

CONFIDA

Ideas that pay off.

Monthly Newsletter

March, 2023.

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I. CHANGE IN THE BANK ACCOUNT FOR PAYMENT OF CORPORATE INCOME TAX

The Tax Authorities recently published information with regard to the payment of corporate income tax.

Namely, as of 1 January 2023, corporate income tax is no longer paid to the city/municipal accounts according to the taxpayers' headquarters/residence, but to the State Budget account

**State budget account to which you can pay
tax: HR1210010051863000160.**

II. NEW LIMITATION IN CASH COLLECTION AND PAYMENT

At the beginning of 2023, there were changes in amendments to the Law on Anti-Money Laundering and Terrorist Financing.

Based on the same, a legal or natural person performing a registered activity in the Republic of Croatia may not receive or make a cash payment of 10.000,00 EUR or more.



III. PUBLIC CALL FOR SERVICE PROVIDERS' REGISTRATION WITHIN THE "DIGITALIZATION VOUCHERS"

As part of the „National Recover and Resilience Plan“ the Ministry of Economy and Sustainable Development has published a Public Call for the service providers' registration within the Call for "Digitalization Vouchers".

ENCOURAGING THE IMPLEMENTATION OF DIGITIZATION AND DIGITAL TRANSFORMATION

The public call highlights the encouragement of investment by micro, small and medium-sized enterprises to improve digital skills, adapt business models to digital transformation, digital marketing, cyber resistance and the application of complex digital solutions.

Companies applying for the "Digitalization Vouchers" will select a service provider from the Service Provider Catalog. The Ministry of Economy and Sustainable Development will publish a catalogue on its website or another suitable platform. The goal is to facilitate access to eligible service providers for entrepreneurs who will apply for digital vouchers and to facilitate and speed up the process of awarding vouchers.

SERVICE PROVIDER'S APPLICATIONS

Applications for inclusion in the catalogue are submitted by service providers via e-mail: katalog@mingor.hr and the following must be submitted:

- application form
- statement of the service provider
- references
- CV of the expert
- appropriate register extract of the applicant's headquarters or a valid document issued by the competent authority in the country of the applicant's headquarters
- GFI-POD form, REGOS or a valid document issued by the competent authority in the country of the manager's headquarters
- Tax Administration confirmed that the service provider fulfilled the payment obligations for tax obligations due and obligations for pension and health insurance (not older than 30 days before applying).

CRITERIA FOR INCLUSION IN THE CATALOGUE

- a service provider is a legal or natural person who has at least one full-time employee on the date of submission of the application for catalogue entry and was registered at least twelve months before the application submission
- a service provider is a legal or natural person registered to provide services that are the subject of the voucher in the field of computer programming, consulting and related activities; data processing, server services and associated activities and internet portals; management consultancy; market research and public exchange survey; education
- a service provider has at least three references for a comparable service provided to different clients for a maximum of twelve months before the submission of the application
- a service provider owns copyrights/licenses for all applications/software it uses within the scope of the service it provides based on the requested voucher
- a service provider has at least one full-time professional employed on the day of the application with the experience required for the specific voucher
- a service provider undertakes that in the event of the loss of an employed specialist, he will replace the same within 30 days and inform MINGOR thereof
- a service provider has paid salaries to employees, paid contributions to finance mandatory insurance or pay taxes by the regulations of the Republic of Croatia
- a service provider or a person authorized by law for representation wasn't legally convicted of participating in a criminal organization. Terrorism or crimes related to terrorist activities, money laundering or terrorist financing, child labour or other forms of human trafficking, corruption or fraud
- a service provider is not subject to bankruptcy proceedings, is not insolvent, over-indebted or in the process of liquidation.

IV. THE MINIMUM BASE FOR CALCULATING CONTRIBUTIONS FOR MANAGEMENT BOARD MEMBERS IN 2023

The Government of the Republic of Croatia has issued a Regulation setting the minimum salary as of 1 January 2023 at 700,00 euros gross. Consequently, the minimum wage will amount to 51,32% of the average gross wage. Compared to the minimum gross wage in 2022, at the beginning of 2023, there was an increase of 77,01 euros.

In addition to the minimum salary, the minimum basis for calculating contributions of board members and executive directors is determined.

DETERMINATION OF SALARY FOR BOARD MEMBERS AND EXECUTIVE DIRECTORS

According to Article 21, paragraph 2 of the Contributions Act, the monthly basis for full-time work for an insured person who is at the same time a member of the management board, executive director of the company, manager of a cooperative or a liquidator cannot be lower than 888,67 euros. Compared to 2022, there was an increase of 65,91 euros or 8.01%.

According to Article 4 of the Minimum Wage Act, all employees employed in the Republic of Croatia have the right to the minimum wage, regardless of the registered office or registration of the employer. The exception appears precisely in the case of board members, executive directors, cooperative managers and liquidators, who are the only employees employed by the company.

By this, they can determine the amount of the salary in an amount lower than the minimum salary. This means that the board members who are the only employees of the company may have a lower salary agreed in the employment contract, but the mandatory contributions should be calculated and paid on the prescribed basis (888,67 euros for 2023).

As a board member can be employed part-time, in that case, the minimum salary and the minimum base can be calculated as a ratio of full-time work.

BOARD MEMBERS WHO ARE NOT THE ONLY EMPLOYEES OF THE COMPANY IN WHICH THEY PERFORM THE DUTIES OF A BOARD MEMBER CANNOT WAIVE THE MINIMUM WAGE.

If an employed board member of a company or the executive director of a company, cooperative manager or liquidator pays contributions on a base that is less than prescribed, the Tax Authority will issue a resolution at the end of the year by which the difference in contributions will be calculated, according to Article 7, paragraph 58 of the Contributions Act. In that case, the board member is personally obliged to pay the contributions difference within 15 days from the receipt of the decision.



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