (1) The provisions of this Law shall apply to all business entities that meet the conditions prescribed by this Law.
- (2) If other laws within the competence of the Federation are in conflict with this Law, this Law shall apply.

PART TWO - MEASURES TO MITIGATE THE NEGATIVE CONSEQUENCES

Article 4.

(Subsidizing)

- (1) Subsidies of contributions for compulsory insurances from the regulations on contributions shall be made in accordance with the provisions of this Law from the funds of the Budget of the Federation.
- (2) Business entities referred to in Article 2, item a) of this Law are entitled to subsidized contributions in accordance with this Law in the amount of 244.85 KM per month per employee starting from the calculation and payment of gross salary for April 2020 and each subsequent month, including the calculation and payment of salaries for the month after the end of the accident. Subsidizing contributions for each employee is done in a way that for pension and disability insurance is directed 135.70 KM, for health insurance 97.35 KM and for unemployment 11.80 KM, if in the month for which the salary is calculated, there is a decrease in turnover 20% and more in relation to the realized turnover in the same month in 2019.
- (3) The payment of the lowest net salary to the employees referred to in paragraph (2) of this Article is not conditioned by the simultaneous payment of subsidized contributions.
- (4) The realized turnover referred to in paragraph (2) of this Article shall be determined by the Federal Ministry of Finance - Tax Administration of the Federation of Bosnia and Herzegovina (hereinafter: Tax Administration) on the basis of data on recorded turnover through fiscal systems on the Tax Administration server.
- (5) Business entities that are not in the fiscalization system in accordance with the regulations on fiscal systems shall also have the right to subsidize contributions in accordance with the provisions of this Law.
- (6) For sole proprietors and business entities in low-accumulation activities for which the bases are lower than the minimum gross salary, the subsidy of contributions for April of the current

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year and each following month, including calculation and payment of contributions for the month after the accident the amount of contributions determined on the prescribed monthly basis for the current year.

(7) Business entities and entrepreneurs referred to in paragraphs (2), (5) and (6) of this Article shall have the right to subsidize contributions, provided that the obligations for contributions and income tax with paid salaries are settled as of February 2020.

(8) Business entities and sole proprietors referred to in paragraphs (2), (5) and (6) of this Article shall submit to the Tax Administration a request for subsidies and tax returns from the regulations on contributions and regulations on income tax by the tenth of the current month. for the previous month.

(9) The Tax Administration shall give written instructions on the manner of submitting the request and on the necessary documentation referred to in paragraph (8) of this Article.

Article 5.

(Obligations of business entities)

1) If business entities (employers) for any month within the period referred to in Article 4, paragraph (2) of this Law calculate and pay the amount of salary to employees higher than the minimum gross salary are obliged to calculate and pay the amount of contributions determined as the difference obligations for contributions in accordance with the regulations on contributions and the amount referred to in Article 4, paragraph (2) of this Law, at the same time as the payment of net salary and payment of income tax.

(2) Self-employed persons whose prescribed monthly base is higher than the base on which the subsidies will be subsidized, are obliged to pay the difference in contributions up to the amount determined on the prescribed basis in accordance with the regulations on contributions by the tenth current month for the previous month.

(3) The Tax Administration shall issue written instructions on the manner of submitting tax returns referred to in paragraphs (1) and (2) of this Article.

Article 6.

(Suspension of calculation and payment of default interest on public revenues)

(1) Default interest on public revenues shall not be calculated and paid for the duration of the accident.

(2) Default interest on public revenues shall not be calculated and paid for 60 days from the day of termination of the declaration of the state of the accident.

(3) Default interest on public revenues shall not be calculated and paid for the days of forced collection of public revenues.

(4) The provisions of Art. 68 and 69 of the Law on Tax Administration of the Federation of Bosnia and Herzegovina ("Official Gazette of the Federation of BiH", No. 33/02, 28/04, 57/09, 40/10, 27/12, 7/13, 71/14 and 91/15) shall not apply during the declared state of accident and 60 days from the day of termination of the declared state of accident.

Article 7.

(Abolition of the obligation to pay an advance income tax)

The obligation to pay an advance on income tax for business entities that use subsidies referred to in Article 4 of this Law shall be abolished.

