INSTRUCTIONS FOR REPORTING UNITS

DRŽAVNI ZAVOD ZA STATISTIKU
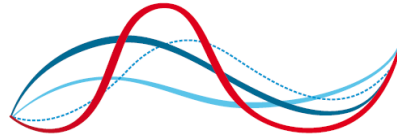CROATIAN BUREAU OF STATISTICS

Intrastat
GUIDE 2021

- Detailed instructions on filling in the Intrastat form, methodology of Intrastat reporting and legal frame related to Intrastat in the Republic of Croatia
- Intended to PSIs and agents

December 2020

All information and clarifications regarding the Intrastat reporting, technical support and methodological explanations are provided by the Croatian Customs Administration – **Intrastat Department:**

E-mail: intrastat.helpdesk@carina.hr

intrastat.prijava@carina.hr

intrastat@carina.hr

Phone: +385 (42) 234-255 (INTRASTAT Helpdesk)

Postal address: Zrinsko-Frankopanska 9, 40000 Čakovec

Fax: +385 (42) 234-215

Website: http://www.dzs.hr/Eng/intrastat/intrastat.htm

https://carina.gov.hr/

https://ec.EU-aropa.EU-a/EU-arostat/web/international-trade-in-goods/overview

CONTENTS

LIST OF TABLES

LIST OF FIGURES

1. FOREWORD

Part II of the Instruction for PSIs entitled "Intrastat GUIDE 2021" is intended for Intrastat providers and agents as an aid in correct filling in of the Intrastat form. Regarding its contents, it is a continuation of the Part I of the Instructions "**Intrastat BASICS 2021**", but as a more detailed, i.e. extended, edition.

This publication offers more precise explanations of Intrastat form fields and the Intrastat reporting methodology: reporting of triangular transactions, processing, credit notes, quasi-transit, goods return, delivery of goods to stocks (consignment, call-off, distribution, etc.), specific goods (electricity, gas, sea products, vessels and aircraft) and specific movements (deliveries to vessels and aircraft, industrial plants, staggered consignments, offshore installations, etc.). Constituent parts of these Instructions are practical examples, which thoroughly explain how goods are reported or not reported in Intrastat.

In addition, the **"Intrastat GUIDE 2021"** offers a review of the legal framework which Intrastat is based on, legal liabilities of all included parties (institutions and traders) as well as an insight of the implementation of GDPR in the Intrastat system.

A constituent part of these Instructions are also Appendixes with some of the code books needed in filling in the Intrastat form. All codebooks are available for downloading in Excel format on the CBS website (link: http://www.dzs.hr/Eng/intrastat/intrastat.htm) or on CIWS website (link: https://e-carina.carina.hr/ciws-public/ciws-public/en)

2. INTRASTAT FORM FIELDS
   - filling in

In the Part I of the Instructions it has been pointed out that the content and the format of the digital Intrastat form are strictly determined. In order to successfully download the Intrastat form in the Intrastat system of the Customs Administration, it is necessary to correctly fill in the fields in the Intrastat form. This is because the Intrastat system will not receive forms that contain formal errors.

Detailed explanations on how to correctly fill in all the fields in the Intrastat form are given below:

INTRASTAT FORM FIELDS for 2021			
BASIC INFORMATION		**ITEMS**	
Field 0.	**Flow of goods**	Field 8.	**Ordinal number of the item**
Field 1.	**Information on PSI**	Field 9.	**VAT ID number of consignee/purchaser of goods**
Field 2.	**Reference period**	Field 10.	**Commodity code**
Field 3.	**Total number of items**	Field 11.	**Description of goods**
Field 4.	**Agent`s basic information**	Field 12.	**Country of destination/consignment**
Field 5.	**Type of form**	Field 13.	**Delivery terms**
Field 6.	**Reference number**	Field 14.	**Nature of transaction**
Field 7.	**Date**	Field 15.	**Mode of transport**
		Field 16.	**Country of origin**
		Field 17.	**Net mass (kg)**
		Field 18.	**Quantity in supplementary unit**
		Field 19.	**Invoice value *(HRK)***

Table 1: List of the Intrastat form fields in 2021[1]

---

[1] The **Intrastat form for 2021** is different in content from the Intrastat forms from previous calendar years. The changes are the following: the field "Information on the Customs Administration" and the field "Statistical value" are no longer a constituent part of the Intrastat form, while the field "VAT ID number of consignee/purchaser of goods" has been added to the form as a new field on the basis of the modernisation of the Intrastat system and the reform of the European Statistical System (abbr. ESS).

2.1. FIELD 0. Trade flow of goods

It means the trade flow of goods in respect of the physical movement of goods within the EU territory:
- ↘ Code 1 – refers to the trade flow ARRIVALS,
- ↘ Code 2 – refers to the trade flow DISPATCHES.

The term "ARRIVALS" means physical movement of goods from other EU Member States to Croatia (the goods physically arrive in the Republic of Croatia, that is why it is called "arrivals"). Selection of code "1" means that all items, which are listed in that Intrastat form, physically crossed the Croatian border from other EU Member States to Croatia.

The term "DISPATCHES" means physical movement of goods from Croatia to other EU Member States (the Republic of Croatia physically dispatches/sends/delivers the goods, that is why it is called "dispatches"). Selection of code "2" means that all items, which are listed in that Intrastat form, physically crossed the Croatian border from Croatia to other EU Member States.

Important!
If you are the Intrastat provider for BOTH TRADE FLOWS (for both arrivals and dispatches), explanations given above mean that you are obligated to submit two Intrastat forms a month: one Intrastat form for ARRIVALS and the second one for DISPATCHES.

2.2. FIELD 1: Information on PSI

A provider of statistical information (PSI) is every business entity who is obligated to pay VAT in the Republic of Croatia (which means that they have a Croatian VAT ID number, irrespective of whether the headquarters of the business entity is located within or outside Croatia), who trades in goods with other EU Member States and their intra-EU trade value exceeded the Intrastat system threshold. Business entities are informed on the obligation through the written ***Intrastat Reporting Obligation Notice***, which is sent by registered mail.

Such business entity, who is obligated to report to Intrastat, is called a "provider of statistical information".

While completing the Intrastat form, the following three (3) subfields have to be correctly filled in in field 1 "Information on PSI":
- ↘ Field 1a: ID of the PSI (OIB is entered)
- ↘ Field 1b: PSI name
- ↘ Field 1c: PSI's headquarters address.

2.3. FIELD 2: Reference period

Reference period is a calendar month for which the Intrastat form is submitted. A numerical mark (from 1 to 12), which denotes the declared calendar month, has to be entered into this field.

2.4.   FIELD 3: Total number of items

It means the total number of entered items in the Intrastat form referring to a defined reference period. It is filled in at generating the XML file as a sum total of all individual items in the report.

2.5.   FIELD 4: Agent`s basic information

This field has to be filled in only if the Intrastat form is submitted by an agent on behalf of the PSI. If the PSI submits the Intrastat form on its own, this field remains blank!

An agent is any business entity (e.g. dispatching company, accounting company, bookkeeping trade, etc.) to which the PSIs entrusted to monthly submit the Intrastat forms on their behalf. If an agent submits the Intrastat form, there are four (4) subfields that have to be filled in:

↘ **Field 4a:**   *agent's ID* – it is necessary to enter the agent's OIB. If the agent is a non-resident and has no OIB, then the EORI number is entered.

Important! The ID number that is entered here is the same that was used for registration in the Customs G2B service (OIB or EORI number). This field consists of 2 places for a letter code of a country and 18 alphanumeric places (Geonomenclature + ID).

↘ **Field 4b:**   *Agent's name*
↘ **Field 4c:**   *Agent's address*
↘ **Field 4d:**   *Agent's country of residence*

2.6.   FIELD 5: Type of form

One of the codes defining the type of the Intrastat form is entered here. There are four types of Intrastat forms:

Code	Description
I	Original form
N	Substitute form
0	Nul (blank) form
B	Deleting of previously submitted form

Table 2: Types of Intrastat forms

2.6.1.   **Code I** – Original form

Designates the **original form** for a particular reference period. Along with basic information, item fields for goods that are being reported are also entered into the original form.

2.6.2.   **Code 0** – Nul form

The **nul form** is the Intrastat form that contains basic information, but the fields referring to goods items are not filled in (a form without entered items). The nul form is submitted in case when the PSI did not trade in goods with other EU Member States in a particular reference period.

Notice! If the PSI who submitted the nul form for a particular reference period should later on find out that there was trading in goods in that period – that PSI, after sending the nul form, submits a substitute form to the Intrastat system.

