

CONFIDA

Ideas that pay off.

Monthly Newsletter

January, 2025.

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1.

NEW SOCIAL INSURANCE CONTRIBUTION BASES FOR 2025

As of January 2025, new social insurance bases in Serbia will come into effect, increased by 14.5% compared to the previous year. Citizens can select from **13 contribution bases**, regardless of educational qualifications.

- **Lowest base: 45,950 RSD** (35% of the average salary).
- **Highest base: 656,425 RSD** (5x the average salary).
- Contribution rate remains **24%**, with monthly payments ranging from **11,028 RSD** to **157,542 RSD**, depending on the chosen base.

KEY POINTS:

- » Contributions are due by the 15th of the month for the previous month.
- » You can change the base by submitting a new request.
- » You lose insured status after 6 months of non-payment.

Visit the PIO Fund website for more details, or contact Confida Serbia for expert assistance.

We're here to support you through these changes!



2.

TAXATION OF CO-OWNERSHIP SHARE EXCHANGES IN REAL ESTATE

The exchange of co-ownership shares in real estate between individuals in Serbia is more than just a straightforward transaction; it's also a taxable event under local legislation. Here's what you need to know:

Property Transfer Tax:

- This tax is calculated on the agreed price or assessed market value, with a **rate of 2.5%**.
- This tax is calculated on the agreed price or assessed market value, with a **rate of 2.5%**.

Capital Gains Tax:

- Applies to the difference between the acquisition cost and the current market value of the co-ownership share at the time of exchange.
- The system indexes gains to account for inflation.

Exchanging real estate shares demands a comprehensive understanding of tax obligations to ensure full compliance and avoid penalties. Confida Serbia offers expert advisory services to guide you through these complex transactions.

3.

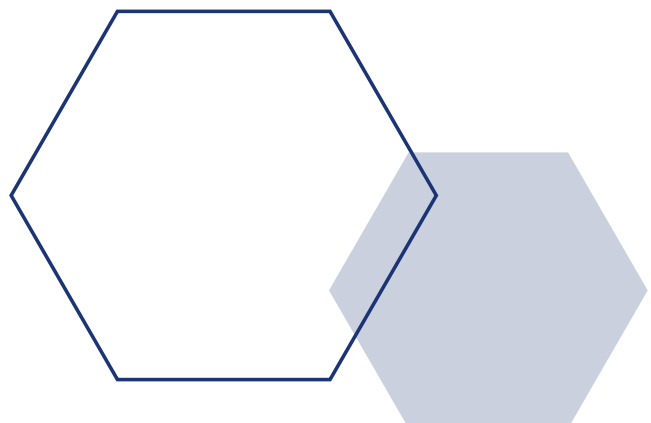
WHAT TO EXPECT FROM SERBIA'S REAL ESTATE MARKET IN 2025

The Serbian real estate market is undergoing noteworthy shifts. In 2024, demand shifted to suburban areas, driven by more affordable prices and quieter surroundings. While luxury apartments have seen declining interest, properties priced between €1,500 and €3,000 per square meter remain stable, supported by credit-financed buyers.

Central Belgrade municipalities saw a decrease in sales, while peripheral areas like Zemun and Surčin experienced a 10% increase. Cities like Niš and Bor are booming, with rising property values driven by workers and students.

The decline in construction permits issued in 2024, particularly in tourist regions, reflects greater caution among investors.

Looking ahead to 2025, we expect continued expansion in Belgrade's suburbs, a focus on affordable housing, and increased activity in outer city areas, partly spurred by the upcoming international event, EXPO 2027.



4.

EMPOWERING WOMEN IN SOUTHERN SERBIA

The “She Knows” project awarded eight grants totalling \$35,000 to female entrepreneurs from the Jablanica and Pčinja districts. The grants support innovative business ideas that combine creativity, digital technology, and traditional industries.

Eight winners were selected from 104 women participating in employment and entrepreneurship training programs. Additionally, workshops were held for 24 companies to improve gender equality and inclusivity in the workplace.

The project will expand to the Raška region next year, supporting women from rural areas and those outside the education or employment systems.

5.

CHANGES IN PROPERTY TAX FILINGS STARTING IN 2025

The new regulations regarding property tax filings took effect on January 1, 2025, introducing changes in how property taxes are reported and calculated.

