

INFORMATION FOR VESSEL OWNERS REGARDING REGISTRATION OF VESSELS WITH CROATIAN VESSEL REGISTERS

1. Why do vessel owners have to regulate tax and customs status of vessels in the procedure of temporary admission to Croatia?

As of 1 July 2013, Croatia is going to join the EU and is going to become a part of the EU Customs Union. As of that date, the EU residents – owners of vessels registered in the EU which have been temporarily admitted to Croatia and have lost the customs status of Community goods, or vessels registered in third countries temporarily imported by EU residents, according to the EU customs legislation, shall file a customs declaration for putting the vessels into free circulation, and pay the customs duties and VAT.

2. Under what conditions can vessel owners regulate their tax and customs obligations in Croatia?

In the period from 1 January 2013 to 31 May 2013, when putting vessels temporarily admitted to Croatia into free circulation, VAT shall be calculated at the rate of 5%. In order for a vessel to be put into free circulation in Croatia, it has to be entered in Croatian registers and placed under Croatian flag. All the vessels for which the customs duty was paid in Croatia before Croatia joined the EU, shall acquire the status of Community goods (EU goods) as of the date of Croatia's accession to the EU.

3. What is the procedure prescribed for importation of vessels into Croatia?

All the vessels have to undergo the import clearance procedure and be entered into Croatian registers. The vessels up to 12 m in length shall be entered in the Register of Boats kept with Harbour Master's Offices and shall be inspected by employees of Harbour Master's Offices or their branch offices, whereas the vessels exceeding 12 m in length shall be entered in the Register of Yachts kept with Harbour Master's Offices and shall be inspected by employees of the Croatian Register of Shipping.

4. Who are potential beneficiaries of the rate of VAT of 5%?

Legal entities and/or natural persons, owners of recreational craft intended for sports and leisure undergoing the procedure of temporary admission to Croatia which do not have the customs status of Community goods.

5. What if I do not regulate the customs and tax status in Croatia?

As Croatia joins the EU, the owners of such vessels will have to regulate the customs and tax status of the vessels in one of the EU member states.

6. At what rate will VAT be charged for such vessels from 1 June 2013?

As of the above stated date, when putting vessels into free circulation in Croatia, the full rate of VAT will be charged, which currently amounts to 25%.

7. What is the tax base of VAT?

The tax base of VAT is the customs value of vessels increased by the customs duty. The customs value shall be assessed on the basis of customs regulations, taking into consideration the real market value of the vessel. If the following are not included in the customs value, they will be included in the tax base:

- special taxes, fees and similar charges payable for importation of goods, exclusive of VAT,
- charges such as commission, packaging, transportation and insurance costs inflicted before the arrival to the first Croatian destination

8. Is customs duty charged on importation of vessels?

The import duty on importation shall be charged at the rate of 1.7% or 2.7%. However, if the vessel originates from the EU, CEFTA, EFTA countries or Turkey and an evidence of preferential origin has been produced (EUR1 form or an adequate statement on the receipt), the preferential rate of duty in the amount of 0% shall be charged. If no evidence of preferential origin is submitted at the importation, the basic rate of duty shall be charged. The base of duty shall be the customs value of the vessel.

9. Who can undertake the import customs procedure and the registration of the vessel on behalf of the owner?

The import customs duty procedure can be undertaken on behalf of the owner by duly authorized shipping agents established in Croatia, and the registration of the vessel can be performed by legal entities or natural persons established or residing in Croatia (law offices, consultants, shipping agents, charter companies, marinas and similar).

10. Who can I contact for more detailed information?

You can send any queries written in Croatian, English, German or Italian language to the following e-mail address: **nautika@hgk.hr**.

You can be provided with further information by marinas, shipping agents etc.

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STEPS TO TAKE FOR REREGISTRATION OF VESSELS WITH CROATIAN REGISTERS:

- File request for vessel deregistration with your register of initial registration and obtain the Certificate of Deregistration from the Register of Shipping of initial registration
- File request for PIN/OIB (PIN/OIB is assigned by the Tax Administration Office, Ministry of Finance, it is possible to grant a power of attorney to a legal and/or natural person to obtain it on your behalf)
- Obtain all other documents necessary for import customs clearance and vessel registration
- Authorize shipping agents and/or other legal or natural persons to undertake import customs clearance and vessel registration on behalf of the owner
- If the owner personally requests to be assigned the PIN/OIB, he or she should contact the Tax Administration Office (Branch Office of the Tax Administration office according to the place where the reason for monitoring occurred, or the Branch Office of Zagreb if the locally competent Branch Office cannot be determined; information: www.porezna-uprava.hr)
- If the owner personally registers the vessel up to 12 m in length, he or she should contact the Harbour Master's Office or one of its Branch Offices (contact and information: info@mppi.hr, www.mppi.hr), and for vessels exceeding 12 m in length he or she should contact the Croatian Register of Shipping (www.crs.hr)

Table 1. Documents necessary for import customs procedure and vessel registration¹

DOCUMENT	IMPORT CUSTOMS CLEARANCE	VESSEL REGISTRATION		WHO IS AUTHORIZED TO OBTAIN DOCUMENTS	OBSERVATION
		Up to 12 m	Over 12 m		
1. Certificate of PIN/OIB	+	+	+	Owner or attorney	PIN/OIB to be requested at the Tax Administration Office
2. Passport or other recognized identity document of owner	+	+	+	Owner	
3. Certificate of deregistration from the Register of Shipping of initial registration	-	+	+	Owner	To be issued by the Register of Shipping of initial registration
4. Vessel licence	+	+	+	Owner	
5. Copy of the Bill of Sale / Sale and Purchase Agreement or Statement on the vessel's value	+	-	-	Owner or attorney	You should consult a shipping agent
6. Mooring contract with a marina	+	-	-	Owner or attorney	
7. Certificate of Compliance with the Directive 94/25/EC or Technical Acceptance Certificate or Certificate of fee payment upon the boat or yacht registration (vignette)	+	+	+	Owner or attorney	
8. Request for registration	-	+	+	Owner or attorney	To be filed with Harbour Master's Office
9. Obligatory insurance policy against non material damage for vessel owner	-	+	+	Owner	
10. Proof of settlement of customs and tax obligations	-	+	+	Owner or attorney	
11. Proof of registration fee payment	-	+	+	Owner or attorney	
12. Request for basic yacht inspection	-	-	+	Owner or attorney	To be filed with Croatian Register of Shipping
13. Request for vessel name assignment	-	-	+	Owner or attorney	To be filed with Ministry of the Sea, Transport and Infrastructure
14. Licence for radio station on board vessel	-	+	+	Owner or attorney	To be filed with Croatian Post and Electronic Communications Agency (www.hakom.hr)
15. Power of Attorney for representation	+	+	+	Owner	PIN/OIB, import customs clearance, vessel registration
16. Power of Attorney for receiving written communications	+	+	+	Owner	PIN/OIB, import customs clearance, vessel registration

¹ All documents shall be submitted in form of originals or notarized copies, if not specified otherwise (documents originally written in a foreign language shall be translated by a duly authorized translator)

COSTS OF VESSEL REREGISTRATION:

- VAT at the rate of 5% on the customs value of the vessel
- Customs duty at the rate of 1.7% or 2.7% on the customs value of the vessel (if not accompanied by EUR1 form)

- Registration fee for vessel registration
- Administrative costs
- Costs of shipping agents and/or legal or natural persons acting as agents, established or residing in Croatia, costs of Power of Attorney, costs of certified translations