2.6.3.   **Code N** – Substitute form

Designates the **substitute form** that entirely replaces the previously submitted Intrastat form for a particular month. The substitute form is submitted in the following situations:

↘ When the PSI finds out that it has unintentionally submitted incorrect data (e.g. incorrect CN code, incorrect net mass value, incorrect value of goods, etc.). If the PSI determines that the initially submitted form contains incorrect data, it is obligated to send the substitute form with correct data, having in mind that the substitute form has to be submitted in the same month as the original one, i.e. until the 15th day in the month for the previous month.

↘ When the PSI, which is the provider only for one trade flow (arrivals or dispatches) receives a credit note from the EU supplier or issues a credit note to a purchaser (irrespective of the fact if goods are physically returned to the supplier or not);

↘ When the PSI, which is the Intrastat provider, receives a credit note for both trade flows (arrivals and dispatches) from the EU supplier for goods that stay in Croatia (which means that the goods are not physically returned to the supplier in another EU Member State);

↘ When the PSI, which is the Intrastat provider for both trade flows (arrivals and dispatches) issues a credit note to EU purchasers for goods that stay in EU (which means that the goods are not physically returned to the Republic of Croatia);

The submission of the substitute form after the 15th day in the month (or for previous months in a year) must be justified in methodological terms:

Example 1: *The credit note has been received in December, which grants a deduction/debit to the invoice issued in June.*
The submission of the substitute form for June in December is justified in methodological terms!

Example 2: A commercial invoice was received in December for goods purchased and physically arrived in Croatia in August. The submission of the substitute form for August in December is not methodologically justified because the goods should already have been reported in Intrastat form based on the delivery note or transport documentation or any other document containing the goods data!

Example 3: *The original form for March was sent on 11 April to the Intrastat. system. On 13 April the PSI determined that the form contains an incorrect information on net mass. On 15 April the PSI submits the substitute form containing the corrected information on net mass.*
The submission of the substitute form for March on 15 April is justified in methodological terms!

Example 4: *The original form for March was sent on 11 April to the Intrastat. system. On 17 April the PSI determined that the form contains an incorrect information on net mass and sends the substitute form on the same day with the corrected information on the net mass of goods.*
A legal deadline for the submission of the Intrastat form is the 15th day in the month for the previous month. Although incorrect data in the Intrastat forms were defined after the prescribed deadline, the PSI is obligated to submit the substitute form for March with correct data.

2.6.4. Code B – Deleting of previously submitted form

The B form deletes a previously submitted original, nul or substitute form. It is used in exceptional cases, for example, if the PSI, by oversight, sent the form for DISPATCHES and listed goods items that actually ARRIVED. In such a case, all items are actually incorrect and there is no sense in correcting them; instead, it is much easier to completely delete such an Intrastat form.

In the B form, it is necessary to enter ID information to the header of the form and to put a "B" to the field 5, which will delete previously submitted form.

In case the PSI submitted the nul form for a particular month, and wants to submit a substitute form after that – it is not necessary to use the B (deleted) form.

Important!
After sending a "B" form for a particular period, there is no active form in the customs Intrastat system for that particular month. It is therefore necessary to immediately send a new original or a new nul form for the same month after the "B" form has been submitted.

2.7. FIELD 6: Reference number

The information system of the Customs Administration assigns a reference number to the Intrastat form after it passed formal field controls and was received into the system. This field is seen in the returned message received by the PSI on successful receipt of the form into the system.

2.8. FIELD 7: Date

This field is completed automatically and contains information on the date of filling in the Intrastat form in the information system of the Customs Administration.

2.9.   FIELD 8: Ordinal number of the item

Items in the Intrastat form are marked with ordinal numbers. The ordinal number of the last entered item has to be equal to the number of items in Field 3.

2.10.   FIELD 9: VAT ID number of consignee/purchaser of goods

⚠️ **Important!**

Field "VAT ID number of consignee/purchaser of goods" is completed **in the Intrastat form solely for the trade flow DISPATCHES!**

In the Intrastat form for the trade flow ARRIVALS – this field remains blank!

In this field, it is necessary to enter the VAT ID number of a trade partner from another EU Member State to whom the Croatian goods are dispatched/delivered.

VAT identification number (abbr. VAT ID number) of a purchaser from another partner EU Member State is usually entered by a seller on the invoice or contract.

VAT ID number of your EU partner is entered as a combination of a **letter Geonomenclature code of the EU Member State (the code of the EU Member State who is a consignee is entered strictly IN CAPITAL LETTERS) and numeric codes without blanks and punctuations.**

Structures of VAT ID numbers of all EU Member States can be found at the following link: https://ec.europa.eu/taxation_customs/vies/faqvies.do?locale=en#item_11

The Geonomenclature code of the country in field "VAT ID number of consignee/purchaser" will in most cases be the same as the Geonomenclature code in field "Country of destination/consignment, except in the following cases:

2.10.1.   Triangular transactions

Triangular transactions in which the seller from Croatia is the first in a row and therefore issues the invoice to the purchaser from the EU Member State A, while at the same time physically dispatches the goods to the EU Member State B. In such a situation, this is what needs to be entered in field "VAT ID number of consignee/purchaser of goods":

↘ **If the end consignee to whom the goods are physically dispatched/delivered is known**

The VAT ID number of the end consignee in the EU Member State of destination;

↘ **If the end consignee to whom the goods are physically dispatched/delivered is <u>not</u> known**

↘ **If the end consignee to whom the goods are physically dispatched/delivered is <u>not</u> known**
VAT ID number of EU partner to whom you issue the invoice is entered. At the same time, field "Country of destination/consignment" will be filled in with the Geonomenclature code of the EU Member State to which the goods are physically transported from Croatia, which will clearly show that the goods are involved in the triangular transaction.

Example 5: *A company from Croatia sells goods to a company from Slovenia, which resells the same goods to a purchaser from Hungary. The goods are directly dispatched from Croatia to the end purchaser in Hungary.*
The Croatian company fills in the Intrastat form in the following way:
- If the Croatian company has information on the VAT ID number of the end consignee of goods in Hungary – then the Hungarian VAT ID number of the consignee of the goods is entered (e.g. HU99999999, i.e. the code HU + eight digits)
- If the Croatian company does not have information on the VAT ID number of the end consignee of the goods in Hungary – then the VAT ID number of the Slovenian purchaser to whom the Croatian company issues the invoice is entered in field "VAT ID number of consignee/purchaser of goods" (e.g., **SI99999999,** therefore the code SI + eight nines)
- As for field "Country of destination/consignment", the Geonomenclature code of Hungary "HU" is entered, which is the country to which the goods are physically transported from Croatia.

More information on triangular transactions can be found in chapter 5.2 of these Intstructions.

2.10.2. Dispatches of goods from Croatia to a <u>consignment/commission stock</u> in another EU Member State

Due to the fact that the end purchaser is unknown at that moment, VAT ID number of a holder of a consignment/commission stock located in a partner EU Member State is to be entered.

2.10.3. Dispatches of goods from Croatia to <u>own distribution stock</u> in another EU Member State

If a PSI from Croatia has been registered as a VAT payer in the EU Member State where it dispatches goods to own distribution stock, i.e., if it has the VAT ID number of that EU Member State – than that own VAT ID number assigned in another Member State is to be entered in this field.
If a PSI from Croatia does not have the VAT ID number of that EU Member State – then the VAT ID number of a holder of the stock in that EU Member State is to be entered.

2.10.4. Dispatches of goods from Croatia to another EU Member State for <u>processing</u>

VAT ID number of the company that is going to do the job of processing (processor) in that Member State is entered, irrespective of whether the goods are going to be returned to Croatia or delivered to another country after processing. The processor will issue an invoice for the service, which must contain its VAT ID number.

In case that the Croatian PSI is registered for VAT in the EU Member State in which processing will take place – then own VAT ID number issued in another EU Member State has to be entered in this field.

2.10.5. Dispatches of goods from Croatia to a <u>purchaser who is a natural person (citizen)</u> in another EU Member State

If you dispatch/sell goods to a natural person – citizen residing in another EU Member State, who is not a VAT taxable person, then you have to enter the code **QN999999999999** (a letter code QN and 12 nines).

2.10.6. What if the VAT ID number of the consignee/partner is <u>unknown</u> in another EU Member State <u>for reasons not mentioned here?</u>

If the VAT ID number of the EU partner, i.e. the consignee, of goods in the destination EU Member State for any reason that is not foreseen in this chapter (*chapter "2.10, FIELD 9: VAT ID number of consignee/purchaser of goods" in these Instructions*) – then the code **QV999999999999** is entered to this field (a letter code QV and 12 nines).