One of the key updates includes more precise calculations of land area under buildings eligible for tax exemptions. Additionally, if local authorities fail to publish average property prices on time, alternative property values will be used to determine the tax base.

The new regulations also clarify how to determine property value without average price data and how to record changes in usable area during the year.

These changes aim to improve accuracy and transparency in tax administration, reduce errors in tax calculations, and ensure better compliance with the law.



6.

CONSUMER PROTECTION LAWS CHANGES IN 2025

Starting this year, updates to two key consumer protection laws will provide safer online shopping and enforce stricter regulations on advertising discounts.

One of the key changes is that sellers will be required to display the previous price of a product from 30 days prior when advertising a discounted price. Additionally, sellers will be obligated to sell products at the advertised price and show accurate product representations in stores and online.

Furthermore, online shopping will become safer as regulations regarding online fraud are tightened, especially concerning product reviews. Sellers will now be responsible for verifying if reviews are genuine and from real customers.

Consumers buying from foreign apps will have better protection when dealing with EU-based sellers through specialized platforms for filing complaints.

7.

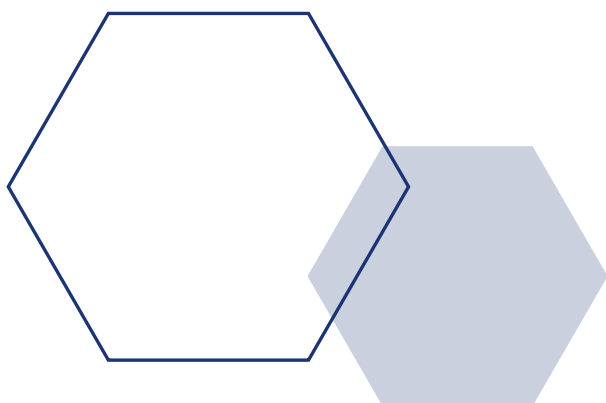
HIGH SCHOOL DIPLOMA VS. UNIVERSITY DEGREE: YOUTH EMPLOYMENT IN 2025

In 2025, statistical data show that young people in Serbia continue to face significant challenges in the labour market. The unemployment rate for youth aged 15 to 24 is 21.5%, a notable improvement from 51% in 2011. Despite this decline, young people struggle to find stable jobs, especially in specialized fields, due to limited job opportunities.

While employment prospects have improved for those with a high school diploma, university graduates face more difficulty securing jobs due to the mismatch between education and the labour market's needs. Additionally, many young people plan to emigrate for better living conditions. At the same time, only a tiny percentage intend to stay and build their careers in Serbia.

Furthermore, many young people work in jobs unrelated to their qualifications, with only 21% employed in positions related to their field of study. High salaries remain a key factor in job selection, as young people believe the average salary is insufficient for a decent life in Serbia.

The "My First Job" program, introduced to help young people gain experience and employment, has succeeded, but challenges such as inflation and high bureaucracy persist. Although interest in the program has declined, it remains an essential step toward youth employment.



8.

WHAT TO EXPECT FROM REAL ESTATE PRICES IN 2025

Experts do not expect drastic changes in the real estate market in Serbia in 2025. The most likely scenario is market stabilization with a slight price increase aligned with inflation. Due to higher material, labour, and energy costs, experts forecast a 1 to 3 per cent price increase, with market stagnation as the most likely outcome.

Eurostat also reports moderate growth in real estate prices in Serbia in 2024, with a steady increase in the number of sold properties. Demand for real estate in Serbia has risen, and prices in several regions, including Belgrade and Vojvodina, have increased by 4 to 6.7 per cent compared to the previous year.

9.

NBS: RECORD FOREX RESERVES AND GROWTH IN 2024

The National Bank of Serbia (NBS) achieved key goals in 2024, including inflation stabilization and strengthening the dinar. Foreign exchange reserves reached a record 29 billion euros, while gold reserves increased to 48 tons, valued at 3.9 billion euros, representing 13% of total forex reserves.

The National Bank of Serbia (NBS) reduced interest rates on dinar loans, and savers increased dinar savings by a record 35%, reaching over 187 billion dinars. Additionally, foreign direct investment inflows set a new record, exceeding 5 billion euros.

The government introduced a state program for housing loans for young people and regulations to protect the interests of financial services users.



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