**Value Added Tax Act**

*(Editorial consolidated text, Official Gazette 73/13, 148 / 13,143 / 14, 115/16, 106/18, 121/19; Decision USRH 99/13, 153/13)*

**I. FUNDAMENTAL PROVISIONS**

**Article 1.**

(1) Value added tax (hereinafter: VAT) shall be calculated and paid in accordance with the provisions of this Act.  
  
(2) VAT is the revenue of the state budget of the Republic of Croatia.  
  
(3) An integral part of this Act are:  
  
- Annex I, List of Activities referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48873) in [Article 6, Paragraph 5](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48873) . hereof,  
  
- Annex II. The list of goods to be placed in the warehouse of [Article 52 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48957) this Act,  
  
- Annex III. The list of goods to which the special procedure of margin taxation of [Article 95 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla49004) . hereof,  
  
- Annex IV., List of machinery and equipment referred to in Article 76, paragraph 8 of this Act.

**Article 2**

The following Directives of the European Union are hereby transposed into the legal order of the Republic of Croatia:  
  
- Council Directive 2006/112 / EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006) Last amended by Council Directive (EU) 2016/1065 of 27 June 2016 amending Directive 2006/112 / EC as regards the treatment of value coupons (OJ L 177, 1.7.2007) (hereinafter referred to as Council Directive 2006 / 112 / EC),  
  
- Council Directive 2008/9 / EC of 12 February 2008 laying down detailed rules for the refund of value added tax provided for in Directive 2006/112 / EC to taxable persons not established in the territory of the country Member States of refund than in any other Member State (OJ L 44, 20.2.2009),  
  
- Thirteenth Council Directive 86/560 / EEC of 17 November 1986 on the harmonization of the laws of the Member States relating to turnover taxes - procedures for the refund of value added tax to taxable persons not established in the Community (OJ L 326, 21. 11 1986),

- Council Directive (EU) 2018/912 of 22 June 2018 amending Directive 2006/112 / EC on the common system of value added tax as regards the obligation to respect the minimum standard rate provision (OJ L 162, 27.6.2018). ),  
  
- Council Directive (EU) 2016/1065 of 27 June 2016 amending Directive 2006/112 / EC as regards the treatment of value coupons (OJ L 177, 1.7.2007),  
  
- Council Directive (EU) 2017/2455 of 5 December 2017 amending Directive 2006/112 / EC and Directive 2009/132 / EC as regards certain obligations relating to value added tax for the supply of services and the sale of distance goods (OJ L 348, 29. 12. 2017),

- Council Directive (EU) 2018/1713 of 6 November 2018 amending Directive 2006/112 / EC as regards the rates of value added tax applicable to books, newspapers and magazines (OJ L 286, 14.11.2018). ),

- Council Directive (EU) 2018/1910 of 4 December 2018 amending Directive 2006/112 / EC as regards the harmonization and simplification of certain rules of the value added tax system for the taxation of trade between Member States (OJ L 311, 7. 12. 2018),

- Council Directive (EU) 2019/475 of 18 February 2019 amending Directives 2006/112 / EC and 2008/118 / EC as regards the integration of the Italian municipality of Campione d΄Italia and the Italian waters of Lake Lugano into the customs territory of the Union and territorial area of application of Directive 2008/118 / EC (OJ L 83, 25.3.2019).

**II. SCOPE OF APPLICATION**

**Article 3**

(1) For the purposes of this Act:  
  
a) "domesticity" means the territory of the Republic of Croatia,  
  
b) "European Union", "territory of the European Union", "Member State" and "territory of a Member State" means the territory of the Member States and the territory of the European Union which, as such, is designated by the Treaty establishing the European Union, with the exception of the area referred to in paragraph 2 of this Article,  
  
c) "third country" means any country or territory which is not a territory of the European Union, or to which the Treaty establishing the European Union does not apply,  
  
d) "third area" means a part of the territory of a Member State which is exempted from the territory of the European Union within the meaning of point (b) of this paragraph.  
  
(2) The third areas referred to in paragraph 1 (d) of this Article are the following areas:  
  
a) in the Federal Republic of Germany: the island of Heligoland and the Büsingen area;  
  
b) to Spain: Ceuta, Melilla and Canary Islands,  
  
c) in the Republic of Italy: Livigno, Campione d'Italia and the Italian waters of Lake Lugano,  
  
d) in the French Republic: French area provided in the article 349 and article 355 paragraph 1 . Treaty on the functioning of the European Union,  
  
e) in the Hellenic Republic: mountain Athos,  
  
f) in the Republic of Finland: Aland Islands,  
  
g) in the United Kingdom of Great Britain and Northern Ireland: Channel Islands.  
  
(3) Transactions in and out of the Principality of Monaco shall be considered, for the purposes of this Act, by transactions made in and out of the Republic of France.  
  
(4) Transactions in and out of the Isle of Man shall be considered for the purposes of this Act by transactions made in and out of the United Kingdom of Great Britain and Northern Ireland.  
  
(5) Transactions in and from Akrotiri and Dhekelia Sovereign Bases of the United Kingdom of Great Britain and Northern Ireland shall be regarded as transactions within and within the meaning of this Act.

**III. SUBJECT OF TAXATION**

**Article 4**

(1) The subject of VAT taxation shall be:  
  
1. the supply of goods domestically for a fee by a taxpayer acting as such;  
  
2. the acquisition of goods within the European Union by  
  
a taxpayer acting for a fee; or a non-taxable legal person, if the seller (supplier) is a taxpayer acting as such in another Member State and who is not exempt from VAT as a small taxpayer in accordance with the regulations of that Member State and is not subject to the provisions [Article 13, paragraphs 3, 4 and 10](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48904) of this Act,  
  
b) in the case of new means of transport, the taxpayer or legal person other than the taxpayer, whose other acquisition are not subject to VAT taxation in accordance with[Article 5, paragraph 1, item a) and b)](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48867) of this Act or any other person other than the taxpayer,  
  
c) in the case of products subject to excise duty if the excise duty on the acquisition of the European Union accounted for in the country in accordance with the regulations governing the excise duty , the taxpayer or legal person other than the taxpayer, whose other acquisition are not subject to VAT taxation, in accordance with [Article 5, paragraph 1, items a) and b)](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48867) of this Act,  
  
3. performance of services in the country for a fee by a taxable person acting as such,  
  
4. the importation of goods.  
  
(2) "Means of transport" within the meaning of this Act, if intended for the carriage of persons or goods, shall be considered:  
  
a) land motor vehicles of an engine capacity exceeding 48 cm3 or engine power exceeding 7,2 kW;  
  
b) vessels longer than 7,5 m, except vessels used for navigation on the high seas and for the transport of passengers for a fee, and vessels which used for commercial or industrial purposes, for fishing or for rescue or assistance at sea or for coastal fishing; and  
  
c) aircraft whose take-off weight is greater than 1,550 kg, except for aircraft operated by internationally operated airlines lines.  
  
(3) “New means of transport” within the meaning of this Act shall mean means of transport referred to in paragraph 2 of this Article which fulfill one of the following conditions:  
  
a) the vessels and aircraft have been delivered within three months from the date of first use, and for land motor vehicles this period is six months;  
  
b) they have not exceeded 6,000 km in the case of land motor vehicles, they have not sailed more than 100 hours in the case of vessels; or have not flown for more than 40 hours in the case of aircraft.  
  
(4) "Goods subject to excise duty" within the meaning of this Act shall mean alcohol and alcoholic beverages, tobacco products and energy products subject to excise duty regulations, except for gas supplied through a natural gas system located within the territory of the European Union or any networks that are connected to such a system.  
  
(5) The Minister of Finance shall prescribe by ordinance the implementation of this Article in connection with the subject of taxation.

**Article 5**

(1) By way of derogation from Article [4 (1) (2a) of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48866) this Act, the following shall not be subject to VAT:  
  
a) the acquisition of goods within the European Union by a taxpayer or a legal person other than a taxable person, if the delivery of such goods domestic goods were exempt in accordance with Article [47 (1)](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48950) and [Article 48 (1) (a), (b), (c), (d) and (e) of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48952) this Act,  
  
b) the acquisition of goods within the European Union, except for the goods referred to in points a), c) id) of this paragraph, and with the exception of new means of transport or goods subject to excise duty, carried out by a taxpayer exclusively engaged in the supply of goods or services for which no deduction of VAT (pre-tax) or legal person other than the taxpayer is permitted .  
  
c) the acquisition within the European Union of second-hand goods, works of art, collectibles or antiques referred to in [Article 95 (1) of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla49004) this Act if the seller is a reseller acting as such and VAT on those goods has been levied in the Member State in which the dispatch begins. or transport in accordance with a special margin taxation procedure;  
  
d) the acquisition within the European Union of second-hand goods, works of art, collectibles or antiques referred to in [Article 95 (1)](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla49004) . of this Act if the seller is the organizer of the sale by public auction acting as such and the VAT on those goods is levied in the Member State where the dispatch or transport of the goods has commenced in accordance with a special procedure for sale by public auction.  
  
(2) Paragraph 1, point b) of this Article shall apply if the following conditions are fulfilled:  
  
a) the total value of the acquisition of goods within the European Union during the current calendar year does not exceed HRK 77,000.00 (threshold of acquisition) and  
  
b) the total value of the acquisition of goods within the European Union in the previous calendar year did not exceed the acquisition threshold referred to in point (a) of this paragraph.  
  
(3) The acquisition threshold referred to in paragraph 2 of this Article shall consist of the total value of the intra-European Union acquisition of goods referred to in paragraph 1 (b) of this Article, excluding VAT to be paid or paid in the Member State where the dispatch began. or the transportation of those goods.  
  
(4) An acquirer who does not wish to be subject to the acquisition threshold shall submit to the competent branch of the Tax Administration, prior to the acquisition of goods for which he does not wish to apply the acquisition threshold, a written statement that he waives the prescribed threshold, thereby committing himself to a term of two calendar years. The statement may be withdrawn in writing upon expiry of the prescribed period.

**IV. TAX COLLECTOR**

**Article 6**

(1) “Taxpayer” within the meaning of this Act is any person who independently carries out any economic activity, regardless of the purpose and the result of performing that activity.  
  
(2) "Economic activity" within the meaning of paragraph 1 of this Article shall mean any activity of producers, traders or persons providing services, including mining, agricultural and free-trade activities. Economic activity is also considered the exploitation of tangible or intangible assets for the purpose of permanent income generation.  
  
(3) “Independence” within the meaning of paragraph 1 of this Article does not exist in the case of employees and other persons related to the employer by an employment contract or other contract regulating the employer-employee relationship with respect to the employer’s working conditions, benefits and obligations, which has the characteristics of independence.  
  
(4) Any person who occasionally supplies new means of transport referred to in [Article 4, paragraph 3 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48866) this Act, which is shipped or transported to the buyer by the seller, the buyer himself or another person for their account in the territory of another Member State shall also be considered a taxpayer .  
  
(5) Taxpayers within the meaning of paragraph 1 of this Article shall not be considered state bodies, state administration bodies, bodies and units of local and regional (regional) self-government, chambers and other bodies with public authority, even when collecting fees, fees and other payments in connection with the pursuit of an activity or transaction within the scope of its authority or authority. If the pursuit of those activities, as non-taxable persons, would lead to a significant distortion of competition in the conduct of such activities or transactions, those bodies shall be considered taxable persons in respect of those activities or transactions. In the event that they carry out the activities listed in Annex I to this Act, they shall be considered taxpayers unless they perform them to a negligible extent.

(6) The Minister of Finance shall prescribe by ordinance the implementation of this Article.

**V. TAXABLE TRANSACTIONS**

**1. Delivery of goods**

**Article 7**

(1) “Supply of goods” within the meaning of [Article 4, paragraph 1, item 1 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48866) this Act is the transfer of the right to dispose of tangible property in the capacity of the owner. Tangible assets are the delivery of electricity, gas, heating, cooling and the like.  
  
(2) The delivery of goods within the meaning of paragraph 1 of this Article shall also be considered:  
  
a) transfer of ownership of the property with compensation at the order of the competent state bodies or on their behalf or pursuant to the provisions of the law,  
  
b) actual delivery of the goods at the disposal of the rental agreement goods, that is to say, for a fixed-term lease or for sale of goods with deferred payment, which stipulates that the ownership of these goods is acquired no later than the payment of the last installment,  
  
c) the transfer of goods on the basis of a contract under which commission on purchase or sale is paid.  
  
(3) Supply of goods for consideration shall be considered the use of goods forming part of a taxpayer's business property for his private purposes or for the private needs of his employees, if they dispose of them free of charge or generally use them for purposes other than the pursuit of the activity of the taxpayer, and these goods or parts thereof are wholly or partially rejected.  
  
(4) By way of derogation from paragraph 3 of this Article, the supply of goods for a fee shall not be considered free of charge for giving samples in reasonable quantities to customers or prospective buyers and giving gifts of low value carried out by the taxpayer in the course of business, provided that they are provided occasionally and not to the same persons. Gifts of low value are considered to be gifts whose value does not exceed HRK 160.00.  
  
(5) The supply of goods for consideration shall be deemed to be the transfer of goods which form part of the taxpayer's business property which, for the purposes of his business, has been shipped or transported by the taxpayer himself or another person for his account to another Member State.  
  
(6) The movement of goods within the European Union within the meaning of paragraph 5 of this Article shall not be considered as the shipment or transportation of goods for the purpose of any of the following cases:  
  
(a) for the supply of those goods by a taxpayer in the territory of the Member State where the dispatch or transport ends in accordance with the conditions [laid down](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48904) in [Article 13 (3) and (4](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48904) ) of this Law;  
  
b) for the supply of those goods by a taxpayer on board, on an aircraft or train under the provisions of [Article 14 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48905) this Act;  
  
c) for the supply of those goods which is exempt from VAT under [Article 41 (1)](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48939) . and [Articles 45](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48943) , [46](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48944) , [47](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48950) and [48 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48952) this Law,  
  
d) to perform the services of valuation of goods or work on those goods to the taxpayer in the Member State in which the freight forwarding and transport of goods ends, provided that the good after the performance appraisal services or work on their return to the same taxpayer in inland,  
  
e) for temporarily use of goods for the purpose of providing services in another Member State where the transport or shipment of those goods ends, where those services are provided by a taxpayer domiciled in the home,  
  
f) for the temporary use of the goods for a period not exceeding 24 months, within the territory of another country a Member in which imports of the same goods from the territory of a third country with a view to their temporary use would be covered by the temporary importation procedure with total relief from import duties,  
  
g) for the supply of gas through a natural gas system located within the territory of the European Union or any network connected to such a system, for the supply of electricity, heating or cooling via the heating or cooling network, under the conditions [laid down](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48906) in [Article 15](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48906) . this Act,  
  
h) for the delivery of these goods by a taxable person, for the purpose of their assembly or installation made by the supplier or any other person on his behalf, in the Member State in which ends Shipping or transportation in accordance with the terms of [Article 13, paragraph 10th](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48904) of this Act.  
  
(7) If any of the above conditions referred to in paragraph 6 of this Article is no longer fulfilled, the goods shall be deemed to have been transferred to another Member State. In this case, the goods are considered to have been moved at the point when that condition is no longer fulfilled.  
  
(8) Delivery of goods for consideration shall be considered as if the taxpayer or his successor retains the goods after the cessation of economic activity, and VAT is wholly or partially deducted when purchasing these goods.  
  
(9) In the case of transfers with or without compensation, or in the form of contributions to a company, the total assets or a part thereof constituting an economic entity to another taxpayer (recipient) shall be deemed not to have been delivered, and that taxpayer shall be considered as the legal successor transferor.  
  
(10) If the recipient referred to in paragraph 9 of this Article uses the acquired property for purposes other than those for which he is entitled to deducting the tax, he shall be obliged to calculate and pay VAT in accordance with the provisions of this Act.  
  
(11) The Minister of Finance shall prescribe by an ordinance the implementation of this Article in connection with the delivery of goods for a fee and free of charge.

**Article 7a**

(1) The transfer of goods carried out by a taxpayer forming part of his business assets to another Member State on the basis of arrangements for the transfer of goods shall not be considered as a supply of goods for consideration.

(2) For the purposes of this article arrangement for the transfer of goods exists if the following conditions exist:  
a) the taxpayer or a third person on his behalf Shipping or transporting goods to another Member State with the intention of these goods in that Member State subsequently and after arriving deliver another taxpayer who has the right to take ownership of these goods in accordance with the existing agreement between the two taxpayers,  
b) the taxpayer dispatching or transporting no good seat, domicile or habitual residence nor a permanent establishment in the Member State in which the goods are dispatched or shipping,  
c) the taxable person for whom the supply of goods is intended is registered for VAT purposes in the Member State to which the goods are shipped or transported, and his identity and VAT identification number assigned by that Member State to the taxpayer referred to in point (b) of this paragraph at the time when the shipment or transport commences and  
d) the taxpayer who dispatches or transports the goods records the transfer of the goods in the records referred to in Article 83, paragraph 3 of this Act, and in the Summary Report referred to in Article 88 of this Act states the VAT identification number of the taxpayer acquiring the goods which has been allocated to it by the Member State to which the goods are shipped or transported.

(3) If the conditions referred to in paragraph 2 of this Article are fulfilled, and if the transfer is made within the time limit referred to in paragraph 4 of this Article, at the moment of transfer of the right to dispose of the property in the capacity of the owner to the taxpayer referred to in paragraph 2, point c) of this Article, the following rules: (  
a) the supply of goods in accordance with Article 41 (1) (a) of this Act shall be deemed to have been carried out by, or for the Member State from which, the goods have been shipped or transported in the Member State from which the goods were dispatched or transported. (  
b) the acquisition of goods within the European Union is deemed to have been effected by the taxpayer to whom the goods are shipped in the Member State to which the goods are shipped or transported.

(4) If, within 12 months of the arrival of the goods in the Member State to which the goods are shipped or transported, they have not been delivered to the taxpayer to whom they are intended in accordance with paragraph 2 (c) and paragraph 6 of this Article, and no circumstances arise from paragraph 7 of this Article, delivery of goods within the meaning of Article 7 paragraph 5 of this Act shall be deemed to have been effected on the day following the expiration of a period of 12 months.

(5) The delivery of goods within the meaning of Article 7, paragraph 5 of this Act shall not be deemed to have been carried out if the following conditions are fulfilled:  
a) the right to dispose of the goods has not been transferred and those goods have been returned to the Member State from which they were transported or dispatched. , within the time limit referred to in paragraph 4 of this Article and  
b) the taxpayer who has shipped or transported the goods shall record the return of the goods in the records referred to in Article 83, paragraph 3 of this Law.

(6) If the taxpayer referred to in paragraph 2 (c) of this Article is replaced by another taxpayer within the time limit referred to in paragraph 4 of this Article, the delivery of goods within the meaning of Article 7, paragraph 5 of this Act shall not be considered to have been effected at the time of replacement. if the following conditions are fulfilled:  
a) all other applicable conditions referred to in paragraph 2 of this Article are fulfilled and  
b) the taxpayer referred to in paragraph 2, point b) of this Article has entered the replacement in the records referred to in Article 83, paragraph 3 of this Act.

(7) If, within the time limit referred to in paragraph 4 of this Article, any of the conditions referred to in paragraphs 2 and 6 of this Article is no longer fulfilled, delivery of the goods within the meaning of Article 7, paragraph 5 of this Act shall be considered to have taken place at the moment when the condition is no longer fulfilled. Where goods are delivered to a person other than the taxpayer referred to in paragraph 2 (c) or paragraph 6 of this Article, the conditions referred to in paragraphs 2 and 6 of this Article shall be deemed to be no longer fulfilled immediately before such delivery. Where goods are shipped or transported to a country other than the Member State from which they were originally transferred, the conditions referred to in paragraphs 2 and 6 of this Article shall be deemed to be no longer fulfilled immediately prior to the commencement of such shipment or transport. In the case of destruction, loss or theft of property, the conditions referred to in paragraphs 2 and 6 of this Article shall be deemed to be no longer fulfilled on the day on which the property disappeared or was destroyed or,

**2. Provision of services**

**Article 8**

(1) "Provision of services" shall mean any transaction which is not considered to be a supply of goods within the meaning of Article 7 of this Act.  
  
(2) The provision of services shall also be considered:  
  
1. transfer of rights,  
  
2. refraining from an action or suffering an action or condition,  
  
3. provision of services at the behest of competent state bodies or on their behalf or pursuant to the provisions of the law.  
  
(3) The provision of remunerated services shall mean the following:  
  
a) the use of goods forming part of a taxpayer's business property for his private or private purposes of his employees, or generally for purposes other than the pursuit of his activity, for which he has been wholly or partially denied pre-tax,  
  
b) the provision of services free of charge by the taxpayer for his private or private purposes of his employees or generally for purposes other than the pursuit of his business.  
  
(4) If the taxpayer, acting on his own behalf but for the account of another person, participates in the provision of services, he shall be deemed to have received and provided those services himself.

(5) By way of derogation from paragraph (3) (a) of this Article, the rendering of services for a fee shall not be considered as the use of private cars for which a pre-tax deduction has been made pursuant to Article 61, paragraph 2 of this Act.  
  
(6) The Minister of Finance shall prescribe by an ordinance the implementation of this Article regarding the provision of services.

**3. Acquisition of goods within the European Union**

**Article 9**

(1) "Acquisition of goods within the European Union" means the acquisition of the right to dispose of tangible tangible property as owner, which the seller or acquirer of goods or another person for his own account dispatches or transports to the acquirer of those goods to a Member State other than the Member State in which he started. the shipment or transportation of those goods.  
  
(2) If the importer of the good is a legal person who is not a taxpayer and carries out the acquisition of the goods within the European Union in another Member State, he is entitled to a refund of the VAT he has paid in respect of the importation of the goods into the country, if he proves that the VAT has been levied to the acquisition of goods within the European Union in the Member State in which the dispatch or transport of those goods has ended.  
  
(3) Acquisition of goods within the European Union shall be deemed to be remunerated when the armed forces of a North Atlantic Treaty Organization (NATO) Member State use for its own purposes or the needs of accompanying civilian personnel goods not procured in accordance with the general rules of taxation at home if, when importing those goods do not fulfill the conditions for exemption referred to in Article 44, paragraph 1, item 31 of this Act.  
  
(4) The acquisition, within the European Union, of goods for consideration shall be deemed to be the use of goods which the taxpayer has consigned or transported to another country for the purposes of his business or transported from another Member State in which those goods were produced, extracted, processed, purchased or purchased; acquired within the meaning of Article 4, paragraph 1, item 2 of this Act or into which the taxpayer imported them for the purposes of his business.  
  
(5) The Minister of Finance shall prescribe by an ordinance the implementation of this Article regarding the acquisition of goods within the European Union.

**4. A three-way deal**

**Article 10**

(1) “Transaction” within the meaning of this Act shall mean a transaction concluded by three taxpayers from three different Member States for the same goods transported or shipped from the first supplier directly to the last buyer and when the conditions for exemption referred to in paragraph 2 are fulfilled. of this article. This also applies when the last buyer is a non-taxable legal entity and is registered for VAT purposes.  
  
(2) Acquisition of goods within the European Union in accordance with [Article 27](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48921) . Paragraph 1 of this Act done abroad is exempt from VAT under the following conditions:  
  
a) the taxpayer (acquirer) is not domiciled or domiciled in the country but is registered in the EU in another Member State for VAT purposes;  
  
b) the acquisition of goods was carried out for further supplies of goods carried out by the taxpayer (the acquirer) under a) of this paragraph in the country,  
  
c) acquired goods are directly dispatched or transported from another Member State in which the taxpayer under a) of this paragraph is not registered for VAT purposes to the recipient of further delivery,  
  
d) the recipient of the further delivery of the goods is a taxpayer or a legal person who is not a taxpayer, and is registered for VAT purposes in the country,  
  
e) the recipient from point d) of this paragraph pays VAT according to paragraph 4 of this Article.  
  
(3) If an exemption within the meaning of paragraph 2 of this Article applies, then the invoice must, in addition to the information referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48988) in [Article 79](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48988) . paragraph 1 of this Act also contain the following information:  
  
a) a reference to the provisions of Article 141 of Council Directive 2006/112 / EC and the note "transfer tax liabilities",  
  
b) the VAT identification number under which the taxpayer (the acquirer) completed the acquisition of the European Union and further delivery of goods,  
  
c) the VAT identification number of recipients of delivery.  
  
(4) In the case of a tripartite transaction, the recipient of the taxable supply of goods is obliged to pay VAT if the conditions from paragraphs 2 and 3 of this Article are fulfilled.  
  
(5) In the case of a three-way operation within the meaning of this Article, the acquirer carrying out the further delivery of the goods shall submit in the Summary Application the information referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48998) in [Article 89](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48998) . paragraph 1 of this Act.  
  
(6) The Minister of Finance shall prescribe by an ordinance the implementation of this Article in relation to a three-way operation.

**5. Import of goods**

**Article 11**

(1) Imports of goods are deemed to be any entry of goods into the European Union which are not in free circulation in the European Union, in accordance with customs regulations.  
  
(2) In addition to the importation of goods referred to in paragraph 1 of this Article, the importation of goods shall also be considered as the entry of goods which are in free circulation in the European Union and originate in third territories which are part of the customs territory of the European Union in accordance with customs regulations.

**6. Value coupons**

**Article 11a**

(1) A "value coupon" within the meaning of this Act is an instrument for which it has an obligation to be accepted as consideration or partial consideration for the delivery of goods or services and where the goods or services being supplied or the identity of their potential suppliers are indicated or on their own instrument or related documentation, including the conditions of use of such instrument.  
  
(2) The types of value coupons are:  
  
a) "one-off value coupon" means a value coupon for which the place of delivery of the goods or services to which the value coupon relates and the VAT to be paid on those goods or services are known at the time the value coupon is issued;  
  
b) "multipurpose value coupon" means a value coupon that is not a one-way value coupon.

(3) The Minister of Finance shall prescribe in an ordinance the form of value coupons and what shall not be considered as value coupons.

**Article 11b**

(1) Any transfer of a single-purpose coupon performed by a taxpayer acting on its own behalf shall be considered as a supply of goods or services to which the security coupon relates. The actual surrender of goods or the actual provision of services in exchange for a single-purpose coupon accepted by the supplier as a consideration or part of the consideration shall not be considered an independent transaction.  
  
(2) If the transfer of a single-purpose coupon was made by a taxpayer acting on behalf of another taxpayer, that transfer shall be considered to be the supply of goods or services to which the security coupon relates, performed by another taxpayer on whose behalf the taxpayer acts.  
  
(3) Where the supplier of goods or services is not a taxpayer who, acting on his own behalf, has issued a single-purpose value coupon, that supplier shall be deemed to have delivered the goods or services related to that value coupon to that taxpayer.

**Article 11c**

(1) The actual surrender of goods or the actual provision of services in exchange for a multipurpose value coupon accepted by the supplier as compensation or part of the fee is subject to VAT pursuant to Article 4 of this Act, while any previous transfer of that multipurpose value coupon is not subject to VAT. in.  
  
(2) If the transfer of a multi-purpose coupon is made by a taxpayer who is not a taxpayer who carries out the transaction subject to VAT in accordance with paragraph 1 of this Article, any provision of identifiable services, such as distribution or promotional services, shall be subject to VAT .

**YOU. PLACE OF TAXATION**

**1. Place of delivery of goods**

**1.1. Place of delivery of goods without transport**

**Article 12**

The place of delivery of goods that are not shipped or transported is considered to be the place where the goods are located at the time of delivery.