<u>Examples of possible situations</u>: EU partner does not have a VAT ID number, you report the dispatch of goods, which you declare as a small individual transaction item (goods classified in CN code 9950 0000)[2], etc.

2.11. FIELD 10: Commodity code (Combined Nomenclature)

An eight-digit commodity code according to the valid Combined Nomenclature (abbr. CN) is entered. CN is a tariff and statistical EU classification of commodities. Every calendar year in October, the European Commission adopts an implementing regulation that defines the valid CN for the next calendar year. The Combined Nomenclature is a legal act <u>binding for all EU Member States.</u>

The **Combined Nomenclature for 2021** was published in the **Official Journal of the European Union No. L 361 of 30 October 2020** under the title "*Commission Implementing Regulation (EU) 2020/1577 of 21 September 2020 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff*". It is going to be implemented from 1 January 2021 to 31 December 2021.

2.11.1. HOW TO correctly classify goods according to the Combined Nomenclature?

---

[2] Small individual transaction items – described in chapter 2.11.2. of these Instructions

The goods are classified in CN exclusively according to **General Rules** and **Notes** (Notes accompanying Sections, Notes accompanying Chapters, Notes accompanying subheadings and Additional notes) and in no other way whatsoever!!

Every person who fills in the Intrastat form is obligated to correctly classify all arrived/dispatched goods according to the valid Combined Nomenclature in line with:
- *General Rules for classifying of goods according to CN,*
- *Notes accompanying Sections,*
- *Notes accompanying Chapters,*
- *Notes accompanying subheadings and*
- *Additional notes.*

General Rules for classifying goods in the Combined Nomenclature have to be implemented strictly in order in which they are listed (e.g., goods are classified in CN according to the General Rule 3a only if the General Rule 1 or 2 cannot be implemented, etc.). Having in mind that the PSI has the documentation on goods, which contains the description of goods, purpose and other important characteristics, it is necessary to implement, based on detailed information on goods (according to the documentation), a corresponding General Rule on classifying of goods:

GENERAL RULE – ordinal number	GENERAL RULE – description
GR 1	The titles of sections, chapters and sub-chapters are provided for ease of reference only. For legal purposes, classification shall be determined according to the terms of the headings and any relative section or chapter notes and, **provided** such headings or notes do not otherwise require, according to the following provisions.
GR 2	**a)** Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this rule), presented unassembled or disassembled. **b)** Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of rule 3.
GR 3	*When, by application of rule 2b) or for any other reason, goods are prima facie classifiable under two or more headings, classification shall be effected as follows:* **a)** the heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods;

	b) mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to 3a), shall be classified as if they consisted of the material or component which gives them their essential character, in so far as this criterion is applicable; **c)** when goods cannot be classified by reference to 3a) or 3b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.
GR 4	Goods which cannot be classified in accordance with the above rules shall be classified under the heading appropriate to the goods to which they are most akin.
GR 5	*In addition to the foregoing provisions, the following rules shall apply in respect of the goods referred to therein:* **a)** camera cases, musical instrument cases, gun cases, drawing-instrument cases, necklace cases and similar containers, specially shaped or fitted to contain a specific article or set of articles, suitable for long-term use and presented with the articles for which they are intended, shall be classified with such articles when of a kind normally sold therewith. This rule does not, however, apply to containers which give the whole its essential character; **b)** subject to the provisions of rule 5a), packing materials and packing containers presented with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods. However, this provision is not binding when such packing materials or packing containers are clearly suitable for repetitive use.
GR 6	For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related subheading notes and, mutatis mutandis, to the above rules, on the understanding that only subheadings at the same level are comparable. For the purposes of this rule, the relative section and chapter notes also apply, unless the context requires otherwise.

Table 3: General rules applied for classifying goods in the Combined Nomenclature

Important!
The Combined Nomenclature for 2021 is available on the official CBS website (http://www.dzs.hr/Eng/intrastat/intrastat.htm) and on the CIWS website (https://e-carina.carina.hr/ciws-public/ciws-public/en) in two formats, PDF and EXCEL:

➘ **"Combined Nomenclature 2021"** **in PDF forma**t – under the chapter "European legislation" – it is the official version of CN for 2021, which must be used when filling in the Intrastat form and contains all necessary Notes for classifying as well as the General Rules for using the Combined Nomenclature;

➘ **"Combined Nomenclature 2021"** **in EXCEL format** – under the chapter Code books – it is a non-official abbreviated version of CN for 2021, which is useful only to persons who are familiar with the system of the Combined Nomenclature and know how to correctly classify goods. Since

the EXCEL version of CN is not a legal act, you are obligated to check if codes are correct in the PDF version of CN for 2021.

↘ **"Combined Nomenclature 2021, full headings <u>in EXCEL format</u>** – under the chapter Code books – it is also a non-official abbreviated version of CN for 2021 with full headings and containing only eight-digit codes (excluding the previous levels of breakdown). If this CN version is used, PSI is obligated to check if codes are correct in the legal PDF version of the "Combined Nomenclature 2021" (OJ L 361 of 30 October 2020).

Recommendation! As an additional favour to your EU partners, and aimed at boosting the quality of statistical data, add also the eight-digit code of the Combined Nomenclature for each item of goods you deliver on commercial invoices you issue or on your packing list or on the transport documentation. Thus you will save the time needed for correct classifying of goods to your EU purchasers (who are Intrastat providers in other EU Member States)!

2.11.2. Code 9950 0000 for small individual transactions

The small individual transaction is an **account item**, **of the value of EUR 200 or less**, which can be reported in the Intrastat form according to the code **9950 0000** of the Combined Nomenclature with the implementation of the following limitations:

↘ The item under the CN code 9950 0000 **<u>must not be the only item</u>** in the Intrastat form (if it is, the precise CN code of the goods must be entered into the Intrastat form);

↘ The invoice value of all (summed up) items reported under the CN code 9950 0000 **<u>must not exceed HRK 50 000</u>** (fifty thousand kuna);

↘ The net mass of all (summed up) items reported under the CN code 9950 0000 **<u>must not exceed 500 kg</u>** (five hundred kilograms);

↘ **<u>Items under the CN code 9950 0000 must be summed up</u>** in the Intrastat form in the following way:

↘ Summing up is done according to the code "Country of destination/consignment",

↘ Code **QV** is to be entered in field „Country of origin";

↘ Code **QV999999999999** is to be entered into in field "VAT ID number of consignee/purchaser of goods"

↘ The remaining items in the Intrastat form, reported under the standard (precise) CN codes, must also be summed up according to standard rules of summing up;

The CN code 9950 0000 is applied **optionally!**

The simplified reporting of small individual transactions is intended primarily for smaller business entities, which manually fill in the Intrastat form in Excel format by copying item by item from appropriate documents.

It also must be pointed out that if use of the CN code 9950 0000 results in decreased quality of statistical data for a certain reporting unit as well as in the case of suspicion of misuse of the CN code 9950 0000, CBS and/or the Customs administration can forbid individual reporting units to use the simplified CN code 9950 0000 (until further notice of for a determined period of time).

Concerning small individual transactions, fields in the Intrastat form are to be completed in the following way:

F I E L D	D E S C R I P T I O N	HOW TO COMPLETE
Field 8.	Ordinal number of the item	Completed automatically
Field 9.	VAT ID number of consignee/purchaser of goods	**QV999999999999**
Field 10.	Commodity code (CN)	**9950 0000**
Field 11.	Description of goods	**SMV** (or small individual transaction)
Field 12.	Country of destination/consignment code	Geonomenclature code of one of EU Member States
Field 13.	Delivery terms	**XXX 1** (for both flows)
Field 14.	Nature of transaction	**11** (for purchase/sale transactions) **or 99** (for other types of transactions)
Field 15.	Mode of transport	**3 (cestovni)**
Field 16.	Country of origin code	**QV**
Field 17.	Net mass	Must be completed (max 500 kg)
Field 18.	Quantity in supplementary unit (SU)	The field remains blank
Field 19.	Invoice value (IV)	Must be completed (max HRK 50 000)

Table 4: Filling in the Intrastat form fields for small individual transactions

2.12. FIELD 11: Description of goods

This field is to be completed with the usual trade name of goods, which must be **precise enough to ensure a clear identification** in line with codes of the Combined Nomenclature. If the usual trade name does not clearly identify the type of goods or if it does not ensure precise classification of goods according to the Combined Nomenclature – then it is necessary to add information on the type of material, processing, purpose or any other fact that can describe the type of goods more precisely

(e.g., a car – a general term that does not clearly indicate the correct code of the Combined Nomenclature).

Important!
For dispatches or arrivals of ships, the name of the ship must be stated!

