CROATIA

LIMITED LIABILITY COMPANY (d.o.o.)
CLIENT GUIDE 2026

Company formation, Croatian taxation
and annual compliance

Professional company formation
and ongoing corporate administration

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Croatia d.o.o. at a Glance

The društvo s ograničenom odgovornošću (d.o.o.) is Croatia's standard private limited liability company. It is suitable for domestic and international trading, services, investment and holding activities. Foreign investors may acquire ownership and business shares, subject to regulated-sector and foreign-investment screening rules where applicable.

Topic	Current legal / practical position
Founders / members	One or more founders may establish a d.o.o. Foreign companies and individuals are generally treated equally with domestic persons for business purposes.
Management	The company has a management board consisting of one or more directors. The articles / shareholders determine appointment and representation.
Registered office	A Croatian registered office is required and the company is entered in the competent Commercial Court Register.
Minimum capital	EUR 2,500 for a standard d.o.o. The minimum nominal amount of a business share is EUR 10.
Capital payment	Before court registration, each founder pays at least one quarter of the cash contribution; total cash paid cannot be less than one quarter of share capital. Special rules apply to contributions in kind.
Alternative form	A simplified j.d.o.o. can be formed with minimum share capital of EUR 1, but it has statutory restrictions and reserve requirements.
Corporate income tax	10% where revenue in the tax period is below EUR 1,000,000; 18% where revenue is EUR 1,000,000 or more.
VAT	Standard VAT rate: 25%. Reduced rates include 13%, 5% and 0% for specified supplies.

Key Benefits for International Clients

- EU company jurisdiction with generally equal business treatment for foreign and domestic investors.
- Low 10% corporate income-tax rate for companies with annual revenue below EUR 1 million.
- 18% corporate income tax once annual revenue reaches EUR 1 million - still below many mainstream European rates.
- Standard d.o.o. capital of EUR 2,500; simplified j.d.o.o. alternative available from EUR 1.
- Croatia has double-tax treaties with more than 65 countries and applies treaty relief where conditions are met.
- Domestic dividend / profit-share withholding rate is generally 10%, subject to treaty and EU-directive exemptions or reductions.

Important 2026 Tax Position

Croatia is low-tax for smaller companies, but it is not a 0% territorial regime

Croatian resident companies are taxable on profits derived in Croatia and abroad. The key ordinary-company advantage is the 10% corporate income-tax rate where revenue is below EUR 1 million. Foreign clients, foreign invoices or an overseas bank account do not create a general 0% corporate-tax result.

Ownership, Management & Taxation

Topic	Current legal / practical position
Foreign ownership	Foreign investors may acquire ownership and shares in Croatian companies. Sector-specific permits and screening may apply.
Directors	One or more directors manage and represent the d.o.o. Appointment, joint/individual representation and restrictions are recorded under the company documents and court register.
Capital	Standard d.o.o.: EUR 2,500 minimum; each business share nominal amount at least EUR 10.
j.d.o.o.	Simplified LLC: EUR 1 minimum capital, cash contributions paid in full, and one quarter of annual profit (after prior-year loss) allocated to legal reserves.
Beneficial owners	Companies must register their natural-person beneficial owners in Croatia's Beneficial Ownership Register within 30 days of establishment and report changes within 30 days.
Tax residence	Croatian resident companies are subject to corporate income tax on Croatian and foreign profits; foreign-tax credits and treaties may mitigate double taxation.

Corporate Income Tax - 10% / 18%

Current official Croatian investment guidance, reflecting the Profit Tax Act including the 2025 amendments, states a 10% rate where revenue generated in the tax period is below EUR 1,000,000 and an 18% rate where revenue is EUR 1,000,000 or more. The applicable rate therefore depends on revenue, not simply taxable profit.

Genuine low-tax result for smaller operating companies

A Croatian d.o.o. with revenue below EUR 1 million can legitimately be subject to only 10% corporate income tax on its taxable profit. This is a general reduced rate, not a temporary free-zone exemption. Once the revenue threshold is reached, the 18% rate applies under the current rules.

Foreign Income & Double-Tax Relief

Croatian resident companies are taxed on profits from Croatia and abroad. Croatia's treaty network and domestic foreign-tax-credit provisions can prevent or reduce double taxation. This is materially different from a territorial regime: foreign-source income is not automatically outside the Croatian tax base.

Dividends & Withholding

Official 2026 investment guidance states a 10% withholding rate on dividends and profit shares paid to non-residents. A 15% general withholding rate applies to specified other payments, while a 25% rate can apply to certain payments to persons in EU-listed non-cooperative jurisdictions. EU directives and tax treaties can reduce or eliminate withholding where their conditions are satisfied.

VAT - 25%

Croatia's standard VAT rate is 25%. Reduced rates of 13% and 5% apply to specified goods and services, and the tax system also provides a 0% rate for specified supplies. Cross-border EU supplies, exports and services require transaction-specific place-of-supply and exemption analysis.