**1.2. Place of delivery of goods with transport**

**Article 13**

(1) The place of delivery of goods dispatched or transported by the supplier, the buyer or a third party shall be considered as the place where the goods are located at the beginning of the shipment or transport to the buyer.  
  
(2) If the place from which the goods are dispatched or transported is a third area or a third country, then the importing Member State shall be deemed to be the place of delivery of the goods by the importer and the place of any subsequent delivery of those goods.  
  
(3) By way of derogation from paragraphs (1) and (2) of this Article, the place of supply of goods dispatched or transported by the supplier or another person for the account of the supplier from a Member State other than the Member State where the dispatch or transport ends shall be considered to be the place where the goods are located in the moment when the shipment or transportation to the buyer ends, if the following conditions are fulfilled:  
  
a) the goods have been delivered to a taxpayer or to a non-taxable legal person whose acquisition of goods within the European Union is not subject to VAT under [Article 5](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48867) . paragraph 1, points a) and b) of this Act, or any other person who is not a taxpayer,  
  
b) it is not about the delivery of new means of transport referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=pog22928) in [Article 4](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=pog22928) . paragraph 3 of this Law or the delivery of goods after their assembly or placement with or without probation, performed by the supplier or another person on his behalf.  
  
(4) When the goods delivered under paragraph 3 of this Article are dispatched or transported from a third area or from a third country and if the supplier imports them into a Member State other than the Member State where the dispatch or transport ends, they shall be deemed to have been dispatched or transported. from the importing Member State.  
  
(5) Paragraphs 3 and 4 of this Article shall not apply to deliveries of goods wholly dispatched or transported to the same Member State in which the dispatch or transport ends, provided that the following conditions are met: (  
  
a) the goods supplied are not goods subject to excise duty within the meaning of Article 4, paragraph 4 of this Law,  
  
b) the total value of such VAT-free deliveries, made under the conditions laid down in paragraphs 3 and 4 of this Article, to the Member State where the transport or dispatch ends, in the current calendar year has not exceeded the delivery threshold prescribed by that Member State,  
  
c ) the total value of such VAT-free deliveries, with the exception of products subject to excise duty, under the conditions laid down in paragraphs 3 and 4 of this Article, in the Member State where the transport or dispatch ends, in the preceding calendar year did not exceed the delivery threshold prescribed by that Member State.  
  
(6) If the total value of deliveries made by the supplier in the previous calendar year or in the current calendar year exceeds the delivery threshold prescribed by another Member State or does not wish to be subject to the delivery threshold of that Member State at the place of delivery of the goods, shipped or transported from the home by the supplier or another person on his behalf shall be considered, under the conditions laid down in paragraphs 3 and 4 of this Article, the Member State to which the goods are dispatched or transported from the home. If the supplier decides that the delivery threshold prescribed by another Member State does not apply to him, he shall inform the competent office of the Tax Administration accordingly.  
  
(7) In case the total value of deliveries made by a supplier from another Member State in the previous calendar year or in the current calendar year exceeds HRK 270,000.00 (delivery threshold), the place of delivery of the goods shipped or transported abroad by the supplier or the other person is considered to be a national in his own name in accordance with paragraph 3 of this Article.  
  
(8) The supplier referred to in paragraph 3 of this Article may decide that the total value of his deliveries in the previous calendar year, or in the current calendar year, has not exceeded the delivery threshold prescribed in paragraph 7 of this Article.  
  
(9) The supplier referred to in paragraph 8 of this Article who declares that he does not wish to be subject to the delivery threshold referred to in paragraph 7 of this Article must apply the said minimum for at least two calendar years and must submit to the Tax Administration a request for issuing the VAT identification number referred to in [Article 77](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48986) . paragraph 6 of this Law.  
  
(10) The place of delivery of goods shipped or transported by the supplier, the buyer or a third party and which is drawn up or set up by the supplier or another person for his account, with or without trial work, shall be the place where those goods are assembled or placed.

**Article 13a**

(1) When the same goods are consecutively shipped and transported or transported from one Member State to another Member State directly from the first supplier to the last customer in the series, the shipment or transport shall be attributed only to the delivery made to the intermediary.

(2) By way of derogation from paragraph 1 of this Article, shipment or transport shall be attributed only to the supply of goods effected by the intermediary in the case where the intermediary notified his supplier of the VAT identification number issued to him by the Member State from which the goods are dispatched or transported.

(3) "Intermediary" within the meaning of this Article is a supplier in a series other than the first supplier, who himself dispatches or transports goods or is performed for his account by a third party.

**1.3. Place of delivery of goods on board ships, aircraft or trains**

**Article 14**

(1) The place of delivery of goods delivered on board ships, aircraft or trains during the passenger transport section performed in the European Union shall be considered as the place of commencement of passenger transport.  
  
(2) A share of the carriage of passengers performed within the European Union within the meaning of paragraph 1 of this Article is considered to be the part of the carriage performed between the place of commencement and the end of the carriage of passengers without stopping in an area outside the European Union.  
  
(3) For the purposes of paragraph 2 of this Article: (  
  
a) "place of commencement of carriage of passengers" means the first intended place of embarkation of passengers within the European Union, where appropriate after stopping outside the European Union;  
  
b) "place of completion of the carriage of passengers" means the last intended place of disembarkation within the European Union of those passengers who embarked in the European Union, as appropriate, before stopping outside the European Union.  
  
(4) In the case of a return journey, the return journey shall be considered as a separate transport service.

**1.4. Place of delivery of goods through natural gas, electricity, heating or cooling systems**

**Article 15**

(1) When delivering gas through a natural gas system located within the European Union or any network connected to such a system and delivering electricity, heating or cooling via heating or cooling networks to the taxable person, the delivery point shall be deemed to be the place of delivery where that reseller has his registered office or permanent establishment to which the goods are delivered, and in the absence of such a registered office or permanent establishment, his place of residence or habitual residence.  
  
(2) A taxpayer who is a reseller referred to in paragraph 1 of this Article shall be considered a taxpayer whose main activity is the purchase and sale of gas, electricity, heating or cooling and whose own consumption of these products is negligible.  
  
(3) When delivering gas through a natural gas system located within the territory of the European Union or any network connected to such a system, when delivering electricity, heating or cooling via heating or cooling networks, if such delivery is not covered by paragraphs 1. and 2 of this Article, the place of delivery is the place where the customer actually uses and consumes these goods.  
  
(4) If the purchaser referred to in paragraph 3 of this Article has not completely or partially actually consumed natural gas, electricity, heating or cooling, these unused goods shall be considered to have been used and consumed at the place where the purchaser to whom the goods are supplied is established or has a permanent the business unit to which these goods were delivered. In the absence of such a registered office or permanent establishment, the buyer shall be deemed to have used and consumed the goods at the place where he is domiciled or habitually resident.

**2. Place of performance of services**

**2.1. General provisions**

**Article 16**

In determining the place of supply of services, the following shall apply:  
  
1. a taxpayer who also performs activities or deliveries which are not regarded as taxable supplies of goods or services within the meaning of [Article 4](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48866) . Paragraph 1 of this Act is considered to be a taxpayer in relation to all services rendered to it  
  
;

**Article 17**

(1) The place of provision of services to a taxpayer acting as such shall be deemed to be the seat of that taxpayer's seat. If these services are provided to a taxpayer's permanent establishment in a place different from the taxpayer's registered office, the permanent establishment shall be deemed to be the place of supply of the services. If no such seat or permanent establishment exists, the place of supply of services shall be deemed to be the residence or habitual residence of the taxpayer of the recipient of the service.  
  
(2) The place where services are provided to a person other than the taxpayer shall be considered the place where the taxpayer providing the services is established. If these services are provided by a taxpayer's permanent establishment which is located in a place different from that of the taxpayer's registered office, the place of supply of services is considered to be the registered office of the permanent establishment. If no such seat or permanent establishment exists, the place of supply of services shall be deemed to be the residence or habitual residence of the taxpayer providing the services.  
  
(3) The Minister of Finance shall prescribe by ordinance the implementation of this Article on the type and place of provision of services.

**2.2. Special provisions**

**2.2.1. Brokerage services provided to non-taxpayers**

**Article 18**

The place where services are provided to a person who is not a taxpayer performed by an intermediary on behalf of another person and for another person's account shall be considered the place where the transaction for which the transaction is mediated is carried out in accordance with the provisions of this Act.

**2.2.2. Real estate services**

**Article 19**

The site of real estate services, including the services of real estate professionals and brokers, accommodation in hotels or similar facilities, including holiday camps or camping sites, entitlement to real estate use, and construction preparation and coordination services, such as are services of architects and construction supervision, it is considered the place where the property is located.

**2.2.3. Transport services**

**Article 20**

(1) The place of provision of passenger transport services is considered to be the place where the transport takes place, in proportion to the distances traveled.  
  
(2) The place of the provision of services for the transport of goods, with the exception of the carriage of goods within the European Union, shall be considered to be non-taxable persons as the place where the transport takes place, in proportion to the distances covered.  
  
(3) Non-taxable persons are considered to be the place of transport of goods within the European Union as the place of commencement of transport.  
  
(4) "Transport of goods within the European Union" means the transport of goods where the place of commencement of transport and the place of end of transport are situated in the territories of two different Member States.  
  
(5) "Place of commencement of carriage" means the place where the carriage of goods really commences, regardless of the distance traveled to the place where the goods are located, and "place of end of carriage" means the place where the carriage of goods really ends.  
  
(6) VAT shall not be levied on non-taxable persons for the part of the carriage of goods within the European Union carried out on waters not belonging to the territory of the European Union.

**2.2.4. Cultural and similar services, ancillary transport services and services related to movable property**

**Article 21**

(1) The venue for providing access to services to the taxpayer for cultural, artistic, sporting, scientific, educational, entertaining and similar events, such as exhibitions and fairs and related ancillary services, shall be considered as the place where these events actually take place.  
  
(2) The place of providing services and ancillary services in relation to cultural, artistic, sports, scientific, educational, entertaining and similar activities such as exhibitions and fairs, including the provision of services by the organizers of such activities to a non-taxable person, shall be considered as a place where those activities really take place.  
  
(3) The place of performance of the following services to a non-taxable person shall be the place where those services are actually provided:  
  
a) transportation ancillary services such as loading, unloading, transhipment, handling, etc.  
  
b) valuation of movable tangible goods and works on such goods.

**2.2.5. Food preparation and catering services**

**Article 22**

(1) The place of provision of food preparation and catering services in catering establishments and the preparation and serving of beverages in such establishments, with the exception of those actually performed on board ships, aircraft or trains during the passenger transport section performed within the European Union, shall be the place where these services are really being done.  
  
(2) The place of commencement of the carriage of passengers within the European Union shall be considered to be the place of provision of food preparation and catering services and the preparation and serving of drinks actually carried out on board ships, aircraft or trains.  
  
(3) For the purposes of paragraph 2 of this Article, the carriage of passengers carried within the European Union is part of the carriage, without stopping outside the European Union, between the place of commencement and the place of end of the carriage of passengers.  
  
(4) The place of commencement and the place of termination of the carriage of passengers within the meaning of paragraph 3 of this Article, as well as in the case of a return journey, shall be considered as the places of carriage of passengers specified in [Article 14](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48905) . paragraphs 3 and 4 of this Law.

**2.2.6. Rental of vehicles**

**Article 23**

(1) The place of provision of services for short-term rental of means of transport shall be considered the place where those means of transport are actually made available to the recipient of the service.  
  
(2) The place of renting means of transport, other than short-term renting, to a person other than the taxpayer is the place where that person has his seat, place of residence or habitual residence.  
  
(3) Notwithstanding paragraph 2 of this Article, the place where the pleasure craft is rented to a person other than the taxpayer, other than short-term rental, shall be considered the place where the vessel was actually made available to the user, if the service is provided by the supplier from the place where it is established. or a permanent establishment located in that location.  
  
(4) For the purposes of this Article, short-term rental shall be considered to be the continuous possession or use of a means of transport for a period of not more than 30 days, or, in the case of a vessel, not more than 90 days.

**2.2.7. Other services**

**Article 24**

(1) The place of providing the following services to a non-taxable person who is established, domiciled or habitually resident outside the European Union shall be considered to be the place where that recipient of services is established, domiciled or habitually resident:  
  
a) the transfer and assignment of copyrights, patents, licenses, trademarks and similar rights;  
  
b) advertising services;  
  
c) services of consultants, engineers, lawyers, accountants, translators and other similar advisory services;  
  
d) data processing services;  
  
e) information transfer, including information on business practices and experience ,  
  
f) banking and financial transactions, insurance transactions including reinsurance, with the exception of renting safes,  
  
g) staff transfers,  
  
h) rental of movable tangible property other than all means of transport;  
  
i) refraining from pursuing, in whole or in part, the economic activity or rights referred to in this paragraph,  
  
j) facilitating access to, or any network connected to such system and to electricity or heating or cooling systems and to transportation or transmission through those systems or networks, and the provision of other services directly related thereto.

**2.2.8. Avoiding double taxation or non-taxation**

**Article 25**

In order to avoid double taxation, non - taxation or distortion of competition, the Minister of Finance may, by ordinance, prescribe that services referred to in [Articles 17](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48909) , [23](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48916) , [24](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48917) shall apply . and [26](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48920) . of this Act considers:  
  
a) that the place of supply of those services located outside the European Union is if those services are actually used outside the European Union,  
  
b) that the place of supply of these services, located outside the European Union, is at home if those services are actually used domestically.

**2.2.9. Telecommunication services, radio and television broadcasting services and services provided electronically to non-taxable persons**

**Article 26**

(1) The place of providing the following services to a non-taxable person shall be considered to be the place where that person is established, domiciled or habitually resident:  
  
a) telecommunication services,  
  
b) radio and television broadcasting services,  
  
c) electronically performed services.  
  
(2) If the taxpayer providing the services and the recipient of the services communicate by electronic mail, this is not an electronically provided service.  
  
(3) Exceptionally, paragraph 1 of this Article shall not apply if the following conditions are met:  
  
a) the taxpayer providing the services is domiciled, domiciled or habitually resident in the Republic of Croatia;  
  
b) the services are provided to persons who are not taxpayers and who are not established, domiciled or habitually resident in the Republic of Croatia; and  
  
c) the total value, excluding VAT, of the services referred to in point b) of this paragraph in the previous calendar year or in the current calendar year is not more than HRK 77,000.00.  
  
(4) If the taxpayer providing services during the calendar year realizes the value of the services rendered in excess of HRK 77,000.00, he shall be obliged to apply the provisions of paragraph 1 of this Article on the place of provision of services from the moment of transfer of value.  
  
(5) A taxpayer who performs services and fulfills the conditions referred to in paragraph 3 of this Article and is established, domiciled or habitually resident in the Republic of Croatia may choose to apply the place of taxation of services referred to in paragraph 1 of this Article, which obliges him for a period of two calendar years. .  
  
(6) "Telecommunication services" within the meaning of this Act shall mean services relating to the transmission, broadcast and reception of signals, text, images and sounds or information of any kind by means of wires, radios, optical or other electromagnetic systems, including those services associated transfer or assignment of the right to use the capacity for such transmission, broadcast or reception. Telecommunication services within the meaning of this Act also include the provision of access to global information networks.  
  
(7) “Services rendered electronically” within the meaning of this Act shall be considered in particular:  
  
a) the delivery of a web site, the hosting of a web site, the remote maintenance of programs and equipment,  
  
b) the delivery of computer programs and their updating,  
  
c) the delivery of images, texts and information and access to databases;  
  
d) delivery of music, films and games, including gambling and gambling, and broadcasting of political, cultural, artistic, sports, scientific and entertainment programs and events;  
  
e) distance learning.

**3. Place of acquisition of goods within the European Union**

**Article 27**

(1) The place of acquisition of goods within the European Union is considered to be the place where the shipment or transport of goods to the acquirer ends.  
  
(2) Notwithstanding paragraph 1 of this Article, the place of acquisition of goods within the European Union within the meaning of [Article 4](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48866) . Paragraph 1 (2) (a) of this Act shall be deemed to be the territory of the Member State which has issued to the acquirer the VAT identification number under which the acquirer acquired those goods, unless the acquirer proves that the acquired VAT goods were charged in accordance with paragraph 1 of this Article. .  
  
(3) If the acquirer proves that the VAT on the acquisition has been levied in the Member State in which the dispatch or transport of the goods has ended, the tax base shall be reduced accordingly in the Member State which issued the VAT to the acquirer the identification number under which he acquired those goods.  
  
(4) Notwithstanding paragraph 2 of this Article, VAT shall be deemed to have been charged for the acquisition of goods within the European Union in accordance with paragraph 1 of this Article if the acquirer:  
  
a) proves that the acquisition was made for the purpose of further delivery within the territory of a Member State in in accordance with paragraph 1 of this Article for which the consignee is obliged to pay VAT in accordance with [Article 75](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48982) . paragraph 1, item 3 of this Act,  
  
b) submit a summary declaration in accordance with [Articles 88](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48997) . and [89](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48998) . of this Act.

**4. Place of importation of goods**

**Article 28**

(1) The place of importation of the goods is the Member State in whose territory the goods are located when they enter the European Union.  
  
(2) By way of derogation from paragraph (1) of this Article, when entering the European Union, goods which are not in free circulation are put under one of the procedures referred to in [Article 51](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48956) . paragraph 1 of this Act, the temporary importation procedure with total relief from customs duty or the procedures for the transit of foreign goods in accordance with customs regulations, the place of importation of such goods shall be the Member State in whose territory those procedures cease to apply.  
  
(3) If, when entering the European Union, goods in free circulation are put under one of the procedures referred to in [Article 55](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48960). of paragraphs 2 and 3 of this Act, the place of importation of the goods shall be the Member State in whose territory those procedures cease to apply.

**VII. The occurrence of the taxable event and the obligation to calculate VAT**

**1. General Provisions**

**Article 29**

(1) "Taxable event" is an event on the basis of which the legal conditions necessary for the occurrence of a VAT liability are fulfilled.  
  
(2) "VAT liability" shall arise at the moment when the Tax Administration, pursuant to the provisions of this Act, has the right to claim VAT from the person liable to pay it, even though the time for payment of VAT has been delayed.

**2. Delivery of goods or provision of services**

**Article 30**

(1) A taxable event and an obligation to calculate VAT occur when goods are delivered or services are provided.  
  
(2) If deliveries of goods other than those referred to in [Article 7,](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48888) paragraph 2, item b) of this Act, invoices or payments are continuously issued or payments are made, it shall be considered that the goods were delivered and services provided after the expiry of the period for which such bills or payments relate.  
  
(3) Continued deliveries of goods made over a period of more than one calendar month, which are dispatched or transported to a Member State where the dispatch or transport of those goods has not commenced and which the taxpayer supplies or disposes of for tax purposes subject to VAT exemption to another Member State in accordance with the provisions of [Article 41](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48939). paragraph 1 of this Act shall be deemed to have been completed at the end of each calendar month until delivery is completed.  
  
(4) Services for which the recipient of the services is obliged to pay VAT under [Article 75](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48982) . paragraph 1, item 6 of this Act, which are continuously performed for a period longer than one year and for which no invoices were issued or no payment was made during that period, shall be considered to be made after the end of each calendar year, until such services are discontinued. .  
  
(5) For received advances, the obligation to calculate VAT on the amount received shall arise at the moment of receipt of the advance.  
  
(6) If the supply of goods or services has been effected and no invoice has been issued, the VAT shall become chargeable when the taxable event occurs.  
  
(7) Obligation to calculate VAT for deliveries of goods from[article 7](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48888) . paragraphs 3 and 8 of this Act and for the services referred to in [Article 8](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48889) . paragraph 3 of this Act occurs when a taxable event has occurred.  
  
(8) When in accordance with the provisions of [Article 41](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48939) . of paragraph 1 of this Act, goods are shipped or transported to a Member State where the dispatch or transport of those goods has not commenced or when the taxpayer moves those goods to another Member State for the purpose of carrying on an economic activity, VAT shall be calculated at the time of invoicing or after the expiry of the period referred to in [Article 78](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48987) . paragraph 4 of this Law, if the invoice has not been issued by then.  
  
(9) The provisions of paragraphs 3 and 6 of this Article shall not apply to deliveries and transfers of goods referred to in paragraph 8 of this Article.  
  
(10) The provisions of paragraph 1 of this Article shall also apply in the cases referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48988) in [Article 79,](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48988) paragraphs 10 and 11 of this Act.  
  
(11) The Minister of Finance shall prescribe by an ordinance the implementation of this Article on the occurrence of a taxable event and the obligation to calculate VAT.

**3. Acquisition of goods within the European Union**

**Article 31**

(1) A taxable event occurs at the moment of acquisition of goods within the European Union. Acquisition of goods within the European Union is considered to have taken place when the delivery of similar goods is considered to have taken place domestically.  
  
(2) The obligation to calculate VAT on the acquisition of goods within the European Union shall arise at the time when the invoice is issued or the period referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48987) in [Article 78](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48987) expires . paragraph 4 of this Law if the invoice has not been issued by then.

**4. Import of goods**

**Article 32**

(1) The taxable event and the obligation to calculate VAT on the importation of goods shall occur at the time of importation of the goods.  
  
(2) If one of the procedures referred to in [Article 51](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48956) applies to the entry of goods into the European Union . paragraph 1 and [article 55 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48960) . Paragraphs 2 and 3 of this Act or the temporary importation procedure with full relief from customs duty or the procedure for the transit of foreign goods, in accordance with customs regulations, a taxable event and an obligation to calculate VAT shall be incurred when the goods cease to be the subject of those proceedings.  
  
(3) If the imported goods referred to in paragraph 2 of this Article are subject to customs duties, agricultural duties or charges having equivalent effect, established in accordance with the common policy of the European Union, the taxable event and the obligation to calculate VAT shall be incurred when the conditions for calculation and payment are fulfilled. of these benefits.  
  
(4) If the imported goods are not subject to the duties referred to in paragraph 3 of this Article, the taxable event and the obligation to calculate VAT shall be incurred at the moment when the customs duty would create the duty to calculate customs duties if it were prescribed.

**VIII. TAX BASE**

**1. Tax base for the delivery of goods and services**

**Article 33**

(1) The taxable base for the supply of goods and services shall be the remuneration that does all that the supplier has received or should receive from the customer or another person for those deliveries, including the amounts of subsidies directly related to the price of the goods or services delivered.  
  
(2) The tax base shall include the amounts of taxes, duties, levies and similar charges other than VAT and incidental costs such as commissions, packing, transportation and insurance costs charged by the supplier of goods or services to the buyer or consignee.  
  
(3) The tax base shall not include price reductions, ie discounts due to prepayment and discounts granted to the buyer at the time of delivery, as well as the amounts that the taxpayer charges or receives from the buyer as reimbursement for expenses paid on his behalf and for his account and which he records in the records as passing items. The taxpayer must have evidence of the amount of expenditure related to the transit items and cannot deduct VAT if levied on them.  
  
(4) The taxable amount for the supply of goods referred to in [Article 7](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48888) . Paragraphs 3 and 8 of this Act is the purchase price of these or similar goods, and if this price is unknown, the amount of costs determined at the time of delivery.  
  
(5) Tax base for services referred to in [Article 8](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48889) . paragraph 3 of this Act is the total cost of providing services.  
  
(6) When moving goods to another Member State within the meaning of [Article 7](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48888) . of paragraphs 5 and 7 of this Act, the tax base is the purchase price of these or similar goods, and if this price is unknown, the amount of costs determined at the time the goods are moved.  
  
(7) If the tax base changes subsequently due to cancellation, different types of discounts or inability to collect, then the taxpayer who supplied the goods or performed the service may correct the VAT amount if the taxpayer to whom the goods or services supplied supplied corrected the deduction of the pre-tax in writing to the supplier or if the taxpayer to whom the goods or services supplied are not domiciled, domiciled or habitually resident and not registered for VAT purposes in the home country in writing informs the supplier that he has not claimed a VAT refund under the provisions of Article 67 or Article 68 of this Act.  
  
(8) The tax base does not include the cost of returnable packaging, which is kept separately.  
  
(9) In the case of the supply of goods and the provision of services to persons who have family and other close personal ties with the taxpayer, and in the event of financial and legal ties, including relations between the employer and the employee as well as members of their families, relationships based on membership, management or ownership, the tax base shall be considered the market value within the meaning of paragraph 10 of this Article if:  
  
a) the fee is lower than the market value and the recipient of the delivery is not entitled to deduct the full tax within the meaning of this Act;  
  
b) the fee is less than the market value; the supplier shall not be entitled to deduct in full tax within the meaning of this Act and shall be in respect of VAT exempt supplies in accordance with the provisions of [Article 39](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48937) . Paragraphs 1 and [40](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48938). paragraphs 1 and 2 of this Act,  
  
c) the fee is higher than the market value, and the supplier is not entitled to deduct the full tax within the meaning of this Act.  
  
(10) The market value is the total amount that a buyer or a customer would have to pay to a supplier of goods or a domestic service provider at the time of delivery of a good or service under the principle of non-distortion of competition. If no comparable supply of goods or services can be determined, then the market value is considered to be:  
  
a) in the case of goods, an amount not lower than the purchase price of those or similar goods, or if that price is unknown, the total amount of the identified costs at the time of delivery ,  
  
b) in the case of services, an amount not less than the total fixed costs of providing the services borne by the taxpayer.

(11) Notwithstanding paragraph 1 of this Article, the tax base for the delivery of goods or services performed in relation to a multipurpose value coupon is equal to the consideration paid for the value coupon or, if there is no information on that charge, the monetary value stated on the multipurpose value coupon itself, or in related documentation, less the amount of VAT relating to the goods or services delivered.  
  
(12) The Minister of Finance shall prescribe by ordinance the implementation of this article on the tax base.

**2. Tax base for the acquisition of goods within the European Union**

**Article 34**

(1) The taxable amount for the acquisition of goods within the European Union shall be determined on the basis of the same elements of [Article 33](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48931) . of this Act used to determine the tax base for deliveries of the same goods overseas. In the case of the acquisition of the goods referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48938) in [Article 9](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48938) . Paragraphs 3 and 4 of this Law, the tax base is the purchase price of these or similar goods or, if this price is unknown, the amount of the costs determined at the time of delivery.  
  
(2) Excise duties that the purchaser of goods subject to excise duties within the European Union are obliged to pay or have paid shall be included in the taxable amount within the meaning of paragraph 1 of this Article.  
  
(3) If, after the acquisition of goods within the European Union, the recipient of the goods obtains a refund of excise duty paid in the Member State in which the dispatch or transport of those goods has commenced, the taxable amount of the acquisition of the goods shall be reduced accordingly.

**3. Tax base for the importation of goods into the European Union**

**Article 35**

(1) The tax base for the importation of goods referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48866) in [Article 4,](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48866) paragraph 1, item 4 of this Act shall be the customs value determined in accordance with customs regulations.  
  
(2) If not included in the customs value, the tax base on importation shall include: (  
  
a) taxes, duties, charges and similar charges payable outside the importing Member State and duties payable on importation other than VAT;  
  
b ) incidental costs such as commissions, packing, transport and insurance costs incurred to the first place of destination within the territory of the importing Member State, as well as those incurred in transporting to the second place of destination within the European Union, if known at the time of origin taxable event.  
  
