



**EUROPEAN COMMISSION**  
DIRECTORATE-GENERAL  
TAXATION AND CUSTOMS UNION  
Indirect Taxation and Tax administration  
**VAT and other turnover taxes**

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**VAT IN THE EUROPEAN UNION**

**VADEMECUM FOR THE ELECTRONIC  
REFUND PROCEDURE TO TAXABLE  
PERSONS NOT ESTABLISHED IN THE  
MEMBER STATE OF REFUND BUT  
ESTABLISHED IN ANOTHER MEMBER  
STATE (COUNCIL DIRECTIVE 2008/9/EC)**

**NOTE**

**THIS DOCUMENT COLLATES A RANGE OF  
BASIC INFORMATION ON THE  
APPLICATION OF THE REFUND  
ARRANGEMENTS IN THE MEMBER  
STATES WHICH HAS BEEN OBTAINED  
FROM THE TAX AUTHORITIES  
CONCERNED.**

**THIS DOES NOT REFLECT THE VIEWS OF  
THE COMMISSION OF THE EUROPEAN  
UNION, NOR DOES IT SIGNIFY APPROVAL  
OF THE LEGISLATION.**

## CROATIA

### VADEMECUM FOR THE ELECTRONIC REFUND PROCEDURE TO TAXABLE PERSONS NOT ESTABLISHED IN THE MEMBER STATE OF REFUND BUT ESTABLISHED IN ANOTHER MEMBER STATE

#### General

#### **1. Where could a non established taxable person (NETP) find information on your laws and guidelines?**

National VAT legislation and regulations can be found on the website of the Tax Administration of the Republic of Croatia (<http://www.porezna-uprava.hr>), in Croatian, and the VAT Act is also available in English.

#### **2. Eligibility for a refund**

To be eligible for a refund the applicant must be a taxable person established in the EU making taxable supplies in his own Member State (the Member State of Establishment). He must have incurred VAT on expenses in a Member State in which he has no establishment (the Member State of Refund), and he must have made no supplies within that Member State other than reverse charge supplies, or certain exempt transport services, during the refund period.

#### **3. What can be refunded**

VAT relating to business activities carried out outside the Member State of Refund if those activities would be subject to tax or exempt with a right to deduct in the Member State of Refund if they had been made there, and VAT relating to supplies on which the reverse charge is applicable in the Member State of Refund.

#### **4. What can not be refunded**

VAT incurred which relates directly to activities which are exempt without the right to deduct.

VAT incurred on expenses on which there are restrictions on the right to deduct in the Member State of Refund.

The taxable person may not deduct input VAT in the following cases:

a) the purchase and lease of pleasure boats, aircraft, personal cars and other means of personal transport, including the purchase of accessories for such goods, as well as services supplied in relation thereto.

(This shall not apply to vessels or aircraft used for the economic activity of transporting passengers and goods and a rental activity thereof, or purchased for the purpose of resale, as well as in case of personal cars and other means of personal transport used for drivers training, vehicles testing, repair service, economic activity of transporting passengers and goods, transport of deceased, rent and purchased for the purpose of resale);

b) the purchase of goods and services for the needs of representation whereby representation shall be deemed to be expenditure on hosting business partners, giving

gifts to business partners, payment of business partners' holiday expenses, sport and amusement or entertainment, car, boats, aircraft, holiday homes and similar.

## **5. Proportional deduction**

Where the taxable person is only able to deduct a proportion of his input tax because he makes taxable and exempt supplies, that person can only have the amount refunded according to the rules on proportional deduction in his Member State.

## **Procedures in the Member State of Establishment**

### **6. What is the application procedure?**

The applicant can access the Croatian VAT Refund portal through this link:

<https://www.eusustavi.porezna-uprava.hr/wps/myportal>

Applicant registers in his local tax office by himself or his representative, and they get their user name and password. Registration forms for applicant and representative are available on: <http://www.porezna-uprava.hr/PdviEu/Stranice/Kako-postati-korisnik.aspx>

### **7. Are there any particular requirements for an agent to be able to submit a claim on behalf of the applicant?**

After the representative is registered and connected with the applicant on applicants local tax office (using a Power of attorney form) there are no further requirements.

Representative (Agent) uses his own user name and password to access the portal and submit claim on behalf of the applicant.