When completing this field, it is not allowed to copy the description from the Combined Nomenclature and neither it can include special characters (- / ! ; „ " # $ % & etc.). The description of goods is to be written in the Croatian language and up to 400 characters can be entered.

Example 6: *PSI from Croatia sells a new minibus to a Bulgarian company, where goods are physically dispatched from Croatia to Bulgaria. This is a new minibus with a diesel engine (cylinder capacity is 3 000 ccm) and 12 seats.*

Prior to completing field 11, it is necessary to pay attention to commodity code in the Combined Nomenclature for that minibus. The correct CN code in this example is 8702 10 11:

CN code	Description	Conventional rate of duty (%)	Supplementary unit
1	2	3	4
8702	**Motor vehicles for the transport of ten or more persons, including the driver:**		
8702 10	**– With only compression-ignition internal combustion piston engine (diesel or semi-diesel):**		
	–– Of a cylinder capacity exceeding 2 500 cm³:		
8702 10 11	––– New	16	p/st
8702 10 19	––– Used	16	p/st

Incorrect description of goods: "minibus"
The description of the goods is too general, there is no certain information whether it is a new or a used vehicle, or what kind of engine is in question: diesel, petrol, etc. – so such a general description does not allow for the correct identification by the CN code.

Correct description of goods: "New 12-seater minibus with diesel engine and cylinder capacity of 3 000 ccm"
The description of the goods is accurate and clear, although long – this is why it is possible to enter up to 400 characters in field 11.

2.13. FIELD 12: Country of destination/consignment

This field is to be completed by entering the code of the EU Member State to which goods are physically dispatched from Croatia *(country of destination)*, the or code of the EU Member State from which goods are physically delivered to Croatia *(country of consignment)*. Codes of EU Member States can be download from the **Geonomenclature that is available** on the CBS website (link: http://www.dzs.hr/Eng/intrastat/intrastat.htm in chapter Code books) **and on CIWS website** (link: https://e-carina.carina.hr/ciws-public/ciws-public/en).

Important!

The name of field 12 "County of destination/consignment" is interpreted in the following way:

⭨ **When filling in the Intrastat form for <u>ARRIVALS</u>**
It is to be read **"Code of country of consignment"** – the word "destination" is neglected because we know that the country of destination is Croatia and we want to know the EU Member State from which goods have been dispatched;

⭨ **When filling in the Intrastat form for <u>DISPATCHES</u>**
It is to be read **"Code of country of destination"** – the word "destination" is neglected because we know that the country of consignment is Croatia and we want to know the EU Member State to which goods are to be dispatched.

2.14. FIELD 13. Delivery terms

It consists of two subfields: delivery terms and place of delivery.

2.14.1.   Subfield "Delivery terms"

It is specified according to the INCOTERMS three-letter codes. The parity, i.e. the term of delivery, has to correspond the delivery parity agreed for a particular commodity item between a buyer and a supplier.

As a rule, the supplier enters the delivery parity on the invoice, but it can also be previously agreed and specified in the sales contract, in which case the delivery term will not be stated on individual bills.
In exceptional cases, the seller will not specify the parity either on the bill or in the Terms – then the parity that best corresponds to orally agreed delivery terms of goods is selected.

INCOTERMS (*International Commercial Terms*) are international rules *(another name: Incoterms delivery clauses/delivery parities/delivery terms)* that regulate legal and economic relations between buyers and sellers in international trade regarding the transfer of risks and costs at the delivery of goods from one contract party to another. Incoterm delivery terms define the responsibility of sellers and buyers in regards to individual costs and risks, and when the responsibility of the seller is to be transferred to the buyer. Incoterms rules are harmonised with international rules for interpreting trade terms of the International Chamber of Commerce, whose authenticity is recognised even by commercial courts.

The implementation of the Incoterms delivery terms in sales contracts significantly reduces the possibility of misunderstandings in running business, which may otherwise result in legal complications.

Incoterm parities are revised every 10 years. The latest edition is **"INCOTERMS 2020"**.

Important!

INCOTERMS rules are recommended rules, i.e. internationally recognised regular trade practice. There is no legal liability for using INCOTERMS parities in international transactions, but still they are very useful to all involved parties in sales transactions in case of possible legal disputes.

The International Chamber of Commerce[3] is in charge of interpreting INCOTERMS rules, while in Croatia it is the ICC – Croatian Chamber of Commerce that issues the rules[4].

There are four Incoterms categories (E, F, C, D), in which each category indicates a different degree of the seller's liability related to the delivery.

DELIVERY TERMS CATEGORIES ACCORDING TO INCOTERMS RULES			
CATEGORY E	**CATEGORY F**	**CATEGORY C**	**CATEGORY D**
(**EXW**)	(**FCA, FAS, FOB**)	(**CFR, CIF, CPT, CIP**)	(**DPU, DAP, DDP**)
The **seller** makes the goods available at his own premises to the buyer The **buyer** takes over the goods from the seller	The **seller** delivers the goods at his own premises to the buyer. The **buyer** takes over the goods from the seller	The **seller** is responsible for contracting and paying for carriage of the delivered goods, but he is not responsible for additional costs and risks related to the goods once they have been shipped. The **buyer** takes over the goods at the named place of destination.	The **seller** delivers the goods at the buyer's premises. He is responsible for all costs and risks related to delivering the goods to the named place of destination. The **buyer** takes over the goods at his own premises from the carrier.

Table 5: INCOTERMS parity categories

Delivery Terms Code Book according to INCOTERMS 2020 codes can be downloaded on the CBS webpage (link: https://www.dzs.hr/Eng/intrastat/intrastat.htm in chapter "Code books"), on the CIWS webpage (link: https://e-carina.carina.hr/ciws-public/ciws-public/en), and it is a component part of these Instructions in Appendix 3 (chapter 8.3. APPENDIX 3 – Delivery terms).

---

[3]International Chamber of Commerce – ICC (link: https://iccwbo.org/about-us/)
[4]ICC – Croatian Chamber of Commerce (link: http://www2.hgk.hr/icc/)

2.14.2. Subfield "Place of delivery"

Denotes a place where costs and risks are transferred from the supplier to the buyer. One of the following codes is to be entered here:
- **Code 1** – denotes the territory of the Republic of Croatia
- **Code 2** – denotes the territory of another EU Member State
- **Code 3** – denotes the non-EU territory.

Example 7: Arrivals of goods from another Member State to Croatia on **EXW Graz** parity.
The delivery place code is 2 (the territory of another EU Member State).

Example 8: Dispatches of goods from Croatia on **FCA Zagreb** parity.
The delivery place code is 1 (the territory of Croatia).

Example 9: Quasi import from China with dispatches from Croatia on **FOB Shanghai** parity.
The delivery place code is 3 (the non-EU territory).

Place of Delivery Code Book according to INCOTERMS 2020 codes can be downloaded on the CBS webpage (link: https://www.dzs.hr/Eng/intrastat/intrastat.htm in chapter "Code books"), on the CIWS webpage (link: https://e-carina.carina.hr/ciws-public/ciws-public/en), and it is a component part of these Instructions in Appendix 4 (chapter 8.4. APPENDIX 4 – Place of delivery).

2.15. FIELD 14: Nature of transaction

A corresponding nature of transaction code is to be entered in this field. Nature of transaction code has two digits and denotes a **transaction type** according to which a particular goods item was traded. For example:
- if goods are subject to the sales transaction, nature of transaction code 11 is to be entered;
- if goods are delivered without paying for them (so called delivery free of charge), nature of transaction code 30 is to be entered;
- for transferring of own goods from stock in Croatia to stock in another EU Member State, code 99 is to be entered;
- etc.

Nature of Transaction Code Book can be downloaded on the CBS webpage (link: https://www.dzs.hr/Eng/intrastat/intrastat.htm in chapter "Code books"), on the CIWS webpage (link: https://e-carina.carina.hr/ciws-public/ciws-public/en), and it is a component part of these Instructions in Appendix 2 (chapter 8.2. APPENDIX 2 – Nature of transaction code).

2.16. FIELD 15: Mode of transport

The code of the mode of transport in which goods physically crossed the Croatian border is to be entered in this field. For example: road transport (code: 3), air transport (code: 4), sea transport (code: 1), railway transport (code: 2), etc. In cases when there are several different modes of

transport during the journey, only the code of mode of transport in the moment of crossing the Croatian border is to be entered in the Intrastat form.

Mode of Tranport Code Book can be downloaded on the CBS webpage (link: https://www.dzs.hr/Eng/intrastat/intrastat.htm in chapter "Code books"), on the CIWS webpage (link: https://e-carina.carina.hr/ciws-public/ciws-public/en), and it is a component part of these Instructions in Appendix 5 (chapter 8.5. APPENDIX 5 – Mode of transport code).