(3) The "first place of destination" referred to in paragraph 2 (b) of this Article is the place indicated on the consignment note or any other transport document on the basis of which the goods are imported. If no such place is indicated in the document, the first place of destination shall be the place of first transhipment of the good in the importing Member State.  
  
(4) If certain goods are temporarily exported from the European Union and re-imported after being repaired, processed or adjusted outside the European Union, the tax base, except for paragraph 1 of this Article, shall be determined at the fee charged for these goods. services. If no such charge is levied, then the taxable amount shall be determined by the value of the levy charged for repair, treatment, adjustment, refinement or processing in accordance with customs regulations.  
  
(5) The tax base does not include:  
  
a) price reductions due to early payment discounts;  
  
b) price discounts and rebates approved and charged to the buyer at the time of import.  
  
(6) The Minister of Finance shall prescribe by an ordinance the implementation of this article on the tax base for the importation of goods.

**4. Other provisions**

**Article 36**

(1) If the elements for determining the tax base for the importation of goods are expressed in foreign currency, the exchange rate shall be determined in accordance with European Union regulations governing the calculation of the customs value.  
  
(2) If the elements for determining the tax base, except for the importation of goods, are determined in foreign currency, the Croatian National Bank's middle exchange rate shall be used for conversion into Croatian kuna on the date on which the VAT becomes chargeable.  
  
(3) By way of derogation from paragraph 2 of this Article, the taxpayer may apply a rate published by the European Central Bank on the date on which the VAT becomes chargeable. The conversion of non-euro currencies will be done using the exchange rate of each euro currency.

**IX. STOPE PDV-a**

**1. Application of VAT rates**

**Article 37**

(1) VAT shall be calculated at the rate in force at the time the taxable event occurs.  
  
(2) By way of derogation from paragraph 1 of this Article, VAT shall be calculated at the rate in force at the time when the obligation to calculate VAT arises:  
  
a) in the case of the acquisition of goods within the European Union,  
  
b) in the cases referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48866) in [Article 32](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48866) . paragraphs 3 and 4 of this Law.  
  
(3) The acquisition of goods within the European Union done abroad shall be subject to the VAT rate applicable to such goods domestically.

**2. VAT rates**

**Article 38**

(1) VAT shall be calculated and paid at the rate of 25%.

(2) VAT shall be calculated and paid at a reduced rate of 5% on deliveries of the following goods and services:  
  
a) all types of bread,  
  
b) all types of milk (cows, sheep, goats) placed on the market under the same name in liquid form , fresh, pasteurized, homogenised, condensed (excluding yogurt, yogurt, kefir, chocolate milk and other milk products), breast milk substitutes,  
  
c) books of professional, scientific, artistic, cultural and educational content, textbooks for pedagogical education , for primary, secondary and higher education, except those that contain, in whole or in part, ads or serve advertising, and other than those that consist wholly or substantially of video or music content,  
  
d) medicinal products authorized by the competent authority for medicinal products and medical devices;  
  
e) medical equipment, supplies and other devices used to mitigate the treatment of disability solely for the personal use of persons with disabilities prescribed by the general act on orthopedic and other aids of the Croatian Health Insurance Institute,  
  
f ) cinema tickets,  
  
g) newspapers of a newspaper publisher with a media statute, which are published daily, except those which contain in whole or in part advertisements or serve advertising, and except those which consist wholly or mostly of video or music content,  
  
h) scientific magazines.  
  
(3) VAT shall be calculated and paid at a discounted rate of 13% on deliveries of the following goods and services:  
  
a) Bed and breakfast or half board or full board services in hotels or similar facilities, including lodging during holidays, rental of space at campsites or camping sites and accommodation in nautical tourism facilities,  
  
b) newspapers and magazines of a newspaper publisher having a media statute and newspapers and magazines for which there is no obligation to adopt a media statute under a special regulation, except for those referred to in paragraph 2 (g) of this Article, which are published periodically and except for those which contain, in whole or in part, advertisements or serve advertising other than those consisting wholly or substantially of video or music content,  
  
c) edible oils and fats, of vegetable and animal origin,  
  
d) baby car seats, baby diapers and baby food and processed cereal-based foods for infants and young children;  
  
e) delivery of water other than bottled water or other packaging for public water supply and public sewerage by special regulation,  
  
f) concert tickets,  
  
g) electricity delivery to another supplier or end user, including fees associated with that delivery,  
  
h) public mixed municipal waste collection service, biodegradable municipal waste and separate waste collection under a special regulation,  
  
and ) urns and coffins,  
  
j) seedlings and seeds,  
  
k) fertilizers and pesticides and other agrochemical products,  
  
l) products predominantly used as animal feed other than pet food,  
  
m) delivery of live animals: cattle, pigs, sheep, goats, horses, donkeys, domestic poultry, rabbits and rabbits,  
  
n) delivery of fresh or chilled meat and edible offal of: cattle, pigs, sheep, goats, horses, donkeys, domestic poultry, rabbits and rabbits,  
  
o) the supply of fresh or chilled sausages and similar meat, meat offal or blood products,  
  
p) the supply of live fish,  
  
b) supplying fresh or chilled fish, molluscs and other aquatic invertebrates,  
  
s) supplying fresh or chilled crustaceans: lobster, lobster, shrimp, prawn,  
  
t) supplying fresh or chilled vegetables, roots and tubers, including dried leguminous vegetables,  
  
in) the delivery of fresh and dried fruits and nuts,  
  
c) delivery of fresh poultry eggs, in shell,  
  
with the) services and related copyrights of authors, composers and performing artists and holders of Phonogram rights who are members of the respective organizations for collective management of rights to perform this activity according to special regulations in the field of copyright and related rights, and with the prior approval of the state administration body competent for intellectual property,  
  
for) preparing and serving meals and desserts inside and outside the catering facility under a special regulation.  
  
(4) The Minister of Finance shall prescribe by an ordinance the implementation of this Article in connection with the application of the reduced VAT rate and what shall be considered the preparation and serving of meals and desserts inside and outside the catering establishment. using for the supply of the goods referred to in points (j) to (v) of paragraph 3 of this Article the Combined Nomenclature (CN) set out in Annex I to Council Regulation (EEC) No 2454/93. 2658/1987.

**X. VAT EXEMPTIONS**

**1. Exemptions for certain activities of public interest**

**Article 39**

(1) VAT shall be exempt from:  
  
a) universal postal service and related supplies of ancillary goods other than the carriage of passengers and telecommunications services,  
  
b) hospital and medical care and related activities carried out by bodies with public authority or which, under the conditions socially similar to the conditions applicable to bodies with public authority, performed by hospitals, treatment centers or medical diagnostics and other recognized institutions of a similar nature,  
  
c) medical care within the scope of medical and ancillary medical professions,  
  
d) delivery of human services organs, blood and breast milk,  
  
e) services provided by dental technicians and delivery of dental / prosthetic restorations supplied by dental technicians and dental doctors,  
  
f) services provided by their associations to persons engaged in VAT-exempt activities or for whom they are not taxpayers, if they are those services intended directly for the exercise of their business, provided that such associations require from their members for the services rendered only to reimburse part of their total costs and that such exemption does not undermine competition,  
  
g) social welfare services and supplies, including those performed and supplied by nursing homes, institutions, public authorities or other persons of a similar nature,  
  
h) services and supplies of goods related to the protection of children and young people by institutions, bodies with public authority or other persons of a similar nature;  
  
i) education of children and young people, school or university education, vocational training and retraining, including related services and goods, carried out by bodies with public authority or other persons, having similar aims,  
  
j) teaching privately held by teachers and covering primary, secondary and higher education,  
  
k) transfer of staff of religious or philosophical institutions for the purposes prescribed in points b) , g), h) ii) of this article aiming at spiritual care,  
  
l) services and related supply of goods which non-profit legal entities whose objectives are political, trade union, religious, patriotic, philosophical, charitable or other generally beneficial, perform to their members in their common interest in exchange for membership dues established in accordance with the rules of those persons; provided that such exemption does not violate competition principles,  
  
m) services closely related to sport or physical education provided by non-profit legal persons to persons engaged in sports or physical education,  
  
n) cultural services and closely related supplies of goods, carried out by cultural institutions, bodies with public authority or other legal persons in culture,  
  
o) services and supplies of goods performed by legal entities whose activities are exempt from VAT in accordance with the provisions of points b), g), h), i), l), m) in) of this Article in connection with events organized for the collection funds exclusively for their benefit, provided that the exemption does not violate competition principles,  
  
p) the transport of sick or injured persons in vehicles specially designed for this purpose by authorized persons,  
  
r) the activities of public radio and television, other than commercial ones.  
  
(2) The VAT exemption shall not apply to deliveries of goods or services referred to in paragraph 1, items b), g), h), i), l), m) and) of this Article if:  
  
a) those deliveries of goods or services are not required for VAT-exempt deliveries or  
  
b) their main purpose is to generate additional income for the said persons by making deliveries that directly compete with the deliveries of VAT taxpayers.  
  
(3) The Minister of Finance shall prescribe, by an ordinance, the implementation of this Article in respect of VAT exemption for activities of public interest and in respect of persons to whom the exemption applies.

**2. Exemptions for other activities**

**Article 40**

(1) VAT shall be exempt from:  
  
a) insurance and reinsurance transactions, including related services performed by insurance and reinsurance intermediaries and insurance agents,  
  
b) granting loans and loans, including mediation and management loans or loans when done by the person granting them,  
  
c) contracting credit guarantees and any other business under credit guarantees or any other security, and managing credit guarantees when done by the person granting the loan;  
  
d) transactions, including intermediation, in connection with savings, current and giro accounts, payments, transfers, debts, checks and other negotiable instruments, other than debt collection,  
  
e) transactions, including mediation, in respect of currencies, banknotes and coins used as legal tender other than collectibles, ie coins of gold, silver or other metal, and banknotes not generally used as legal tender or coins of numismatic interest,  
  
f) transactions, including mediation, except for management and storage, in relation to shares, shares in companies or associations, bonds and other securities, excluding documents establishing a right to goods and rights or securities which certain real estate rights are determined,  
  
g) investment fund management services,  
  
h) delivery of postal stamps at face value for postal services domestically and national and other similar markers,  
  
i) organizing lottery games, casino gambling, betting and gambling games at slot machines,  
  
j) delivery of buildings or parts thereof and land on which they are located, with the exception of deliveries before the first habitation or use, or deliveries where no more than two years have elapsed from the date of first habitation or use until the next delivery. For the purposes of this Act, a building is considered to be an object attached to the ground or fixed in the ground,  
  
k) the delivery of land other than construction land,  
  
l) the rental of residential premises.

(2) VAT shall be exempt from the supply of goods used exclusively for the activities exempted from VAT pursuant to Article 39, paragraph 1 of this Act and the provisions of paragraph 1 of this Article, if the deduction of input tax was not possible for those goods.  
  
(3) A taxpayer has the right to choose to be taxed if he credits loans and loans related to the delivery of goods and services.  
  
(4) The taxpayer shall have the right to opt for the taxation of the deliveries referred to in paragraph 1, items j) and k) of this Article, provided that the buyer is a taxpayer who is entitled to deduct the pre-tax in full on the basis of the supply to which the right of choice for taxation is intended to apply. . The right to opt for taxation and the right to deduct prepayment may apply at the time of delivery.  
  
(5) The delivery of the buildings or their parts and the land on which they are located, before the first occupation or use, or the delivery of which no more than two years have elapsed from the date of first occupancy or use until the next delivery within the meaning of paragraph 1, point j) the delivery of reconstructed buildings or parts thereof and the land on which they are located shall also be considered here if the cost of reconstruction in the previous two years prior to delivery exceeds 50% of the selling price.  
  
(6) Construction land within the meaning of paragraph (1) (k) of this Article shall be considered the land for which an executive act authorizing construction has been issued.  
  
(7) The moment of first placing or use within the meaning of paragraph 1, point j) of this Article shall be considered the moment of putting the real estate into use, of which the taxpayer must have appropriate documentation.  
  
(8) The Minister of Finance shall prescribe by ordinance the implementation of this Article.

**3. Exemptions for intra-European Union transactions**

**3.1. Exemptions for the supply of goods within the European Union**

**Article 41**

(1) VAT shall be exempt from:  
  
a) the supply of goods which the seller or the person acquiring the goods or another person for their account dispatches or transports from home to another Member State if the following conditions are fulfilled:  
1. the goods are delivered to another taxable person; a taxpayer or a legal person other than the taxable person acting as such in that other Member  
State; gave the supplier his VAT identification number,  
  
(b) the supply of new means of transport which the seller, buyer or other person for their account dispatches or transports from home to another Member State to a taxpayer or a non-taxable legal person whose acquisition of goods within the European Union is not subject to VAT or any taxation another person who is not a taxpayer,  
  
c) the supply of goods subject to excise duty that the seller, buyer or another person on their behalf shipped or transported from inland to another member State to the taxpayer or a legal person who is not a taxpayer, whose acquisition of goods within the European Union, except for goods subject to excise duties, they are not subject to VAT, if those goods are shipped or transported in accordance with the regulations governing excise duties,  
  
d) deliveries of goods moving to another Member State which would be eligible for exemption under points a), b) and c) of this paragraph if they were made to another taxpayer.

(2) The exemption referred to in paragraph (1) (a) of this Article shall not apply unless the taxpayer-supplier submits the Summary Report referred to in Article 88 of this Act or fails to provide in the submitted Summary Application the correct information referred to in Article 88 (3), (4). and 5 of this Act, unless it can justify its omission in accordance with the requirements of the Tax Administration.  
  
(3) The exemption referred to in paragraph 1 (a) of this Article shall not apply to the supply of goods by a small taxpayer referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48999) in [Article 90](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48999) . paragraph 1 of this Act and for the supply of goods to a taxpayer or a non-taxable legal person whose acquisition of goods within the European Union is not subject to VAT in accordance with [Article 5](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48867) (1) (a) and (b) of this Act.  
  
(4) The exemption referred to in paragraph 1 (c) of this Article shall not apply to the supply of goods subject to excise duty by a small taxpayer referred to in [Article 90](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48999) . paragraph 1 of this Act.  
  
(5) The exemption referred to in paragraph (1) (a), (c) and (d) of this Article shall not apply to the supply of goods subject to a special margin taxation procedure for second-hand goods, works of art, collectibles or antiques, or a special procedure for sale through the public auctions.

**3.2. Exemptions for the acquisition of goods within the European Union**

**Article 42**

VAT is exempted from intra-EU acquisition of goods:  
  
a) if the supply of those goods by a taxpayer abroad would in any case be exempt from VAT,  
  
b) if the importation of those goods would be subject to [Article 44](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48942) . paragraph 1, items 1 to 25 and Article 44, paragraph 1, items 27 to 34 of this Act would in any case be exempt from VAT,  
  
c) for which the acquirer would in any case, in accordance with [Articles 67](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48973) . and [68](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48974) . of this Act was entitled to a refund of the full amount of VAT which he is obliged to pay under [Article 4,](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48866) paragraph 1, item 2 of this Act.

**3.3. Exemptions for certain transport services**

**Article 43**

(1) VAT payments are exempt from intra-European Union transport services for the transport of goods to and from islands constituting the Autonomous Region of the Azores and Madeira and the transport of goods between those islands.  
  
(2) VAT shall be exempt from international passenger transport services, except for road and rail transport.  
  
(3) The Minister of Finance shall prescribe by an ordinance the implementation of this Article regarding the application of paragraph 2 of this Article.

**4. Exemptions on importation**

**Article 44**

(1) VAT is released:  
  
1. The final importation of goods whose supply by a taxable person in all cases be exempt from paying VAT on the Croatian territory,  
  
2. the import of goods for non-commercial nature in the personal luggage of travelers,  
  
the third imports personal property imported into the Republic of Croatia by natural persons who previously resided outside the European Union for at least 12 months. The exemption does not apply to alcohol and alcoholic beverages and products, commercial vehicles and goods used for the purpose of pursuing an activity or occupation,  
  
4. the importation of goods belonging to persons who have previously resided outside the European Union for at least 12 months and who move to the Republic of Croatia for marriage. This exemption does not apply to alcohol and alcoholic beverages and tobacco products,  
  
the fifth import of personal property by Croatian and foreign citizens with usual residence in the Republic of Croatia inherited outside the European Union. The exemption does not apply to alcohol and alcoholic beverages, tobacco products, commercial means of transport, objects used for the occupation or occupation, supplies of raw materials and finished products or semi-finished products, and livestock and supplies of agricultural products whose quantities exceed the usual family needs,  
  
6. importation of equipment brought in by students and students who come to the Republic of Croatia for their own education and training purposes;  
  
7. import of non-commercial goods contained in small consignments. The exemption does not apply to alcohol and alcoholic beverages, tobacco products, tea, perfumes and toilet waters.  
  
8. The import of goods of business property imported by the taxpayer into the Republic of Croatia for the purpose of continuing the suspended economic activity and the transfer of activity. The exemption does not apply to means of transport, deliveries for human consumption or animal nutrition, fuel, supplies of raw materials, finished goods or semi-finished products and livestock owned by traders,  
  
9. import of fruits of agriculture, arable farming, animal husbandry, forestry, fishing and aquaculture and beekeeping obtained on the holdings of agricultural producers in the border area of ​​the Republic of Croatia bordering an area other than that of the European Union, followed by seeds, fertilizers and soil and crop products thereof possession and importation of breeding and other products derived from livestock held on those holdings,  
  
10. the import of therapeutic substances of human origin and blood-grouping and tissue typing reagents used for non-commercial medical or scientific purposes, laboratory animals specially bred and consigned free of charge for the purposes of scientific research, biological or chemical substances intended for public or private institutions intended to be used. mainly engaged in education or scientific research and the importation of pharmaceuticals for human and animal medical use at sporting events,  
  
11. the importation of goods specially made and adapted for the education, employment or social rehabilitation of blind or other physically or mentally handicapped persons, when imported by institutions or legal persons registered for the education or assistance to such persons, and obtained without payment of a fee and without commercial intention the donor,  
  
12. Import of goods obtained free of charge to meet basic human needs, which for free distribution to needy persons are imported by state and other humanitarian and charitable legal entities and institutions and to raise funds for the benefit of needy persons at occasional charitable events. VAT is also exempted from the import of equipment sent by the sender outside the European Union to the above mentioned organizations and institutions free of charge for the purpose of meeting their operational needs and achieving their humanitarian goals. The exemption does not apply to alcohol and alcoholic beverages, tobacco, coffee and tea and motor vehicles, except for emergency vehicles,  
  
13th imports medals and awards obtained in the framework of international events and gifts received in the context of international relations, in addition to alcohol and alcoholic beverages and tobacco products, as well as goods that are used by heads of state or their representatives in official visits,  
  
14th importation of samples of negligible value which are used to order goods of the same kind and which are not usable for any other purpose,  
  
15. imports of printed promotional material such as catalogs, price lists, instructions for use and prospectuses sent by persons established outside the European Union,  
  
16. imports of goods used or they spend at fairs and similar events. The exemption does not apply to alcohol and alcoholic beverages, tobacco products and solid, liquid or gaseous fuels,  
  
17. the importation of goods intended for testing, analysis or testing for the purpose of determining their composition, quality or other technical characteristics for the purposes of information or industrial and commercial research, which are wholly used or destroyed. The exemption does not apply to goods used in testing, analysis or testing which as such constitute promotional activities,  
  
18. the importation of trade marks, patents, models, designs and supporting documents and forms for recognition of inventions, patents, innovations and the like, which are submitted to the competent copyright or industrial and commercial property bodies,  
  
19. Import of tourist information material containing no more than 25% of commercial advertisements, which is distributed free of charge and which aims to encourage the public to visit foreign countries,  
  
20. Import of various documents, documents, forms and data carriers,  
  
21. Import of material as such as ropes, straw, cloth, paper, cardboard, wood and plastic used for stacking cargo and protecting goods during transport in the Republic of Croatia, under certain conditions, and goods for the care and nutrition of animals being transported,  
  
22. fuel imports and lubricant contained in factory-fitted tanks of passenger and commercial motor vehicles and motorcycles, and special containers and fuels in portable tanks,  
  
23. the importation of bodies and urns with ashes of deceased persons, flowers, wreaths and other ornamental objects for graves and goods imported by organizations authorized by the competent authorities for the purpose of constructing, maintaining or decorating cemeteries and monuments to victims of war from a third country who are buried in the European Union,  
  
24. imports of goods contained in consignments sent free of charge by natural persons from a third country to natural persons in the Republic of Croatia, provided that these consignments are not of a commercial nature,  
  
25. imports of goods referred to in points 2 to 23 of this paragraph from third areas,  
  
26. the importation of goods dispatched or transported from a third area or from a third country to the territory of the Republic of Croatia, if the good importer or the person designated as taxable person on importation delivered within the European Union immediately after importation, subject to the VAT exemption provided for in [Article 41](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48939) . paragraph 1 of this Act,  
  
27. re-importation of goods carried out by the person who exported them, in the state in which they were exported, if those goods are exempt from customs duties,  
  
28. importation of goods under diplomatic and consular agreements, if they are exempt from payment of customs duties,  
  
29. imports of goods performed by the European Union, the European Atomic Energy Community, the European Central Bank or the European Investment Bank or organizations established by the European Union to which the rights and exemptions of the Protocol on the Privileges and Immunities of the European Union apply, within the limits of and under the conditions laid down in that Protocol and the Agreement between the Republic of Croatia and the European Union on the implementation of the Protocol on the Privileges and Immunities of the European Union in the Republic of Croatia or in the agreements on the seat of such organizations, provided that this does not distort competition,  
  
30. imports of goods performed by international bodies other than those referred to in point 29 of this paragraph and recognized as such by the Republic of Croatia or imports made by members of such bodies, within the limits and under the conditions laid down in international agreements establishing their bodies or agreements at their headquarters,  
  
31st import of goods that do the armed forces of other States which are members of the North Atlantic Treaty Organization (NATO) for the purposes of these forces or accompanying civilian personnel, as well as for supplying their messes or canteens, if these forces participate in joint defense activities,  
  
32. imports of unprocessed or processed catches, but not yet delivered, brought to ports by sea fishing operators,  
  
33. gold imports by the Croatian National Bank,  
  
34. import of gas through a natural gas system or any network connected to such a system or gas being pumped from a gas transport vessel to a natural gas system or into a network of production pipelines, import of electricity, heating or cooling through a heating or cooling,  
  
35. services relating to the importation of goods, if the value of such services is included in the taxable amount in accordance with the provision of [Article 35](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48933) . this Act,  
  
36 temporary import of goods under the customs regulations,  
  
37. services directly related to the importation of goods for which the Customs Administration has granted temporary importation into the country and if the recipient of the services is a customer from abroad. This does not apply to transport services, pallets and containers,  
  
38. transport and any other shipping services relating to goods in transit through the customs territory of the European Union.  
  
(2) The VAT exemption referred to in paragraph 1, item 26 of this Article shall apply in cases where, after the importation of goods, the delivery of goods follows, which is exempt from VAT pursuant to Article 41 paragraph 1 items a) and d) of this Act only if the importer provided at least the following information to the customs at the time of importation:  
  
a) his VAT identification number issued in the Republic of Croatia or the VAT identification number of his tax representative, who guarantees the payment of VAT, issued in the Republic of Croatia,  
  
b) the VAT identification number of the acquirer, issued in another Member State, to which goods are supplied under [Article 41](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48939) . paragraph 1 item a) of this Act or own VAT identification number issued in the country where the transport or shipment of goods ends, if the goods are moved pursuant to Article 41 paragraph 1 item d) of this Act,  
  
c) evidence from which it is evident that imported goods intended for transport or shipment from the Republic of Croatia to another Member State.  
  
(3) A domestic taxpayer representing a foreign taxpayer in performing the procedure referred to in paragraph 2 of this Article shall submit, at the latest on the 20th day of the month following the end of the taxation period, an application showing information on the taxpayer represented.  
  
(4) The Minister of Finance shall prescribe by an ordinance the implementation of this Article regarding VAT exemption on importation and the appearance of the application referred to in paragraph 3 of this Article.

**5. Exemptions on export**

**Article 45**

(1) The following transactions shall be exempt from VAT:  
  
1. delivery of goods dispatched or transported from the Republic of Croatia by a supplier or other person for his account outside the European Union;  
  
2. delivery of goods other than the supply of fuel and goods for equipping and supplying any means of transport used for private purposes, which is shipped or transported from the Republic of Croatia outside the European Union by a single buyer who is not established in the Republic of Croatia or by another person on his behalf,  
  
3. supplies of goods to authorized bodies exporting them from the European Union,  
  
4. in the framework of their humanitarian, charitable or educational activities pursued outside the European Union, 4. the services provided, including transport and related ancillary services, except for VAT-exempt services in accordance with[ARTICLE 39](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48937) . paragraph 1 and [Article 40 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48938) . paragraph 1 of this Act, if they are directly related to the export or import of goods within the meaning of [Article 28](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48924) . paragraphs 2 and 3, and [of Article 52 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48957) . paragraph 1 of this Act.  
  
(2) If the supply of goods referred to in paragraph 1, item 2 of this Article applies to goods in the personal luggage by passengers, the exemption applies only to the following conditions:  
  
a) that the passenger does not have permanent or temporary residence in the territory of the European Union,  
  
b) that the total value of the delivery is more than HRK 740.00 incl. VAT;  
  
c) that the goods have been transported outside the European Union before the expiration of three months after the month of delivery and  
  
d) that there is proof of export, that is, the invoice and the form confirmed by the customs office in whose territory the goods are taken out of the European Union.  
  
(3) A place of residence or habitual residence within the meaning of paragraph 2 of this Article shall be considered a place entered in the passport, identity card or other document recognized by the Republic of Croatia as an identification document.  
  
(4) For the deliveries referred to in paragraph 2 of this Article, the supplier of goods shall obtain an exemption from VAT when he receives proof of export, and the taxpayer who has already completed the taxation of exported goods may correct during the taxation period in which the proof of export is received.  
  
(5) The VAT exemption referred to in paragraph 2 of this Article shall not apply to petroleum products.  
  
(6) The VAT exemption referred to in paragraph 1, item 3 of this Article shall be realized through a request for VAT refund.  
  
(7) The Minister of Finance shall prescribe in an ordinance the form and content of the forms for delivery of goods referred to in paragraph 1, item 3 and paragraph 2, item d) of this Article for VAT refund, the procedure, the necessary export evidence and the accounting records for the implementation of these items of this Article.

**6. Exemptions from the performance of services on movable property**

**Article 46**

(1) VAT shall be exempt from the provision of services on movable property acquired or imported into the Republic of Croatia for the purpose of providing such services, which are shipped or transported from the European Union by a service provider or a user who does not have his registered office, permanent establishment, residence or habitual residence. in the Republic of Croatia, or a third party on their behalf.  
  
(2) For the application of the exemption referred to in this Article, documentation in accordance with customs regulations is required.

