

CONEO

Ideas that pay off.

Monthly Newsletter

June, 2026.

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1.

ARE PRIVATE ACCOMMODATION PROVIDERS SUBJECT TO FISCALIZATION?

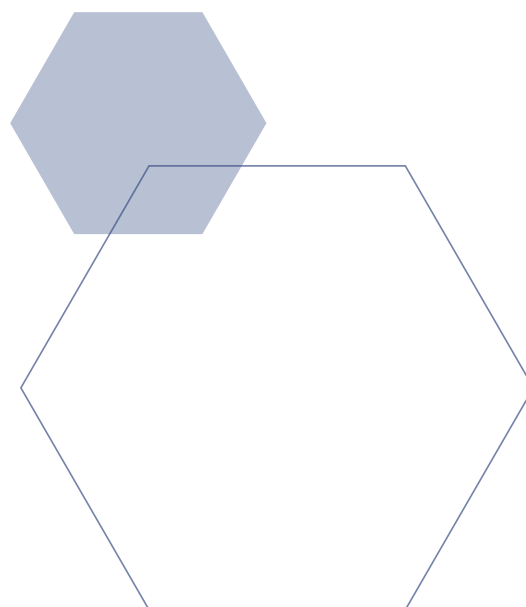
Following the full implementation of Fiscalization 2.0 on 1 January 2026, many private landlords renting apartments, holiday homes and rooms continue to have questions regarding the scope of their obligations and how to comply with the new requirements.

It is important to emphasize that private accommodation providers who generate income from property and pay lump-sum tax are generally not subject to the fiscalization of invoices issued to guests. However, they are still required to issue an invoice for the accommodation services provided.

The new obligations primarily apply to businesses operating through a sole proprietorship or a company, as well as to accommodation providers registered for VAT purposes. In certain situations, they will be required to issue electronic invoices (eInvoices) to business entities and to receive eInvoices for their business expenses.

This particularly applies to invoices for utilities, maintenance services, municipal services and other business-related expenses, which will increasingly be exchanged in electronic form.

Fiscalization 2.0 represents an important step in the digitalization of business operations, but at the same time it introduces additional administrative requirements for certain accommodation providers. For this reason, it is important to review your tax status and business model in a timely manner and prepare for the implementation of the new rules.



2.

NEW DEADLINES AND OBLIGATIONS FOR GLOBE REPORTING IN CROATIA

With the publication of the Regulation on Amendments to the Regulation on the Automatic Exchange of Information in the Field of Taxation (Official Gazette No. 158/25), Croatia has further regulated the implementation of GloBE rules and the obligations related to the submission of the GloBE Information Return (GIR).

The new regulation provides detailed rules regarding the content of the GIR, the completion of reporting forms, the application of safe harbour provisions, and the authority of the Tax Administration to request additional information for the purpose of verifying the calculation of top-up tax.

The obligation to submit a GIR applies to constituent entities of multinational enterprise groups as well as large domestic groups that fall within the scope of the global minimum taxation rules. The return must be submitted electronically to the Ministry of Finance, i.e. the Croatian Tax Administration.

For the first reporting fiscal year (2024), an extended filing deadline of 18 months after the end of the fiscal year applies. This means that the GIR for the period from 1 January to 31 December 2024 must be submitted no later than the end of June 2026. For the 2025 fiscal year, the filing deadline will be the end of March 2027.

In addition to the return itself, particular attention should be paid to the obligation to submit a notification regarding the entity responsible for filing the GIR. If a constituent entity does not submit the GIR itself, it must provide the Croatian Tax Administration with information on the reporting entity and the jurisdiction in which that entity is located.

For the reporting year 2024, the deadline for submitting this notification expired at the end of May 2026, while for each subsequent year the deadline will be the end of February. However, according to the announcement of the Tax Administration, the system for submitting notifications has only been available since 15 June 2026. This represents the first step in fulfilling the obligations under the Minimum Global Tax Act for Croatian constituent entities of multinational enterprise groups. The availability of the system for filing GIR returns is expected during the fourth quarter of 2026.

Timely preparation and a thorough understanding of these new obligations are essential for compliance with global minimum taxation rules and for avoiding potential tax risks.



3.

FOREIGN MANAGING DIRECTORS IN CROATIAN COMPANIES – WHAT SHOULD EMPLOYERS PAY ATTENTION TO?

An increasing number of Croatian companies are appointing foreign nationals as managing directors. However, it is important to correctly determine their tax, employment, and social security status. The method of calculating social contributions and taxation of remuneration depends on several factors, including the individual's nationality, employment status, and social security coverage.

In practice, three situations are most commonly encountered: the foreign managing director is employed by the Croatian company, the managing director is not employed in Croatia but receives remuneration for performing the function, or the individual is already insured in another country.

If the managing director is not insured on any other basis, there is generally an obligation to register for mandatory social insurance and pay contributions in Croatia. Exceptions may apply if the individual holds a valid A1 certificate or an equivalent social security certificate issued by a country with which Croatia has concluded a social security agreement.