Article 8.

(Abolition of the obligation to pay income tax advances)

The obligation to pay an advance payment of income tax on self-employment for 2020, which uses the subsidies referred to in Article 4 of this Law, is abolished.

Article 9.

(Interruption of limitation periods)

The limitation period referred to in Article 2, item i) of this Law shall be interrupted from the day of declaring the state of accident, and shall begin to run from the thirtieth day from the day of termination of the declared state of accident.

Article 10.

(Moratorium)

(1) The calculation of default interest on late payments in debtor-creditor relations in the period from 01.03.2020 shall be terminated. years until the expiration of the thirtieth day from the date of cessation of the accident.

(2) Compulsory collection shall be terminated in accordance with the provisions of the regulations on internal payment operations and regulations on the Tax Administration until the next day from the day of termination of the accident, ie until the expiration of 30 days from the date of termination of the accident.

Article 11.

(Maintaining the stability of individual payments)

(1) In order to maintain stability and timely payments of pensions and disability benefits and other social benefits at the achieved level, and having in mind the consequences of falling revenues caused by the accident, the missing funds will be provided by savings within the Federation Budget for 2020.

(2) The obligation to adjust pensions and the value of general points, disability benefits, other social benefits and salaries will not be performed in 2020.

Article 12.

(Postponement of application of regulations)

(1) In the period while the state of the accident lasts and 60 days after the cessation of the accident, the regulations adopted at the level of the Federation which regulate the intended use of funds shall not be applied.

(2) Decisions on the reallocation of funds referred to in paragraph (1) of this Article shall be made by the Government of the Federation of Bosnia and Herzegovina (hereinafter: the Government of the Federation), cantonal governments, mayors and mayors.

(3) The funds referred to in paragraph (2) of this Article may be used exclusively for the purpose of repairing the health, social and economic consequences of the declared state of accident.

Article 13.

(Establishment of the Guarantee Fund)

(1) This Law establishes the Guarantee Fund (hereinafter: the Fund) on the basis of which, in the name and on behalf of the Federation, guarantees will be issued by the Development Bank of the Federation of Bosnia and Herzegovina (hereinafter: the Development Bank).

(2) Initial funds for the establishment of the Fund in the amount of up to 80,000,000 KM shall be provided by redirecting the available funds of the Government of the Federation from commission affairs and available funds of earmarked deposits of the Government of the Federation kept with the Development Bank. Additional sources for increasing the total resources of the Fund shall be determined by the Government of the Federation by the act referred to in paragraph (4) of this Article.

(3) The Development Bank shall report quarterly to the Government of the Federation on the management of the Fund, and the Government of the Federation shall submit the same report to the Parliament of the Federation of Bosnia and Herzegovina within 15 days after the end of the quarter.

(4) The Government of the Federation shall, upon the proposal of the Federal Ministry of Finance, prescribe the manner of financing, maintenance and management of the Fund,

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restrictions and conditions for issuing guarantees, and other details relevant to the functioning of the Fund.

PART THREE - TRANSITIONAL AND FINAL PROVISIONS

Article 14.

(Deadlines for issuing instructions)

(1) The Tax Administration shall, within ten days from the day this Law enters into force, issue instructions referred to in Article 4, paragraph (9) and Article 5, paragraph (3) of this Law.

(2) The Government of the Federation shall adopt the implementing act referred to in Article 13, paragraph (4) of this Law within 15 days from the day this Law enters into force.

Article 15.

(Compulsory health insurance)

Compulsory health insurance is prescribed to all citizens of the Federation during the duration of the accident, ie upon the expiration of the thirtieth day after the declaration of termination of the accident.

Article 16.

(Entry into force and termination)

This Law shall enter into force on the day following the day of its publication in the "Official Gazette of the Federation of BiH" and shall cease to be valid upon the expiration of 60 days from the day of declaring the cessation of the accident.

Chairman  
House of Representatives  
Parliament of the Federation of BiH

Mirsad Zaimović

Chairman  
Home of Peoples  
Parliament of the Federation of BiH

Tomislav Martinović