**7. Exemptions related to international transport**

**Article 47**

(1) The following shall be exempt from VAT:  
  
a) the supply of fuel and goods for the supply of vessels used for navigation on the high seas and for the transport of passengers for compensation or used for the purposes of commercial or industrial activities and for rescue or assistance at sea ,  
  
b) the delivery of fuel and goods for supplying warships, under the designation 8906 10 00 of the Combined nomenclature (CN), which sail from Croatian territory to ports and anchorages outside the Croatian,  
  
c) the supply, modification, repair, maintenance, rental and hiring the vessels referred to in point (a) of this paragraph, and the supply, rental, repair and maintenance of equipment installed or used therein,  
  
d) the provision of services, other than those specified in item c) of this paragraph, which are used directly for the needs of vessels referred to in point a) of this paragraph or their cargo,  
  
e) the supply, modification, repair, maintenance, rental and hiring of aircraft used by airlines which operate for a fee mainly on international routes and delivery, hiring, repairs and maintenance of equipment incorporated in them or used therein,  
  
f) the supply of fuel and goods for the supply of aircraft referred to in point e) of this paragraph,  
  
g) the provision of services other than those specified in subparagraph (e) of this paragraph, which are used directly for the purposes of the aircraft referred to in subparagraph (e) of this paragraph or their cargo.  
  
(2) The taxpayer must have evidence of the right to exemptions referred to in paragraph 1 of this Article.  
  
(3) The Minister of Finance shall prescribe by an ordinance the implementation of this Article with respect to VAT exemption in connection with international transport.

**8. Exemptions for certain deliveries which are equivalent to exports**

**Article 48**

(1) The following supplies are exempt from VAT:  
  
a) the supply of goods or the provision of services under diplomatic and consular agreements,  
  
b) the supply of goods and the provision of services to the European Union, the European Atomic Energy Community, the European Central Bank or the European Investment Bank or organizations established by the European Union to which the Protocol on the Privileges and Immunities of the European Union shall apply, within the limits and under the conditions laid down by that Protocol and the Agreement between the Republic of Croatia and the European Union on the implementation of the Protocol on the Privileges and Immunities of the European Union to the Republic of Croatia or agreements the headquarters of these organizations, in so far as this does not distort competition,  
  
c) delivery of goods or the provision of services to international bodies recognized as such by the Republic of Croatia which are not listed in point b) of this paragraph and to members of such bodies with limits and under the conditions prescribed by international agreements on the establishment of such bodies or agreements on their headquarters,  
  
d) delivery of goods or providing services in the territory of the Republic of Croatia for the needs of the armed forces of other North Atlantic Treaty Organization (NATO) member states or civilian personnel accompanying them, and for the supply of their canteens and canteens, when those forces participate in joint defense activities,  
  
e) the supply of goods or the provision of services to another Member State intended for the needs of the armed forces of any North Atlantic Treaty Organization (NATO) member state other than the Member State of destination, for the needs of those forces or the civilian personnel accompanying them or for supplying their canteens; and the canteen, when these forces participate in joint defense activities,  
  
f) the delivery of gold to central banks.

(2) The Minister of Finance shall prescribe by an ordinance the implementation of this Article in relation to the VAT exemption for deliveries equated with exports and the manner of obtaining the exemption referred to in paragraph 1, points a), b), c), d) and e) of this Article.

**9. Exemptions for mediation services**

**Article 49**

(1) VAT payments shall be exempt from mediation services carried out on behalf and for the account of another person for:  
  
a) export deliveries referred to in [Article 45](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48943) . this Act,  
  
b) the procedures in [Article 46 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48944) . this Act,  
  
c) delivery of [Article 47](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48950) . and [48 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48952) this Act,  
  
d) transactions carried out outside the European Union.  
  
(2) The exemption for mediation services does not apply to travel agencies which, in the name and on behalf of travelers, provide services in other Member States.

**10. Exemptions for transactions relating to international trade**

**Article 50**

Exemption from payment of VAT from [Article 51.](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48956) ., [52](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48957) ., [53](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48958) . and [54](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48959) . of this Act shall apply if the goods and services are not intended for final consumption and if the amount of VAT which should be paid after the application of the procedures referred to in these Articles ceases to be equal to the amount of VAT which should have been paid in each Republic of VAT Croatia.

**Article 51**

(1) The following shall be exempt from VAT:  
  
a) the supply of goods intended for submission to the customs house and, where appropriate, for temporary accommodation,  
  
b) the supply of goods brought in and placed in a free zone or free warehouse,  
  
c) deliveries of goods which comply with customs regulations put in the customs warehousing procedure or the internal production process.  
  
(2) VAT shall be exempt from the supply of goods and the provision of services in those goods at the places referred to in paragraph 1 of this Article, as long as the procedure referred to in paragraph 1 of this Article applies.  
  
(3) Services related to deliveries referred to in paragraph 1 of this Article shall also be exempt from VAT.  
  
(4) The Minister of Finance shall prescribe by ordinance the implementation of this Article.

**Article 52**

(1) The importation of goods referred to in Annex II shall be exempt from VAT. of this Law, the import of goods subject to excise duties in accordance with the regulations governing excise duties and goods subject to special tax on coffee and non-alcoholic beverages, if they are placed in a tax warehouse in the Republic of Croatia.  
  
(2) VAT shall be exempt from the supply of goods referred to in Annex II. of this Act, the delivery of goods subject to excise duties in accordance with the regulations governing excise duties and goods subject to special tax on coffee and non-alcoholic beverages, to tax warehouses and within them, as well as services performed on such goods, as long as they are subject to the tax storage procedure.  
  
(3) For the purposes of this Act, a tax warehouse shall be deemed to be an area designated as an excise duty or tax warehouse in accordance with special regulations for goods subject to excise duties in accordance with the regulations governing excise duties and goods subject to special tax on coffee and non-alcoholic beverages.  
  
(4) The Minister of Finance shall prescribe by ordinance the implementation of this Article in respect of the tax warehouse.

**Article 53**

Payment of VAT exempt imports and delivery of all goods that are placed in a tax warehouse:  
  
a) if the good intended stores VAT exempt and which are at the airport or sea port, for the delivery of goods which are presented in the personal luggage of travelers who travel by plane or sea to third areas or to third countries, if such delivery is exempt from VAT under [Article 45](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48943) . paragraph 1 item 2 of this Act,  
  
b) if the goods are intended for taxpayers to be delivered to passengers on airplanes or ships during flight or navigation by sea, provided that the place of completion of transport is outside the European Union,  
  
c) if the goods are intended for taxpayers for making VAT-exempt deliveries pursuant to [Article 48](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48952). paragraph 1 items a), b), c), d) and e) of this Act.

**Article 54**

Exemption from payment of VAT from [Article 51.](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48956) ., [52](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48957) . and [53](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48958) . of this Act shall apply to the acquisition of goods within the European Union abroad under the same conditions laid down for the supply of goods abroad.

**Article 55**

(1) On imports of the goods referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48902) in [Article 11](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48902) . the provisions of paragraphs 2 and 3 of this Article shall apply from the third territory which is in accordance with the customs regulations part of the customs territory of the European Union. Imports of these goods shall be subject to the procedures laid down in the customs rules governing the importation of goods into the European Union.  
  
(2) If the shipment or transport of goods referred to in paragraph 1 of this Article ends at a place outside the Member State at the time of their entry into the European Union, they shall be transported within the European Union in accordance with the European Union transit procedure for domestic goods prescribed by customs. regulations, if they were notified for this procedure when they entered the European Union.  
  
(3) If, for the goods referred to in paragraph 1 of this Article, at the time of their entry into the European Union, one of the procedures under which they would have been imported within the meaning of [Article 11 has been](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48902) initiated . paragraph 1 of this Act was covered by one of the procedures referred to in [Article 51](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48956) . paragraph 1 of this Act or the temporary importation procedure with total exemption from payment of the import duty exemption from VAT referred to in Article 51 paragraph 1 of this Act and the exemption in the temporary importation procedure shall also apply to these goods.

**Article 56**

(1) The export of goods in free circulation and dispatched or transported from the Republic of Croatia to a third territory which is part of the customs territory of the European Union shall be governed by the procedures in accordance with the customs regulations governing the export of goods from the customs territory of the European Union.  
  
(2) The goods provisionally exported for the purpose of re-importation into the Republic of Croatia shall be subject to the same provisions as would have been applied had the goods been temporarily exported from the customs territory of the European Union.

**XI. DEDUCTION OF PRE-TAX**

**1. The emergence of the right to deduct tax**

**Article 57**

(1) The right to deduct VAT (pre-tax) shall arise at the moment when the deductible VAT charge becomes chargeable.  
  
(2) The taxpayer may deduct the tax in accordance with the provisions of [Articles 58](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48963) , [59](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48964) , [60](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48965) , [61](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48966) . and [62](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48967) . of this Act.

**2. Right to deduct tax**

**Article 58**

(1) The taxpayer is entitled to VAT, which he is obliged to pay, to deduct the amount of VAT (prepayment) which he is obliged to pay or paid in the country for deliveries of goods or services rendered to him by other taxpayers for the purposes of his taxable transactions.  
  
(2) The pre-tax is the amount of VAT payable or paid by the taxpayer in the Republic of Croatia on importation and the amount of VAT paid pursuant to [Article 75](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48982) (1) (6) and (7) and Article 75 (2). and 3 of this Law.  
  
(3) In addition to the amount of taxation referred to in paragraphs 1 and 2 of this Article, taxpayers may deduct the following amounts:  
  
1. VAT payable on the acquisition of goods within the European Union under [Article 4](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48866) (1) (2a) and [Article 9](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48900). Paragraphs 3 and 4 of this Law,  
  
2. VAT payable under [Article 10](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48901) . paragraph 4 of this Law.  
  
(4) The taxpayer may not deduct the tax deduction contained in the invoices for goods received and services rendered, which he uses for the supply of goods and services:  
  
1. exempt from paying VAT in the country [pursuant to Articles 39](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48937) , [40](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48938) . and [114](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla49105) . of this Law,  
  
2. abroad, which according to Articles 39, 40 and 114 of this Law would be exempt from VAT if they were done abroad.  
  
(5) The taxpayer may deduct input tax relating to goods and services procured for transactions relating to the activities referred to in [Article 6](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48873). paragraph 2 of this Act, performed outside the Republic of Croatia, for which there would be a right to deduct the pre-tax if they were performed in the Republic of Croatia.  
  
(6) The taxpayer may deduct the input tax relating to the supplies of goods and services referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48939) in [Article 41](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48939) . Paragraph 1, [Article 43 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48941) ., [of Article 44](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48942) . paragraph 1, item 35 and [Article 45](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48943) ., [46](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48944) ., [47](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48950) ., [48](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48952) ., [49](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48954) ., [51](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48956) ., [Article 52,](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48957) paragraphs 1 and 2 and [Articles 53](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48958) . and [93 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla49002) this Law.  
  
(7) The taxpayer may deduct the input tax relating to transactions which are exempt from VAT under the provisions of [Article 40](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48938) . paragraph 1, points a), b), c), d), e) if) of this Act, if the recipient of the services is established outside the European Union or if these transactions relate directly to the goods intended for export.  
  
(8) In the case of real estate or other economic goods which are part of the taxpayer's business property and are used for both the taxpayer's business and private purposes or for the private needs of his employees or for purposes other than his own activities, VAT can only be deducted in so far as it is used for taxpayer's business purposes.

**3. The right to deduct input tax on the delivery of new means of transport**

**Article 59**

(1) Each person referred to in [Article 6](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48873) . paragraph 4 of this Act which occasionally supplies new means of transport under the conditions referred to in [Article 41](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48939) . paragraph 1, points a) and b) of this Act shall be entitled to deduct VAT included in the purchase price or paid at import or acquisition of this new means of transport within the European Union, up to the maximum amount of VAT which would have to be paid if the delivery were not was exempt from VAT.  
  
(2) The right to deduct pre-tax arises at the time of delivery of new means of transport to another Member State.  
  
(3) The Minister of Finance shall prescribe, by an ordinance, the implementation of this Article regarding the right to deduct input taxes when delivering new means of transport.

**4. Conditions for deduction of pre-tax**

**Article 60**

(1) A taxpayer may deduct input tax for the supply of goods or services if the following conditions are fulfilled:  
  
a) the deduction of input tax is not excluded under [Article 58](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48963) . Paragraphs 4 and 8, [Article 61](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48966) . paragraphs 1 and 2 and [Article 62](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48967) . Section 1 of this Act,  
  
b) has the account in connection with the supply of goods and services issued in accordance with the provisions of [Article 78](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48987) ., [79](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48988) ., [80](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48989) . and [81](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48990) . of this Act, except in the case referred to in point (c) of this paragraph  
  
;  
  
d) when he is obliged to pay VAT on the transfer of a tax liability under [Article 75](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48982) . Paragraph 1, Items 3, 6 and 7 and Article 75, paragraphs 2 and 3 of this Act,  
  
e) the amount of the obligation VAT, as well as all information necessary for the calculation of VAT on the acquisition of goods within the European Union recorded in the VAT return referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48994) in [Article 85](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48994) . Section 1 of this Act and that the account,  
  
f) with paid advance prepayment may be refused if the received invoice is issued in accordance with [Article 78,](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48987) . paragraph 1 of this Law.  
  
(2) The taxpayer shall deduct the pre-tax by deducting from the total amount of VAT which he is obliged to pay for the taxation period the total amount of pre-tax for which the conditions for deduction of the pre-tax prescribed in this Article are fulfilled during the taxation period.  
  
(3) The Minister of Finance shall prescribe by an ordinance the implementation of this Article regarding the conditions for deduction of input taxes.

**5. Restriction of the right to deduct tax**

**Article 61**

(1) The taxpayer may not deduct the pre-tax for the procurement of goods and services for the purposes of representation, whereby the representation includes expenditures for hosting business partners, donation of business partners, payment to business partners of expenses for vacations, sports and leisure, expenses for renting cars, boats, planes, vacation homes and the like.  
  
(2) The taxpayer may not deduct 50% of the pre-tax levied on the purchase or rental of passenger cars, including the procurement of all goods and services in connection with those goods. Passenger cars are motor vehicles intended for the carriage of persons who, with the exception of the driver's seat, have a maximum of eight seats.  
  
(3) Exceptionally, the provisions of paragraph 2 of this Article shall not apply in the case of passenger cars used for driver training, vehicle testing, service, transport of passengers and goods, transport of deceased, rental or for resale, and motor vehicles of category N1, which are classified in heading 8703 of the Customs Tariff and are not subject to taxation under the special regulation on the special tax on motor vehicles.  
  
  
(4) The Minister of Finance shall prescribe, by an ordinance, the implementation of this Article regarding the restriction of the right to deduct tax.

**6. Division of pre-tax**

**Article 62**

(1) If the taxpayer uses the goods and services rendered to him, in part for the supply of goods and services for which the deduction of tax is allowed in accordance with the provisions of this Act and for the supply of goods and services for which no deduction is allowed, then he may deduct only the portion of the pre-tax that relates to transactions for which the deduction of the pre-tax is allowed.  
  
(2) The amount of the pre-tax relating to deliveries of goods and services for which the deduction of pre-tax is allowed shall be calculated as a proportion as follows:  
  
a) in the numerator: total value of annual deliveries (turnover), excluding VAT, of transactions for which deduction of tax is allowed in accordance with the provisions of this Law,  
  
b) in the denominator: the total value of annual deliveries (turnover), excluding VAT, of transactions included in the numerator and transactions for which no deduction is allowed, and the amount of subsidies, other than those directly related to the price of supplies of goods or services referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48931) in [Article 33](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48931) . paragraph 1 of this Act.  
  
(3) In the calculation referred to in paragraph 2 of this Article, the following amounts shall not be taken into account:  
  
a) the amount of turnover related to deliveries of economic goods used by the taxpayer to carry out his economic activity,  
  
b) the amount of turnover relating to occasional deliveries (  
  
c) the amount of turnover relating to the occasional financial transaction referred to in [Article 40](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48938) . paragraph 1, points b) to g) of this Act.  
  
(4) The deductible portion of the pre-tax is determined annually as a percentage and rounded up to the next whole number.  
  
(5) The portion of pre-tax deductible during the current year shall be calculated on the basis of transactions from the previous year. If in the previous year there were no such transactions or their amounts were negligible, the taxpayer shall provisionally determine the part of the pre-tax which he may deduct, which he shall inform the competent branch of the Tax Administration.  
  
(6) The taxpayer shall be obliged to reconcile the pre-tax deduction for the current calendar year on the basis of the provisional calculation in the VAT return submitted for the taxation period referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48994) in [Article 85](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48994) . paragraph 7 of this Act, determining the final part of the pre-tax which he may deduct.  
  
(7) By way of derogation from paragraph 2 of this Article, the taxpayer may determine the part of the pre-tax which he may deduct, separately for each part of his business, provided that he keeps separate accounts for each part.  
  
(8) If the taxpayer chooses the method of determining the part of the pre-tax which he may deduct under paragraph 7 of this Article, he shall inform the competent branch of the Tax Administration thereof before the beginning of the taxation period in which he applies this method of division of the pre-tax.  
  
(9) The tax administration may prohibit the taxpayer from determining the part of the tax which he or she may deduct prescribed in paragraph 7 of this Article if the taxpayer with the chosen method of dividing the tax does not enable control over the calculation and payment of VAT in accordance with the provisions of this Act.  
  
(10) The Minister of Finance shall prescribe by an ordinance the implementation of this Article regarding the division of taxes.

**7. Adjustment of pre-tax deduction**

**Article 63**

(1) The taxpayer must correct the pre-tax deduction if the deduction is higher or lower than that to which the taxpayer was entitled.  
  
(2) The taxpayer must correct the withholding tax deduction if, upon submission of the VAT return, the factors on the basis of which the amount of the withholding tax deduction is determined change.  
  
(3) By way of derogation from paragraph 2 of this Article, the taxpayer shall not be obliged to correct the deduction of input tax in the event of destruction, loss or theft of goods for which there is valid evidence, as well as in the giving of small gifts and samples referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48888) in [Article 7](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48888) . paragraph 4 of this Law.  
  
(4) The Minister of Finance shall prescribe by an ordinance the implementation of this Article regarding the correction of the withholding tax deduction.

**7.1. Correction of the withholding tax deduction for economic goods**

**Article 64**

(1) If, in respect of an economic good, within five years, including the calendar year in which the economic good was acquired or produced changes, the conditions which were relevant in that year for deduction of the pre-tax, then a pre-tax adjustment shall be made for the period after the change. A change in the conditions governing the withholding tax is a subsequent change in those conditions which has led to a greater or lesser right to deduct in respect of the year in which it was purchased or manufactured. When it comes to real estate, then a period of 10 years is applied instead of a period of five years.  
  
(2) The annual amount of the pre-tax correction shall be 1/5, that is, 1/10 of the amount of VAT levied on commercial property.  
  
(3) Economic goods within the meaning of paragraph 1 of this Article shall be considered to be goods and services which, according to accounting regulations, are classified as fixed assets of a taxpayer.  
  
(4) Correction of the tax shall not be necessary if the tax which should be corrected is less than HRK 1,000.00 per economic good.  
  
(5) The Minister of Finance shall prescribe by an ordinance the implementation of this Article with respect to the correction of input tax on economic goods.

**7.2. Correction of the withholding tax deduction for the delivery of commercial goods**

**Article 65**

(1) If the taxpayer delivers an economic good within the pre-tax correction period, the economic good shall be deemed to have been used for the taxpayer's economic activity until the expiry of the pre-tax correction period. An economic activity will be considered fully taxable if the supply of the economic good is taxable. An economic activity will be considered as fully exempt from VAT if the supply of the economic good is exempt.  
  
(2) The correction of the deduction of the pre-tax referred to in paragraph 1 of this Article shall be applied at once for the entire remaining period of adjustment.

**7.3. Adjustment of the deduction of the pre-tax for supplies of goods**

**Article 65a**

(1) In the event of a change from a regular taxation procedure to a special taxation procedure under Article 90 of this Act and vice versa, the taxpayer shall correct the deduction of the pre-tax for supplies of goods if the deduction is higher or lower than that to which the taxpayer was entitled.  
  
(2) The Minister of Finance shall prescribe, by an ordinance, the implementation of this Article in relation to the correction of input tax for supplies of goods.

**XII. VAT REFUND**

**1. VAT refund on VAT return**

**Article 66**

(1) A taxpayer who, during the taxation period, is entitled to a deduction of input tax, whose amount is greater than his tax liability, is entitled to a refund of that difference or may transfer the amount of VAT overpaid to the next taxation period.  
  
(2) If the taxpayer requests a refund of the overpaid VAT, the Tax Administration shall be obliged to repay this difference within 30 days from the day of submission of the VAT return, and no later than 90 days from the day the tax control is initiated.

**2. VAT refunds to taxpayers who are not established in the European Union**

**Article 67**

(1) A taxpayer who does not have a registered office, permanent establishment in the territory of the European Union from which the deliveries, residence or habitual residence were made, under the conditions prescribed by this Act, shall be entitled to a refund of VAT charged on movable goods and services rendered to him by others. taxpayers in the Republic of Croatia or charged to them when importing goods in the Republic of Croatia. The right to a VAT refund shall be exercised provided that, in the applicant's country of origin, the domestic taxpayer is also entitled to a VAT refund, this reciprocity being established by an exchange of information between the tax authority of the Republic of Croatia and the tax authority of the third country.  
  
(2) The tax payer referred to in paragraph 1 of this Article shall be entitled to a taxpayer who, during the period for which he requests a VAT refund, did not deliver the goods and services for which the place of taxation is in the Republic of Croatia, except for:  
  
a) transport and transportation related services, exempt from VAT in accordance with [Article 44](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48942) . paragraph 1, item 35, [Articles 45](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48943) , [46](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48944) . and [47](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48950) , [Article 48](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48952) . paragraph 1 and [article 49](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48954) . this Act,  
  
b) service and the supply of goods which is in accordance with Article 10, paragraph 4, Article 75, paragraph 1, points 6 and 7 and Article 75, paragraph 2 of this Act, VAT should pay the person to whom the delivery done.  
  
(3) In the case of VAT refund referred to in paragraph 1 of this Article, the provisions of this Act relating to the deduction of input tax shall apply.  
  
(4) The taxpayer referred to in paragraph 1 of this Article shall not be entitled to a VAT refund for:  
  
a) the amounts of VAT which, according to the provisions of this Act, have been inaccurately charged,  
  
b) the amounts of VAT charged for deliveries of goods which are are exempted or may be exempt from VAT in accordance with the provisions of [Article 41](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48939) . paragraph 1 and Article 45, paragraph 1 item 2 of this Act.  
  
(5) In order to exercise the right to VAT refund, the taxpayer referred to in paragraph 2 of this Article must submit to the Tax Administration the VAT refund request by 30 June of the calendar year after the end of the calendar year to which the request relates.  
  
(6) The payback period shall not be longer than one calendar year or less than three calendar months in a row. Refund requests may also relate to a period of less than three months if that period covers the end of the calendar year.  
  
(7) A VAT refund claim relating to a refund period of less than one calendar year but not less than three months may be submitted if the amount of VAT claimed is not less than HRK 3,100.00.  
  
(8) A VAT refund claim relating to a refund period of one calendar year may be submitted if the amount of VAT claimed is not less than HRK 400.00.  
  
(9) The Tax Administration shall, within a maximum of eight months from the receipt of the VAT refund request, issue a decision on whether the request has been approved in whole or in part or not.  
  
(10) If the request for reimbursement is approved, the Tax Administration shall execute the reimbursement of the approved amount not later than 10 working days after the expiry of the period referred to in paragraph 9 of this Article at the expense of the applicant at his expense.  
  
(11) The Minister of Finance shall prescribe by an ordinance the procedure, form and content of the VAT refund form and the provisions on representation of the applicant for VAT refund.

**3. VAT refunds to taxpayers established in another Member State**

**Article 68**

(1) A taxpayer who is not domiciled in the Republic of Croatia but is established in another Member State shall be entitled to a refund of VAT charged on goods and services supplied to him or by other taxpayers domestically or for goods imported into the country , under the conditions referred to in paragraph 3 of this Article.  
  
(2) For the purposes of this VAT refund procedure, the following terms shall have the following meanings:  
  
1. "taxpayer not domiciled" means a taxpayer who does not have his domicile, permanent establishment, residence or habitual residence in the country but in the territory of another member States  
  
2. "return period" is the period specified in [Article 70 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48976) . paragraph 8 of this Act which is covered by the request for reimbursement,  
  
3. "request for refund" means a request for a refund of VAT charged to a taxpayer who is not domiciled in the country for goods or services supplied or performed by other taxpayers in the country or for goods imported into the country;  
  
4. "Applicant" means a taxpayer who is not domiciled in the country and who applies for a refund.  
  
(3) This procedure shall apply to a taxpayer who is not domiciled in the country and fulfills the following conditions:  
  
1. during the period of return in the country of residence, he did not have his seat or permanent establishment from which the business transactions were carried out, nor did he have his domicile or habitual residence if any headquarters or permanent establishment did not exist,  
  
2, during the period of return is not delivered the goods or performed services that are considered to be supplied or work carried out in the country, except:  
  
a) the transport and transport-related services exempt from VAT in accordance with [Article 44 of](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48942) . paragraph 1, item 35 [of article 45](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48943) . paragraph 1, [Articles 46](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48944) . and [47](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48950) , [Article 48](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48952) . paragraph 1, points a), b), c), d) and e), [article 49](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48954) . and [Article 51](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48956) . paragraph 3 of this Act,  
  
b) service and the supply of goods to the recipient who is required to pay VAT in accordance with [article 10](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48901) . paragraph 4, [Article 75](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48982) . Paragraphs 1, Items 6 and 7, and Article 75, Paragraph 2 of this Act.  
  
(4) This procedure does not apply to:  
  
a) VAT amounts that have been inaccurately charged under the provisions of this Act,  
  
b) VAT amounts charged for deliveries of goods that are exempt or may be exempt from VAT in in accordance with the provisions of [Article 41](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48939) . in paragraph 1 of this [Article 45](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48943) . paragraph 1 item 2 of this Act.

**Article 69**

(1) A taxpayer who is not domiciled in the country and who performs transactions on the basis of which he is entitled to deduct tax in the country of residence, will be refunded VAT charged to him for the supply of goods or services rendered domestically or for the import of goods into the country.  
  
(2) The right to a VAT refund referred to in paragraph 1 of this Article shall be determined in accordance with the provisions of this Act relating to the deduction of input tax.  
  
(3) A taxpayer not domiciled in the Member State in which he is domiciled simultaneously carries out transactions on the basis of which he is entitled to deduct in that Member State and transactions which do not entitle him to deduct tax, in accordance with with the provisions of this Article and the provisions on the proportional deduction of taxes applicable in the Member State of the taxpayer's head office.

**Article 70**

(1) In order to obtain a refund of VAT domestically, a taxpayer who is not domiciled in the home shall submit an electronic request for refund through the electronic portal of the Member State in which he is domiciled no later than 30 September of the calendar year following the refund period.  
  
(2) The request for return must contain the following information:  
  
a) name and surname (first name) and full address of the applicant,  
  
b) electronic communication address,  
  
c) description of the applicant's economic activity for which the goods and services are procured and the economic activity code ,  
  
d) the refund period to which the refund request relates,  
  
e) a statement by the applicant that during the return period he did not supply the goods or services deemed to have been supplied domestically, with the exception of the transactions referred to in [Article 68](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48974) . paragraph 3, item 2 of this Act,  
  
f) the applicant's VAT identification number or tax number,  
  
g) his bank account information (including IBAN and BIC).  
  