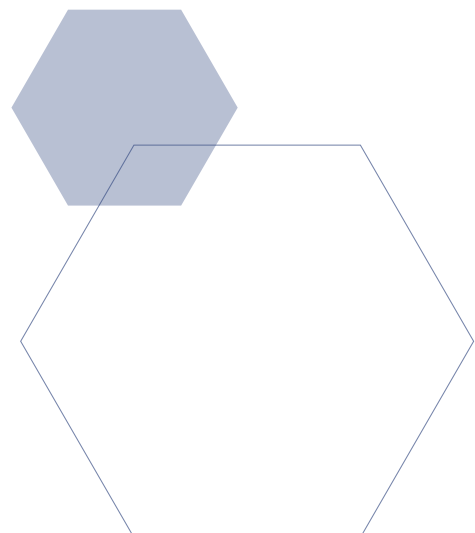
Particular attention should be paid to managing directors from third countries. When they enter into an employment relationship with a Croatian company in which they perform the function of managing director, additional legal requirements must be met in order to obtain a residence and work permit, including compliance with the prescribed minimum gross salary.

For 2026, the following thresholds are particularly important:

- ▶ The minimum contribution base for a managing director employed in Croatia is **€1,295.45**.
- ▶ The prescribed monthly contribution base for a managing director who is not insured on another basis is **€1,993.00**.
- ▶ The minimum gross salary for a managing director who is a third-country national employed by the company is **€3,024.00**.

When remuneration is paid to a foreign managing director without an employment relationship, the income is generally taxed as other income. In such cases, it is necessary to review the applicable double taxation treaty provisions as well as the recipient's social security status.

When engaging foreign managing directors, it is not sufficient to consider only the method of remuneration. It is necessary to analyse the individual's residence status, employment relationship, social security obligations, international social security agreements, and the application of double taxation treaties in order to avoid tax and administrative risks.



4.

PAY TRANSPARENCY IS BECOMING A NEW OBLIGATION FOR EMPLOYERS

Croatia is preparing to transpose Directive (EU) 2023/970 on pay transparency into national legislation, introducing a range of new obligations for employers aimed at strengthening the principle of equal pay for equal work or work of equal value.

Although Croatia records a smaller gender pay gap than the European Union average according to available data, the new rules will require additional adjustments to internal processes, compensation systems, and human resource management practices.

One of the most significant changes relates to greater pay transparency already during the recruitment process. Employers will be required to provide candidates with information on the starting salary or salary range for the position they are applying for, with the aim of ensuring greater transparency and equality in recruitment.

The Directive also grants employees the right to receive information about their own pay level as well as average pay levels for comparable categories of employees. At the same time, practices that prevent employees from discussing their pay for the purpose of enforcing their right to equal pay will be prohibited.

For employers, the establishment of objective and gender-neutral criteria for determining salaries, promotions, and performance evaluation will be particularly important. This means that job classification systems, salary increase criteria, and compensation policies will need to be clearly defined and documented.

Additional obligations will apply to employers with at least 100 employees. These employers will be required to report regularly on pay differences between women and men, with the first reporting cycle expected to begin in 2027.

Pay transparency is not merely a new administrative requirement; it represents a change that will have a long-term impact on recruitment, human resource management, and internal communication within organisations.

For this reason, employers are advised to review their existing job classification systems, employment and remuneration policies, promotion criteria, and reporting and documentation procedures in order to ensure timely compliance with the new requirements and reduce the risk of future disputes and non-compliance.



5.

NEW OBLIGATIONS FOR EMPLOYERS HIRING FOREIGN WORKERS IN CROATIA

During 2026, important legislative changes entered into force affecting the employment of third-country nationals in the Republic of Croatia. The changes include both amendments to the Regulation on the Residence of Third-Country Nationals and amendments to the Foreigners Act, with the aim of simplifying administrative procedures, improving the protection of foreign workers, and ensuring more efficient implementation of regulations in line with European migration policies.

As of 30 April 2026, amendments to the Regulation on the Residence of Third-Country Nationals came into effect, providing more detailed rules regarding accommodation standards for foreign workers, documentation required for residence registration, and procedures related to the issuance and extension of residence and work permits.

As proof of secured accommodation, employers must now provide either a certified rental agreement or a statement from the property owner using the new Form 18a. A new Form 17a has also been introduced to confirm the health status and vaccination records of workers arriving from countries subject to a visa regime.

In addition, amendments to the Foreigners Act entered into force on 4 June 2026, introducing a number of new requirements for employers.

Under the new rules, residence and work permits may not be obtained by employers who do not actively carry out the registered business activity related to the occupation for which the foreign worker is being hired. Furthermore, workers for whom a labour market test has been conducted may work only within the jurisdiction of the police administration for which the test was carried out. For occupations officially designated as shortage occupations, employment will only be permitted in areas where the occupation has been formally identified as being in shortage.

The amendments also introduce changes to the conditions for obtaining a positive opinion from the Croatian Employment Service, while procedures for changing employers and occupations have been further simplified.

One of the more significant changes concerns the requirement to demonstrate knowledge of the Croatian language and the Latin script. However, this obligation will not apply immediately. The provision will enter into force on 4 June 2027, and from that date onwards, proof of passing the prescribed examination will need to be submitted with applications for the issuance or extension of residence and work permits.

It is important to note that permits issued under the previous regulations will remain valid until their expiry date, while all procedures initiated before 4 June 2026 will be completed in accordance with the rules that were in force at the time the application was submitted.

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