

CROATIA

Questionnaire on the Implementation of the HTVI Approach

	QUESTION	RESPONSE
1	Has your country adopted the hard-to-value intangibles (“HTVI”) approach as defined in Chapter VI of the TPG? If so, under what legal basis?	We didn` t adopt the HTVI approach as defined in Chapter VI of TPG in our tax laws yet.
2	If your country applies the HTVI approach, what are the conditions for the application of the HTVI approach?	Not applicable.
3	Are transactions falling within the scope of the HTVI approach subject to a transfer pricing analysis differing from the one established in Chapter I and VI, or to other compliance requirements specifically applicable to transfer prices (e.g. domestic anti-abuse rules)?	Not applicable.
4	What is the statute of limitations applicable to transactions falling within the scope of the HTVI approach in your legislation? Does this statute of limitations differ from those applicable to other transactions?	<p>According to Croatia’s General Tax Law, there is a difference between the statute of limitations and the admissibility of tax audit. In particular:</p> <ul style="list-style-type: none"> • The right and obligation of the tax authorities to determine the tax liability and interest shall expire after 6 years from the date when the statute of limitations began to run. • However, the tax audit can be performed within 3 years from the start of the statute of limitations with regard to the right to assessment of the tax liability. • As an exception, a tax audit can be performed for a period for which no statute of limitations has arisen with regard to assessment of the tax liability in the following cases: <ul style="list-style-type: none"> - in case of abuse of rights, - in procedures establishing differences between acquired assets and proven means for the acquisition of those assets according to income tax regulations, - in procedures against tax fraud - in procedures initiated in accordance with the orders of other bodies.

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5	Can taxpayers request a bilateral or multilateral advance pricing agreement (“APA”) for transactions falling within the scope of the HTVI approach under your legislation?	According to Croatia’s Profit Tax Law and Ordinance regarding APAs, the subject of APA could be future transaction(s) that take place within the 6 months following the request for an APA.
6	What measures exist or approaches have been adopted to avoid the use of hindsight (e.g. training of tax administrators, internal circulars/informative notes)?	Not applicable.
7	Is it possible for your tax administration to make adjustments under the HTVI approach in open years for closed years?	Not applicable.
8	Does your domestic legislation or administrative practice allow the tax administration to make corresponding adjustments under the HTVI approach in open years for closed years?	Not applicable.
9	Is it possible for your tax administration to make several adjustments for one single HTVI transaction under the HTVI approach?	Not applicable.

For further information, please see <http://www.oecd.org/tax/transfer-pricing/transfer-pricing-country-profiles.htm>