

- **Exemption from paying sojourn tax for private renters (flat-rate sum)**

The Ordinance on the deferral or exemption from sojourn tax payments for persons who are providing hospitality services in a household or at a family farm (OG 36/20) entered into force on 26 March 2020, and is available at:

https://narodne-novine.nn.hr/clanci/sluzbeni/full/2020_03_36_764.html

In 2020, persons providing hospitality services in a household or at a family farm are exempt from paying half of the annual sojourn tax flat-rate sum, which they would be obliged to pay for the main bed and accommodation unit at the camp or camping site, i.e. according to the capacity in regards to a Robinson-Crusoe-style accommodation facility which is used for the provision of accommodation services pursuant to a special regulation which governs hospitality activity.

Furthermore, such persons are completely exempt from paying sojourn tax for spare beds for the entire 2020.

The measure only relates to persons who are providing hospitality services in a household or at a family farm.

The goal of the measure is to alleviate the financial impact on persons who are providing hospitality services in a household or at a family farm and who are liable to pay sojourn tax, due to the fact that they have been affected by the coronavirus situation because they pay the sojourn tax in an annual flat-rate sum per bed and not per overnight stay.

The enforcement authorities for this measure are the Ministry of Tourism and Croatian National Tourist Board. The information regarding the abovementioned measure will be implemented through the eVisitor system, therefore the abovementioned persons do not need to contact anyone, i.e. data will be automatically processed through the eVisitor system. For all additional information, contact the Ministry of Tourism at mintcz@mint.hr.

- **Exemption from paying the variable part of the concession fee for 2019 for concessions on tourist land which is located in camps. Payment deferral of the fixed part of the concession fee for 2020 for concessions on tourist land which is located in camps**

The Regulation supplementing the Regulation on the procedure, manner and conditions for obtaining a concession on tourist land which is located in camps and co-owned by the Republic of Croatia (OG 31/20) entered into force on 19 March 2020, and is available at: https://narodne-novine.nn.hr/clanci/sluzbeni/full/2020_03_31_674.html

The Regulation supplementing the Regulation on the procedure, manner and conditions for obtaining a concession on tourist land which is located in camps and co-owned by the Republic of Croatia (OG 41/20) entered into force on 4 April 2020, and is available at: https://narodne-novine.nn.hr/clanci/sluzbeni/2020_04_41_854.html

The Regulation on the procedure, manner and conditions for obtaining a concession on tourist land which is located in camps and co-owned by the Republic of Croatia (OG12/11, 145/12, 55/19, 31/20, 41/20), governs the procedure, manner and conditions for obtaining a concession on tourist land which is located in camps and co-owned by the Republic of Croatia, as well as the criteria for determining the amount and manner in which the concession fee is collected.

Given the extraordinary situation concerning the coronavirus epidemic, the amendment of the abovementioned Regulation prescribes that the variable part of the concession fee for tourist land which is located in camps will not be calculated for 2019 in accordance with the prescribed model, but will amount to 1.00 HRK. Also, the collection of the fixed part of the concession fee for tourist land which is located in camps and co-owned by the Republic of Croatia is deferred for 3 months, from 31 August to 30 November 2020.

The measure relates to companies which are engaged in tourist activity on the basis of a request for obtaining a concession on the co-owned part of the Republic of Croatia for the use of a camp, pursuant to Article 8, paragraph 1 of the Act on Tourist and other Building Land which was not Evaluated in the Transformation and Privatization Process (OG 92/10).

The Ministry of Tourism, in its capacity as an enforcement authority, will continue with the activities of ascertaining the concession fee amount and will notify the persons liable for payment regarding the amount of the fixed and variable part of the concession fee, the payment of which has been deferred until 30 November 2020. For all additional information, contact the Ministry of Tourism at mintcz@mint.hr.

