

Ideas that pay off.

Monthly Newsletter

August, 2021



Changes related to the payment of HGK Membership Fees

Due to the unfavorable epidemiological situation in the Republic of Croatia, at the beginning of 2021, the Croatian Chamber of Commerce issued decisions based on which the obligation to pay membership fees is temporarily abolished. These decisions regulated the temporary abolition of the obligation to pay membership fees in the period from 1 January 2021 to 30 June 2021, and related to the following activities:

NKD	NAME
32.40	Manufacture of games and toys
49.31	Urban and suburban passenger land transport
49.39	Other passenger land transport, d.n.
56.10	Restaurants and mobile food service activities
56.29	Other food service activities
56.30	Beverage serving activities
59.14	Film screening activities
82.30	Organization of meetings and business fairs
85.51	Education and teaching in the field of sports and recreation
85.52	Education and teaching in the field of culture
90.01	Performing arts
90.02	Ancillary activities in the performing arts
90.03	Artistic creation
90.04	Work of art objects
92.00	Gambling and betting activities
93.11	Operation of sports facilities
93.12	Activities of sports clubs
93.13	Fitness centers
93.19	Other sports activities
93.21	Amusement and theme park activities
93.29	Other amusement and recreation activities

In the event of a worsening of the epidemiological situation, such or a similar measure will be reactivated.

To improve the epidemiological situation in the Republic of Croatia, the suspension of membership fees has not continued, which means that all companies that perform the above activities are required to pay membership fees to the Croatian Chamber of Commerce from 1 July 2021 onwards.

Exemptions from the payment of HGK membership fee:

Due to the catastrophe caused by the devastating earthquake on December 29, 2020, the exemption from the obligation to pay membership fees for members of the Croatian Chamber of Commerce based in Sisak-Moslavina County, who were unable to operate regularly due to the aftermath of the earthquake, continues.

According to the Decision on temporary suspension of the obligation to pay membership fees, members of the Croatian Chamber of Commerce based in Karlovac and Zagreb County will be exempted from paying membership fees for the period from 1 July to 31 December 2021 based on an approved report of natural disaster damage.

Due to a severe storm on June 25, 2021, members of the Croatian Chamber of Commerce from the area of the City of Požega, Pleternica, and Kutjevo (and the municipalities of Jakšić and Kaptol) are exempt from paying membership fees in the period from July 1, 2021, to December 31, 2021.

Since the obligation to report damage is not prescribed, members of the Croatian Chamber of Commerce based in these places, regardless of whether they suffered damage or not, will not be charged for the amount of membership fees on their tax accounting cards.

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Monthly Newsletter

August, 2021



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Obligators of the Annual Audit Financial statements for 2021

Under Article 41 of the Audit Act, auditors are obliged to select and appoint an audit company no later than three months before the end of the reporting period to which the statutory audit relates – i.e. by 30 September 2021 for the audit of annual financial statements for 2021.

Entrepreneurs who are subject to audit independently form the criteria for the selection of the audit company, and these are usually the price, quality of the audit, the reputation of the audit company, and the like.

Entrepreneurs who are not subject to audit are advised to audit their financial statements regardless of the absence of a legal obligation and use the auditor's knowledge to make all adjustments and harmonize their operations with legal regulations, International Accounting Standards (IAS), and financial reporting standards.

Deadlines for publication of audit reports:

The deadline for publishing audited reports, ie audit reports, is six months from the last day of the business year.

Entrepreneurs liable for public disclosure, which compile annual consolidated reports, are obliged to publish them, together with the audit report, no later than nine months from the last day of the business year.

Trade unions and employers' associations are obliged to submit to the Ministry of Finance an audit report on the audit of the annual financial statements for the previous year no later than 30 June of the current year.

Non-profit organizations are obliged to publish on their websites the audit report on the performed audit for the previous year, no later than June 30 of the current year.

Appointment of auditors – The deadline for the appointment of an auditing company is legally determined, and the company's Management Board should select and appoint an auditor by 30 September of the current year at the latest. If the Management Board does not select and appoint an auditor, following Article 68 of the Audit Act, there is a risk of paying a fine of HRK 20,000 to 100,000.

