

## **VAT refund for international travellers**

The supply of goods, with the exception of fuel supplies and goods for the fuelling and provisioning of any means of transport for private use, which passengers during the passenger transport, transport or carry out of the European Union, shall be VAT exempt. Exemption may be exercised when a taxable person, who supplied the goods, receives for those goods a proof of their export.

The passenger, or customer, who during the passenger transport carry out of the European Union goods purchased in the Republic of Croatia, shall be entitled to claim a refund of VAT for the goods carried out of the European Union in the subsequent VAT exemption procedure, if the following conditions have been met:

- a) the passenger does not have a permanent or habitual residence in the territory of the European Union, the proof of which shall be his passport or personal identity card,
- b) the total value of purchased goods with VAT mentioned on a single invoice exceeds HRK 740.00,
- c) the purchaser, or someone on his behalf, transported goods purchased in the Republic of Croatia to the area outside of the European Union before the end of the third month following that in which the supply takes place. The said goods may be exported from the European Union also by mail or in any other appropriate manner,
- d) there is proof of export, original invoice and the PDV-P form stamped by the customs office of the state into the territory of which the goods were carried out of the European Union.

The form and content of the PDV-P form is an integral part of the VAT Ordinance. PDV-P form may be downloaded from the official website of the Tax Administration ([www.porezna-uprava.hr/propisi/obrasci](http://www.porezna-uprava.hr/propisi/obrasci)).

At the request of a customer who does not have permanent or habitual residence in the territory of the European Union, the seller shall issue the PDV-P form. PDV-P form shall be completed in three copies, whereby the original shall be given to the customer, one copy shall be kept by the seller in his files and another by the Customs Administration.

The seller of goods shall mention in the PDV-P only the total amount charged, the amount of consideration without VAT, VAT amount and the total VAT amount that shall be refunded to the customer or the refund applicant.

The seller shall charge the customer with the total price of goods including VAT. The seller may calculate the VAT included in the value of sold goods, by way of using the recalculated rate of VAT on the selling price of these goods.

The VAT paid shall be refunded to the customer or refund, if he submits, within six months from the date of the invoice, a certified original of the PDV-P form to the seller from whom he purchased the goods. The certified original of the PDV-P form shall represent an application for a VAT refund.

If a certified original of the PDV-P form is sent by mail, the customer or refund applicant shall forward the number of the bank account into which the paid VAT shall be refunded. Bank transfer fee for the transferred VAT amount shall be borne by the customer.

Based on the certified original of the PDV-P form, after he examines whether the application meets the requirements for VAT refund, the seller shall pay the VAT to the customer or refund applicant.

Paid VAT shall be refunded in HRK either by cash payment or by payment into the account specified by the customer or refund applicant. If the payment is in cash, the seller shall be obliged to refund VAT immediately, and if he is transferring amount into the account of the customer or the refund applicant, he may do that within 15 days of the receipt of the request.

The customer or refund applicant shall confirm with his signature on PDV-P form the receipt of refunded VAT in cash.

Customer who wants to exercise his right to a VAT refund shall be obliged to show, upon exiting the European Union, invoices and purchased goods to the Customs Office and have the original of the PDV-P form stamped by the office.

Before they stamp the completed PDV-P form, Customs Office shall be required to identify whether data stated in the passport or personal identity card match data in the PDV-P form, whether the goods presented to the Customs Office correspond to the goods listed in the PDV-P form, is the sum in the PDV-P form higher than HRK 740.00 including VAT, whether the purchased goods have been used in the European Union, whether goods were transferred outside the European Union before the expiration of three months from the date indicated on the invoice as the date of the supply of goods, whether the PDV-P form has been certified and signed by the seller.