(3) In addition to the information referred to in paragraph 2 of this Article, the request for refund for each invoice or import document must include the following information:  
  
a) name and full address of the supplier of the goods or services,  
  
b) VAT identification number from [Article 77,](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48943) . paragraph 6 of this Act of the supplier of goods or services, except in the case of import,  
  
c) the date and number of the invoice or import document,  
  
d) the taxable amount and amount of VAT expressed in kunas,  
  
e) the amount of deductible VAT expressed in kunas calculated in accordance with [Article 69](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48975) . this Act,  
  
f) part of the deduction as a percentage of proportional deduction of input tax is calculated in accordance with the regulations of the host state,  
  
g) the type of purchased goods or services described under numbering in accordance with paragraph 4 of this Article.  
  
(4) In the request for reimbursement, the type of goods and services purchased shall be described by the following numerical codes:  
  
1 = fuel,  
  
2 = rental of means of transport,  
  
3 = costs for means of transport (except for goods and services listed under codes 1 and 2).  
  
4 = tolls and road use fees,  
  
5 = travel expenses, such as taxi or public transport costs,  
  
6 = accommodation,  
  
7 = food, drink and restaurant services,  
  
8 = tickets for fairs and exhibitions,  
  
9 = costs for luxury goods, entertainment and representation,  
  
10 = other, and the applicant using this code must indicate the type of goods supplied and services rendered.  
  
(5) The applicant shall provide the information in the return application, as well as any additional information, in Croatian or English.  
  
(6) If, after filing a request for refund, the part of the deductible VAT is adjusted according to the proportional deduction provisions of the taxation applicable in the Member State of the taxpayer's registered office, the applicant is obliged to correct the amount for which the claim has been submitted or already refunded . The correction will be made in the refund application during the calendar year following the specified refund period or if the applicant does not file the refund during that calendar year by submitting a special statement via the electronic portal of the Member State in which the taxpayer is established. Increases or decreases in the amount of the refund shall take into account any adjustments made to the previous claim for refund or, if a special statement is made, in the form of a special payment or reimbursement.  
  
(7) The request for a refund shall relate to:  
  
a) the goods or services procured for which an invoice was issued during the refund period, provided that the obligation to pay VAT was incurred before or at the time of invoicing, or for which the obligation to pay VAT -a incurred during the refund period, provided that the invoice for such delivery was issued prior to the occurrence of the obligation to pay VAT,  
  
b) imports of goods during the refund period,  
  
c) in addition to the transactions referred to in points (a) and (b) of this paragraph, refer to invoices or import documents not covered by previous refund requests that relate to transactions performed during the calendar year to which the request relates.  
  
(8) The payback period shall not be longer than one calendar year or less than three calendar months in a row. Refund requests may also relate to a period of less than three months if that period covers the end of the calendar year.  
  
(9) If the refund request relates to a refund period of less than one calendar year but not less than three months, the amount of VAT for which the refund is claimed shall not be less than HRK 3,100.00.  
  
(10) If the request for refund relates to a refund period of one calendar year or to the rest of the calendar year, the amount of VAT shall not be less than HRK 400.00.

**Article 71**

(1) The tax administration shall notify the applicant electronically of the date of receipt of the request for refund.  
  
(2) The Tax Administration shall, within four months of receipt of the request for reimbursement, make a decision on whether the applicant's request is approved or denied. If the decision is sent electronically, the decision shall be deemed to have been delivered at the moment when the request is sent electronically by the Tax Administration and when its submission is recorded on the server for sending such messages. Taxpayers who are not domiciled in the country are subject to remedies, which, according to special regulations, apply to domestic taxpayers.  
  
(3) If not all the information necessary to reach a decision on full or partial refund has not been forwarded, the Tax Administration, within the period referred to in paragraph 2 of this Article, will electronically request additional information from the applicant or the competent authorities of the Member State where the applicant is established. .  
  
(4) If the Tax Administration requests additional information from a person other than the applicant or the competent authority of the Member State where the applicant is established, the request shall be submitted electronically only if such funds are available to the recipient of the request.  
  
(5) The Tax Administration shall request further additional information, which may include the submission of the original or a copy of the relevant invoice or import document, if there is a reasonable doubt as to the validity of a particular request for refund. The requested information must be provided within one month from the date of receipt of the request for the submission of the information.  
  
(6) If it requests additional information, the Tax Administration shall issue a decision on whether the applicant's request was approved or denied within two months of receiving the requested information or, if it did not receive a response to its request, within two months after the expiry of the period referred to in paragraph 5 of this article. The Tax Administration shall issue a VAT refund decision within six months from the date of receipt of the refund request.  
  
(7) If further additional information is requested, the Tax Administration shall decide within a maximum of eight months from the receipt of the request for reimbursement whether or not the request has been approved in whole or in part.

**Article 72**

(1) If the request for reimbursement is approved, the Tax Administration shall reimburse the approved amount no later than 10 working days after the deadline specified in [Article 71 has](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48977) expired . paragraph 2 of this Act or, if additional information is requested after the deadlines specified in Article 71, paragraphs 6 and 7 of this Law have expired.  
  
(2) The refund shall be paid domestically or at the request of the applicant in any other Member State. If a VAT refund has been made to a bank account in another Member State, the amount of any refund paid to the claimant will be deducted from the amount of any bank transfer costs involved.  
  
(3) If a VAT refund has been made, and it subsequently turns out that the information from the request is incorrect or the refund was obtained in a fraudulent or any other irregular manner, the taxpayer who is not domiciled in the home shall be obliged to return the amount wrongly paid and to pay penalties. and interest in accordance with special regulations.  
  
(4) If a misdemeanor penalty or interest that has not been paid has been determined, the Tax Administration may suspend any further refunds to the taxpayer who is not domiciled in the home up to the amount of the unpaid amount.

**Article 73**

(1) The applicant shall be paid interest on the amount of the refund to be paid if the refund is not paid within the time limit referred [to](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48978) in [Article 72](https://www.porezna-uprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=cla48978) . paragraph 1 of this Act. This does not apply unless the applicant submits additional or further additional information within the prescribed time limit.  
  
(2) Interest shall be calculated from the day following the last day for payment of the refund in accordance with Article 72, paragraph 1 of this Act until the day when the refund is paid.  
  
(3) The interest rate is the interest rate determined in accordance with special regulations applicable to the refund of VAT to taxpayers who have their registered office, permanent establishment, residence or habitual residence in the country.

**4. VAT refunds to domestic taxpayers in other Member States**

**Article 74**

(1) If a taxpayer domiciled, domiciled or habitually resident in the Republic of Croatia files a VAT refund claim from another Member State, he must file it through the Croatian Tax Administration's electronic portal no later than 30 September of the calendar year following the period the refund referred to in Article 68, paragraph 2, item 2 of this Act. The request is considered submitted only if the applicant has filled in all the necessary information for VAT refund. An electronic acknowledgment of receipt is sent to the applicant without delay.  
  
(2) The tax authority shall not forward the request to another Member State which is required for the refund of VAT if, during the refund period, the applicant referred to in paragraph 1 of this Article:  
  
a) is not subject to VAT; or  
  
b) performs solely deliveries of goods or services which are exempt from VAT without the right to deduct input tax; or  
  
c) apply exemption for small taxpayers.  
  
(3) The taxpayer may not file a VAT refund claim for a period in which he was not entered in the VAT register.  
  
(4) The tax authority shall forward to the taxpayer referred to in paragraph 1 of this Article the decision submitted electronically by the Member State of the refund of VAT.  
  
(5) The Minister of Finance shall prescribe by an ordinance the implementation of this Article in respect of the refund of VAT to domestic taxpayers in other Member States.

**XIII. OBLIGATIONS OF TAXABLE PERSONS AND CERTAIN PERSONS NOT TAXABLE**

**1. Obligation to pay VAT**

**Article 75**

(1) VAT must pay:  
  
1. Any taxpayer who carries out the taxable supply of goods and services, except when the tax in accordance with the provisions of this Article shall be liable to pay another person,  
  
2. any person who is considered to be the importer or customs debtor or recipient goods under customs regulations,  
  
3. any person who carries out the taxable acquisition of goods within the European Union and the recipient of the goods referred to in Article 10, paragraph 4 of this Act,  
  
4. of this Act, the  
  
5th issuer of the invoice referred to in Article 79, paragraphs 10 and 11 of this Act, and any person who reports VAT on the invoice,  
  
6. any taxpayer or legal person who is not a taxpayer but is registered for VAT purposes, to whom the services referred to in Article 17, paragraph 1 of this Act are provided, if those services are provided by a taxpayer who is not domiciled, domiciled or habitually resident in the country,  
  
the 7th each person registered for VAT purposes in the country, which was carried out deliveries of gas, electricity, heating or cooling through a system referred to in Article 15 of this Act, if the delivery is performed taxpayer who has no seat, domicile or habitual residence in the country .  
  
(2) If the taxable supply of goods or services is made by a taxpayer who is not domiciled, domiciled or habitually resident and is not registered for VAT purposes in the country, VAT shall be paid by the taxpayer, that is, a non-taxable legal entity, but registered for VAT purposes. -a to whom the supply of goods or services was made.  
  
(3) A taxpayer entered in the VAT register in the Republic of Croatia shall be obliged to pay VAT when the following deliveries are made to him:  
  
a) construction services which are considered services related to the construction, maintenance, reconstruction or removal of structures, including repair services; cleaning. The same applies to staff outsourcing if the outsourced staff performs construction services,  
  
b) the supply of second-hand and non-reusable materials, waste, industrial and non-industrial waste, recyclable waste, partially treated waste and goods and services prescribed by the Minister of Finance,  
  
c) the supply of real estate, as referred to in Article 40. paragraph 1, items j) and ik) of this Act, if the supplier has opted for taxation in accordance with Article 40, paragraph 4 of this Act,  
  
d) delivery of real estate sold by the debtor in the foreclosure procedure,  
  
e) transfer of greenhouse gas emission units in accordance with the regulations governing the trading system for greenhouse gas emission units,  
  
f) upon receipt of a certificate from the VAT Committee of the European Commission in accordance with Article 199b of Council Directive 2006/112 / EC, the Minister of Finance may, in exceptional cases of urgency, prescribe that the recipient is obliged to pay VAT for certain supplies of goods and services for the purpose of suppressing sudden and massive fraud that can lead to significant financial losses,

g) deliveries of concrete steel and iron and products of concrete steel and iron (reinforcement).

(4) For the purposes of this Article, a taxpayer who has a permanent establishment abroad shall be considered a taxpayer who is not domiciled in the home if the following conditions are met:  
  
a) the taxpayer supplies taxable supplies of goods and services abroad,  
  
b) there is a taxpayer abroad does not participate in that delivery of goods and services rendered.  
  
(5) The Minister of Finance shall prescribe by an ordinance the implementation of this Article regarding the obligation to pay VAT.

**2. Payment of VAT**

**Article 76**

(1) The taxable person shall pay the calculated and declared VAT for the taxation period by the last day of the month following the end of the taxation period referred to in Article 84, paragraphs 1 and 2 of this Act.  
  
(2) The taxpayer must pay the VAT difference referred to in Article 85 (7) of this Act within the payment deadline referred to in paragraph 1 of this Article.  
  
(3) Within the time limit referred to in paragraph 1 of this Article, VAT shall also be paid by all persons referred to in Article 75, Paragraph 1, Items 3, 5, 6 and 7 and Article 75, Paragraphs 2 and 3 of this Act.  
  
(4) It is considered that VAT within the meaning of Article 75 (1), items 3, 6 and 7 and Article 75 (2) and (3) of this Act has been paid if the VAT declaration shows an obligation based on the transfer of the obligation payment of VAT.  
  
(5) By way of derogation from paragraph 3 of this Article, a person who is not registered for VAT purposes and who acquires a new means of transport within the meaning of Article 4, paragraph 1, item 2b) of this Act, shall pay VAT pursuant to the decision of the Customs Administration. .  
  
(6) In the case of acquisition of new means of transport pursuant to Article 4, paragraph 1, item 2b) of this Act, a new means of transport may be registered with the competent authority under special regulations only upon presentation of an application for acquisition of new means of transport certified by the Customs Authorities. . For the registration of new means of transport, purchasers who are not registered for VAT purposes are required to submit a certificate of VAT paid. The certificate is issued at the request of the acquirer.  
  
(7) VAT on importation shall be paid within the time limit for payment of import duties in accordance with customs regulations.  
  
(8) By way of derogation from paragraph 7 of this Article, VAT shall be deemed to be on importation of machinery and equipment referred to in Annex IV. of this Act with a value in excess of HRK 1,000,000.00 (per one customs declaration for release for free circulation or one approval for the application of general rule 2A in the case of gradual importation under Additional Note 3 to Section XVI and Additional Note 2 to Section XVII. Of Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (Official Journal No L 256 of 7.9.1987), to be imported as fixed tangible assets, paid if the taxpayer who is entitled to deduct tax fully declares it as a liability in the VAT return, and the customs administration has previously issued a decision for this method of calculating and paying VAT.  
  
(9) The taxpayer pays the VAT to the prescribed payment account according to special regulations.  
  
(10) The Minister of Finance shall prescribe by an ordinance the implementation of this Article regarding the issuing of a decision and the payment of VAT on the importation of goods.

**3. Registration for VAT purposes**

**Article 77**

(1) Each person must declare to the Tax Administration the commencement of his activity as a taxpayer, that is, he must be registered in the register of VAT payers if the value of his deliveries in the previous or current calendar year exceeded the amount referred to in Article 90, paragraph 1 of this Act. If the taxpayer fails to register with the VAT register, even though the value of his deliveries in the previous or current calendar year exceeded the amount referred to in Article 90, paragraph 1 of this Act, the Tax Administration shall enter it ex officio in the VAT register. to whom the decision is made, and the appeal does not delay the execution of the decision. The taxpayer conducting transactions within the European Union is obliged to request the Tax Administration to issue a VAT identification number on the prescribed form.  
  
(2) The obligation to submit an application for the issue of a VAT identification number shall not apply to taxpayers referred to in Article 6, paragraph 4 of this Act, small taxpayers referred to in Article 90, paragraph 1 of this Act, and to taxpayers who carry out exclusively VAT exempt transactions. - without the right to deduct tax.  
  
(3) Notwithstanding paragraph 1 of this Article, any taxpayer or non-taxable legal entity acquiring goods within the European Union which, in accordance with Article 5 (1) (a) and (b) of this Act, is not subject to VAT he is obliged to report to the Tax Administration the performance of such acquisitions when they become subject to VAT and submit to the competent branch of the Tax Administration a request to issue a VAT identification number.  
  
(4) Notwithstanding paragraph 2 of this Article, any taxpayer who has his seat, permanent establishment, place of residence or habitual residence in the Republic of Croatia and who provides services in the territory of another Member State for which the recipient of services in another Member State is liable to pay VAT According to Article 196 of Council Directive 2006/112 / EC and every taxable person receiving services referred to in Article 75, paragraph 1, item 6 of this Act, is obliged to submit to the Tax Administration a request for a VAT identification number.  
  
(5) The Tax Administration shall assign the VAT identification number:  
  
a) to any taxpayer who, in the territory of the Republic of Croatia, supplies goods or services for which there is a right to deduct VAT, except for the taxpayer referred to in Article 6, paragraph 4 of this Act, and to the taxpayer who supplies goods or services for which VAT is paid the recipient of goods or services in accordance with Article 75 (1) (3), (6) and (7) and Article 75 (2) of this Act,  
  
b) to any taxable person or non-taxable legal person acquiring goods within the European Union. unions in accordance with Article 4, paragraph 1, item 2 of this Act, and any taxpayer or non-taxable legal entity whose acquisition of goods within the European Union is subject to VAT in accordance with Article 5, paragraph 4 of this Act,  
  
c) each taxpayer in the Republic of Croatia carries out the acquisition of goods within the European Union for the purposes of their economic activities referred to in Article 6, paragraph 2 of this Act that is done outside the Croatian,  
  
d) each taxpayer in the Republic of Croatia receives the services for which the shall pay VAT in accordance with Article 75 paragraph 1, item 6 of this Act,  
  
e) any taxpayer who has a seat, fixed establishment, domicile or habitual residence in the Republic of Croatia who performs services in the territory of another member State for which the recipient services obliged to pay VAT in accordance with Article 196 of Council Directive 2006/112 / EC.  
  
(6) VAT identification number is a personal identification number (OIB) to which the code "HR" is added.  
  
(7) The tax administration may refuse to grant or revoke the assigned VAT identification number if it determines that there are no longer grounds for registration for VAT purposes or if the taxpayer misuses the VAT identification number. The Tax Administration will issue a decision on this, and the appeal does not delay the enforcement of the decision.

(8) In case of doubt about the justification of the VAT identification number, the Tax Administration may require the taxpayer to whom the VAT identification number has been assigned to file a VAT security instrument for a maximum period of 12 months. If the taxpayer does not file the security instrument, the Tax Administration will abolish the VAT identification number, which is the subject of a decision and the appeal does not delay the enforcement of the decision.

(9) The tax administration may suspend the VAT identification number and inform the taxpayer thereof. Suspension of the VAT identification number is not considered as abolition. Suspended VAT Identification Number The Tax Administration can reactivate. The Tax Administration will abolish the suspended VAT identification number in the event that the taxpayer fails to submit within one year proof that eliminates the reason for suspending the VAT identification number.  
  
(10) The Minister of Finance shall prescribe in an ordinance the content, form and manner of submitting the form referred to in this Article, the procedure for assigning, suspending and abolishing the VAT identification number, the procedure related to the submission of the VAT payment security instrument and the procedure for reporting to the VAT taxpayer registry.

**4. Invoicing**

**4.1. Invoicing obligation**

**Article 78**

(1) Each taxpayer shall be obliged to issue an invoice for:  
  
1. deliveries of goods and services which he performed to another taxpayer or to a legal person other than the taxpayer;  
  
2. deliveries of goods within the meaning of Article 13, paragraphs 3 and 4 of this Act ,  
  
3. delivery of goods made in accordance with the conditions laid down in Article 41, paragraph 1 of this Act,  
  
4. any advance received before the delivery of goods referred to in points 1 and 2 of this paragraph and  
  
5 each advance received by another taxpayer or legal entity a person who is not a taxpayer before completing the provision of services.  
  
(2) The taxpayer making deliveries within the meaning of Article 13, paragraphs 7 and 8 of this Act shall also be obliged to issue invoices.  
  
(3) By way of derogation from paragraphs (1) and (2) of this Article, the taxpayer shall not be obliged to issue an invoice for services rendered exempt from VAT pursuant to Article 40 (1) (a) to (g) of this Act, except in the case of exchange transactions in the country.  
  
(4) The invoice must be issued no later than the fifteenth day of the month following the month in which the taxable event occurred for deliveries of goods performed in accordance with the conditions laid down in Article 41, paragraph 1 of this Act, or deliveries of services for which the recipient is obliged to pay VAT in accordance with Article 196 of Council Directive 2006/112 / EC.  
  
(5) The taxpayer may issue a consolidated invoice for several separate deliveries of goods or services, provided that VAT is charged on the deliveries specified in the aggregated invoice during the same calendar month.  
  
(6) An invoice may also be issued by the consignee for the goods and services supplied or provided to him by the taxpayer, provided that there is an agreement between the two parties thereto, and provided that a procedure is established for the acceptance of each invoice by the taxpayer making the delivery. goods and services.  
  
(7) The invoice issued by the supplier and the invoice issued by the recipient of delivery shall be any document according to which the taxpayer or the person to whom he orders charges the goods delivered and services rendered, regardless of what the document is called in business transactions.  
  
(8) Any document or notice that changes the original account and which explicitly and unequivocally relates to it shall be considered an account.  
  
(9) Rules for the issuing of invoices shall apply under this Act if the invoice relates to deliveries of goods and services which, in accordance with the provisions of Articles 12 to 28 of this Act, are considered to have been made in the Republic of Croatia.  
  
(10) If the supplier of goods or services not domiciled or domiciled in the country or if his permanent place of business in the country does not participate in the delivery within the meaning of Article 75, paragraph 4, item b) of this Act, he shall deliver the goods or services for who, in accordance with the provisions of Articles 12 to 28 of this Act, are deemed to have been carried out in the Republic of Croatia to a person who is obliged to pay VAT in accordance with Article 75 of this Act, regardless of paragraph 9 of this Article shall be governed by the Member State in which the supplier is established or has a permanent establishment from which deliveries are made or, in the absence of such a place or permanent establishment, of the Member State of residence or habitual residence.In case the invoice is issued by the consignee (self-invoicing), paragraph 9 of this Article shall apply.  
  
(11) If the supplier is established or has a permanent establishment from which the delivery is made, or in the absence of such a seat or permanent establishment, he has his place of residence or habitual residence in the Republic of Croatia and supplies goods or services for which, in accordance with the provisions of Articles 12 to 28 of this Act considers that they have not been carried out within the European Union, invoicing for these deliveries is carried out in accordance with the provisions of this Act.

(12) By way of derogation from paragraph 9 of this Article, invoicing is subject to the rules applicable in the Member State in which the taxpayer has applied for the use of one of the special procedures referred to in Articles 118 to 125h of this Act.

(13) The Minister of Finance shall prescribe by an ordinance the implementation of this Article regarding the obligation to issue an invoice.

**4.2. Required account content**

**Article 79**

(1) The invoice must contain the following information:  
  
1. account number and date of issue,  
  
2. name and surname (name), address, personal identification number or VAT identification number of the taxpayer who supplied the goods or performed the services (seller),  
  
3 . name (name), address, personal identification number or tax identification number of the taxpayer to whom the goods delivered or services performed (purchaser)  
  
4. the amount and common trade name of the goods delivered and the type and quantity or extent of the services provided,  
  
the fifth the date of delivery of the goods or services rendered or the date of receipt of the advance in the advance account, if that date can be determined and differs from the date of issue of the invoice,  
  
6. unit price excluding VAT, that is, the amount of compensation for goods delivered or services rendered, broken down by VAT rate,  
  
7. discounts or rebates if they are not included in the unit price,  
  
8. rate of VAT,  
  
9. amount of VAT, and classified at the rate of VAT, unless a special procedure is applied for which this information is excluded within the meaning of this Act,  
  
10. the total amount of compensation and VAT.  
  
(2) The taxpayer shall be obliged to present in his account a personal identification number. For transactions within the European Union, the taxpayer is required to provide a VAT identification number in the invoice.  
  
(3) The taxpayer who performs exempt supplies of goods or services must refer to the invoice for the provisions of this Act stipulating that exemption, that is, the provisions of Article 10 of this Act or the corresponding provision of Council Directive 2006/112 / EC or make a note which points to liberation. In such cases, the information referred to in paragraph 1, items 8, 9 and 10 of this Article shall not be shown in the invoice, but only the aggregate amount of the fee.  
  
(4) A taxpayer applying the special taxation procedure referred to in Article 91 of this Act must state in the invoice "special taxation procedure - travel agencies".  
  
(5) The taxpayer applying the special margin taxation procedure referred to in Article 95 of this Act shall state in the account "special margin taxation procedure - used goods", "special margin taxation procedure - works of art", or "special margin taxation procedure - collectible or antique objects ".  
  
(6) When the buyer receiving delivery issues an invoice instead of the supplier in the invoice, he must state "self-invoicing".  
  
(7) In the case where the recipient of the goods or services is obliged to pay VAT, the supplier must indicate in his invoice the "transfer of tax liability" or the English term "reverse charge".  
  
(8) If the taxpayer appoints the tax representative referred to in Article 126 of this Act, the invoice must include the name, address, personal identification number or VAT identification number of the tax representative.  
  
(9) Invoices for deliveries of new means of transport within the European Union made within the meaning of Article 41 (1) (a) and (b) of this Act must also contain the information referred to in Article 4 (2) and (3) of this Act.  
  
(10) If the taxpayer in the invoice for goods or services supplied shows VAT in excess of the amount due under the Act, then he owes a higher amount, except when he corrects the invoice issued to the recipient in the manner prescribed for the correction of the tax base in accordance with Article 33, paragraph 7. of this Act.  
  
(11) If someone in the invoice for delivered goods or services rendered VAT, even though he is not authorized for it or issues an invoice even though the goods have not been delivered or services have not been provided, he owes the stated amount of VAT, unless he corrects the invoice issued to the recipient in the manner prescribed for correction of the taxable amount in accordance with Article 33, paragraph 7 of this Act.  
  
(12) A taxpayer may issue a simplified invoice for deliveries of goods and services not exceeding HRK 700.00. Such an account must contain the following information:  
  
1. the account number and date of issue,  
  
2. name and surname (name), address, personal identification number or VAT identification number of the taxpayer who delivered the goods or performed the services (seller) and an indication of the place where the delivery of the goods or services was performed (number of the point of sale, business premises, shops and etc.),  
  
3. the name and surname (name), personal identification number or tax identification number of the taxpayer to whom the goods delivered or services performed (purchaser)  
  
4. the amount and common trade name of the goods delivered and the type and quantity of the services provided,  
  
the fifth the amount of VAT with VAT included,  
  
6. the amount of VAT calculated by VAT rate,  
  
7. when a document or notice considered an invoice in accordance with Article 78, paragraph 8 of this Law has been issued, a reference to the original invoice with details as amended.  
  
(13) A taxpayer may not issue a simplified invoice for supplies of goods or services which he performs in another Member State in which VAT is due, or his permanent establishment in that Member State does not participate in the supply within the meaning of Article 192a of Council Directive 2006 / 112 / EC, and the person liable to pay VAT is the person to whom the good has been delivered or the service has been provided.  
  
(14) A taxpayer who, in the other Member State in which VAT is to be paid, has no head office or permanent establishment in that Member State does not participate in the delivery within the meaning of Article 192a of Council Directive 2006/112 / EC to deliver the goods or services to the recipient who is obliged to pay VAT, shall indicate on the invoice instead of all the information referred to in paragraphs 1, 6, 7, 8 and 9 of this Article, the taxable amount of those goods and services and the quantity of goods or services delivered and their name.

**4.3. Paper bills and bills in electronic form**

**Article 80**

(1) An invoice shall also be considered an invoice issued and sent electronically if the recipient agrees to accept such an invoice.  
  
(2) The originality, the integrity of the contents and the legibility of the invoice must be ensured from the moment of issue until the end of the period for storing the invoice, regardless of whether the invoice is issued on paper or in electronic form.  
  
(3) The taxpayer shall be obliged to determine how it will ensure the originality, the integrity of the contents and the legibility of the invoice. The foregoing can be accomplished through electronic data interchange (EDI) or advanced electronic signature or any business control method that allows the invoice to be linked to the supply of goods and services.  
  
(4) The authenticity of the origin shall be ensured in such a way that the identity of the account issuer can be unequivocally established, and the integrity of the content implies that the contents of the account have not been altered by the end of the period for storing the account.  
  
(5) When a group of accounts is sent or made available electronically to the same recipient, information common to all accounts may be given only once if all information is available for each account.  
  
(6) The Minister of Finance shall prescribe by an ordinance the implementation of this Article in relation to paper bills and bills in electronic form.

**4.4. Other provisions**

**Article 81**

Amounts in the accounts shall be expressed in HRK and may in addition be expressed in any currency, provided that the amount of VAT payable or reconciled is expressed in kuna using the exchange rate referred to in Article 36, paragraph 2 of this Law.

**4.5. Keeping accounts and other documentation**

**Article 82**

(1) The taxpayer must keep copies of the invoice issued or issued on his behalf and for his account by a third party or a buyer, that is, the recipient of the goods or services and any invoices he has received.  
  
(2) Accounts may be stored in paper or electronic form.  
  
