



NEW CROATIA CHARTER AND VAT REGULATIONS 2017



MEGA YACHT SERVICES
EXCELLENCE IS A LIFESTYLE



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Definition of terms:



Charter company - A natural or legal person; the owner or user of a vessel; or a person who has taken responsibility for the management of the vessel from the owner on the basis of a written contract and who, by doing so, has taken all the powers and responsibilities prescribed by the Charter Ordinance and the relevant regulations of the Republic of Croatia relating to the safety of navigation and protection of the sea.

Maritime agent - A person who acts as a local representative of the owner of the yacht and carries out all essential duties and obligations required by the crew and guests of the yacht

E- crew - an online database of charter companies and their yachts used for registration of crew and passengers (issuing official crew and guest lists at the beginning of each charter)

PIN- personal identification number

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Charter business can be preformed by NON EU and EU companies



- Long Term Charter Business (all year around)- charter company is obliged to either open its own **charter company** in Croatia or **appoint a local maritime agent** or charter company as its local charter company
- Short Term and Periodical Charter Business - charter company is not obliged to have a local charter representative
- In case of representation a contract must be signed between the two parties clearly stating the responsibilities of the local representative.

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VAT ID and PIN numbers



- An EU charter company which performs charter services within the territory of Croatia is NOT obliged to appoint a fiscal representative to obtain a VAT ID and PIN and manage the VAT on their behalf.
- Non EU charter companies who perform charter services within the territory of Croatia ARE obliged to appoint a fiscal representative to obtain a VAT ID and PIN and manage the VAT on their behalf.

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Set up of for charter business in Croatia: approx. 10 - 14 days



- Obtain VAT and PIN numbers with the Croatian tax office. List of papers that needs to submit depends on if the yacht is from the EU or outside the EU.
- The yacht needs to be listed in "e-Crew" of the Croatian Ministry of Maritime Affairs. List of documents to be submitted depending on the GT and LOA of the yacht

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COMMERCIAL YACHTS

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- **All non-EU flagged commercial yachts** will be allowed to perform charters in Croatia, but will be **required** to obtain a charter license. There is **no longer a limit** on the yacht's length in order to perform charters in Croatia. The license will be **valid for the calendar year**. The number of licenses issued might be limited based on the Croatian market supply situation
- VAT for charter activities with overnight stay is 13% and 25% for daily charters

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- VAT will be charged on all commercial yachts that start charters (embark guests) in 3rd countries, on a pro-rata basis, for the time spent in Croatia. For instance, if a yacht embarks guests in Montenegro and comes to Croatia for 6 days, charter guests will need to pay Croatian VAT for 6 days.
- All charter contracts with an embarkation port outside of the EU, and a disembarkation port in Croatia, and signed before the 1st of May, will be exempt from VAT charges on a pro-rata basis for the time the yacht will spend in Croatia

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- All commercial yachts need to have a proof of their VAT status in the EU when entering Croatia
- When embarking guests outside the EU, all commercial yachts need to have a charter contract when entering Croatia; and when leaving Croatia they need to have an invoice of payment of Croatian VAT issued by its local Vat representative
- All commercial yachts, when embarking guests in another EU country, need to have a charter contract when entering Croatia and pro-forma invoice for VAT payment in that country issued by a fiscal representative in that country
- Non Eu commercial yachts who do not possess a cabotage license can cruise in Croatian territorial waters only between international ports, to and from shipyards, and with crew on board only

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CASES - 1



EU flagged yachts embarking guests outside of Croatia

I. EU flagged yacht - EU owner - embarking guests in another EU country, no need to pay VAT and to be listed in “E-crew”

II. EU flagged yacht - EU owner - embarking guests in Non EU country, must pay VAT for the time yacht will spend in Croatia. Charter company can use its own VAT number for VAT payment in Croatia, but will need to be listed in “E-crew”

III. EU flagged yacht - Non EU owner- embarking guests in another EU country, no need to pay VAT and to be listed in “E-crew”

IV. EU flagged yacht - Non EU owner - embarking guests in Non EU country, must pay VAT for the time yacht will spend in Croatia. Charter company will need to have VAT and fiscal representative, and needs to be listed in “E Crew” in Croatia

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CASES - 2



Non EU flagged yachts embarking guests outside of Croatia

I. NON EU flagged yacht- EU owner - embarking guests in another EU country, must obtain a charter license. No need to pay VAT and to be listed in “E-crew”

II. NON EU flagged yacht - EU owner- embarking guests in Non EU country, must obtain a charter license; must pay VAT for the time yacht will spend in Croatia. Charter company can use its own VAT number for VAT payment in Croatia, but will need to be listed in “E-crew”

III. NON EU flagged yacht - Non EU owner embarking guests in another EU country, must obtain a charter license. No need to pay VAT and to be listed in “E-crew”

IV. NON EU flagged yacht - Non EU owner, embarking guests in Non EU country, must obtain a charter license, must pay VAT for the time yacht will spend in Croatia. Charter company will need to have VAT and fiscal representative, and needs to be listed in “E Crew” in Croatia

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Pleasure yachts



- Private yachts will still be able to embark and disembark their guests in Croatia regardless of flag
- In cases where the owner and family members are not onboard, the Captain will have to have an authorized list of people with:
 - ◆ Names of guests
 - ◆ Length of time that these guests will spend on the yacht. This list of people will have to be authorized by the Captain's signature and the yacht's stamp. When the yacht is owned by a legal person, this list will need to be authorized by the director or another responsible person within the company

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Conclusion



Setting up charter business in Croatia is a pretty simple, straight forward, and quick process if you have a quality and professional representative 😊. With VAT of 13%, more than 1000 islands, and pristine nature and a safe environment, we believe Croatia is one of the most desirable cruising areas which has a lot to offer yacht owners and charter guests.

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