3 SUPPORT FOR STARTUPS

The Government of Serbia wants to support the establishment and strengthening of the technology start-up ecosystem in Serbia. In 2013, financial incentives will be offered to reputable investors, who wish to make an initial (seed) investment in micro and small enterprises with innovations or products with high market potential. The Government will support such investors with equity-free funds for up to 50% of the total initial phase investment, not exceeding €25,000 per project.

In addition to financial incentives, a special program of training and networking will be put in place, with the aim to bring together and connect IT entrepreneurs, provide for the transfer of knowledge in the area of startup entrepreneurship, provide mentoring and project preparation for entering the investment program etc.

4 TAX BREAKS

As of 2013, companies in Serbia will benefit from tax credits for R&D investments – the tax liability will be reduced by 20% of the total invested value (by 40% for small companies), up to 33% of the total tax liability (up to 70% for small companies) for a given tax period, along with the right to transfer the tax credit into subsequent tax periods.

Also, fully-burdened labor costs for qualified IT companies will be reduced by a third. This exemption will apply to 80% of employees in large companies (with 50 or more employees) and 90% of employees in small companies (with less than 50 employees).

5 INVESTMENT INCENTIVES

In addition to the existing benefits, such as one of the lowest corporate tax rates in Europe set to 15%, Serbia offers the financial support to investors. IT companies providing internationally-marketable services, which create at least 10 new jobs and invest a minimum of €500,000 over the period of three years, can qualify for the investment subsidies in the range between €4,000 and €10,000 per new job created. Larger investment projects (€50 million and above) are eligible for special financial packages, where the Government may award between 10% and 20% of the investment’s total value.

6 INSTITUTIONAL SUPPORT

Serbian Investment and Export Promotion Agency (SIEPA) provides professional services to companies interested in setting up business operations in Serbia and Serbian companies doing business abroad.

SIEPA’s experts are ready to offer information on the general investment environment, as well as targeted legal and industry-specific advisory services.

SIEPA’s network of contacts provides links to all levels of government, as well as private sector service providers.

7 EXPORT PROMOTION

SIEPA will extend its current program of support to export-oriented companies, so as to better fit the specific needs of the IT industry. IT companies will be able to request export subsidies, covering between 50% and 75% of costs related to certification of software products, protection of industrial property and software localization.
Recognizing that knowledge economy is a powerful driver of social change and long term economic development, the Government of Serbia has adopted a comprehensive set of measures in February 2013, aimed at creating a supportive and competitive eco-system for international IT players and local startups in the next five years.

The program follows up on the liberalization of the telecommunications market and builds upon the existing local success stories – such as Microsoft's Development Center in Belgrade, Telvent DMS's world-class smart grid management system, or Nordeus' hugely popular social game Top Eleven.

All relevant players at the Serbian IT scene – local and international, alike – were involved in development of the program.

The Ministry of Finance and Economy has provided a key lead in the process, confident that close cooperation and mutual understanding will be crucial to the successful rollout of the program in the coming years.

For further information about doing business in Serbia and government's Program of Support to the IT Industry, please contact

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Government of the Republic of Serbia
Program of Support to the IT Industry