(3) If a taxpayer who has his seat, permanent establishment, permanent residence or habitual residence in the territory of the Republic of Croatia decides on copies of the invoices he has issued and invoices he has received outside the territory of the Republic of Croatia, he shall inform the competent branch of the Tax Administration and the Tax Administration thereof. and to allow other supervisory authorities, at their request, without delay, to see them.  
  
(4) Taxpayers must issue and receive invoices, invoice documents, proof of export or import, documents on the basis of which VAT exemptions were used, VAT calculations, as well as all other documents relevant for identification and payment Keep VAT within the time limits prescribed by the General Tax Law. This also applies to invoices issued and received electronically.  
  
(5) By way of derogation from paragraph 4 of this Article, documentation relating to the taxation of real estate under this Act must be kept for 10 years from the end of the year to which it relates.  
  
(6) A taxpayer who stores invoices issued or received through electronic devices guaranteeing online access to data must, upon request, allow the supervising authority the right to access, download and use those accounts.

**5. Bookkeeping obligation**

**1. General provision**

**Article 83**

(1) The taxpayer must provide in his bookkeeping all the necessary information enabling the correct and timely calculation and payment of VAT. The taxpayer must provide information on the VAT liability for the payment and payment of VAT, as well as on the claim for the refund and collection of VAT. The taxpayer must also have documentation proving that the conditions for tax exemptions laid down in Article 41, paragraph 1 of this Act are fulfilled.  
  
(2) The taxpayer must keep records of the goods which he has shipped or transported or which have been shipped or transported outside the territory of the Republic of Croatia on his behalf, but within the European Union for the purpose of performing the services of valuation of goods or work on those goods or their temporary use in terms of Article 7, paragraph 6, points d), e) and 1) of this Law.  
  
(3) A taxpayer who transfers goods within the framework of the arrangement for the transfer of goods referred to in Article 7a of this Act must keep records that enable the Tax Administration to verify the correct application of that arrangement. The taxpayer to whom goods are delivered under the arrangement for the transfer of goods referred to in Article 7a of this Act must keep a record of those goods.  
  
(4) The taxpayer must keep a detailed record allowing identification of goods brought to him from another Member State by a taxpayer registered for VAT purposes in that other Member State or by another person on his behalf and used for services consisting in evaluation of these goods or works on those goods.  
  
(5) Taxpayers who present inventories of goods at selling prices with VAT included, are obliged to provide data on VAT included as well as data on tax bases broken down by VAT rates.  
  
(6) The taxpayers shall be obliged to provide the data referred to in paragraphs 1, 2, 3, 4 and 5 of this Article within the time limit prescribed for payment of VAT.  
  
(7) If during the course of supervision it is determined that the taxpayer does not keep bookkeeping within the meaning of this Act and it is therefore not possible to determine the VAT obligation, the body conducting the supervision shall order the taxpayer to list the goods found without procurement documentation at market prices.  
  
(8) The Minister of Finance shall prescribe by ordinance the form and content of the records referred to in this Article.

**XIV. TAXATION PERIOD, VAT CALCULATION, TAXATION PROCEDURE AND SUBMISSION OF VAT**

**1. Period of taxation**

**Article 84**

(1) The taxation period is from the first to the last day of the month.  
  
(2) By way of derogation from paragraph 1 of this Article, for the taxpayer whose value of goods and services supplied, including VAT in the previous calendar year, is less than HRK 800,000.00, the taxation periods shall be from the first to the last day of the quarter. A taxpayer whose taxation periods are from the first to the last day of the quarter may decide to file for the period referred to in paragraph 1 of this Article.  
  
(3) The provisions of paragraph 2 of this Article shall not apply to a taxpayer conducting transactions within the European Union.  
  
(4) Taxation periods are from the first to the last day of the month for a taxpayer who is not domiciled, has a permanent establishment, permanent residence or habitual residence in the country and is registered for VAT purposes in the country.

**2. Filing a VAT return**

**Article 85**

(1) For the period of taxation, the taxpayer shall establish the VAT liability and shall state it in the VAT return, which shall contain all the data necessary for the calculation of VAT, ie the total value of taxable transactions and the amount of VAT and pre-tax at VAT rates -and the total value of exempt and non-taxable transactions.  
  
(2) In addition to the information referred to in paragraph 1 of this Article, in the VAT return relating to a specific taxation period, the taxpayer must provide the following information:  
  
a) the total value, without VAT, of the supply of goods referred to in Article 41, paragraph 1 of this Laws for which the VAT liability was incurred during that taxation period,  
  
b) the total value, excluding VAT, of the acquisition of goods within the European Union and of the acquisition referred to in Article 9, paragraphs 3 and 4 of this Act, carried out in the Republic of Croatia for which a VAT calculation obligation was incurred during that taxation period;  
  
c) the total value, excluding VAT, of the supply of goods referred to in Article 13 (3), (4) and (10) of this Act carried out in the territory of another Member State for which VAT was chargeable during that taxation period, if the goods were sent or shipped from the Republic of Croatia,  
  
d) the total value, without VAT, of the supply of goods referred to in Article 13, paragraphs 3, 4 and 10 of this Act, carried out in the Republic of Croatia and for which during this taxation period the obligation to calculate VAT was incurred. -a, if the goods are consigned or dispatched from another Member State,  
  
e) the total value of deliveries of goods, excluding VAT, for which the recipient of the delivery referred to in Article 10, paragraph 4 of this Act is obliged to pay VAT in accordance with Article 75, paragraph 1, item 3 of this Act, and for which it was incurred during that taxation period VAT liability,  
  
f) the total value of the services rendered, excluding VAT, referred to in Article 17, paragraph 1 of this Act for which the VAT calculation obligation was incurred during that taxation period,  
  
g) the total value of deliveries for which the recipient is obliged to pay VAT in accordance with Article 75 (1) (7) and Article 75 (2) and (3) of this Act,  
  
h) the number and total value of the deliveries referred to in Article 40 (1) (j) and (k) of this Act;  
  
i) the number and total value of deliveries referred to in Article 40, paragraph 4 of this Law,  
  
j) the application of the taxation procedure against fees.  
  
(3) The application referred to in paragraph 1 of this Article shall also be submitted by a person who is obliged to pay VAT instead of a taxpayer who is not established in the Republic of Croatia, a legal person who is not a taxpayer and is obliged to pay VAT for the acquisition of goods within the European Union, a person who is registered for VAT purposes and acquires a new means of transport and a taxpayer or non-taxable legal entity whose other acquisitions are not subject to VAT, and who acquire excise goods within the European Union. A small taxpayer referred to in Article 90 (1) of this Act shall also be required to file a VAT return when providing services to taxpayers from other Member States or from third countries for which, according to Article 17 (1) of this Act, the place of supply of the service is the recipient of the service.  
  
(4) When calculating VAT, account must also be taken of the amounts shown in the invoice referred to in Article 79, paragraphs 10 and 11 of this Law.  
  
(5) From the amount of VAT calculated in accordance with the provisions of paragraphs 1, 2 and 4 of this Article, deduction shall be deducted within the meaning of Article 57, paragraph 2 of this Act.  
  
(6) The taxpayer must submit the VAT return referred to in paragraph 1 of this Article to the competent branch of the Tax Administration according to his / her headquarters or residence or habitual residence on the prescribed form by the 20th day of the month following the end of the taxation period referred to in Article 84 paragraphs. 1, 2 and 4 of this Law.  
  
(7) The taxpayer must make all adjustments and corrections for that calendar year in the VAT return he submits for the last taxation period of the calendar year. If the taxpayer ceases to do business, he is obliged in the VAT return he submits for the last taxation period in which he did business to make all adjustments and corrections by the day the business ceases.  
  
(8) If the taxpayer fails to file VAT returns within the prescribed period or does not have the required documentation and tax records, the Tax Administration may assess or determine the tax liability.  
  
(9) A taxpayer who does not have his registered office, permanent establishment, permanent residence or habitual residence in the country and performs only occasional international road transport of passengers in the territory of the Republic of Croatia may file a VAT return in paper form. VAT returns in paper form can also be submitted by small taxpayers who exclusively receive and provide services to taxpayers from third countries and when they are obliged to pay VAT under Article 75, paragraph 2 of this Act.  
  
(10) The taxpayer entered in the VAT register with the VAT declaration referred to in paragraph 1 of this Article, within the deadlines referred to in paragraph 6 of this Article, shall submit electronically also a special record of received invoices for the taxation period for which it is included in the VAT return. and the pre-tax in item III.1, III.2 and / or III.3. Exceptionally, records of invoices received are not submitted by the taxpayer who can submit the VAT return in paper form according to paragraph 9 of this Article.  
  
(11) The taxpayer who makes the deliveries referred to in section 75 (3) of the Act shall also file a report on domestic deliveries with the transfer of the tax liability.  
  
(12) The taxpayer referred to in paragraph 9 of this Article who performs the occasional international road passenger transport in the territory of the Republic of Croatia shall submit the Application for the international road transport of passengers before entering the Republic of Croatia and shall be obliged to have it in writing in the means of transport.  
  
(13) The Minister of Finance shall prescribe by ordinance the form and content of the VAT return form and records of invoices received, the form, content and deadlines for filing the application referred to in paragraph 11 of this Article, as well as the deadlines for submission of VAT returns by a taxpayer who performs only occasional international road transport of passengers in the territory of the Republic of Croatia and the manner of submission, form and data to be entered in the Application form for international road transport of passengers.

**3. Application for the acquisition of goods and services received from other Member States of the European Union**

**Article 86**

(1) The taxpayer must file an application for the acquisition of goods and services received, stating all the information on the value of the acquisition of the goods, as well as on the value of the services received by taxable persons established in another Member State.  
  
(2) The declaration referred to in paragraph 1 of this Article shall be submitted by the 20th day of the month following the end of the taxation period referred to in Article 84 paragraph 1 of this Act.  
  
(3) The Minister of Finance shall prescribe in an ordinance the form and content of the application form for the acquisition of goods and services received.

**4. Applications for deliveries and acquisition of new means of transport**

**Article 87**

(1) A taxpayer who delivers a new means of transport to a person not registered for VAT purposes or a taxpayer referred to in Article 6, paragraph 4 of this Act, when delivering a new means of transport in accordance with Article 41, paragraph 1, point b ) of this Act, must submit an application for deliveries of new means of transport within 10 days from the date of delivery of a new means of transport in which it shows the value of those deliveries.  
  
(2) A taxpayer acquiring new means of transport within the European Union pursuant to Article 4, paragraph 1, item 2b) of this Act must submit an application for acquisition of new means of transport within 10 days from the date of acquisition of the new means of transport in which all the information needed to calculate and control VAT. The said application is not submitted by the taxpayer who uses the new means of transport for resale.  
  
(3) The declarations referred to in paragraphs 1 and 2 of this Article shall be submitted to the Customs Administration.  
  
(4) The Minister of Finance shall prescribe by an ordinance the implementation of this Article regarding the submission of applications for deliveries and the acquisition of new means of transport and the form and content of the application forms referred to in this Article.

**5. Summary application for deliveries of goods and services to other Member States of the European Union**

**5.1. Overview**

**Article 88**

(1) A taxpayer registered for VAT purposes must file a Summary Statement of the following:  
  
a) acquirers registered for VAT purposes to whom he has supplied the goods under the conditions specified in Article 41, paragraph 1, item a) of this Act and for transfer goods within the meaning of Article 41, paragraph 1, item d) of this Act,  
  
b) persons registered for VAT purposes to whom he has supplied goods delivered to him within the framework of the intra-European Union acquisition referred to in Article 10 of this Act,  
  
c) taxable persons and non-taxable legal entities registered for VAT purposes, to which he provided services, other than VAT exempt services in the Member State where that transaction is taxable and for which the recipient is obliged to pay VAT in accordance with Article 196. Council Directive 2006/112 / EC,  
  
d) VAT identification number of taxpayers who are destined for the goods to be shipped or transported under the arrangement for the transfer of goods in accordance with the conditions referred to in Article 7a of this Law, and any changes to the information provided.  
  
(2) The summary application shall be filed no later than the 20th day of the month following the end of the taxation period referred to in Article 84, paragraph 1 of this Act.  
  
(3) The Summary Application shall state:  
  
a) the VAT identification number under which the taxpayer is registered for VAT purposes domestically and under which he supplies goods under the conditions referred to in Article 41 (1) (a) of this Act or performs services under Article 17, Paragraph 1 of this Law,  
  
b) the VAT identification number under which the person acquiring the goods is registered for VAT purposes in another Member State and under which goods or services are provided within the European Union within the European Union  
  
; services provided by the taxpayer;  
  
d) the value of the tax base corrections in accordance with Article 33, paragraph 7 of this Act. These values ​​are stated for the tax period during which the person acquiring the goods or receiving the services reported the corrections.  
  
(4) The values ​​referred to in paragraph 3, point c) of this Article shall be reported in the Summary Application for the taxation period referred to in Article 84, paragraph 1 of this Act of this Article. The values ​​referred to in paragraph (3) (d) of this Article for which the acquirer has received a reconciliation notice shall be recorded in the Summary Report for the taxation period referred to in Article 84, paragraph 1 of this Act.  
  
(5) The summary declaration in the case of transfer of goods shall also state the following:  
  
1. VAT identification number under which the taxpayer is registered for VAT purposes abroad,  
  
2. VAT identification number under which the taxpayer is registered in the Member State where has completed the shipment or transportation of the goods within the meaning of Article 41, paragraph 1, item d) of this Act,  
  
3. the total value of the goods transferred determined in accordance with the provision of Article 33, paragraph 6 of this Law.  
  
(6) The Minister of Finance shall prescribe by an ordinance the implementation of this Article regarding the Summary Application, including the form and content.

**5.2. Specific information to be provided in the Summary Application regarding the three-way job**

**Article 89**

(1) A taxpayer registered for VAT purposes in the country where he has been issued with the VAT identification number under which he made the acquisition shall be obliged, in accordance with Article 10, paragraph 5 of this Act, to indicate in the Summary Application the following information:  
  
a) his VAT identification number the number under which he acquired the goods and carried out the further supply of those goods,  
  
b) the VAT identification number of the consignee of the further supply, issued in the Member State in which the transport or shipment of the goods ends,  
  
c) for each individual consignee to whom the supply referred to in point b) is made item the sum of the VAT-free fees for deliveries made by the taxpayer in the Member State where the dispatch or transport of the goods ends.  
  
(2) The total value referred to in paragraph 1, item c) of this Article shall be reported in the Summary Application for the taxation period referred to in Article 84, paragraph 1 of this Act.

**XV. SPECIAL TAXATION PROCEDURES**

**1. Special taxation procedure for small taxpayers**

**Article 90**

(1) For the purposes of this Act, “small taxpayer” shall be considered a legal person with headquarters, permanent establishment or a natural person domiciled or habitually resident in the country, whose value of deliveries of goods or services rendered in the previous or current year was not higher from HRK 300,000.00.  
  
(2) The taxpayer referred to in paragraph 1 of this Article shall be exempt from paying VAT on supplies of goods or services, shall not be entitled to express VAT on invoices issued and shall not be entitled to deduct tax.  
  
(3) The taxpayer referred to in paragraph 1 of this Article may request the Tax Administration not to be subject to paragraph 2 of this Article, which shall oblige it for the next three calendar years to have a regular taxation procedure under this Act. If the taxpayer has filed a VAT registration application for registration in the VAT taxpayer register, the request shall be deemed to have been accepted if the Tax Administration does not issue a decision within eight days from the receipt of the request.  
  
(4) The VAT exemption referred to in paragraph 2 of this Article shall not apply:  
  
a) to deliveries of new means of transport under the conditions referred to in Article 41 (1) (a) and (b) of this Act,  
  
b) in the case of transfer of a tax liability to small taxpayers within the meaning of Article 75 (1) (6) and (7) and Article 75 (2) of this Act.  
  
(5) The value of deliveries of goods and services, within the meaning of paragraph 1 of this Article, excluding VAT, shall include:  
  
a) the value of deliveries of goods or services which are taxable,  
  
b) the value of deliveries of VAT exempt from Articles 45, 46. , 47, 48 and 49 of this Act,  
  
c) value of deliveries of real estate and transactions referred to in Article 40, paragraph 1, points a) to g) of this Act, unless such transactions are ancillary.  
  
(6) The delivery of tangible and intangible economic goods to the taxpayer shall not be taken into account in calculating the value of the deliveries referred to in paragraph 1 of this Article.  
  
(7) The Minister of Finance shall prescribe by an ordinance the implementation of this Article in respect of a special taxation procedure for small taxpayers.

**2. Special taxation procedure for travel agencies**

**2.1. Travel agency and tour operator services**

**Article 91**

(1) A special taxation procedure applies to the business of travel agencies if they do business with customers on their own behalf and use supplies of goods and services of other taxpayers to provide travel services. This procedure does not apply to travel agencies when acting only as intermediaries and to which the provisions of Article 33 (3) of this Act apply to calculate the tax base. For the purposes of this Act, travel agencies shall be considered as tour operators.  
  
(2) Transactions performed by a travel agency in connection with travel under the conditions laid down in this Article shall be considered as a unique service provided by the travel agency to the customer.  
  
(3) The service provided is taxable according to the seat or permanent establishment of the travel agency from which the services are provided.  
  
(4) The Minister of Finance shall prescribe by an ordinance the implementation of this Article with regard to the application of a special procedure for the taxation of travel agencies.

**2.2. tax base**

**Article 92**

The tax base relating to the unique service is the difference in the price of the travel agency, that is, the difference between the total fee, excluding VAT, paid by the buyer and the actual costs of the travel agency for the delivery of goods or services provided by other taxpayers, if these transactions were made directly to the customer.

**2.3. Exempt transactions**

**Article 93**

If the transactions entrusted to another taxpayer by a travel agency are carried out outside the European Union, the services of the travel agency shall be considered as an intermediary service exempt from VAT pursuant to Article 49 of this Act. When these transactions are carried out both inside and outside the European Union, only that part of the travel agency service relating to transactions outside the European Union is exempted.

**2.4. Deduction or refund of tax**

**Article 94**

VAT charged to a travel agency by other taxpayers on transactions referred to in Article 91 (2) and (3) of this Act which are carried out directly to customers cannot be deducted or refunded.

**3. Special margin taxation procedure for second-hand goods, works of art, collectibles or antiques**

**3.1. Overview**

**Article 95**

(1) For the purposes of this Act, certain terms have the following meanings: (  
  
a) "used property" means tangible movable property which is fit for continued use in its condition or after repair, with the exception of works of art, collectors' items or antiques; precious metals of CN code 7106, 7108, 7110 and 7112 and precious stones of CN code 7102 and 7103,  
  
b) "works of art" means the items listed in Annex III, Part A of this Act,  
  
c) "collectibles" means items of in Appendix III, Part B of this Act,  
  
d) "Antique items" means the items listed in Appendix III, Part C, of ​​this Act,  
  
e) "reseller" means a taxpayer who, in the course of his economic activity, for the purpose of reselling, buys or imports second-hand goods and / or works of art, collectibles or antiques, whether that taxpayer acts for his own account or for the account of another person under a contract that stipulates payment of commission on sale or purchase.  
  
(2) For deliveries of second-hand goods, works of art, collectibles or antiques by the reseller, a special procedure for taxing the difference in price (margin) realized by the reseller shall apply.  
  
(3) The special margin taxation procedure shall not apply to deliveries of new means of transport carried out in accordance with the conditions referred to in Article 41 (1) (a) and (b) of this Act.  
  
(4) For deliveries of goods referred to in paragraph 2 of this Article performed by the reseller, a special margin taxation procedure shall apply, if the goods listed in the territory of the European Union have been supplied to him by one of the following persons:  
  
a) a non-taxable person,  
  
b) a taxable person whose the supply of goods is exempt in accordance with Article 40, paragraph 2 of this Act  
  
c) another taxpayer whose supply of goods is exempt in accordance with Article 90 paragraphs 1 and 2 of this Act and includes economic goods,  
  
d) another reseller, whose is the delivery of taxable under a special margin taxation procedure.  
  
(5) The provisions of Article 13, paragraphs 3, 4, 5, 6, 7, 8 and 9 of this Act shall not apply to the supply of goods referred to in paragraph 2 of this Article.  
  
(6) The Minister of Finance shall prescribe by an ordinance the implementation of this Article in respect of a special procedure for taxing the margin for second-hand goods, works of art, collectibles or antiques.

**3.2. tax base**

**Article 96**

(1) The taxable amount for the supply of goods referred to in Article 95, paragraph 4 of this Act shall be the margin equal to the difference between the sale and purchase price of the goods supplied, less the amount of VAT contained in that margin.  
  
(2) "Selling price" within the meaning of paragraph 1 of this Article shall be understood to mean any consideration that a reseller receives or will receive from a buyer or a third party, including subsidies directly related to that transaction, taxes, duties, fees and similar charges, and incidental expenses such as commissions, packing, transportation and insurance costs which the reseller charges to the buyer, other than the amount referred to in Article 33, paragraph 3 of this Act.  
  
(3) “Purchasing price” within the meaning of paragraph 1 of this Article is considered to be all that constitutes the consideration referred to in paragraph 2 of this Article received or to be received by the supplier from the reseller.

**3.3. The choice of margin taxation in special cases**

**Article 97**

(1) The reseller, at his option, may apply margin taxation on the following deliveries:  
  
a) works of art, collectibles or antiques that he imports,  
  
b) works of art supplied by his author or his successors.  
  
(2) A reseller who chooses to apply the margin taxation procedure in the case referred to in paragraph 1 of this Article shall be obliged to apply that procedure for two calendar years.  
  
(3) The reseller must, in writing, inform the competent branch of the Tax Administration about the beginning of application of the margin taxation procedure in the case referred to in paragraph 1 of this Article within the deadline for submission of VAT returns for the first taxation period of the calendar year in which the taxpayer has applied the margin taxation procedure. .  
  
(4) The reseller referred to in paragraph 2 of this Article may, after the expiry of two calendar years, waive the application of the margin taxation procedure. It shall, in writing, submit a statement to the competent branch of the Tax Administration within the deadline for submitting the VAT return for the first taxation period of the calendar year in which the special margin taxation procedure ceases to apply. If he does not submit a written notice to the competent office of the Tax Administration within the specified period, the reseller continues to apply a special margin taxation procedure for the next two calendar years.  
  
(5) The taxable amount for deliveries taxable under the margin taxation procedure within the meaning of paragraph 1 of this Article shall be the basis established in accordance with Article 96, paragraph 1 of this Act. For deliveries of works of art, collectibles or antiques imported by the taxable dealer, the amount of VAT must be added to the customs base or the purchase price.

**3.4. Exemption from the payment of VAT on margin taxation**

**Article 98**

The difference in price (margin) made when delivering second-hand goods, works of art, collectibles or antiques to which a special margin taxation procedure applies shall be exempt from VAT if it is carried out under the conditions laid down in Article 45 (46) (1). Articles 47 (1) and 48 (1) (a), (b), (c), (d) and (e) of this Act.

**3.5. Regular taxation procedure**

**Article 99**

The reseller may apply the regular taxation procedure for any supply of goods for which a special margin taxation procedure under Article 95 of this Act is prescribed.

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**Article 100**

(1) If the reseller applies the regular procedure for taxing the delivery of works of art, collectibles or antiques which he imports, he is entitled to deduct from the amount of VAT which he is obliged to pay the amount of VAT paid on importation.  
  
(2) If the reseller applies a regular procedure for taxing the delivery of works of art he has procured from the author or his successors or from taxpayers who are not resellers, he is entitled to deduct from the amount of VAT he is obliged to pay was accounted for the artwork delivered.  
  
(3) The right to deduct VAT shall arise at the moment when the obligation to calculate the VAT for delivery for which the reseller has applied the regular taxation procedure arises.

**3.6. Tax deduction**

**Article 101**

(1) A reseller applying a special margin taxation procedure may not deduct from the VAT which he is obliged to pay the VAT he has paid on import, that is, the VAT levied on him for:  
  
1. works of art, collectibles or antiques imported by him;  
  
2. works of art supplied or to be supplied to him by the authors or their successors  
  
;  
  
(2) A reseller who applies a special margin taxation procedure may not deduct from VAT, which is liable to deduct the VAT charged to him by another reseller for goods delivered, if he applies a special margin taxation procedure for deliveries of those goods.

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**3.7. Keeping records**

**Article 102**

(1) A reseller who simultaneously applies the ordinary VAT taxation procedure and the special margin taxation procedure must keep separate records for each of these procedures.  
  
(2) The Minister of Finance shall prescribe the form and content of records for a special procedure of margin taxation.

**3.8. Expressing VAT on accounts**

**Article 103**

A dealer should not be in the accounts for goods that are subject to a special procedure of margin taxation allocated to express the amount of VAT.

**4. Special procedure for sale by public auction**

**Article 104**

(1) A special margin taxation procedure may also be applied where the margin is realized by the organizer of the sale by public auction for the delivery of second-hand goods, works of art, collectibles or antiques on his own behalf and for the account of persons referred to in Article 106 of this Act, pursuant to a contract under which a commission is paid for the sale of these goods by public auction.  
  
(2) The procedure referred to in paragraph 1 of this Article shall not apply to deliveries of new means of transport, carried out in accordance with the conditions referred to in Article 41, paragraph 1, points (a) and (b) of this Act.

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**Article 105**

(1) "Organizer of a sale by public auction" is a taxpayer who, in the course of his economic activity, sells goods through a public auction in order to sell them to the best bidder.  
  
(2) "Organizer of the organizer of the sale by public auction" shall mean any person who sells goods to the organizer by public auction on the basis of a contract stipulating the payment of sales commission.

**Article 106**

The special procedure referred to in Article 104 of this Act shall apply to deliveries made by the organizer of the sale by public auction, acting on his own behalf and for the account of one of the following persons:  
  
a) a person who is not a taxpayer,  
  
b) another taxpayer whose delivery is goods which is carried out under a contract under which commission is paid for sale exempted in accordance with Article 40, paragraph 2 of this Act,  
  
c) another taxpayer, which is the supply of goods which is carried out under a contract under which commission is paid for sale freed in in accordance with Article 90, paragraph 1 of this Law, and includes economic goods,  
  
d) a reseller whose delivery of goods made under a contract under which sales commission is payable is taxable under a special margin taxation procedure.

**Article 107**

The delivery of goods to a taxpayer who is the organizer of the sale by public auction is considered to have taken place at the time when the sale of those goods takes place through a public auction.

**Article 108**

The tax base for the delivery of goods under a special auction procedure is the total amount of the invoice, in accordance with Article 111 of this Act, delivered to the buyer by the organizer of the sale by public auction, minus:  
  
a) the net amount paid by the organizer of the sale by public auction or which is to be paid to its principal in accordance with Article 109 of this Act,  
  
b) the amount of VAT which the organizer sells by public auction must pay for its delivery

**Article 109**

The net amount paid or payable by the auctioneer to the contracting authority is equal to the difference between the price of the goods obtained at the public auction and the amount of commission received or to be obtained from the contracting authority by the auctioneer who is paid a sales commission.

**Article 110**

(1) The organizers of the sale by public auction who deliver the goods under the conditions prescribed in Articles 104 and 106 of this Act must state in their accounting records the following:  
  
a) the amount they received or should receive from the purchaser of the goods,  
  
b) the amount they remitted or should remit to seller of goods.  
  
(2) The amounts referred to in paragraph 1 of this Article must be based on authentic documentation.

**Article 111**

(1) The organizers of the sale by public auction must issue to the buyer an invoice showing in particular the following:  
  
a) the price of the goods obtained at the public auction,  
  
b) taxes, duties, fees and similar charges,  
  
c) incidental costs, such as commissions, the costs of packing, transportation and insurance charged by the organizer to the buyer of the goods.  
  