- **Exemption from paying the variable part of the concession fee for 2019 for concessions on tourist land which is owned by the Units of Local Self-government (hereinafter as ULS's). Payment deferral the fixed part of the concession fee for 2020 for the concessions on tourist land which is owned by the ULS's.**

The Regulation supplementing the Regulation on the manner, procedure and conditions for assessing the value and selling tourist land which is owned by a Unit of Local Self-government, and on the manner, procedure and conditions for obtaining a concession on the remaining tourist land owned by a Unit of Local Self-government (OG 41/20) entered into force on 4 April 2020, and is available at:

https://narodne-novine.nn.hr/clanci/sluzbeni/2020_04_41_853.html

The Regulation on the manner, procedure and conditions for assessing the value and selling tourist land which is owned by a Unit of Local Self-government, and on the manner, procedure and conditions for obtaining a concession on the remaining tourist land owned by a Unit of Local Self-government (OG 12/11, 41/20) prescribes the manner, procedure and conditions for assessing the value and selling tourist land which is owned by a Unit of Local Self-government, as well as the manner, procedure and conditions for obtaining a concession on the remaining tourist land owned by a Unit of Local Self-government.

Given the extraordinary situation concerning the coronavirus epidemic, the amendment of the abovementioned Regulation prescribes that the variable part of the concession fee for tourist land which is owned by the ULS's will not be calculated for 2019 in accordance with the prescribed model, but will amount to 1.00 HRK. Also, the collection of the fixed part of the concession fee for tourist land which is owned by the ULS's is deferred for 3 months, from 31 August to 30 November 2020.

The measure relates to companies which are conducting tourist activity on tourist land which is owned by the Units of Local Self-government on the basis of the request from Article 21, paragraph 3 of the Act on Tourist and other Building Land which was not Evaluated in the Transformation and Privatization Process. For all additional information, contact the Ministry of Tourism at mintcz@mint.hr.

- **The Amendment Act to the Act on Provision of Tourism Services**

The Act entered into force on 8 April 2020 (OG 42/20), and is available at:
https://narodne-novine.nn.hr/clanci/sluzbeni/2020_04_42_887.html

The Amendments to the Act on Provision of Tourism Services are as follows:

- in order to prevent the advertising of unregistered accommodations, as well as the stay of unregistered guests in facilities which are providing services governed by this Act and special act which governs the hospitality activity, the online platforms are required to show

the tax number, or VAT identification number, of the service provider who is providing his services in the Republic of Croatia.

- the condition which stipulates that foreign languages or the Croatian language has to be known to the extent sufficient for performing the duties of a travel agency manager, as well as one-year work experience on appropriate jobs in travel agencies, or other similar jobs in the tourist sector, has been deleted
- during special circumstances, it has been made possible for a person who has not passed the professional exam for a manager to be appointed as an acting manager for a duration which is not longer than six months after the cessation of special circumstances.
- **the contract termination issue regarding executory contracts for package tours, which were to be executed after 1 March 2020, has been resolved in such a way that the traveler is entitled to terminate the package tour after the expiry of 180 days from the date of cessation of special circumstances, and the travel organizers shall issue a voucher for such passengers (moratorium on the termination of contract for a period of 180 days from the cessation of special circumstances). If the traveler decides to request a refund, the organizer has to reimburse the traveler within 14 days after the expiry of 180 days from the cessation of special circumstances.**
- **the provision which prescribes that the approval decision regarding the provision of travel guide services is entered into the Central Register has been deleted, therefore, approval decisions regarding the provision of services are no longer issued, they have been replaced by the decisions on the fulfillment of conditions for the provision of tourist guide services, and thus it shall no longer be considered that travel guides, by the very fact that they have obtained a decision, are exercising a liberal profession under the terms of labor and tax regulations. This allows employed persons, students and pensioners to earn extra income by providing tourism services, and it allows unemployed persons to exercise their rights in the event of unemployment.**

- **The Amendments Act to the Hospitality and Catering Industry Act**

The Act entered into force on 8 April 2020 (OG 42/20), and is available at: https://narodne-novine.nn.hr/clanci/sluzbeni/2020_04_42_888.html

The amendments to the Hospitality and Catering Industry Act are as follows:

- **validity period of temporary decisions for hospitality facilities, household and family farm facilities has been extended until the end of 2021** (this relates to facilities which received temporary decisions because they still do not have a legalization decision, but the request for the legalization was submitted within the submission deadline)
- the Minister is authorized to prescribe, during special circumstances, deviations from standards regarding the obligations of caterers, renters, family farm holders or members
- **the deadlines for the recategorization of hotels and camps have been extended - recategorization procedures which are conducted by the Ministry of Tourism of its own motion, whose recategorization initiation deadline is during and six months after the cessation of special circumstances caused by the COVID-19 epidemic in the Republic of Croatia, shall be initiated after the expiry of one year after the cessation of special circumstances, instead of within four years from the issuance of the decision**
- **prescribes the continuation of activity of caterers who have obtained decisions on temporary performance of hospitality activity (hospitality facilities from the “Hotel” and “Camps” groups who have obtained decisions regarding the type, but don’t have a decision on the category of the facility) until the expiry of a one-year deadline after the cessation of special circumstances caused by the COVID - 19 disease in the Republic of Croatia**
- **the deadlines for the harmonization of renters’ decisions obtained before 1 September 2007 with the applicable Act and Ordinance have been extended,**

therefore renters that wish to retain the category rating (star) should submit a request for the issuance of a new decision until:

- **08/04/2022** - if they obtained the decision before 31/12/2000
- **08/04/2023** - if they obtained the decision in the period from 01/01 /2001 to 31/12/2004
- **08/04/2024** - if they obtained the decision after 31/12/2004

- **The Amendment Act to the Act on Tourist Boards and the Promotion of Tourism**

The Act entered into force on 8 April 2020 (OG 42/20), and is available at: https://narodne-novine.nn.hr/clanci/sluzbeni/2020_04_42_885.html

The amendments to the Act on Tourist Boards and Promotion of Tourism are as follows:

- **the tourist boards have the option to borrow funds**, if the tourist council adopts such a decision, along with the approval of the president of the tourist board and a bank guarantee by the municipality, city or county for whose area the tourist board was established
- **in 2020 and 2021, the provision which determines the amount which can be used, in relation to the total income, for the salary costs of the tourist board employees shall not be applied**
- **the mandate of the members of tourist board bodies has been extended.** Members of bodies whose mandate has expired are given temporary authorization to continue performing these tasks until the COVID-19 epidemic in the Republic of Croatia is declared to be over, i.e. until elections have been held, and the members of bodies whose mandate has not expired will have their mandate extended until the COVID-19 epidemic in the Republic of Croatia is declared to be over, i.e. until elections have been held

- **The Amendment Act to the Act on Sojourn Tax**

The Act entered into force on 8 April 2020 (OG 42/20), and is available at: https://narodne-novine.nn.hr/clanci/sluzbeni/2020_04_42_886.html

The amendments of the Act on Sojourn Tax are as follows:

- **Authorization is given, during special circumstances, to the Government of the Republic of Croatia to regulate by way of decree issues concerning sojourn tax amount and deadlines for payment of sojourn tax**
- **Authorization is given, during special circumstances, to the Government of the Republic of Croatia to reallocate by way of decree the resources of the Fund for underdeveloped tourist areas and the continent as well as the United Tourist Board Fund**
- while the special circumstances are in effect, the competent inspectors will not file charges for the initiation of misdemeanor proceedings, i.e. issue misdemeanor orders, nor will they enforce the payment of fines at the location where the misdemeanor occurred

For all additional information, contact the Ministry of Tourism at mintcz@mint.hr.

- **The Ministry of Tourism has ensured 26 million HRK for subsidizing interest rates**

The Ministry of Tourism and the Croatian Bank for Reconstruction and Development have concluded an "Agreement on business cooperation regarding the implementation of liquidity measures for entrepreneurs in the tourism sector", which made it possible for direct interest-free loans from CBRD to be approved. The signed agreement stipulates that the Ministry of Tourism

will provide funds in the amount of 26 million HRK to subsidize the interest rate of up to two percentage points for liquidity lending to entrepreneurs involved in tourism activities as part of the COVID - 19 Measure.

The COVID-19 Measure for SME entrepreneurs involved in tourism activities is implemented as a temporary measure within the working capital lending program, and is applied to requests which were received and approved by CBRD until 31/12/ 2020, or until the secured funds have been exhausted. Credit entitlement does not exist, rather the CBRD adopts a special decision regarding each request.

- CBRD:COVID-19 WORKING CAPITAL MESURE FOR SME ENTREPRENEURS INVOLVED IN TOURIST ACTIVITIES