

VAT refund for taxable persons who are not established within the territory of the European Union

Taxable person, who is not established within the territory of the European Union, shall submit his VAT refund application in respect to charged VAT on supplied movable goods or performed services in the Republic of Croatia, that is, charged VAT on importation of goods into the Republic of Croatia, when these goods or services were used for the purpose of performing his economic activity.

Taxable person shall submit to the Ministry of Finance – Tax Administration, Regional Office Zagreb, his VAT refund application using the form titled *Obrazac ZP PDV*, which is an integral part of the VAT Ordinance, and printed in Croatian and English language. The form *Obrazac ZP PDV* may be downloaded from the official website of the Tax Administration (www.porezna-uprava.hr/propisi/obraci).

The VAT refund application shall be submitted by 30 June of the calendar year after the end of the calendar year covered by the application, at the latest.

Taxable person shall be entitled to a VAT refund for supplies of movable goods and performed services in compliance with Articles 57 and 101 of the VAT Act under the condition that domestic (Croatian) taxable persons are entitled to a VAT refund in the country from which the applicant taxable person originates.

Taxable person shall present proof of his taxable person's status by submitting a certificate issued by the Tax Administration of the country in which he is a registered taxable person. The certificate has to pertain to the period in respect to which taxable person is applying for a VAT refund, the issuance date of certificate may not be more than six months old and shall contain at least the following data:

1. Title and address of the tax office where the taxable person is registered as a taxable person liable to turnover tax or VAT;
2. Name and family name or title of the company of the taxable person, type of economic activity and address where the taxable person has permanent residence or has been established;
3. Official statement that taxable person is registered in the taxable persons' register as liable to turnover tax or VAT;
4. Issuance date of the certificate;
5. Seal and signature

A representative, whom the taxable person authorized to act in his name, may also submit a VAT refund application. If the application is submitted through an authorized representative, the application shall be accompanied by the power of attorney provided by the taxable person. The authorized representative of the taxable person shall be a domestic (Croatian) taxable person.

When processing the taxable person's VAT refund application, Ministry of Finance – Tax Administration, Regional Office Zagreb, shall allocate and issue to the applicant taxable person his personal identification number according to the provisions of a special regulation, unless the taxable person already has one. The applicant taxable person or his authorized representative, when submitting the application, shall be obliged to fill in the allocated

personal identification number into the box in the VAT refund application envisaged for that number.

The period for which VAT refund application is submitted shall cover a period of at least three subsequent months and may pertain to only one calendar year. The period for which VAT refund application is submitted may also cover the period shorter than three months, if the application pertains to the period covering the end of the calendar year – for example, months of November and December, or only the month of December.

The refund application that pertains to a refund period shorter than one calendar year, but not less than 3 months, may be filed if the amount of VAT in respect of which a refund is not lower than HRK 3,100.00.

The refund application that pertains to a refund period of a calendar year may be filled if the amount of VAT in respect of which a refund is requested is not lower than HRK 400.

VAT refund application shall be accompanied by original invoices that have to contain all data stipulated in Article 79, paragraph 1 of the VAT Act. The applicant shall also create a detailed list of all invoices serving as a basis for VAT refund application on the reverse side of his application.

When the VAT refund has been granted, Tax Administration shall annul original invoices by stamping them with a sign “VAT refund right exercised” and shall return them to the taxable person.

Tax Administration shall pass a decision within 8 months from the date of the receipt of the VAT refund application and it shall transfer the requested VAT amount into the bank account of the applicant stated by the taxable person or his authorized representative in the application or into the account of the authorized representative.

Cost of bank transfer fee for transferring the VAT amount into the specified account shall be borne by the VAT refund applicant.

If the Tax Administration disputes application as a whole, or partially, it shall issue a decision on refuting the VAT refund application or it shall issue a VAT refund assessment note indicating the new amount to be refunded.

Taxable person shall have right to lodge an appeal against the decision on refuting the VAT refund application or against the VAT refund assessment note.

If the VAT has been refunded and it is established subsequently that data in the application were incorrect, the taxable person shall be obliged to reimburse the payment already received.

In respect to the appellate procedure, renewal of the procedure, statute of limitations, charging and collecting of VAT and conducting misdemeanour proceedings, the provisions of the General Tax Act shall be applicable.