Submission of financial reports (statistics) and income tax returns – The Company's Management Board is obliged to submit the Financial Statements for statistical purposes and the income tax return for the previous year by 30 April of the following year at the latest. Auditors who do not submit the Annual Financial Report (AFS) and all prescribed documentation for statistical and other purposes risk a fine of 10,000 to 100,000 kuna.

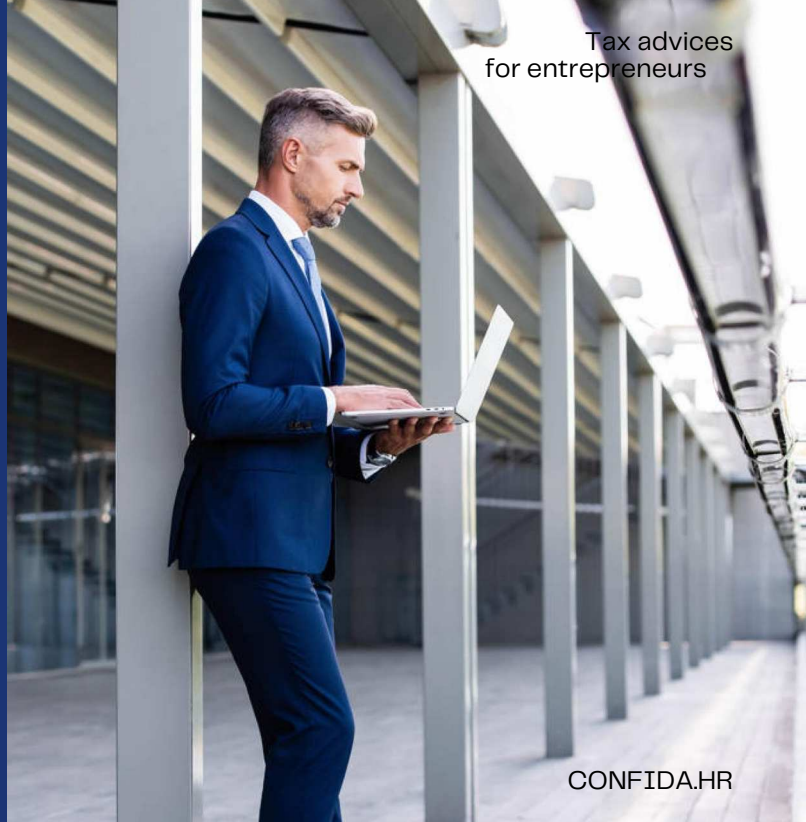
Public disclosure of financial statements – The Company's Management Board is responsible for submitting financial statements for public disclosure for the previous year (or six months after the end of the business year), no later than June 30 of the following year.

Public disclosure of consolidated financial statements – The Company's Management Board is obliged to submit consolidated financial statements for public disclosure for the previous year (or nine months after the end of the business year), no later than 30.9. next year.

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August, 2021



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New grant measures for the preservation of jobs for August and September

By the decision of the Croatian Employment Service Management Board, a new grant measures for the preservation of jobs in the activities of reduced economic activity for August and September 2021 is adopted.

The measures are intended for employers from the sector of reduced economic activity, and their goal is to retain workers whose economic activity has been disrupted due to special circumstances.

Measure of the work retention program in activities of reduced economic activity for August is intended for employers from the following sectors:

1. **Transport and storage** – transport of passengers by land, air and water, and air transport of goods;

2. **Transport service activities**

3. **Beverage serving activities** (activity 56.3)

4. **Administrative and support service activities** – only rental and leasing activities and travel agencies, tour operators and other reservation services and related activities

5. **Arts, entertainment, and recreation** – only creative, artistic and entertainment activities, entertainment, and recreational activities and production and showing of films and video films, sound recording and music publishing activities and distribution thereof

6. **Organizers of cultural, business, and sports events** – organizers of fairs and weddings, and related activities – companies for equipment rental, audio, and video recording, ticket sales, hall rental, and other companies that generate most of their income from events and public gatherings

7. Translation activities and interpreter services

8. **Employers from the area where the catastrophe caused by the earthquake was declared** – for the area of Sisak-Moslavina, Zagreb, and Karlovac counties, regardless of the activity with proof of falling income/receipts, in a case when due to objective reasons business-production processes are significantly reduced or disabled.