2.16.1. Mode of transport code "5 – postal consignment"

Mode of transport code "5 – postal consignment" is applied in cases of arrivals/dispatches of postal consignments accompanied by the following notes:
  ➘ If the active mean of transport of the postal consignment is known to PSI (e.g., by truck) – mode of transport code corresponding to the known active mean is entered (e.g., 3 – road transport) in the Intrastat form.
  ➘ If the active mean of transport of the postal consignment is not known to PSI, then mode of transport code 5 – POSTAL CONSIGNMENT is to be entered in the Intrastat form.

Important!
The mode of transport 5 is only allowed to be used with postal consignment weighting up to 1 000 kg (a thousand kilograms). For consignments weighting more than 1 000 kg it is necessary to accurately determine the mode of transport.

2.16.2. Mode of transport code "9 – own propulsion"

Mode of transport code "9 – own propulsion" is applied in cases of purchase/sale of transport means (e.g. car, aircraft, bus etc.) whereby the goods are not delivered/dispatched (carried) on other mean of transport but under their own propulsion.

2.17. Field 16. Country of origin

As distinct to previous years, for the reference period in 2021, the field in the Intrastat form "Country of origin" is to be filled in for ARRIVALS (as usual) as well as in the Intrastat form for DISPATCHES.

A corresponding Geonomenclature code of the country of the world whose origin the goods acquired is to be entered in this field.

The country of origin is determined according to the rules on the origin[5]. It is the country in which the goods are wholly produced or the last substantial transformation took place.

The goods in the production of which several countries participated are considered to originate from the country in which it was subjected to the last substantial, economically justified

---

[5] **Rules for determining the origin of goods** are regulated by customs legislation. Detailed explanations are available on the following link: https://carina.gov.hr/podrijetlo-robe/2502

processing/transformation, which resulted in the production of the new product or is considered to be a substantial production stage. The origin of the goods can be changed only by processing or transformation. No other procedure (e.g. sale/purchase, return of goods, etc.) will not change the origin of goods.

Moreover, the duration of use of the commodity does not change its origin, even when its tariff number has changed (e.g., used cars). This is the reason why it is possible for a non-EU country Geonomenclature code to appear in the Intrastat form, and it is also allowed to use the codes QW/QV prescribed by the Geonomenclature.

Important!

↘ **For the trade flow ARRIVALS**

When the country of origin cannot be correctly determined, it is allowed to enter the code in field 16 of the EU Member State from which goods have been physically dispatched to Croatia!

↘ **For the trade flow DISPATCHES**

PSIs are expected to enter the accurate country of origin. The country of origin code "HR" in the Intrastat form for dispatches is used in case when goods have been produced/got in Croatia or the last substantial transformation of goods took place in Croatia. In all other situations (e.g., the product is assembled from parts of various origin), it is necessary to accurately define the country of origin in line with the rules of origin of goods.

Code book Geonomenclature is available for downloading in Excel format on the CBS website (link: http://www.dzs.hr/Eng/intrastat/intrastat.htm in chapter "Code books") and on CIWS website (link: https://e-carina.carina.hr/ciws-public/ciws-public/en).

2.18. FIELD 17: Net mass

Net mass is the weight of goods without packaging expressed **in kilograms using three decimal places**. Exception is electricity for which the net mass is not recorded but the quantity in supplementary unit expressed in megawatts.

If the information on net mass is not available, it has to be determined as accurate as possible using the Conversion factors for net mass estimation (available at the CBS official website (link: http://www.dzs.hr/Eng/intrastat/intrastat.htm) and at the CIWS official website (link: https://e-carina.carina.hr/ciws-public/ciws-public/en). Conversion factors are released separately for each calendar year.

Example 10: If data on LITRES of wine are needed to be converted to data on net mass expressed in KILOGRAMS, it can be done in the following way:

- To determine the exact CN code (of wine) from the Combined Nomenclature – let us take as an example the CN code 2204 21 23 White wines produced in Tokaj "e.g. Aszu, Szamorodni, Máslás, Fordítás", in containers holding <= 2 l and of an actual alcoholic strength of <= 15% vol, with PDO (excl. sparkling wine and semi-sparkling wine)
- CN code 2204 21 23 prescribes data in SU according to the code 33
- Code 33 refers to LITRES, according to the Annex 10 "Supplementary unit"
- Open "Conversion factors for net mass estimation" and find CN code 2204 21 23
- According to the code 2204 21 23, conversion factor is 0.9750
- Let us take an example of arrival/dispatch of the total of 25 112 litres of wine
- and that all 25 112 LITRES of wine refers to the CN code 2204 21 23.
- 25 112 LITRES * 0.9750 = 24 484.2 kg

Besides for the calculation of net mass, Conversion factors are used for the calculation of value of goods per kilogram. Column "**Conversion factor for value per kilogram**" is used when the goods, for which the exact value is not known at the moment of compiling the Intrastat report, are to be declared.

Example 11: Tokaj wine (from the previous example) has arrived at the consignment warehouse (NoT 12). *The goods have arrived with the supporting bill of lading and CMR (there is no invoice stating the value of the goods). The type of goods is stated on the bill of lading (wine Tokaj).*
The following actions are to be taken:
- Determine the net mass – let us assume that it is 24 484.2 KILOGRAMS (we do not use data on litres because we need data on kilograms, i.e., the net mass in kilograms).
- The goods are to be classified according to the eight-digit CN code: 2204 21 23.
- According to the CN code 2204 21 23, the conversion factor is 2.40552487899674 (rounded, 2.41). It concerns the value expressed in euros!!!
- Since we want to calculate the value of the goods, we have to multiply 24 484.2 kg by conversion factor 2.40552487899674 = 58 897.35224233198 (rounded, 58 897.35 euros).
- So, the invoice value of the total amount of the received Tokaj wine is 58 897.35 euros.

2.19. FIELD 18: Quantity in supplementary unit

The Combined Nomenclature is needed for completing this field.

In this field, the quantity of goods in stipulated supplementary unit using three decimal places is to be entered, **but only if the supplementary unit is prescribed by the Combined Nomenclature**. Specifically, the supplementary unit is prescribed in the Combined Nomenclature only for a particular type of goods (see the fourth column of the Combined Nomenclature).

If the supplementary unit is not stipulated in the Combined Nomenclature for a particular type of goods, or if it concerns the specific movement of goods (industrial plants, goods delivered to vessels and aircrafts and offshore installations), this field in Intrastat form is to remain blank!

2.20. FIELD 19: Invoice value (IV)

In this field, the value of goods expressed in the Croatian currency (HRK) is entered as a **whole number without decimal places.**

Invoice value means the value of sold or purchased goods expressed on the invoice. IV does not include VAT or other taxes. If there is no invoice, the invoiced value should be estimated on the basis of the amount which would have been invoiced in the case of sale or purchase of identical or similar goods.

> **Important!**
>
> ➢ **YES –** IV includes additional costs such as **freight costs, packaging, loading, reloading, and/or insurance** only if included in the invoice value and stated on the same invoice as the goods.
>
> ➢ **NO –** if the mentioned additional costs such as **freight costs, packaging, loading, reloading, and/or insurance** are stated on the separate invoice – then they are not included in IV of the goods in the Intrastat form.

Important!

Invoice value of goods are in the Intrastat form expressed in HRK (kuna).

In case when the value on the invoice is shown in foreign currency, the value shall be converted using the official exchange rate list of the Croatian National Bank (CNB).

The valid mean exchange rate list for a particular month, that is, for the month for which data are reported, is applied for converting the currency in HRK and is available at the CNB's website (link: https://www.hnb.hr/temeljne-funkcije/monetarna-politika/tecajna-lista/tecajna-lista).

The invoice value related to processing activities[6] is expressed in the following way:

ARRIVALS/DISPATCHES OF GOODS TO PROCESSING	ARRIVALS/DISPATCHES OF GOODS AFTER PROCESSING
❑ Goods or raw materials remains the property of the processor ❑ There is no invoicing or transfer of ownership ❑ Goods are supported by a delivery note or by a pro-forma invoice ❑ **Invoice value (IV) = value of <u>goods received for processing</u>** *Note: if the value of goods received for processing is not known, invoice value is the estimated market value of the goods.*	❑ Goods are processed or the new product has been manufactured ❑ There is an <u>invoice for processing service</u> or <u>for the manufactured new product</u> ❑ The invoice is issued by a processor (a processing or manufacturing company) ❑ In case when processor issues invoice for processing services: **IV =** value of goods/materials originally received for processing + processing fee + the price of the materials and parts added ❑ In case when processor issues invoice for new manufactured product (e.g. ship, vehicle, machine etc.): **IV =** value of manufactured final product (according to the issued invoice, and includes material and manufacturing service) + value of originally received goods or raw material owned by a processor.

