

Government measures to mitigate the effects caused by the coronavirus epidemic - second set

Newsflash

April 2020

After the initial set of measures introduced on 17 March 2020, at its session on Tuesday, April 2nd 2020, the Croatian Government proposed a second set of measures to mitigate the effects of the special circumstances caused by the coronavirus epidemic.

The proposed amendments have been put into parliamentary procedure for final confirmation. However, it is not expected that the proposed amendments will be substantially changed in the process.

Employment protection measures

- The grant amount provided by Croatian Employment Fund (CEF) to support job preservation in COVID 19 affected sectors is increased from HRK 3,250 to HRK 4,000 for April and May 2020

Tax measures

- Employers utilizing the grant provided by CEF to support job preservation are exempted from paying contributions on supported net salaries
- Possibility to defer payment of VAT until issued invoices are settled
- Taxpayers whose business activities are during special circumstances banned, disabled or significantly impeded by decisions of the competent authority may be fully or partially exempted from paying their tax obligations due in April, May and June 2020
- It is possible that during the time of these special circumstances the responsible body (the Ministry of Finance in most cases) may issue separate decisions/regulations by which the reporting and payment deadlines for all taxes as well as compulsory collection measures and interest rates may change

However, the implementation of the proposed measures, i.e. the conditions for VAT payment deferral and exemption from settling tax liabilities are not yet known and will be prescribed by the relevant regulations (bylaws) and decisions in the coming days.

Submission of financial statements for 2019

- The deadline for the submission of the 2019 financial statements prescribed by the Accounting Law is extended from 30 April 2020 to 30 June 2020.
- The obligation to pay a fee to the Financial Agency for the publication of the annual financial statements for the year 2019 onwards is abolished.

In accordance with the possibility to change the deadlines and extension of the deadline for submission of the financial statements, extension for filing corporate profit tax return will be prescribed by relevant regulations.

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