EU list of non-cooperative jurisdictions for tax purposes

The Council approved and published the **EU list of non-cooperative jurisdictions for tax purposes** in the ECOFIN Council conclusions of 5 December 2017. With the objective of promoting good governance worldwide, in order to maximise efforts to **prevent tax fraud** and tax evasion, the list of non-cooperative jurisdictions in taxation matters was adopted on the basis of clearly defined criteria. The stated Conclusions in the legislative part provide for the application of effective and proportionate defensive measures, at both EU and national levels, in order to effectively discourage non-cooperative practices in the jurisdictions placed on the EU list.

Accordingly, the Act on Amendments to the Profit Tax Act (Official Gazette, 106/18) prescribes an efficient defensive measure according to which withholding tax is paid at the rate of 20% for all services and all remunerations that are subject to withholding tax (interests, royalties, dividends) when paid to persons having their headquarters or place of effective management, or supervision of business, in the countries placed on the EU list of non-cooperative jurisdictions for tax purposes, with which the Republic of Croatia has no double taxation treaties applicable.

Depending on the level of cooperation of a specific country or tax jurisdiction for tax purposes, the list of such jurisdictions is modified, and is available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2018.403.01.0004.01.ENG&toc=OJ:C:2018:403:FULL
For example, on 15 February 2019, the listed countries are:
1. American Samoa,
2. Guam,
3. Samoa,
4. Trinidad and Tobago,
5. US Virgin Islands.

Consequently, the provision of Article 31(10) of the Profit Tax Act (Official Gazette, 177/04 through 115/16) shall no longer be applicable as of 1 January 2019, as well as the list of the Minister of Finance that was available on the Tax Administration website until 1 January 2019:
http://www.poreznauprava.hr/hr_propisi/_layouts/in2.vuk.sp.propisi.intranet/propisi.aspx#id=pro22