(2) The invoice issued by the organizer of the sale by public auction may not be allocated VAT.

**Article 112**

(1) The organizer of the sale by public auction to whom the goods have been delivered pursuant to the contract according to which a commission is paid for the sale of the goods by public auction, shall issue a bill to his principal.  
  
(2) The calculation referred to in paragraph 1 of this Article must specifically state the amount of the transaction or the price of the goods obtained at the public auction, less the amount of commission received or to be received from the principal.  
  
(3) The calculation referred to in paragraph 2 of this Article shall serve as the invoice which, if the taxpayer is the taxpayer, must issue to the organizer of the sale by public auction in accordance with Article 78, paragraph 1 of this Act.

**5. Special procedure for taxation of investment gold**

**5.1. Overview**

**Article 113**

(1) For the purposes of this Act, "investment gold" means:  
  
1. gold in the form of bullion or tiles, weights accepted on the precious metals market, of a purity equal to or greater than 995 thousandths, whether represented by securities or not ,  
  
2. Gold coins:  
  
a) a purity equal to or greater than 900 thousandths,  
  
b) forged after 1800,  
  
c) which are currently or have been legal tender in the country of origin, and  
  
d) normally sold at a price not exceeding more than 80% of the open market gold value contained in coins.  
  
(2) For the purposes of this Article, it shall be considered that the coins referred to in paragraph 1, item 2 of this Article shall not be sold for numismatic purposes.

**5.2. VAT exemption**

**Article 114**

The following are exempt from VAT:  
  
a) delivery, intra-European Union acquisition and importation of investment gold, including investment gold in the form of individual or group gold certificates, or gold traded through a gold trading account, including loans in gold and swap transactions involving investment property rights or claims, as well as investment gold transactions involving futures and futures resulting in the transfer of ownership or investment gold rights,  
  
b) services of intermediaries acting on behalf of and on behalf of another person if they mediate the delivery of gold to their principal.

**5.3. The right to choose to be taxed**

**Article 115**

(1) By way of derogation from the provision of Article 114 of this Act, a taxpayer who produces investment gold or converts gold into investment gold has the right to choose to tax deliveries of investment gold which he makes to other taxpayers.  
  
(2) The taxpayer who within the scope of his business supplies gold for industrial purposes to another taxpayer shall have the right to choose to tax investment gold referred to in Article 113 (1), item 1 of this Act.  
  
(3) If the supplier referred to in paragraphs 1 and 2 of this Article chooses to tax deliveries of investment gold, the service intermediary referred to in Article 114, point b) of this Act shall also have the right to opt for taxation.  
  
(4) In the case of deliveries of gold materials or semi-finished gold products with a purity of 325 thousand or more, or investment gold subject to the right of choice for taxation within the meaning of paragraph 1 of this Article, the tax liability shall be transferred to the recipient.  
  
(5) The Minister of Finance shall prescribe by an ordinance the conditions for the right of choice for taxation.

**5.4. Right to deduct tax**

**Article 116**

(1) If the following delivery of investment gold is exempt from VAT, the taxpayer shall be entitled to deduct the VAT paid or levied on him for:  
  
a) the investment gold supplied to him by the person who has opted for taxation under Article 115 (1). and 2 of this Act,  
  
b) the acquisition or acquisition within the European Union or for the import of gold, other than investment gold, which he himself has made and subsequently converted into investment gold by a taxpayer or on their behalf,  
  
c) services rendered to him performed, consisting of a change in the shape, weight or purity of the gold, including investment gold.  
  
(2) A taxpayer who produces investment gold or turns gold into investment gold has the right to deduct the VAT paid or levied on goods supplied or acquired within the European Union, imported goods or services rendered in connection with the production or conversion of that gold, as if his next delivery of that gold, which was exempt from VAT under Article 114 (a) of this Act, was taxable.

**5.5. Keeping records and keeping records**

**Article 117**

Taxpayers must issue invoices and keep records of investment gold transactions and keep records of this, including customer identity information, within the time limits prescribed by the General Tax Law.

**6. Special taxation procedures for telecommunications services, radio and television broadcasting services and services provided electronically to non-taxable persons**

**6.1. Overview**

**Article 118**

(1) With respect to the special taxation procedures referred to in Articles 119 to 125h of this Act, the following terms shall have the following meanings:  
  
1. "telecommunications services" shall mean the services referred to in Article 26 (1) (a) and Article 26 (3) . hereof,  
  
2. "services, radio and television broadcasting" are the services referred to in Article 26, paragraph 1, letter b) of this Act,  
  
3. "electronically performed services" are the services referred to in Article 26, paragraph 1, item c) and Article 26, paragraph 4 of this Law,  
  
4. "Member State of consumption" means a Member State which is considered to be the place of supply of telecommunications services, radio and television broadcasting services and electronically supplied services,  
  
5. "VAT declaration for special taxation procedure" means an application containing the information necessary to determine the amount of VAT attributable to each Member State of consumption.  
  
(2) The Minister of Finance shall prescribe by an ordinance the implementation in connection with the special procedures referred to in this Article.

**6.2. Special taxation procedure for telecommunications services, radio and television broadcasting services and electronically performed services provided by taxpayers not established in the European Union**

**Article 119**

In relation to Articles 119a to 125 of this Act, the following terms have the following meanings:  
  
1. "taxpayer not established in the European Union" means a taxpayer who does not have his registered office, permanent establishment, residence or habitual residence in the European Union .

2. "Member State of notification" means a Member State selected by a taxpayer not established in the European Union to declare in it the commencement of his business as a taxpayer in the European Union in accordance with the provisions on the special taxation procedure for telecommunications services radio and television broadcasting and services provided electronically by taxpayers not established in the European Union.

**6.2.1. Application of the special procedure**

**Article 119a**

The special taxation procedure for telecommunications services, radio and television broadcasting services and electronically performed services shall apply to all such services performed by a non-taxable taxpayer who is not resident in the European Union but whose registered office is or habitual residence in any Member State.

**6.2.2. Report to the Tax Administration for the application of the special taxation procedure**

**Article 120**

(1) A taxpayer not established in the European Union who chooses the Republic of Croatia as the Member State of notification must electronically notify the Tax Administration of the commencement and termination of his activity as a taxpayer or of a change of activity in such a way that he no longer fulfills the conditions for application. special taxation procedure.  
  
(2) In the notification referred to in paragraph 1 of this Article, a taxpayer not established in the territory of the European Union must provide the following information: first and last name (name), postal address, e-mail address, including websites, national tax code, if any no EU headquarters, permanent establishment, residence or habitual residence in the European Union. A taxpayer not established in the European Union shall inform the Tax Administration of any changes to the information supplied.  
  
(3) The Tax Administration shall assign an identification number to the taxpayer referred to in paragraph 1 of this Article and shall report it electronically.

**6.2.3. Deleting from the log**

**Article 121**

The taxpayer under Article 120 paragraph 1 of this Act, the Tax Administration will be deleted from the records of taxpayers in any of the following cases if:  
  
a) filed notice that they no longer provide telecommunication services, radio and television broadcasting and electronic services rendered referred to in Article 118 . paragraph 1, Items 1, 2 and 3 hereof,  
  
b) otherwise be assumed that his taxable activity ceased,  
  
c) is no longer eligible for application of special process of taxation,  
  
d) does not comply with the the provisions of the special taxation procedure

**6.2.4. Filing a VAT return for a special taxation procedure**

**Article 122**

(1) The taxpayer referred to in Article 120, paragraph 1 of this Act shall be obliged to submit to the Tax Administration, for each calendar quarter, within 20 days from the end of the taxation period to which the application relates, a VAT return for the special taxation procedure, regardless of whether or not during that period he provided telecommunications services, radio and television broadcasting services and electronically performed services. The VAT return for the special taxation procedure is submitted electronically.  
  
(2) In the VAT return referred to in paragraph 1 of this Article, the taxpayer must provide his identification number referred to in Article 120 (3) of this Act and for each Member State of consumption in which VAT is to be paid, the total value of the services provided under Article 26. of this Law in the period of taxation without VAT, the total amount of the associated VAT at the rates, the VAT rates applicable and the total amount of VAT to be paid.  
  
(3) The amounts in the VAT return referred to in paragraph 1 of this Article shall be expressed in HRK. If the deliveries are made in other currencies, the taxpayer not established in the European Union in the VAT return referred to in paragraph 1 of this Article shall apply the exchange rate applicable on the last day of the taxation period. The conversion shall be made according to the exchange rate published by the European Central Bank for the day in question or, if the exchange rate for that day is not published, the day of the next exchange rate announcement.

**6.2.5. Payment of VAT**

**Article 123**

The taxpayer referred to in Article 120 (1) of this Act must pay VAT when submitting the VAT return for the special taxation procedure, referring to the appropriate reference number of the VAT return for the special taxation procedure, and at the latest by the deadline for filing that declaration. Payment is made in HRK to the payment account prescribed by a special regulation.

**6.2.6. Right to deduct tax**

**Article 124**

(1) A taxpayer who applies a special taxation procedure for telecommunications services, radio and television broadcasting services and electronically rendered services, but who is not established in the European Union, shall not be entitled to deduct tax under the provisions of Article 58 of this Act or Article 168 of the Council Directive 2006/112 / EC.  
  
(2) The taxpayer referred to in paragraph 1 of this Article shall be entitled to a VAT refund under the provisions of Article 67 of this Act or Article 2 (1) of Thirteenth Council Directive 86/560 / EEC and in this case the condition of reciprocity shall not apply.

**6.2.7. Keeping records and keeping records**

**Article 125**

The taxpayer referred to in Article 120 (1) of this Act must keep records of the transactions covered by this special taxation procedure in order to enable the tax authority of the Member State of consumption to verify the correctness of the VAT declaration for the special taxation procedure. These records must be made available on request to the Tax Administration of the Republic of Croatia and the tax authority of the Member State of consumption, in electronic form. The taxpayer is obliged to keep the data for 10 years from the end of the year in which the transactions were performed.

**6.3. Special taxation procedure for telecommunications services, radio and television broadcasting services and electronically performed services provided by taxpayers established in the European Union but not established in the Member State of consumption**

**Article 125a**

(1) In relation to Articles 125b to 125h of this Act, the following terms have the following meanings:  
  
1. "taxpayer not established in the Member State of consumption" means a taxpayer having his registered office, permanent establishment, residence or habitual residence domicile in the European Union but not having its registered office, permanent establishment, residence or habitual residence in the territory of the Member State of consumption,  
  
2. "Member State of notification" means the Member State in which the taxpayer is domiciled, domiciled or habitually resident, and if he has no seat , domicile or habitual residence in the territory of the European Union, Member State in which it has a permanent establishment.  
  
(2) If the taxpayer is not established, domiciled or habitually resident in the territory of the European Union but has more than one permanent establishment, the Member State of notification shall be the Member State with the permanent establishment which the taxable person indicates as the country in which the special taxpayer will apply. the taxation procedure, and this decision obliges him to apply a special taxation procedure in the current calendar year and during the next two calendar years.

**6.3.1. Application of the special procedure**

**Article 125b**

The special procedure for telecommunication services, radio and television broadcasting services and electronically performed services shall apply to all such services provided by a non-taxable taxable person within the European Union to non-taxable persons having their registered office, domicile or habitual residence in the Member State of consumption.

**6.3.2. Report to the Tax Administration for the application of the special taxation procedure**

**Article 125c**

(1) A taxpayer who is not established in the Member State of consumption and has applied in the Republic of Croatia to apply a special taxation procedure must electronically notify the Tax Administration of the commencement and termination of his activity under the special taxation procedure or to change that activity in such a way that he no longer fulfills it. conditions for the application of the special taxation procedure.  
  
(2) The taxpayer referred to in paragraph 1 of this Article shall use the VAT identification number referred to in Article 77 of this Act to apply the special taxation procedure.

**6.3.3. Deleting from the log**

**Article 125d**

The taxpayer referred to in Article 125.c paragraph 1 hereof, the Tax Administration will be deleted from the records of taxpayers who apply special tax procedure in any of the following cases if:  
  
a) filed notice that they no longer provide telecommunication services, radio and television broadcasting and services provided electronically,  
  
b) it may otherwise be presumed that its taxable activity has ceased,  
  
c) it no longer qualifies for the application of the special taxation procedure,  
  
d) it does not comply with the provisions of the special taxation procedure.

**6.3.4. Filing a VAT return for a special taxation procedure**

**Article 125.e**

(1) The taxpayer referred to in Article 125c (1) of this Act shall be obliged to submit to the Tax Administration, for each calendar quarter, within 20 days from the end of the taxation period to which the application relates, a VAT return for the special taxation procedure. whether or not during that period he provided telecommunications services, radio and television broadcasting services and electronically performed services. The VAT return for the special taxation procedure is submitted electronically.  
  
(2) In the VAT return referred to in paragraph 1 of this Article, the taxpayer must indicate his VAT identification number referred to in Article 77 of this Law and, for each Member State of consumption in which VAT is to be paid, the total value of the services provided under Article 26 of this Act. Of the Law in the taxation period, excluding VAT, the total amount of the associated VAT at rates, the VAT rates applicable and the total amount of VAT to be paid.  
  
(3) If the taxpayer referred to in Article 125c (1) of this Law has, in addition to a permanent establishment abroad, one or more permanent establishments in the Member States from which he provides services, in the VAT return for the special taxation procedure, except for the information referred to in Paragraph 2 of this Article must state for each Member State in which it has a permanent establishment the total value of the services provided under Article 26 of this Act together with the VAT identification number or other appropriate tax code of the permanent establishment for each Member State of consumption.  
  
(4) The amounts in the VAT return referred to in paragraph 1 of this Article shall be expressed in HRK. If the deliveries are made in other currencies, the taxpayer referred to in Article 125c (1) of this Act shall apply the exchange rate applicable on the last day of the taxation period. The conversion shall be made according to the exchange rate published by the European Central Bank for the day in question or, if the exchange rate for that day is not published, the day of the next exchange rate announcement.

**6.3.5. Payment of VAT**

**Article 125f**

The taxpayer referred to in Article 125c (1) of this Act must pay VAT when filing the VAT return for the special taxation procedure, referring to the appropriate reference number of the VAT return for the special taxation procedure, and at the latest by the deadline for filing that declaration. . Payment is made in HRK to the payment account prescribed by a special regulation.

**6.3.6. Right to deduct tax**

**Article 125.g**

(1) A taxpayer who applies a special taxation procedure for telecommunications services, radio and television broadcasting services and electronically supplied services, which is established in the European Union but is not entitled to deduct withholding tax under the provisions of Article 58 without a seat in the Member State of consumption. of this Act, ie Article 168 of Council Directive 2006/112 / EC.  
  
(2) The taxable person referred to in paragraph 1 of this Article in the Member State of consumption may request a VAT refund in accordance with Article 2 (1) and Article 3 of Council Directive 2008/9 / EC.  
  
(3) If the taxpayer referred to in paragraph 1 of this Article applies a special taxation procedure and in the Member State of consumption he also makes deliveries which are not covered by the special procedure in respect of which he is obliged to register for VAT purposes in that Member State, he shall be entitled to deduction of input tax for deliveries covered by a special procedure in accordance with the provisions of Article 58 of this Law and Article 168 of Council Directive 2006/112 / EC on the basis of the VAT declaration referred to in Article 85 of this Law and Article 250 of Council Directive 2006/112 / EC respectively.

**6.3.7. Keeping records and keeping records**

**Article 125h**

The taxpayer referred to in Article 125c (1) of this Act must keep a record of the transactions covered by this special taxation procedure in order to enable the tax authority of the Member State of consumption to verify the correctness of the VAT declaration. These records must be made available on request to the Tax Administration of the Republic of Croatia and the tax authority of the Member State of consumption, in electronic form. The taxpayer is obliged to keep the data for 10 years from the end of the year in which the transactions were performed.

**7. Procedure for taxation against fees**

**Article 125i**

(1) A taxpayer with headquarters, permanent establishment, permanent residence or habitual residence abroad whose supply of goods and services in the previous calendar year did not exceed HRK 7,500,000.00 without VAT, may calculate and pay VAT on based on fees charged for deliveries made.  
  
(2) The value of deliveries referred to in paragraph 1 of this Article refers to the value of deliveries referred to in Article 90 paragraphs 5 and 6 of this Act.  
  
(3) By way of derogation from Article 30 of this Act, a taxpayer who applies the taxation procedure for fees collected shall be obliged to pay VAT on the date of receipt of payment.  
  
(4) By way of derogation from Article 57 of this Act, a taxpayer who applies the procedure of taxation on fees collected shall be entitled to deduction of prepayment tax at the time when he paid the supplier an invoice for the supplies or services rendered.  
  
(5) The taxpayer applying the procedure for taxation of the fees charged in the account must state »the calculation of the fees collected.

**Article 125j**

The calculation of VAT according to the procedure for taxation of fees shall not apply to:  
  
a) the supply of goods within the European Union,  
  
b) the acquisition of goods within the European Union,  
  
c) the delivery or transfer of goods referred to in Article 30, paragraphs 8 and 9 of this Law ,  
  
d) the services referred to in Article 17, paragraph 1 of this Act, for which the recipient of services required to pay VAT in accordance with Article 75, paragraph 1, item 6 of this Act or Article 196 of Directive 2006/112 / EC,  
  
e) for delivery which the recipient is obliged to pay VAT pursuant to Article 75, paragraph 1, item 7 and Article 75, paragraphs 2 and 3 of this Act, and in the case referred to in Article 7, paragraph 9 of this Act,  
  
f) deliveries under a special taxation procedure for telecommunication services, radio and television broadcasting services and electronically performed services to non-taxable persons,  
  
g) import of goods,  
  
h) export of goods.

**Article 125k**

(1) A taxpayer referred to in Article 125i and paragraph 1 of this Act wishing to apply the procedure for taxation of fees shall submit a written statement to the competent branch of the Tax Administration at the latest by the end of the current calendar year on the start of application of the procedure for taxation of fees.  
  
(2) A taxpayer who submits a statement on the application of the procedure for taxation against the fees charged referred to in paragraph 1 of this Article may apply that procedure from 1 January of the following calendar year and thereby undertake to apply that procedure for a period of three years. If the taxpayer whose value of deliveries of goods and services in the previous calendar year did not exceed HRK 7,500,000.00 without VAT, within the period referred to in paragraph 1 of this Article does not notify the competent branch of the Tax Administration of the change in the method of VAT calculation , it will be deemed to continue to apply the chargeable taxation procedure.  
  
(3) The taxpayer who applies the taxation procedure against the collected fees must provide all the information necessary for determining and paying VAT.  
  
(4) If the competent branch of the Tax Administration determines that the information provided by the taxpayer in the statement referred to in paragraph 1 of this Article is incorrect, it may prohibit the taxpayer from applying the procedure of taxation on collected fees and shall issue a decision thereof, without appeal delaying the enforcement of the decision. .  
  
(5) The taxpayer who applied the procedure of taxation against collected fees in the VAT return for the first taxation period after switching to VAT calculation according to the deliveries made must show all completed and unpaid deliveries before changing the method of VAT calculation as collected and has the right to deduct the VAT contained in the received deliveries which he has not paid until the VAT is changed.  
  
(6) The taxpayer referred to in paragraph 5 of this Article must submit to the competent branch of the Tax Administration as an annex to the VAT return for the first taxation period after switching to VAT calculation according to the deliveries made, a list of all invoices issued and unpaid and all received, and unpaid bills until VAT is changed.  
  
(7) The Minister of Finance shall lay down detailed provisions for the application of the taxation procedure against fees.

**XVI TAX REPRESENTATIVE**

**Article 126**

(1) If, pursuant to Article 75 of this Act, a taxpayer who is not domiciled but domiciled in another Member State is obliged to pay VAT, that taxpayer may appoint a tax representative as a person liable to pay VAT.  
  
(2) If, pursuant to Article 75 of this Act, a taxpayer who is not domiciled in the EU or in the territory of the European Union but is established in a third country or in a third area is required to pay VAT, that taxpayer must appoint a tax representative as a person who is obliged to pay VAT if the Republic of Croatia has not concluded mutual assistance agreements similar in scope to those prescribed by Council Directive 2010/24 / EU of 16 March 2010 on mutual assistance for the recovery of claims relating to taxes, duties and other measures (OJ L 84, 31.3.2010) and Council Regulation (EU) No 1095/2010. 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax (OJ L 268, 12.10.2010).  
  
(3) The tax agents referred to in this Article must be taxpayers with their registered office or residence or habitual residence abroad.  
  
(4) The tax representative shall be liable as the guarantor for the VAT payer.  
  
(5) The Minister of Finance shall prescribe by ordinance the implementation of this Article in respect of tax agents.

**XVII. RESPONSIBILITY**

**Article 127**

(1) A taxpayer who performs the delivery of goods and services with the right to deduct tax shall be held liable if it arises from objective circumstances that he knew or had to know that due to fraudulent activities, part or all of the VAT related to the delivery which he received has been made, or any previous or subsequent delivery of the same goods or services, remain unpaid.  
  
(2) If the taxpayer's liability is determined in accordance with paragraph 1 of this Article, the taxpayer shall be challenged.  
  
(3) If the Tax Administration suspects that the supplies of goods and services are part of transactions intended to fraudulently evade VAT, then it shall notify the taxpayer participating in such transactions of its liability in accordance with paragraph 1 of this Article. From the date of receipt of such notice, the tax authority may consider that the taxpayer knew or should have known that he or she is involved in such transactions with the purpose of avoiding VAT.

**Article 127a**

The taxpayer who has delivered goods or services abroad is liable as a guarantor for the VAT payer when the taxpayer who made the delivery did not pay at least the amount of VAT charged to the account within the period prescribed by the special regulation on financial operations from the date of issue. account.

**Article 127b**

(1) The tax administration or the customs administration may require the taxpayer who acquires used vehicles from another Member State, prior to their registration, to provide insurance to fulfill the VAT obligation arising from the acquisition of used vehicles.  
  
(2) The Minister of Finance shall prescribe by an ordinance the procedure relating to the provision of insurance for the fulfillment of VAT obligations arising from the acquisition of used means of transport.

**XVIII. SURVEILLANCE**

**Article 128**

(1) The implementation of this Act shall be supervised by the Ministry of Finance, the Tax Administration and the Customs Administration.  
  
(2) The Ministry of Finance, Tax Administration may prohibit the taxpayer from further work if he does not calculate or pay VAT within the legally prescribed period.  
  
(3) The prohibition of work may continue until payment of accrued liabilities has been made.  
  
(4) An appeal lodged against the decision referred to in paragraph 2 of this Article shall not suspend the execution of the decision.  
  
(5) The prohibition referred to in paragraph 2 of this Article shall be enforced by the sealing of the business premises in which the taxpayer carries on his business, as well as by the sealing of the equipment and means used for his work.

**XIX. LEGAL MEANS**

**Article 129**

(1) The provisions of the General Tax Law shall apply to appeal proceedings, statute of limitations, calculation, collection and refund of VAT. The provisions of the Misdemeanor Law apply to the misdemeanor procedure.

(2) The customs office responsible for conducting the customs procedure shall carry out the procedures referred to in paragraph 1 of this Article in respect of import debt in accordance with the provisions of the customs regulations.

**XX OFFENSE PROVISIONS**

**Article 130**

(1) A taxpayer in the amount of HRK 1,000.00 to 200,000.00 shall be fined for an offense if:  
  
1. he does not charge VAT as a person acquiring new means of transport (Article 75, paragraph 1, item 4 and Article 76, paragraph 6),  
  
the second does not levy VAT in the case of transfer of tax liability (article 75, paragraph 1, item 6 and 7 and article 75 paragraphs 2 and 3),  
  
3. fails to report or log in the prescribed period of any change or cessation of its activities as a taxpayer or not to submit a request for issuing VAT identification number (article 77),  
  
fourth in the account does not disclose all prescribed data (article 79),  
  
fifth in account the amount of VAT which not payable in HRK (Article 81),  
  
6. fails to inform the competent Tax Administration office that invoices issued and received by the guard outside Croatian territory (Article 82, paragraph 3),  
  
seventh starts to apply the procedure of margin taxation in special cases, while it is not reported or not Reported to the competent office of the Tax Administration within the prescribed deadline (Article 97, paragraph 3),  
  
8. does not list inventories of goods for which the VAT rate changes (Article 135).  
  
(2) A responsible person in a legal person shall also be fined between HRK 500.00 and HRK 40,000.00.

**Article 131**

(1) A taxpayer in the amount of HRK 2,000.00 to 500,000.00 shall be fined for an offense if he:  
  
1. inaccurately establishes the tax base (Article 7, paragraph 10, Articles 33, 34, 35; 92 and 96 and Article 97, paragraph 5),  
  
2. does not calculate VAT at the prescribed rate (Articles 37 and 38),  
  
3. benefits from VAT exemptions contrary to the provisions of the Act (Article 39, paragraph 1). , and 2, Article 40, paragraphs 1 and 2, Articles 41, 42, Article 43, paragraphs 1 and 2, Article 44, paragraphs 1 and 2, Article 45, paragraphs 1, 2 ., 4, 5 and 6, Article 46, Article 47 (1) and (2), Article 48 (1), Articles 49, 50, Article 51 (1), (2) and (3) ., Article 52, paragraphs 1, 2 and 3, Articles 53 and 54),  
  
4. rejects the tax that cannot be deducted under this Act (Article 57, paragraph 2, Articles 94, 101, 116 and Article 124, paragraph 1);  
  
5. fails to pay or does not pay within the prescribed period and VAT declared to the prescribed payment account (Article 76),  
  
6. does not issue the invoice or does not issue it within the prescribed period (Article 78 paragraphs 1, 2 and 4),  
  
7. the invoice is issued by the recipient who does not fill conditions for issuing invoices (Article 78, paragraph 6),  
  
8. does not keep invoices and other documentation within the prescribed period (Article 82, paragraphs 1, 4 and 5),  
  
9. does not provide in his bookkeeping all information regarding with VAT calculation and payment (Article 83),  
  
10. fails to submit or fails to submit within the prescribed period to the competent Tax Administration office application of VAT and application of domestic deliveries to the transfer of tax liability (Article 85, paragraphs 6 and 11),  
  
11th taxpayer in the application of VAT, which submitted the final taxation period of the calendar year or the last period of taxation in which it operated, does not perform any adjustments and corrections (article 85, paragraph 7),  
  
12th in the application of VAT can not express all the necessary information (article 85, paragraphs first and 2),  
  
13. does not submit or submit the application for the acquisition of goods and services received from other Member States of the European Union within the prescribed time limit or provide all the prescribed information (Article 86),  
  
14. fails to submit or not to submit the application within the supply or acquisition of new means of transport or fails to present value delivery or acquisition of new means of transport (Article 87),  
  
15th summary declaration is not submitted or it is not submitted within the prescribed period or does not express all required data (articles 88 and 89),  
  
the 16th charge VAT under a special taxation procedure, and acts only as an intermediary (article 91, paragraph 1),  
  
the 17th as an art dealer at the same time applies a regular procedure of VAT taxation and specific operation the taxation of the margin, but does not keep or inaccurately maintain special records for each of these procedures (Article 102),  
  
18. in the invoice for delivered goods subject to a special procedure for taxing the margin, state the VAT amount (Article 103);  
  
19. as the organizer of the sale by public auction does not show the prescribed data in the records (Article 110),  
  
20. as the organizer of the sale by public auction does not provide the prescribed data in the account or separately state the amount of VAT (Article 111),  
  
21. no issue invoices and / or does not keep records of transactions with investment gold and does not keep the necessary information within the prescribed period (article 117),  
  
22 shall not submit an application in connection with the special procedures or is not filed within the prescribed period (article 122, paragraph 1 . and Article 125.e paragraph 1),  
  
23. the calculated and declared VAT for special procedures does not pay or does not pay within the prescribed period in HRK into the payment account prescribed by a special regulation (Articles 123 and 125f),  
  
24. does not keep records of transactions under special taxation procedures, or fails to make them available or keep them within the prescribed time limit (Articles 125 and 125h), at the request of the Tax Administration of the Republic of Croatia and the tax authority of the Member State of consumption  
  
; does not keep records of the procedure for taxation against fees collected, and if he does not calculate and pay VAT in the prescribed manner (Article 125i, 125. and 125k),  
  
26. does not pay VAT as a guarantor payer as tax representative (Article 126, paragraph 4 .),  
  
27. fails to submit or submit within the prescribed period a request for deliveries to other Member States of the European Union of previously imported goods in the framework of procedures 42 and 63 or if it does not provide all the necessary information therein (Article 44 (3));

28. fails to submit or submit within a prescribed period a special record of invoices received for the taxation period for which the VAT return is indicated in point III.1, III.2 and / or III.3 or if it does not show all the required information (Article 85, paragraph 10),  
  
29 does not submit the Application for the international road haulage services and / or inaccurate and / or incomplete information (Article 85, paragraph 12).  
  