All employers who have registered their activity and registered with the HZMO system of insured persons by 28 February 2021 can use the measure for August for workers employed by 31 July 2021 at the latest.

To receive the grant, employers will need to prove that by September 24, 2021, 70 percent or more of the workers for whom the employer seeks support have an EU digital COVID certificate or have acquired the conditions for obtaining it following the rules on issuing EU digital COVID certificates in the Republic Croatia.

Exceptionally, if on 24 September 2021 less than 70% of the workers for whom the employer seeks hold or have obtained the requirements for an EU digital COVID certificate, the percentage of aid is granted following the percentage of workers who have obtained the conditions or have an EU digital COVID certificate and this of the total amount of support for all workers for whom the employer seeks the grant.

Thus, the payment of monthly salary costs for August 2021 will be approved for applications received from September 8 to September 23, 2021.

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Monthly Newsletter

August, 2021

CONFIDA.HR

New grant measures for the preservation of jobs for August and September – continued

Measure of the work retention program in activities of reduced economic activity for September is intended for employers from the following sectors:

1. **Administrative and support service activities** – only rental and leasing activities and travel agencies, tour operators and other reservation services and related activities

2. **Arts, entertainment, and recreation** – only creative, artistic and entertainment activities, entertainment, and recreational activities and production and showing of films and video films, sound recording and music publishing activities and distribution thereof

3. **Organizers of cultural, business, and sports events** – organizers of fairs and weddings, and related activities – companies for equipment rental, audio, and video recording, ticket sales, hall rental, and other companies that generate most of their income from events and public gatherings

4. **Translation activities and interpreter services**

5. **Employers from the area where the catastrophe caused by the earthquake was declared** – for the area of Sisak-Moslavina, Zagreb, and Karlovac counties, regardless of the activity with proof of falling income/receipts, in a case when due to objective reasons business-production processes are significantly reduced or disabled

6. **Employers who are partially and/or completely prohibited from working by decisions of the Civil Protection Headquarters** (national, county, local self-government units) of the headquarters, regardless of the activity.

All employers who have registered their activity and registered with the HZMO system of insured persons by February 28, 2021 can use the measure for September for workers employed by 31 August 2021 at the latest.

To receive the grant, employers will need to prove that by October 25, 2021, 70 percent or more of the workers for whom the employer seeks support have an EU digital COVID certificate or have acquired the conditions for obtaining it following the rules on issuing EU digital COVID certificates in the Republic Croatia.

Exceptionally, if on October 25, 2021, less than 70% of the workers for whom the employer seeks aid hold or have obtained the requirements for an EU digital COVID certificate, the percentage of aid is granted following the percentage of workers who have obtained the conditions or have an EU digital COVID certificate and this of the total amount of support for all workers for whom the employer seeks the grant.

Thus, the payment of monthly salary costs for September 2021 will be approved for applications received from September 25 to October 24, 2021.

The authorities, in cooperation with the CES, will exchange data on the possession of the EU digital COVID certificate (or acquired conditions for possession) and verify the veracity of the data.

We note that the Croatian Employment Service, following the General Provision on Data Protection, will not have access to the personal data of employees, but will exchange and process them as statistical data.

The Croatian Employment Service will thus receive only a percentage of workers with an EU digital COVID certificate, or those who have acquired the conditions for it, from the competent institutions.

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Monthly Newsletter

August, 2021



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CONTACTS



Confida – Revizija d.o.o.

Confida – Zagreb d.o.o.

Poljička ul. 5/V
10000, Zagreb

+385 1 4606 900

www.confida.hr

Christian Braunig
Managing Partner
e-mail

Frane Garma
Director
e-mail

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