

Benko Kotruljić d.o.o.
Šarengradska 9
HR-10000 Zagreb
tel: +385 1 3845 222
fax: +385 1 3016 111
www.benko-kotruljic.hr
OIB: 30578946052

DOMESTIC REVERSE CHARGE MECHANISM APPLIED ON CERTAIN SERVICES IN CROATIA

Croatian fiscal authorities announced on September 29th, 2014 public notice (on their web page) notifying all VAT tax payers providing services where VAT self-billing is mandatory in Croatia (customers applying VAT reverse charge mechanism for domestic services) in accordance with Article 75., Paragraph 3. of VAT Act, are obliged to fill in and submit related newly implemented VAT return (so called "PPO VAT Return"), for the period July-December 2013, January-June 2014 and July-December 2014.

Related VAT returns for the period July-December and January-June 2014 are due for submission until the end of October (October 31st is the last day for submission), whilst July-December 2014 VAT return is mandatory to submit until the end of February 2015 via internet ("e-Porezna" application that will be activated for submission on October 15th, 2014).

In case VAT tax payers do not submit PPO VAT return or they are late with its submission, there will be applied penalties from amount of 5.000,00 HRK up to 300.000,00 HRK for legal entities and in amount of 3.000,00 HRK up to 30.000,00 HRK for companies' legal representatives, in accordance with Article 208., Paragraph 1., Point 4. of Common Tax Act.

BENKO KOTRULJIĆ d.o.o.
October, 2014