(2) A responsible person in a legal person shall also be fined between HRK 1,000.00 and HRK 50,000.00.

**XXI. TRANSITIONAL AND FINAL PROVISIONS**

**Article 132**

Taxpayers who, by December 31, 2009, acquired the right to deduct their pre-tax deductions from personal vehicles or other means of personal transport of the taxpayer, managerial, managerial and other employees, and calculated and paid VAT at 30% of the depreciation expense up to 400,000 , HRK 00 of the purchase value of these assets, ie at 100% of the depreciation expense for an amount exceeding HRK 400,000.00 of the purchase value, are obliged to continue to calculate and pay VAT for their own consumption at 30%, or 100% of the depreciation expense until the expiration of the depreciation lifetime, that is, the moment of sale, donation, alienation, or destruction of those assets.

**Article 133**

Requests for VAT refund to foreign taxpayers relating to the period of refund before the accession of the Republic of Croatia to the European Union will be dealt with in accordance with the provisions of the Value Added Tax Act, which was in force prior to the entry into force of this Act.

**Article 134**

On the day the VAT rate change provisions enter into force, taxpayers are obliged to list inventories of goods for which the VAT rate changes.

**Article 135**

(1) No real estate tax shall be payable on real estate constructed (completed - completed), delivered or paid up to 31 December 1997 and on which property tax is levied within the meaning of Article 25 of the Real Estate Tax Act. .  
  
(2) VAT shall not be paid on delivery of agricultural land and construction land with or without construction on it.

**Article 136**

To taxpayers who, according to the available data of the Tax Administration, carry out transactions with foreign taxpayers on the day this Act enters into force, the Tax Administration will assign the VAT identification number referred to in Article 77, paragraph 6 of this Act or assign it upon the submission of the taxpayer's request. An appeal against the decision may be lodged within 15 days from the date of receipt of the decision.

**Article 137**

(1) Provisions of the Value Added Tax Act in force at the time when the goods are subject to temporary importation procedures with full exemption from import duties or one of the procedures referred to in Article 51, paragraph 1 of this Act, or similar procedures; also apply after the date of Croatian accession to the European Union until the this good do not cease to apply these procedures, subject to the following conditions:  
  
a) that goods are entered into the European Union or in the Republic of Croatia before the date of accession to the European Union,  
  
b) that goods are subject to these procedures when entering the European Union or in the Republic of Croatia,  
  
c) that these procedures have not ceased to apply to this good before the date of Croatian accession to the European Union.  
  
(2) The provisions in force at the time when the goods undergo a customs transit procedure shall continue to apply after the date of accession of the Republic of Croatia to the European Union until such goods have ceased to be applicable, provided that the following conditions are met:  
  
a) that those goods which have undergone a customs transit procedure before the date of accession to the European Union;  
  
b) that those procedures have not ceased to apply to those goods before the date of accession to the European Union.  
  
(3) If the procedure establishes that the goods were in free circulation in the Republic of Croatia or in the European Union, the importation of those goods shall be considered as follows:  
  
a) exemption, including the improper exclusion of goods from temporary importation procedures which have been subjected to prior to the date of accession the European Union under the terms of paragraph 1 of this Article,  
  
b) exemption, including the improper exclusion of goods from the procedures referred to in Article 51, paragraph 1. this Act or similar procedures which have been subjected to prior to the date of Croatian accession to the European Union, as provided for in paragraph 1,  
  
c) termination of any proceedings referred to in paragraph 2 of this Article which began on Croatian territory before the date of accession to the European Union , for the purpose of delivering goods for a fee paid by a taxpayer acting as such before that date in the territory of the Republic of Croatia,  
  
d) any irregularity or infringement committed during the customs transit procedure initiated under the conditions referred to in point c) of this paragraph.  
  
(4) Except for the cases referred to in paragraph 3 of this Article, the importation of goods shall be deemed to be the use of goods received by the taxpayer or non-taxable person, ie delivered to him in the territory of the Republic of Croatia or in the European Union before the date of accession of the Republic of Croatia to the European Union. and uses those goods in the Republic of Croatia after the date of accession to the European Union, provided that the following conditions are met:  
  
a) that the supply of those goods has been exempt from VAT or may have been exempted under Article 45 (1) (1); 2 of this Act,  
  
b) that the goods were not imported into the European Union or in the Republic of Croatia before the date of accession.  
  
(5) In the cases referred to in paragraph 3 of this Article, the place of delivery within the meaning of Article 28 (2) of this Act shall be deemed to be a Member State in the territory to which the procedures to which they were subjected before the date of accession of the Republic cease to apply to the goods referred to in paragraph 3 of this Article. Croatia to the European Union.  
  
(6) By way of derogation from the provisions of Article 32, paragraphs 2, 3 and 4 of this Act, the importation of goods within the meaning of paragraphs 3 and 4 of this Article shall not be considered a taxable event if one of the following conditions is met:  
  
a) imported the goods have been shipped or transported outside the European Union,  
  
b) the goods imported, within the meaning of paragraph 3 (a) of this Article, have not been means of transport and have been shipped back or transported to the Member State from which they were exported, to the person who exported them,  
  
c) the imported goods are, within the meaning of paragraph 3 (a) of this Article, means of transport which were purchased or imported before the date of accession of the Republic of Croatia to the European Union, in accordance with the general taxation conditions applicable at home or in one of the Member States of the European Union or for which no VAT exemption or refund has been granted on the basis of their export.  
  
(7) The condition referred to in paragraph 6, point c) of this Article shall be considered fulfilled in the following cases:  
  
a) if the date of first use of the means of transport was more than eight years before the date of accession of the Republic of Croatia to the European Union,  
  
b) if the amount of VAT, which is to be paid on import less than HRK 160.00.

**Article 138**

(1) The provisions of the Value Added Tax Act, which was in force prior to the entry into force of this Act, shall apply to VAT obligations incurred before the date of entry into force of this Act with respect to their determination, collection and refund.  
  
(2) Taxpayers who cease to be VAT payers on the day this Law enters into force shall submit a final VAT calculation to the competent branch of the Tax Administration within two months from the day this Law enters into force.  
  
(3) Taxpayers who become VAT taxpayers on the day this Law enters into force shall submit to the competent branch of the Tax Administration within 15 days from the day this Law enters into force a request for registration with the VAT taxpayer if they are in the previous in the calendar year have achieved a value of deliveries in excess of the amount prescribed in Article 90, paragraph 1 of this Act.

**Article 139**

(1) A taxpayer who is a taxpayer of income tax, may calculate VAT on the basis of received or collected compensation for goods delivered and services rendered. This does not apply to the supply of goods within the European Union, to the acquisition of goods within the European Union, to the supply or transfer of goods referred to in Article 30 (8) and (9) of this Act, to the services referred to in Article 17 (1) of this Act and to the supply of goods , for which the recipient is obliged to pay VAT pursuant to Article 75, paragraph 1, item 6 and Article 75, paragraphs 2 and 3 of this Act, and in the case referred to in Article 7, paragraph 9 of this Act.  
  
(2) The taxpayer referred to in paragraph 1 of this Article shall have the right to deduct the input tax at the moment when he paid the supplier an invoice for the delivered goods or services rendered.  
  
(3) The taxpayer referred to in paragraph (1) of this Article must state in the invoice the "chargeback calculation".  
  
(4) The provisions of this Article shall apply until 31 December 2014.

**Article 140**

(1) The Minister of Finance shall adopt the ordinance referred to in Article 4, paragraph 5, Article 6, paragraph 6, Article 7, paragraph 11, Article 8, paragraph 5, within three months from the date of entry into force of this Act. Article 9 (5), Article 10 (6), Article 17 (3), Article 30 (11), Article 33 (11), Article 35 (6), Article 38 (4) 39 (4), Article 40 (5), Article 43 (3), Article 44 (3), Article 45 (7), Article 47 (3), Article 48 (2), Article 51 (4), Article 52 (4), Article 59 (3), Article 60 (3), Article 61 (3), Article 62 (10), Article 63 (4), Article 64. 5, Article 67, paragraph 11, Article 74, paragraph 5, Article 75, paragraph 5, Article 77, paragraph 8, Article 78, paragraph 12, Article 80, paragraph 6, Article 83, paragraph 7, Article 85, paragraph 9,Article 86 (3), Article 87 (3), Article 88 (6), Article 90 (7), Article 91 (4), Article 95 (6), Article 102 (2) 115, paragraph 5 and Article 126, paragraph 5 of this Law.  
  
(2) The Minister of Finance shall, within four months from the date of accession of the Republic of Croatia to the European Union, adopt the ordinance referred to in Article 76, paragraph 10 of this Act.

**Article 141**

On the day of accession of the Republic of Croatia to the European Union, the provisions of Article 17 of the Law on the Legal Status of Religious Communities (Official Gazette 83/02) shall cease to apply insofar as they prescribe VAT exemptions.

**Article 142**

(1) On the date of accession of the Republic of Croatia to the European Union, the Law on Value Added Tax (Official Gazette 47/95, 106/96, 164/98, 105/99, 54/00) shall cease to have effect. , 73/00., 127/00., 48/04., 82/04., 90/05., 76/07., 87/09., 94/09., 22/12., And 136/12. ).  
  
(2) On the date of accession of the Republic of Croatia to the European Union, the Ordinance on value added tax shall cease to apply (Official Gazette 149/09, 89/11, 29/12, 64/12 and 146/12). .

**Article 143**

(1) This Act shall enter into force on the eighth day after its publication in the Official Gazette, with the exception of Articles 1 to 39, Article 40, Paragraph 1, items a), b), c), d), e), f ), g), h), i) il) and paragraphs 2, 3 and 5, Articles 41 to 74, Article 75 (1), (2), (3) (a), (b), d) ie) and paragraphs 4 and 5, Articles 76 to 135, Articles 137 to 139, Article 140 (2), Article 141 and Article 142, which enter into force on the date of accession of the Republic of Croatia to the European Union .  
  
(2) Article 40 (1) (j) and (c) and paragraph 4 and Article 75 (3) (c) of this Act shall enter into force on 1 January 2015.  
  
(3) Article 135 of this Act shall expire on 1 January 2015.

**APPENDIX I.**

LIST OF ACTIVITIES REFERRED TO IN ARTICLE 6 (5) OF THIS LAW  
  
1. telecommunication services,  
  
2. delivery of water, gas, electricity and heating,  
  
3. transportation of goods,  
  
4. port services and airport services,  
  
5. transportation of passengers,  
  
6. delivery of new goods produced for sale,  
  
7. transactions relating to agricultural products performed by agricultural intervention services in accordance with the regulations on the common organization of the market of these products,  
  
8. organization of trade fairs and exhibitions,  
  
9. storage,  
  
10. activities of legal entities that deal with commercial advertising,  
  
11. travel agency activities,  
  
12. running shops for staff, cooperatives, industrial canteens and the like.

**ANNEX II.**

LIST OF GOODS TO BE PLACED IN WAREHOUSES REFERRED TO IN ARTICLE 52 OF THIS LAW

|  |  |  |
| --- | --- | --- |
| CN code | | Description of goods |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |
| 1. | 0701 | Potato |
| 2. | 0711 20 | olive |
| 3. | 0801 | Coconut, brazil and cashew |
| 4. | 0802 | Other nuts |
| 5. | 0901 11 00 | Coffee, unroasted |
|  | 0901 12 00 |  |
| 6. | 0902 | Tea |
| 7. | 1001 do 1005 | Cereals |
|  | 1007 do 1008 |  |
| 8. | 1006 | Peeled rice |
| 9. | 1201 do 1207 | Grains and oilseeds (including soybeans) and oilseeds |
| 10. | 1507 do 1515 | Vegetable oils and fats and their by-products, crude or refined, but not chemically modified |
| 11. | 1701 11 | Raw sugar |
|  | 1701 12 |  |
| 12. | 1801 | Cocoa seeds, whole or broken, raw or roasted |
| 13. | 2709 | Mineral oils (including propane and butane; and including crude oil) |
|  | 2710 |  |
|  | 2711 12 |  |
|  | 2711 13 |  |
|  | 2711 14 |  |
|  | 2711 19 |  |
| 14. | Chapters 28 and 29 | Bulk chemical products |
| 15. | 4001 | Rubber, in its original form or in the form of plates, sheets or strips |
|  | 4002 |  |
| 16. | 5101 | Wool |
| 17. | 7106 | Silver |
| 18. | 7110 11 00 | Platinum (palladium, rhodium) |
|  | 7110 21 00 |  |
|  | 7110 31 00 |  |
| 19. | 7402 | Burn it |
|  | 7403 |  |
|  | 7405 |  |
|  | 7408 |  |
| 20. | 7502 | Nickel |
| 21. | 7601 | Aluminum |
| 22. | 7801 | Lead |
| 23. | 7901 | Cink |
| 24. | 8001 | Kositar |
| 25. | previous 8112 92 | Indij |
|  | previous 8112 99 |  |

**DODATAK III.**

LIST OF GOODS TO WHICH A SPECIFIC PROCEDURE FOR TAXATION OF THE MARGIN REFERRED TO IN ARTICLE 95 OF THIS LAW APPLIES

God A.

Art works

1. paintings, drawings and pastels, collages and similar decorative panels, wholly made by the artist, with the exception of plans and drawings for architectural, engineering, industrial, commercial, topographic or similar purposes, hand-painted or decorated craft products, theater decorations, wallpaper for studies and the like of colored fabric (CN code 9701),

2. original engravings, prints and lithographs, in the case of a limited number of overprints of one or more panels, which are completely handmade by the artist in black and white or in color, regardless of the procedure or material used, except mechanical or photomechanical procedures ( CN code 9702 00 00),

3. original sculptures and statues, of any material, if made entirely by the artist; castings of sculptures limited to eight pieces and supervised by the artist or his heirs (CN code 9703 00 00);

4. tapestries (CN code 5805 00 00) and fabric wall coverings (CN code 6304 00 00) hand-made according to the artist's original designs, provided that there are no more than eight copies of each;

5. original ceramic objects made entirely by the artist with his signature,

6. copper enameled articles, made entirely by hand, the number of which is limited to eight numbered numbered copies bearing the artist's signature or the name of the studio, with the exception of jewelry products (jewels, jewelry), jewelry and jewelry stores;

7. artistic photographs taken by the artist and taken by him or by someone under his supervision, signed and numbered, in a maximum of 30 copies of all sizes and frames.

GOD B.

Collections

1. Stamps or postage stamps, postage stamps, commemorative "first day" envelopes, franked letters and the like, used, or, if not used, not currently in circulation or intended for circulation (CN code 9704 00 00);

2. collections and collectibles of zoological, botanical, mineralogical, anatomical, historical, archaeological, paleontological, ethnographic or numismatic significance (CN code 9705 00 00).

GOD C.

Antiques

Articles, with the exception of works of art or collectibles, more than 100 years old (CN code 9706 00 00).

**ANNEX IV.**

LIST OF MACHINERY AND EQUIPMENT REFERRED TO IN ARTICLE 76 (8) OF THIS LAW  
  
1) A machine or equipment classified according to the general rules for the application of the Combined Nomenclature in one of the headings of Section XVI, consisting of:  
  
a) CHAPTER 84 - Nuclear reactors, boilers; machines and mechanical appliances; parts thereof,  
  
b) CHAPTER 85 - Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, parts and accessories thereof.  
  
2) Machine or equipment classified under heading 8608, 8802, 8805, 8905 or 8907 by the general rules for the application of the Combined Nomenclature:  
  
a) 8608 - Rail or tramway track assemblies and accessories; mechanical (including electromechanical) signaling, security, surveillance or traffic control equipment for railways, roads, inland waterways, parking lots, port facilities or airports; parts thereof,  
  
b) 8802 - Other aircraft (for example, helicopters, aircraft); spacecraft (including satellites) and suborbital and spacecraft carriers,  
  
c) 8805 - Aircraft launch equipment; deck stopping equipment and similar equipment; ground flight trainers; parts of these products,  
  
d) 8905 - Lighthouse vessels, fire-fighting vessels, dredging vessels, navigable cranes and other vessels with auxiliary buoyancy in relation to their principal function; floating docks; floating or submersible drilling or retrieval platforms,  
  
e) 8907 - Other floating objects (for example, rafts, tanks, caissons, landing platforms, buoys and buoy beacons).

**Note, OG 148/13**

LAW ON AMENDMENTS TO THE LAW ON VALUE ADDED TAX

Article 11  
  
This Law shall enter into force on the eighth day after its publication in the Official Gazette, except for the provision of Article 2, paragraph 2 of this Act, which shall enter into force on 1 January 2014.

**Note, OG 143/14**

Law on Amendments to the Law on Value Added Tax

TRANSITIONAL AND FINAL PROVISIONS  
  
Article 37  
  
The taxpayer must submit to the competent branch of the Tax Administration according to his / her headquarters, residence or habitual residence for 2014 the final VAT calculation by the end of February 2015.  
  
Article 38  
  
The provisions of the Value Added Tax Act (Official Gazette) shall apply to deliveries of buildings subject to VAT for which contracts and other delivery documents have been concluded or final decisions issued by the competent authorities have been concluded by 31 December 2014 (Official Gazette). 73/13, 99/13, 148/13 and 153/13).  
  
Article 39  
  
(1) Taxpayers with headquarters, permanent establishment, residence or habitual residence in the country whose value of deliveries of goods and services in 2014 did not exceed HRK 3,000,000.00 excluding VAT, who wish to start applying the taxation procedure according to collected fees from January 1, 2015, must submit a written statement to the competent branch of the Tax Administration by January 20, 2015 at the latest.  
  
(2) Taxpayers who, until December 31, 2014, have calculated VAT according to the fees collected, may submit a written statement to the competent branch of the Tax Administration by January 20, 2015, that they want to calculate VAT on deliveries from January 1, 2015.  
  
(3) If the taxpayers referred to in paragraphs 1 and 2 of this Article do not submit a written statement to the competent branch of the Tax Administration by January 20, 2015, on the change of the method of VAT calculation, they shall be considered to apply the calculation procedure from January 1, 2015 VAT they applied in 2014 as well.  
  
Article 40  
  
Throughout the text of the Law on Value Added Tax (Official Gazette 73/13, 99/13, 148/13 and 153/13) the words: "accounting period" in any issue or case are replaced by the words: “tax period” in the corresponding number and case.  
  
Article 41  
  
This Law shall enter into force on the eighth day after its publication in the Official Gazette, except for the provisions of Article 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 15 ., 16., 17., 18., 19., 24., 25., 26., 27., 28., 29., 30., 31., 32., 33., 34., 36., 37, 38, 39 and 40, effective January 1, 2015.

**Note, OG 115/16**

Law on Amendments to the Value Added Tax Act  
  
TRANSITIONAL AND FINAL PROVISIONS  
  
Article 26  
  
(1) Taxpayers who in 2017 realize the value of deliveries of goods or services provided in Article 90, paragraphs 5 and 6 of the Act in excess of 300,000 , 00 kunas (excluding VAT) are obliged to be entered in the register of VAT taxpayers from January 1, 2018.  
  
(2) Taxpayers who in 2017 do not receive the deliveries referred to in paragraph 1 of this Article in excess of HRK 300,000.00 shall, by 15 January 2018, submit an application for deletion from the VAT register to the competent branch of the Tax Administration or request in writing that the provisions of section 90 (3) of the Act apply to them.  
  
(3) Taxpayers who in 2017 do not receive the deliveries referred to in paragraph 1 of this Article in excess of HRK 300,000.00 shall remain taxpayers if they were entered in the VAT register at their own request, which obliges them for the next three calendar years. to the regular VAT taxation procedure.  
  
(4) Taxpayers who have a resolution issued committing them to be entered in the VAT register for the next five calendar years may request deletion from the VAT register if they have not achieved in the previous calendar year the value of deliveries of goods or services rendered in excess of the amount referred to in section 90 (1) of the Act and if three calendar years have elapsed.  
  
Article 27  
  
VAT shall be exempt from the supply of pleasure craft, aircraft, passenger cars and other personal transport equipment for which it was not possible to deduct input tax under Article 61 (1) (a) of the Law on Value Added Tax (Official Gazette, Nos. 73/13, 99/13, 148/13, 153/13 and 143/14) procured by taxpayers by 31 December 2017.  
  
Article 28  
  
In case of VAT refund to third-party taxpayers The procedures for establishing reciprocity by 31 December 2016 shall be conducted in accordance with the rules applicable until the entry into force of this Act.  
  
Article 29  
  
(1) The provisions of the Ordinance on value added tax (Official Gazette 79/13, 85/13, 160/13, 35/14, 157/14 and 130/15) shall remain in force. power in a part that is not contrary to this Act.  
  
(2) The Minister of Finance is authorized to harmonize the Ordinance on value added tax (Official Gazette 79/13, 85/13, 160/13, 35/14, 157/14 and 130/15) .) with the provisions of this Act within 90 days of its entry into force.  
  
Article 30  
  
Within two years from the day this Law enters into force, the Ministry of Finance shall carry out a subsequent assessment of the effects of this Act.  
  
Article 31  
  
This Act shall be published in the Official Gazette and shall enter into force on 1 January 2017, except for the provisions of Article 1, Article 8, which in Article 40 amends paragraph 2 of the Law on Value Added Tax (Official Gazette ", Nos. 73/13, 99/13, 148/13, 153/13 and 143/14), Article 11, Article 12, Article 16, which modifies paragraph 8 in Article 76 Of the Law on Value Added Tax (Official Gazette 73/13, 99/13, 148/13, 153/13 and 143/14), Article 21, which reads in Article 90 amends paragraph 1 of the Law on Value Added Tax (Official Gazette 73/13, 99/13, 148/13, 153/13 and 143/14), Article 26, paragraphs 1 , 2 and 3, and Article 27 of this Act, which shall enter into force on 1 January 2018, and Articles 4 and 5 of this Act, which shall enter into force on 1 January 2019.  
  
*Note: The transitional and completed provisions of Article 26 (1), (2) and (3) and Article 27 of the Law on Amendments to the Value Added Tax Act shall enter into force on 1 January 2018.*

**Note, OG 106/18**

Law on Amendments to the Law on Value Added Tax

TRANSITIONAL AND FINAL PROVISIONS  
  
Article 20  
  
(1) Provisions of the Ordinance on value added tax (Official Gazette 79/13, 85/13, 160/13, 35/14, 157/14, 130/15, 1/17, 41/17 and 128/17) shall remain in force insofar as they do not contravene this Law.  
  
(2) The Minister of Finance shall harmonize the Ordinance on value added tax (Official Gazette 79/13, 85/13, 160/13, 35/14, 157/14, 130/15). , 1/17, 41/17 and 128/17) with the provisions of this Act within 90 days from the day of its entry into force.  
  
Article 21  
  
Within two years from the day this Law enters into force, the Ministry of Finance shall carry out a subsequent assessment of the effects of this Act.  
  
Article 22  
  
This Law shall be published in the Official Gazette and shall enter into force on 1 January 2019, except for Article 6 of this Act, insofar as it amends Article 38 paragraph 1 of the Law on Value Added Tax (Official Gazette, Nos 73/13, 99/13, 148/13, 153/13, 143/14 and 115/16), which shall take effect on 1 January 2020.

**Note, OG 121/19**

Law on Amendments to the Law on Value Added Tax

Article 16: In Article 6 of the Law on Amendments to the Value Added Tax Act (Official Gazette 106/18), in the amended Article 38, paragraph 1 is amended to read:  
"(1) VAT shall be calculated and paid at the rate of 25%. ".

Article 17: In Article 22 of the Act on Amendments to the Value Added Tax Act (Official Gazette 106/18) the words: "except for Article 6 of this Act in the part that changes Article 38 paragraph 1 of the Law on Value Added Tax (Official Gazette 73/13, 99/13, 148/13, 153/13, 143/14 and 115/16), which enters into force January 1, 2020 «are deleted.  
  
TRANSITIONAL AND FINAL PROVISIONS

Article 18: (1) Taxpayers who did not meet the requirements of Article 39 (3) of the Law on Value Added Tax (Official Gazette 73/13, 99/13, 148/13, 153 / 13, 143/14, 115/16 and 106/18) and have calculated VAT on deliveries made as of 1 January 2020, subject to the exemption from VAT pursuant to the provisions of Article 39 (1) (b) ), g), h), i), l), m) in) of this Act and are obliged to correct the deduction of the pre-tax for economic goods which they will use to make deliveries of VAT exempt in accordance with the provisions of Articles 63 and 64 of this Law .

(2) The taxpayers referred to in paragraph 1 of this Article who were entered in the VAT taxpayer register at their own request in 2019 may, exceptionally, from the provisions of Article 90 paragraph 3 of the Value Added Tax Act (Official Gazette, Official Gazette no. 73/13., 99/13., 148/13., 153/13., 143/14., 115/16. And 106/18.) By 15 January 2021 file a request for deletion from the VAT register -to the competent branch of the Tax Administration if in 2020 they did not realize the value of deliveries of goods or services rendered in excess of the amount referred to in Article 90, paragraph 1 of this Act.

Article 19: Taxpayers with domicile, permanent establishment, residence or habitual residence abroad whose value of delivery of goods and services in 2019 did not exceed HRK 7,500,000.00 excluding VAT, wishing to apply the taxation procedure according to the fees collected from January 1, 2020, they must submit a written statement to the competent branch of the Tax Administration by January 20, 2020 at the latest.

Article 20: The Minister of Finance shall harmonize the Regulation on value added tax (Official Gazette 79/13, 85/13, 160/13, 35/14, 157/14, 130/15). , 1/17, 41/17, 128/17 and 1/19) with the provisions of this Act within 90 days from the day of its entry into force.

Article 21: Within a period of two years from the date of entry into force of this Act, the Ministry of Finance shall carry out a subsequent assessment of the effects of this Act.

Article 22: This Law shall be published in the Official Gazette and shall enter into force on 1 January 2020.