Table 6: Expressing the invoice value of goods at processing

---

[6] More information on processing can be found in chapter 3.17 of these Instructions.

3. METHODOLOGY OF INTRASTAT SURVEY

The methodology of the Intrastat survey includes information on methods and procedures used in reporting of particular goods on the Intrastat form as well as on the mode of reporting. Since goods are generally subjected to numerous transactions within trading in goods, the following text offers descriptions how to correctly complete the Intrastat form in various situations. It is accompanied by a large number of practical examples aimed at easier understanding of methodological rules of the Intrastat reporting.

In spite of these examples, many specific situations not covered by these Instructions can always appear. This is why PSIs and agents can always contact the Intrastat Helpdesk for consulting, getting answers or expert interpretations, either by phone or e-mail:

INTRASTAT HELPDESK
- Methodological support and interpretations -

E-mail: intrastat.helpdesk@carina.hr (questions can be sent 24/7)

E-mail: intrastat@carina.hr (questions can be sent 24/7)

Phone: +385 42 23 42 55 (workdays from 7:30 to 15:30)

Phone: +385 40 30 40 53 (workdays from 7:30 to 15:30)

3.1. Credit notes and debit notes

A **credit note** is a form or a letter sent by a seller to a buyer, stating that a certain amount has been credited to the buyer's account.

A **debit note** is a form or letter sent by a seller to a buyer, which charges the buyer to increase the payment on the previously issued account (or accounts).

As the Intrastat methodology rules apply to both credit and debit notes, the term credit notes will be used below: Credit notes are issued in different situations for correcting errors such as an overstated invoice amount or the correct discount rate was not applied or goods spoiled while still under guarantee, or the goods are returned, or reductions have been granted with delay (rebates, discounts etc.), transfer prices etc.

All received/issued credit notes are reported in VAT forms, however only specific credit notes are used to correct the original Intrastat forms!

3.1.1. What to do when a PSI receives/issues a credit note?

First, the following information has to be determined:

1. **Physical movement of goods** (information that is usually not stated in the credit note):
   The accurate information on whether the goods, for which the credit note is issued, has been physically returned from the Member State of the buyer to the Member State of the supplier is essential. If the answer is YES, there must be a transport documentation that corroborates that statement.

2. **Obligation in individual trade flows**
   It is necessary to determine if the PSI is the Intrastat provider for both trade flows (arrivals and dispatches) or only for a single trade flow (arrivals or dispatcher).

Depending on the answer, the Intrastat procedure differs, and it is best explained by the most common practical examples:

Example 12: The Croatian PSI orders 100 pieces of merchandise from the EU supplier, 100 pieces are stated on the invoice, but only 80 pieces of goods have been physically delivered – the EU supplier issues credit note for 20 pcs.

It is an unintentional error. The physical movement of goods was realised only once (from the EU supplier to the Croatian buyer). In this case, the same rules apply for all PSIs, irrespective of whether they are obliged to report for a single trade flow or for both of them:

↘ **If the EU supplier issues the invoice and the credit note in the same calendar month** – differences in the value and/or quantity of ordered and delivered goods occurred due to the supplier's unintentional error should by all means be taken into account in reporting IV for Intrastat. Therefore, the PSI immediately reports, in the original form, the ARRIVAL of 80 pieces of goods, nature of transaction code 11.

↘ If the EU supplier issues the invoice in one calendar month and the credit note in the next calendar month – the PSI submits the original form on the basis of the received invoice and reports the ARRIVAL of 100 pieces of goods, nature of transaction code 11. After that, on the basis of the received credit note, the PSI submits the substitute form for the month when the goods were originally received (in this example for the previous month), by which it corrects the earlier data and reports the ARRIVAL of 80 pieces, Nature of transaction code 11.

Example 13: *The Croatian PSI orders 100 pieces of goods from the EU supplier, 100 pieces are stated on the invoice, but 120 pieces of goods have been physically delivered – the Croatian PSI physically returns 20 pieces of goods (surplus) to the supplier, while the EU supplier issues credit note for 20 pcs.*

In this case there are two physical movements – first from the EU supplier to the Croatian buyer and then the physical return of goods from the Croatian buyer to the EU supplier. In such a situation the procedure regarding Intrastat depends on whether the PSI is obliged to submit Intrastat forms for a single flow of goods or for both of them:

↘ **Providers for both trade flows** – report the ARRIVAL of 120 pieces of goods with the nature of transaction code 11 and, in addition, they complete the form for DISPATCH of 20 pieces of goods with the nature of transaction code 21.

Important!
The return of goods is reported on the Intrastat form for the month in which the return was physically realised (*PSI should not wait for the EU supplier to issue the credit note, because, in*

theory, the supplier is allowed to issue the credit note even after, say, four months. The return of goods should be reported in Intrastat immediately – on the basis of the delivery note, or the warehouse note, or the transport documentation). Concerning the return of goods, the amount on the credit note is not reported in Intrastat, but only on taxing forms. *(The difference between the Intrastat and VAT data will be methodologically justified in this case)!*

↘ **PSIs obliged to report only for one flow of goods (e.g., only for arrivals)** – first submit the original Intrastat form (*e.g., the original form for January*) for the ARRIVAL for all 120 pieces of goods with the nature of transaction code 11, and only after receiving the credit note should they submit the substitute Intrastat form (*for January*) in which it is necessary to correctly report the arrival of 100 pieces of goods with the nature of transaction code 11.

Example 14: *The Croatian PSI orders 100 pieces of goods from the EU supplier, 100 pieces are stated on the invoice, but 120 pieces of goods have been physically delivered – the Croatian PSI <u>does not physically return</u> 20 pieces of goods (surplus) to the supplier, but destroys them on the Croatian territory, while the EU supplier issues credit note for 20 pcs.*

In this case there is <u>one</u> physical movement – only the initial movement of goods from the EU supplier to the Croatian buyer. In such a case, the same rules apply for all PSIs, irrespective of whether they are obliged to report for a single trade flow or for both of them:

↘ **If the EU supplier issues an invoice and a credit note in the same calendar month**
  Since all goods (all 120 pieces) physically arrived in Croatia, it means that all 120 pieces have to be registered in Intrastat form for ARRIVALS, but their nature of transaction code will be different. Therefore, the PSI will immediately report the ARRIVAL of 100 pieces of goods in the original Intrastat form with the nature of transaction code 11 and the ARRIVAL of 20 pieces of goods with the nature of transaction code 30.

↘ **In case when the EU supplier issues the invoice in one calendar month and the credit note in the next calendar month**
  PSIs first submit the original Intrastat form (*e.g., the original form for January*) for the ARRIVAL for all 120 pieces of goods with the nature of transaction code 11, and only after receiving the credit note should they submit the substitute Intrastat form (*for January*) in which it is necessary to divide one item of goods (120 pieces) into two items with different nature of transaction codes. In means that the substitute Intrastat form is used for the following purposes:
  - to report 100 pieces of received goods with the <u>nature of transaction code 11</u>, and
  - to report 20 pieces of received goods with the <u>nature of transaction code 30.</u>

Example 15: *In February,* the *Croatian PSI received goods and the related invoice from the EU supplier in the value of HRK 100 000. An review of the goods revealed defects in the part of the goods. On 5 March, the PSI received a credit note for an inadequate part of February's goods, which approves a reduction in the payment in the amount of HRK 20 000.*
In this case there is <u>one</u> physical movement – only the initial movement of goods from the EU supplier to the Croatian buyer. In such a case, the same rules apply for all PSIs, irrespective of whether they are obliged to report for a single trade flow or for both of them:
  - Since the PSI did not submit the Intrastat form for February by 5 March (deadline is the 15th), the arrival of goods in the value of HRK 80 000 is to be reported in the Intrastat form for February (the invoice amount minus the credit note amount).

3.1.2. Correction of an item <u>less than or equal to 5%</u> of the original value reported, according to the credit note

If the credit note states the correction of:
- ⌄ the **difference in the value of the goods** that is **less than or equal to 5% (<=5%)** from the originally reported invoice value (in field 19) and statistical value (in field 20) at the item level in the Intrastat form and, at the same time, the difference in the value is less than HRK 100 000; and/or
- ⌄ the **difference in the net mass of the goods** that is **less than or equal to 5% (<=5%)** from the originally reported net mass (in field 17) at the item level in the Intrastat form,

then the PSI is not obliged to state such a correction in the Intrastat form.

