

# Bosnia and Herzegovina

## VAT standard rate

The standard VAT rate in Bosnia and Herzegovina in **2024** is **17%**.

Export in Bosnia and Herzegovina is zero-rated.

## Threshold

It is necessary to register as a VAT taxpayer in Bosnia and Herzegovina for an organization whose taxable supplies of goods or services exceed or are expected to exceed **50000** BAM (approximately **\$25500**) during the previous year.

## Deductible VAT

VAT paid on goods purchased or imported for business purposes may be deductible. However, certain items, such as vehicles, fuel for transportation, entertainment and accommodation expenses, hospitality expenses, are not eligible for VAT deduction unless they are used exclusively for business purposes. VAT deduction is also allowed partially.

## VAT registration procedure in Bosnia and Herzegovina

Individuals or legal entities subject to VAT must apply for registration with the Indirect Taxation Authority and send VAT registration application by the 20th day of the month following the month in which they made supplies of goods or services exceeding the threshold.

The submission for registration and inclusion in the Unified Register of Indirect Taxpayers should be directed to the appropriate regional center, specifically the Tax Department's Support Group. Alongside the application, the following documentation must be provided:

- Judgment to record in the court registry;
- Certificate of registration;
- Identity card or passport of the entity's owner and responsible individuals of the legal entity;
- Documentation regarding work and residence status for foreign citizens in Bosnia and Herzegovina, if applicable;
- Power of attorney allowing a Bosnia and Herzegovina citizen to represent the taxpayer if the responsible person is a foreign citizen;
- Certified signature specimen card from the commercial bank where the transaction account was opened, and notification of the main account designated with an authorized payment organizations.

## **Tax representative**

Non-resident companies registering as VAT payers must appoint a tax representative registered in Bosnia and Herzegovina, who shares equal liability for various VAT payments.

## **Keeping records**

Non-resident digital service providers must keep accounting records for 10 years. These include accounting books, invoices, and other documents and must be available to the tax authorities for inspection upon request.

## **Filing VAT return and payment date**

The reporting period in Bosnia and Herzegovina is a month. VAT returns must be submitted and paid by the 10th day of the month following the reporting period.

## **Penalties**

Bosnia and Herzegovina provides for administrative penalties for non-compliance with tax legislation, such as:

**50%** of the VAT amount, with a minimum fine of **100 KM** for failure to fulfill the obligation to calculate and pay VAT;  
**300 KM** for failure to submit a VAT declaration within the established deadline.