

CONEO

Ideas that pay off.

Monthly Newsletter

September, 2025.

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1.

THE NEW AUDIT ACT BRINGS IMPORTANT CHANGES – THE FIRST DEADLINE IS SEPTEMBER 30!

As of January 1, 2026, new rules on the appointment of auditors and the conclusion of audit agreements for financial statements will apply. Companies are required to act in a timely manner, with the first important deadline falling on September 30, 2025.

Key changes:

- » The statutory audit agreement for a given year must be concluded no later than three months before the end of the previous year.
- » The initial engagement of the audit firm must last at least two consecutive years.
- » Existing obligors must conclude the agreement for the 2026 audit by September 30, 2025, covering the period 2025–2026.
- » New obligors must conclude agreements in advance for three years – 2025, 2026, and 2027.

These obligations require timely planning and communication with auditors. It is strongly recommended to act early to avoid delays and potential non-compliance consequences.

2.

NEW OPINION OF THE TAX ADMINISTRATION ON THE TAXATION OF TOURIST PROPERTIES

According to the opinion of the Central Office of the Tax Administration (CLASS: 410-24/25-01/8, dated 29 August 2025), a property used for providing accommodation services in private households is not considered real estate within the meaning of the Local Taxes Act if, by decision on communal charges, it has been assigned a coefficient for business premises.

In practice, this means:

- » paying increased communal charges for business premises due to rental activities may result in exemption from property tax,
- » but only if such classification is formally prescribed by a decision of the local self-government unit.

It is important to note that the opinions of the Central Office are based on the legislation in force at the time of issuance and must always be verified in the context of possible amendments to laws and regulations.

3.

WHAT DO YOU NEED TO KNOW IF YOU PROVIDE SCHOLARSHIPS TO PUPILS AND STUDENTS?

Employers who wish to provide scholarships – whether as part of corporate social responsibility or as an investment in future employees – must pay close attention to tax rules, the student's status, and the required documentation.

Tax-free scholarships are allowed up to €600 per month for full-time pupils and students. If the scholarship is awarded through a public competition for excellence, the amount may reach up to €900 per month, provided that equal application criteria are applied to all candidates. Amounts above the tax-free threshold are treated as other income and are subject to taxation.

For a scholarship to remain tax-free, the following conditions must be met:

- » proof of full-time student status,
- » a statement that no other scholarship is received from another provider,
- » payment exclusively to the student's bank account.

Scholarships for part-time students or employees are considered taxable income. Scholarships may also be paid during the summer months, and cumulative payments for several months are allowed, provided the monthly limit is not exceeded.

Parents retain the right to claim a personal allowance for a dependent child regardless of the scholarship amount.

To ensure compliance and avoid tax irregularities, it is essential to maintain proper documentation and a clearly defined scholarship model.

4.

HOW TO LEGALLY USE A VEHICLE FROM THE EU IN CROATIA FOR MORE THAN 15 DAYS?

If a company from another EU Member State (e.g., Slovenia) provides a vehicle to an employee residing in Croatia, and the vehicle is used exclusively in Croatia, certain legal obligations must be fulfilled.

According to the Special Tax on Motor Vehicles Act:

- » before entering Croatia, the vehicle must be reported electronically to the Customs Administration,
- » within 15 days, form PPMV must be submitted to the competent customs office or via e-Citizens for the calculation of the special tax.

If the vehicle is subject to a leasing or rental agreement, it is possible to request a proportional calculation of the special tax (PPMV), provided that the contract does not exceed four years and the vehicle is not intended for permanent use in Croatia.

Timely reporting and proper documentation are essential to avoid violations and additional costs.

Read more details in our [blog](#).



5.

EMPLOYMENT OF FOREIGN WORKERS – CROATIAN CHAMBER OF TRADES AND CRAFTS (HOK) CALLS FOR DIGITALISATION AND CLEARER RULES

The Croatian Chamber of Trades and Crafts warns of obstacles that make it difficult for employers to hire foreign workers – from lengthy procedures and overly complex administration to the lack of digital solutions.

Key challenges include:

- » no digital platform for submitting applications and tracking their status,
- » complicated proof of active business operations,
- » strict quotas for domestic and foreign workers, even in shortage occupations,
- » frequent extensions of deadlines for issuing permits, despite the legal deadline of 15 days.

Although the law allows workers to change employers after one year without a new permit, this measure is not yet applicable because permits are currently issued for a maximum of one year. HOK proposes shortening the period to six months.

As a key solution, the Chamber highlights the introduction of a centralised digital platform and the simplification of procedures, which would significantly speed up and facilitate the process of hiring foreign workers.

6.

TAX-FREE BENEFITS HOW TO USE THIS TOOL FOR EMPLOYEE MOTIVATION AND TAX OPTIMISATION

An increasing number of employers in Croatia are using tax-free benefits as a way to reward and support employees – while achieving significant tax savings.

According to the Income Tax Ordinance and the Labour Act, employers can use various forms of tax-free benefits, such as:

- » For everyday expenses: transportation, meals (up to €100 per month flat-rate or €150 with invoices), accommodation, health insurance premiums up to €500 per year
- » For rewarding: occasional bonuses up to €700 per year, performance bonuses up to €1,200 per year, gifts for children and jubilee awards
- » For education and family support: scholarships up to €600 (or €900 via public competition), kindergarten and childcare allowances, education and medical support

Advantages: higher net income for employees without additional tax burden, lower costs for employers compared to salary payments, and greater employee loyalty and satisfaction.

To avoid irregularities, precise compliance with regulations, proper documentation, and correct calculation are essential.



7.

HIGHER SICK LEAVE BENEFITS AND SIMPLER PROCEDURES FROM AUGUST 1, 2025

Amendments to the Mandatory Health Insurance Act have increased sick leave benefits and simplified administrative procedures. The minimum allowance is now €353.15, while the maximum is €995.45. Insured persons are entitled to 100% of the base for childcare up to the age of seven and reimbursement of transportation costs for medical purposes.

The amount of compensation depends on prior insurance conditions: 70% of the base for the first six months, 80% from the seventh to the eighteenth month, and 50% of the last paid allowance thereafter – with exceptions in specific cases where 100% is paid.

These changes ensure greater financial security and reduce the administrative burden on insured persons.

Read more details in our [blog](#).

8.

WHAT CHANGES IN FISCALISATION FROM SEPTEMBER 1, 2025?

The new Fiscalisation Act introduces its first changes as of 1. September 2025, while the rest comes into force at the beginning of 2026.

Main novelties from September 1:

- » use of digital certificates issued by trusted service providers is enabled (with mandatory OIB),
- » the paper form for registering business premises is abolished – registration must be done exclusively via ePorezna,
- » cheques can no longer be listed as a payment method on invoices,
- » accompanying documents are not subject to fiscalisation but must contain the note: “This is not a fiscalised invoice”.

The next major step comes on January 1, 2026 – mandatory eInvoices between businesses and fiscalisation of invoices paid through transaction accounts.



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