



New Fiscalization Act

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The Croatian Parliament has enacted the new Fiscalization Act. The Fiscalisation Act will be published in the official gazette "Narodne novine" and come into force in several phases: on 1 September 2025, 1 January 2026, and 1 January 2027.

The implementation of this regulation will introduce significant changes to the fiscalization system as currently governed by the existing legal framework (commonly referred to as "Fiscalization 1.0"), and its scope will be extended to include other segments of taxpayers' business operations (commonly referred to as "Fiscalization 2.0").

Changes in Fiscalization 1.0

Among the most significant amendments introduced by the new Fiscalization Act is the expansion of the obligation to fiscalize the issuance of invoices **to all invoices issued in final consumption—that is, invoices issued to individuals/consumers and paid by cash, card, transaction account, or other means.** As a result of this amendment, taxpayers subject to fiscalization will be required to fiscalize invoices in final consumption regardless of the payment method used.

The obligation to fiscalize accompanying documents is abolished; however, taxpayers who issue a document containing payment information for any reason prior to issuing the invoice remain obliged to clearly indicate on that document the note: "THIS IS NOT A FISCALIZED INVOICE."

Additionally, the obligation to fiscalize invoices is extended to businesses where the predominant share of turnover relates to retail sales of daily press, tobacco and tobacco products, stamps and other postal valuables.

All taxpayers subject to fiscalization are still required to include mandatory invoice elements prescribed by the Fiscalization Act on all

invoices they issue (not only those issued for end customers) and to properly prepare an internal regulation accordingly.

Fiscalization 2.0

The new Fiscalization Act introduces a general obligation for the issuance and receipt of eInvoices (eRačun) for taxpayers engaged in B2B transactions. This obligation will be implemented in phases for specific groups of taxpayers, as follows:

Phase I from January 1, 2026

- Obligation to issue and receive eInvoices for **VAT-registered entrepreneurs for domestic transactions**
- Obligation to receive eInvoices for **companies, sole proprietors, and self-employed professionals not registered for VAT, for domestic transactions**
- Obligation to receive eInvoices for the state budget, local and regional self-government units, and for budgetary and extrabudgetary users of the state budget and local and regional self-government units that are listed in the Register of Budgetary and Extrabudgetary Users.

Phase II from January 1, 2027

- Obligation to issue and receive eInvoices for companies, sole proprietors, and self-employed professionals **not registered for VAT**, for domestic transactions
- Obligation to issue and receive eInvoices for the state budget, local and regional self-government units, as well as budgetary and extrabudgetary users of the state budget and local and regional self-government units registered in the Register of Budgetary and Extrabudgetary Users

Phase III from July 1, 2030 – Subsequent regulatory adjustments required

- Obligation to issue and receive eInvoices within the EU market (the implementation of this phase will require additional regulatory adjustments).

To issue eInvoices, it will be necessary to use specialized software that complies with the European Union standards, is integrated with the Tax Administration, and meets the requirements for authenticity of origin, content integrity, and legibility of invoice data. For small taxpayers, the Draft Act foresees the use of a free application called MIKROeRAČUN, which will facilitate the submission of certain data through eReporting.

In addition to the obligation to issue and receive eInvoices, Fiscalization 2.0 introduces the obligation to fiscalize eInvoices on both the issuer's and the recipient's side. Fiscalization of eInvoices involves extracting specifically defined data from the eInvoice necessary for tax purposes and submitting this data to the Fiscalization System of the Tax Administration.

Taxpayers subject to eInvoice fiscalization will also be required to submit certain data via eReporting, including data on the payment of eInvoices and deliveries for which it was not possible to issue an eInvoice (issuers of eInvoices), as well as data on rejection of received eInvoices (recipients of eInvoices).

A significant new requirement introduced by this Act is the obligation for issuers of eInvoices to link each item of goods and services in the eInvoice with the appropriate **classification code from the valid Classification of**

Products by Activities (CPA) and to display this code in the eInvoice with a minimum of six digits.

Fiscalization 2.0 will also result in substantial administrative relief for taxpayers and will enable the abolition of numerous tax reports, such as Reports on Food Donations (DONH), Outgoing Invoice Books (I-RA), Special Records of Goods Sold to Customers in Passenger Transport (PDV-F), Declarations of Domestic Deliveries with Transfer of Tax Liability (PPO), Special Records of Received Invoices (U-RA), abolition of the statistical form (RAD 1G) for small and medium-sized enterprises, among others. The implementation of this relief is conditional upon amendments to certain specific regulations. Below is an overview of the most important amendments to the Foreigners Act.

How Can Deloitte Assist?

- **Provision of advisory services in the area of fiscalization regulations** – Our experts can guide you through the relevant legal framework in a practical manner, with a focus on the specific characteristics of your company and its operations.
- **Analysis of key material and technical areas related to invoice and eInvoice issuance** – Through workshops and discussions with key personnel, our experts review transactions and document flow processes to identify those relevant for the development of an appropriate technological solution.
- **Assistance in mapping your product and service assortment to the valid Classification of Products by Activities (CPA)**
- **Review of the solution developed by your IT service provider/internal IT team** – Our experts assess the proposed IT solution to determine whether it fully complies with legal requirements, including the extraction and transmission of data relevant to eInvoices and their fiscalization.
- **Implementation support** – Our experts can provide ongoing assistance throughout the implementation process and participate in resolving tax and technological issues related to the receipt and issuance of eInvoices and the fiscalization of the data they contain.
- **Monitoring and reporting on legislative changes**
- **Contact with the Tax Administration for the purpose of clarifying practical aspects of the application of fiscalization regulations**

Best regards,

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