### **8. Content of the application:**

The application should contain the following information:

- the applicant's name
- the applicant's VAT identification number or tax reference number
- the applicant's full address including country code (the address which is on record in Member State of Establishment)
- e-mail address
- description of the applicant's business activity for which the goods and services are acquired via NACE v.2 codes – *[All Member States have indicated that they would use NACE codes]*
- the refund period covered by the application
- declaration by the applicant that he has supplied no goods and services deemed to have been supplied in Member State of Refund during the refund period, with the exception of the supply of specific transport services and services ancillary thereto or supplies to which the reverse charge mechanism is applicable in Member State of Refund

- bank account details including IBAN and BIC codes

In addition, the following details of each invoice or importation document

- name and full address of the supplier;
- the VAT identification number or tax reference number of the supplier except in the case of importation
- the prefix of the Member State of Refund (except in the case of importation)
- date and number of the invoice or importation document
- taxable amount and amount of VAT expressed in the currency of Member State of Refund
- the amount of deductible VAT calculated expressed in the currency of Member State of Refund
- where applicable, the deductible proportion expressed as a percentage
- nature of the goods and services acquired according to the codes 1 to 10
- Where requested, further information on the nature of the goods and services acquired according to the sub-codes of 1 to 10.

### **9. The circumstances under which a Member State of Establishment will not send an application to the Member State of refund.**

If the details in point 8 above are not filled in.

The applicant is not a taxable person during the refund period.

The applicant only carries out exempt supplies in the Member State of establishment during the refund period.

The applicant is covered by the exemption for small businesses.

The applicant is covered by the flat rate scheme for farmers.

### **10. Minimum refund limits**

400 EUR (3.100 HRK) or the equivalent in national currency if the refund period is between 3 months and less than a calendar year

50 EUR (400 HRK) or the equivalent in national currency if the refund period is of a calendar year, or the remainder of a calendar year.

### **11. Time limit**

The application must be submitted to the Member State of Establishment by 30 September of the calendar year following the refund period. The application is only considered as submitted if the applicant has filled in all the required information.

**12. Is an applicant able to correct an error on an application which has been forwarded to a Member State of Refund?**

The applicant is able to correct an error on an application which has been forwarded to a Member State of refund. Correction of the application can be made by using edit option which is available by every application on the list of applications.

**Procedures in the Member State of Refund**

**13. Are copies of invoices required?**

Copies of the invoices are not required. Applicants will be requested original invoices.

**14. The maximum size limit for an attachment has been agreed at 5 mb. What is the applicant to do if they exceed this limit?**

System will not allow upload of attachments above the limit, as it would be unable to create correct VAT Return application message. Upload is rejected. NETP can do the following:

- a) Attach scans in lower resolution
- b) Do not upload and wait for other MS to ask for copies (unless they do not support such procedure)
- c) Croatia always requires for the original invoices to be sent

**15. As a Member State of refund, do you require additional documentation for claims submitted by an agent?**

Additional documentation shall be required regardless of whether the claim has been submitted by an agent or not.

**16. Can payments be made to agents?**

Payments are made to the bank account number stated in the request.

**17. How will the Member State of Refund communicate with the applicant?**

Applicants will be contacted by electronic mail.

**18. Time limits for the processing of an application**

The Member State of refund has four months from the date of receipt of an application to notify the applicant of its decision to approve or refuse the application, or to ask for further additional information. Where additional information is required, it has a further two months from receiving that information. Where it has asked for further information, it shall, in any case, notify the applicant of its decision within 8 months of the receipt of the application.

Where the refund application is approved, payment should be made within 10 working days.

## **19. Procedure for sending additional information to the Member State of Refund**

Member States can ask for additional information from persons other than the applicant. In all cases, the information should be provided to the Member State of Refund within one month of the date on which the request is received by the addressee.

Initially, all formal notices and/or requests are sent out in Croatian language. English language is also used.

## **20. The refund period**

The refund period is a calendar year, any period shorter than one calendar year but not shorter than three calendar months, as well as a period shorter than three months if it relates to the end of the year.

## **21. Number of applications accepted per year.**

There is no technical limitation.

## **22. What is the procedure for appealing against a decision? Are there any time limits for appeals?**

The applicant has 30 days from the date of receipt to send an appeal.

## **23. Incorrect applications**

If an amount has been recovered in a fraudulent or incorrect way, Member States may recover those amounts.