In practice, the above stated means that PSIs are <u>obliged to submit the substitute Intrastat form for goods whose value is corrected, on the basis of the credit note, for the amount that exceeds HRK 100 000</u>, even when the correction is less than or equal to 5% of the original value of the initially reported item in the original Intrastat form.

3.1.3. When are credit notes <u>not registered</u> in the Intrastat forms?

Situations when received/issued credit notes are not to be recorded in the Intrastat forms:
- ⌄ Credit notes issued for granting **discount or rebate for the entire contract** or for all pre-performed transactions (that cannot be determined for individual deliveries) are <u>not reported</u> to Intrastat and do not require the value adjustment.
- ⌄ Credit notes for granted discount on payment methods (e.g., **discount, advance payment, prepayment**, etc.) or discounts agreed upon between the supplier and the buyer are <u>not reported</u> for the Intrastat.
- ⌄ A credit note issued for **delays in delivery** of goods is <u>not reported</u> to the Intrastat.
- ⌄ A credit note issued as a bonus or a discount at the end of a certain period (e.g. at the end of the year or at the end of the quarter, etc.) or a credit note issued as a bonus for good results will not effect the value of transaction reported in the Intrastat form. Therefore, such credit notes are <u>not reported</u> for the Intrastat.
- ⌄ Credit notes issued for the adjustment of **transfer prices.**

3.1.4. Credit notes issued for transfer prices

"Transfer prices refer to terms and rules applied to transactions within multinational enterprises. They include prices payable between associated companies established in different countries for transactions within the company, i.e. for the transfer of goods and services. Having in mind that it is the companies within multinational enterprises that determine prices, it can happen that these prices are not adjusted to market prices. This represents a major problem for tax authorities due to the fact that multinational entities may use transfer prices for trans-border transactions aimed at reduction of taxable profit. The approach accepted by EU Member States for the determination of prices applied to intra-company transactions between associated companies is the arm's length principle. The arm's length principle requires that prices used in intra-company transactions correspond to prices that would be applied between non-associated companies for the same transactions (market prices)." (SOURCE (translation): Transfer pricing guidelines 7 and 8 2014.pdf (porezna-uprava.hr)

Although the adjustment of transfer prices is officially done by using credit notes (which are reported on tax forms), credit notes issued for the purposes of transfer price adjustments are not to be reported in the Intrastat system.

3.2. Return of goods and replacement of goods – connection to credit notes

Returned goods means that the goods are physically returned to the supplier in another Member State, after their initial physical movement from that same supplier to a buyer (from another Member State). The following transactions are covered: return of goods (NoT 21), replacement for returned goods (NoT 22), replacement (e.g. under guarantee) for goods not being returned (NoT 23).

If the returned goods are broken or defective and have to be physically returned to the supplier in another EU Member State, the following procedures are applied in Intrastat:

3.2.1. If the PSI provides information only for ARRIVALS

First, the arrival of goods should be reported in the original Intrastat form *(e.g. for January)* under nature of transaction code 11 (based on the issued invoice). After receiving the supplier's credit note *(which is usually issued the next month)* – the PSI should submit the substitute Intrastat form (*for January)* that contains the necessary corrections of net mass, invoice value and statistical value.

Example 16: *A Croatian company ordered 20 tonnes of tomatoes, value of HRK 60 000. During a long transport, most of the tomatoes spoiled. The spoiled tomatoes are returned to the supplier.* The EU supplier issues a credit note on HRK 50 000.
In the original form for January, the PSI should report the arrival of 20 tonnes of tomatoes with the invoice value of HRK 60 000. The PSI cannot report the physical return of spoiled tomatoes cannot be recorded, since it is not the Intrastat provider for the trade flow DISPATCHES. Therefore the PSI has to wait for the EU supplier to issue the credit note for the returned tomatoes.
After receiving the supplier`s credit note, the PSI should submit the substitute Intrastat form for January by which the initial quantity of received tomatoes has been corrected and the value reduced to HRK 10 000. This means that the correction affected the Intrastat form data for January as if the quantity of 3 333 kg of tomatoes with the value of HRK 10 000 had initially been ordered and received.

Example 17: *A Croatian company receives 100 TV sets from EU supplier in April. A part of received goods (20 TV sets) is of inadequate quality and physically returned to the EU supplier in May. In June, the EU supplier issues the credit note for the returned 20 TV sets.*
On the original Intrastat form for April, the PSI reports 100 TV sets, nature of transaction 11. The PSI does not report the physical return of 20 TV sets from Croatia to EU in May, since it is not the Intrastat provider for the trade flow dispatcher (but only for arrivals).
On the basis of the credit note issued by the EU supplier in June (that refers to 20 TV sets that were physically returner to EU), the PSI submits the substitute form for April, in which it reduces the quantity and value of received TV sets (which means that in the N form for April the PSI reports the arrival of 80 TV sets, nature of transaction 11).

Notice:
*Instead of issuing the credit note, the EU supplier could also have sent in June, say, 20 new TV sets of adequate quality with no extra charge, in which case the PSI would have reported <u>in the original Intrastat form for June</u> the physical arrival of 20 TV sets under the **nature of transaction code 22** (replacement for returned goods).*

3.2.2.   If the PSI provides information <u>only for DISPATCHES</u>

First, the DISPATCHES of the total quantity of goods should be reported in the original Intrastat form *(e.g. for January)* under nature of transaction code 11 (based on the issued invoice). After the goods have been physically returned to Croatia *(the credit note usually immediately issued for return of goods),* the PSI should submit the substitute Intrastat form (*for January)* that contains the necessary corrections of net mass, invoice value and statistical value of initially dispatched goods.

Example 18: *A Croatian company sells 20 tonnes of tomatoes in the value of HRK 60 000. During a long transport, most of the tomatoes spoiled. The spoiled tomatoes are returned to the supplier, who immediately issues a credit note on HRK 50 000.*
In the <u>original form for January</u>, the PSI should report the arrival of 20 tonnes of tomatoes with the invoice value of HRK 60 000. The physical return of spoiled tomatoes from EU to Croatia cannot be recorded, since the PSI is not the Intrastat provider for the trade flow ARRIVALS.
After receiving the returned goods, the PSI should submit the credit note for the EU buyer and submit, on the basis of the issued credit note, the <u>substitute Intrastat form for January</u> by which the initial quantity of dispatched tomatoes has been corrected and the value reduced to HRK 10 000. This means that the correction affected the Intrastat form data for January as if the quantity of 3 333 kg of tomatoes in the value of HRK 10 000 had initially been sold and dispatched.

3.2.3.   If the PSI provides information <u>for BOTH TRADE FLOWS</u>
(for both arrivals and dispatches)

The PSI reports the return of goods in the month of physical return of goods under **nature of transaction code 21** and does not report the reduction of the value approved by the issued credit note. Therefore, when it comes to the physical return of goods, providing that the PSI is the Intrastat provider for both flows, the amount stated in the credit note is not to be reported in Intrastat.

Example 19: *A Croatian company receives 100 TV sets from EU supplier in April. A part of received goods (20 TV sets) is of inadequate quality and physically returned to the EU supplier in May. In June, the EU supplier issues the credit note for 20 TV sets (or, say, for 20 new functional TV sets).*
On the <u>original Intrastat form for April</u>, the PSI reports 100 TV sets, nature of transaction 11. The PSI reports the physical return of 20 TV sets from Croatia to EU in May in the Intrastat form for May, for the trade flow DISPATCHES, under the **nature of transaction code 21 (return of goods)**. In June, the EU supplier sends:

- ↘ <u>the credit note for 20 TV sets</u> – the PSI does nothing in relation to the credit note, since the Intrastat form for DISPATCHES for May, on which the physical return of goods was reported, has already been submitted.

or

➘ the supplier delivers new 20 TV sets (functional) instead of the credit note – the PSI reports the arrival of 20 TV sets in the Intrastat form for June under the **nature of transaction 22** (replacement for returned goods)

Important!

The **nature of transaction code 2** (21, 22, 23 or 29) is to be used only when the original goods movement is meant to be recorded under the **nature of transaction code 1** (11, 12, 13, 14 or 19), in which case it is necessary to state the value of the returned goods or their replacement value.

The return of goods for which the original transaction was reported under **NoT codes 3, 7, 8 or 9** are to be declared again under the same nature of transaction codes (i.e. 3, 7, 8 or 9), while the return of goods previously reported under **NoT code 4** is to be reported under **NoT code 5**.

3.3.   Rebate, discounts and other reductions

A discount is a part of the price that determines the reduction. When completing the Intrastat form according to the invoice that specifies the discount, the PSI is obliged to **precisely determine whether it is the discount on goods or a payment discount!**

➘ **REBATE** is a discount on the sales price given by the manufacturer to the wholesale or retail traders, usually based on significant amount of goods ordered. Rebate is generally considered to be a reduced price for goods and services in relation to the price stated on the price list, granted to certain customers under different conditions and at different times. Criteria for the rebate are agreed in advance. Rebate is included in the value of goods reported in Intrastat!