Formation Process & Documents Required

1. Structure and Croatian tax review 2. Company-name availability 3. Founder / director / UBO KYC and Croatian OIB where required 4. Registered office and activities 5. Articles / declaration of incorporation 6. Capital contribution 7. Notarial or eligible electronic formation procedure 8. Commercial Court Register filing 9. Tax, VAT, beneficial-owner, statistical and employment registrations as applicable

Croatia permits physical and electronic establishment routes. For a standard d.o.o., the incorporation declaration for one founder or articles for multiple founders set out the company name, registered office, capital, founders' rights and management. Foreign documents may require apostille/legalisation and certified Croatian translation.

Official Capital & Formation Costs

The officially verified minimum share capital is EUR 2,500 for a standard d.o.o. and EUR 1 for a j.d.o.o. Court, notarial, FINA and related administrative costs vary with the formation route and circumstances; this guide therefore does not invent a single universal 2026 government incorporation fee. BRIS professional fees and third-party costs are quoted separately.

Documents Required from the Client

- Passport / acceptable ID for founders, directors and beneficial owners.
- Recent proof of residential address.
- Croatian OIB / tax identification where required.
- For corporate founders: recent registry extract, constitutional documents, directors and complete ownership chain.
- Proposed company name, Croatian registered office and detailed business activities.
- Ownership percentages, share capital and director/signing arrangements.
- Expected countries, customers, suppliers, turnover and transaction profile.
- Source-of-funds and, where appropriate, source-of-wealth evidence.
- Apostilled/legalised and certified translated foreign documents where required.

Accounting & Annual Accounts

Croatian companies must maintain accounting records and prepare annual financial statements under the Accounting Act and applicable Croatian / international financial-reporting standards. FINA's Annual Financial Statements Registry (RGFI) is the central filing system.

2026 filing deadlines confirmed by FINA

For 2025 financial statements, the deadline for statistical and other purposes was 30 April 2026. Public disclosure was due within six months after the financial year-end - 30 June 2026 for calendar-year companies - and consolidated statements generally within nine months. The applicable deadline should be checked each year.

Annual Compliance Checklist

- Maintain Croatian registered office and current Court Register particulars.
- Maintain founders/members, directors and beneficial-owner information.
- Enter UBO data and changes in the Beneficial Ownership Register within 30 days.
- Keep statutory accounting books and supporting documentation.
- Prepare and submit annual financial statements to RGFI / FINA.
- File corporate income-tax return and pay 10% or 18% tax as applicable.
- File VAT, payroll and withholding returns where applicable.
- Review treaty / EU relief before cross-border payments.
- Reassess audit requirements and company-size classification annually.

International Business & Tax Planning

Croatia offers a straightforward EU company structure and an unusually low 10% corporate income-tax rate for companies whose annual revenue remains below EUR 1 million. For larger companies the rate is 18%. Because Croatian resident companies are taxed on Croatian and foreign profits, international planning should focus on the revenue threshold, deductible costs, treaty and EU-directive relief, foreign-tax credits, financing and withholding-tax management.

The principal legitimate tax advantage for an ordinary Croatian d.o.o.

The clearest general advantage is the 10% corporate income-tax rate for a company with annual revenue below EUR 1 million. This can be highly competitive for an operating SME. It is not a 0% exemption and it does not depend on foreign ownership or foreign customers. Resident companies remain subject to worldwide taxation.

EU & Treaty Planning

Croatia is an EU Member State and has a broad double-tax treaty network. Qualifying corporate groups may therefore benefit from EU Parent-Subsidiary and Interest-Royalties rules and treaty reductions, subject to ownership, holding-period, beneficial-owner, substance and anti-abuse requirements. Domestic dividend withholding is generally 10% before applicable relief.

How BRIS Group Supports You

Structure & tax review - Assess d.o.o. / j.d.o.o. suitability, 10% / 18% corporate tax, VAT, withholding, EU-directive and treaty considerations.

Company formation - Coordinate foreign founder documents, OIB, articles, capital contribution, notarial/electronic process and Court Register filing.

KYC / UBO - Coordinate founder, director, beneficial-owner and source-of-funds / source-of-wealth due diligence.

Accounting & compliance - Coordinate bookkeeping, RGFI annual accounts, corporate tax, VAT, payroll and audit support where required.

Banking - Prepare corporate and KYC documentation and coordinate Croatian / international banking support where available.

Professional Fees & Official Sources

Professional fees are quoted separately

This guide is informational and is not a fee quotation. BRIS Group professional fees and third-party costs - including Croatian registered office, notary, court / FINA charges, translations, accounting, tax, VAT, audit, licensing, immigration and banking support - are quoted separately according to the required services.

Official sources reviewed for this 2026 guide: Government of Croatia / gov.hr - d.o.o. and j.d.o.o. establishment and Beneficial Ownership Register; Invest Croatia - current company formation and 2026 tax system; FINA - Annual Financial Statements Registry and 2026 filing deadlines; HITRO.HR - electronic company formation; Croatian Ministry of Finance / Profit Tax and VAT legislation reflected in current official government guidance.

PREPARED BY BRIS GROUP

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Professional incorporation and corporate administration for international clients.