➘ **EARLY-PAYMENT DISCOUNT** represents a discount of payments made on time (e.g., 5% or 10% payment discount if he payment is made within 10, 30 or 60 days from the day the invoice was issued). The payment discount is not included in the value of goods declared in Intrastat!

➘ **QUANTITATIVE DISCOUNT** is a discount granted by the seller to the buyer of the goods that reached a particular quantity. If the quantity discount is agreed in advance (as a requirement for the sale) or the quantity discount is publicly available to all interested customers, then it is included in the value of goods reported in Intrastat!

➘ **DISCOUNTS FOR PREVIOUS DELIVERIES** are not included in the value of goods declared in Intrastat!

➘ **OTHER DISCOUNTS** – if available to all customers, then they are included in the value of goods reported in Intrastat.

3.3.1. Reductions that are needed to be included in the value of goods for Intrastat

↘ Rebates and discounts <u>on delivered goods</u> known to the PSI at the moment of declaring goods to Intrastat *(NOT a payment discount, but discount on goods)*, which can be related to the delivery of particular goods, should be taken into account when reporting the value and quantity to Intrastat.

↘ In the case when the arrival or dispatch of goods had already been reported to Intrastat, but later on the difference in the quantity or value has been established, the correction of the value and/or quantity of goods should be made by using the substitute Intrastat form.

3.3.2. Reductions that are not needed to be included in the value of goods for Intrastat

↘ Rebates and reductions granted for the whole contract or for previous transactions and subsequent changes of the underlying contract are not to be reported to Intrastat.

↘ Reductions related to payment methods (e.g., advance payment), prepayment or discounts agreed upon between the supplier and the buyer are not reported to the Intrastat.

Example 20: *Invoice for purchase/sale indicates the following values:*
Value of goods   1 000 euros
Discount (3% for advanced payment)   30 euros
Sum total   970 euros

Early-payment discount is a cash discount. It represents a discount on payment on time, i.e., a reward for timely payment (e.g., 5% discount for payment within 10 days from the date of issuing the invoice). Since this is a payment discount (and not a discount on goods) – it is not reported in the Intrastat form, which means that it is necessary to report the value of the goods in the amount of 1 000 euros in the Intrastat form. If a company declares 970 euros in the VAT form – such a difference between the Intrastat form and the VAT form is <u>justified</u>!

Example 21: *The invoice for purchase/sale indicates the following values:*
Value of goods   1 000 euros
Rebate   30 euros
Sum total   970 euros

REBATE is generally considered to be a reduced price in relation to the price according to the price list for goods and services, which is granted to certain customers under different conditions and in different periods, according to pre-agreed criteria. Since the rebate represents a discount on the quantity of goods – it is reported in the Intrastat form, which means that it is necessary to report the value of the goods of 970 euros for Intrastat.

: *The Invoice for purchase/sale indicates the following values:*

Value of goods	*1 000 euros*		
Rebate	*30 euros*		
Early-payment discount before the movement of goods		*50 euros*	
Sum total	*920 euros*		

As mentioned in the previous examples, the rebate is reported and the early-payment discount is not reported in the Intrastat form. So, the arrival/dispatch of goods in the value of 970 euros is reported in the Intrastat report.

3.4. Goods free of charge, samples and advertising material

3.4.1. Goods free of charge

Goods free of charge (consignments free or charge) are reported for Intrastat under **nature of transaction code 30**. In this case, it is goods that the PSI receives free of charge *(there is a transfer of ownership, but without financial or other compensation)*. The goods are usually accompanied by a pro-forma invoice or delivery note or commercial invoice at HRK 0.00.

In cases when an EU supplier sends a goods consignment free of charge to a buyer in the Republic of Croatia accompanied with a commercial invoice containing a symbolic value of goods (e.g. 1 euro) – the arrival of the goods in question is reported for Intrastat, nature of transaction code 30, but the value of goods must be estimated at the actual market value. Therefore, in the Intrastat form, the market value of the goods is entered in the field "Invoice value", and not the symbolic amount stated on the invoice.

3.4.2. Samples and advertising material

A sample is one or more parts taken from a system whose purpose is to provide information on the system, and often serves as a basis for making an opinion about the system or its operation.

Commercial samples have some basic characteristics that distinguish them from the goods they represent**, e.g., smaller packaging** than the one intended for sale, a **label** that it is a sample or test product, they are delivered in a **reasonable quantity** sufficient for potential buyers to make a decision, based on samples, to buy the product itself or a decision on business cooperation with the supplier, etc. Particular attention should be paid to the quantity of free samples arrived/dispatched – if it is an appropriate quantity of the samples in question (quantity sufficient to decide on the beginning of business cooperation, e.g. several pieces), then the arrival/dispatch of free samples is not reported for Intrastat.

However, if the quantity of free samples is greater than adequate – then the arrival/dispatch is considered a consignment free of charge that must be declared in the Intrastat form under nature of transaction code 30.

Arrival/dispatch of **advertising material** and free commercial samples in appropriate quantity, the purpose of which is not a commercial transaction, but the preparation or support of future commercial transactions, are not reported to Intrastat.

Free promotional samples and testers with the supplier's logo sent to customers for marketing promotion (e.g., promo cups, pens, posters, flyers, T-shirts, etc.) are not submitted in the Intrastat form.

Important!

If commercial samples and advertising material **are paid for**, regardless of the quantity, then they are reported for Intrastat, nature of transaction code 11.

Example 23: *A Croatian company receives free commercial samples from an EU supplier in order to conclude a future Business Cooperation Agreement. The samples were physically delivered on a truck with a semi-trailer and it was determined that it was a quantity of 20 tonnes of samples.*

In this case, the receipt of 20 tonnes of samples free of charge cannot be considered an appropriate quantity (the recipient may decide to continue business cooperation based on a smaller quantity of samples) and, in this example, the samples in question must be declared in the Intrastat receipt form, nature of transaction code 30.

Example 24: A Croatian *company receives six pieces of shampoo samples, which do not have special labels indicating that it is a sample, the size of the shampoo package is identical to the size that can be bought in public stores, and the supplier issued an invoice for six pieces shampoo samples to be paid.*

In this case, the receipt of six pieces of samples must be declared in the Intrastat form, nature of transaction code 11.

Example 25: *The customer orders certain goods, receives a consignment of the ordered goods together with the invoice, and during the inspection, it was determined that part of the goods (ordered and listed on the invoice) was still not delivered by the supplier. In this case, the buyer complains to the supplier that part of the goods is missing in the consignment, the supplier acknowledges the complaint and issues a credit note to the buyer granting him a reduction of payment on the invoice for the missing part. Subsequently, the supplier physically delivers the goods to the customer in the Republic of Croatia (the part he previously forgot to deliver), but without payment.*

This can be interpreted in the sense that the supplier has admitted his mistake, and in order to maintain good relations with the customer he delivers him goods free of charge – in this case it is a consignment free of charge that must be declared in the Intrastat form under nature of transaction code 30.

3.5. Newspapers and periodicals under subscription

The movement of goods such as newspapers and magazines from one EU Member State to another must be declared in the Intrastat form. However, deliveries of newspapers and magazines under **subscription** are excluded from Intrastat reporting and are considered trade in services.

Here it is necessary to distinguish between the terms "seller" and "subscriber":

↘ **Seller** is a company that sells newspapers and magazines to customers and issues invoices for the respective purchase/sale transaction, and reports to Intrastat the dispatch of newspapers and magazines to customers in the EU.

↘ **Subscriber** is a customer – a legal entity or natural person who has evidence of the newspapers/magazines subscription (annual, monthly, quarterly, etc.) and does not report the arrival to Intrastat, since it is a direct subscription.

Example 26: *A PSI (seller) dispatches newspapers and magazines to other EU Member States to customers and subscribers (companies, individuals and non-profit organisations) on a monthly basis and issues invoices for the deliveries in question.*
For Intrastat, it will report the total monthly quantity and value of goods dispatched to other EU Member States, nature of transaction code 11.

Example 27: *A PSI from the Republic of Croatia subscribes (subscriber) to the annual receipt of a magazine from the EU. The magazine is delivered by mail or electronically.*
Since this is a direct subscription, there is no reporting for Intrastat.

3.5.1. Remainder

Remainder represents unsold copies of printed matter. The PSI receives information on remainders after a certain period of time (e.g. two months). Upon the receipt of information on the remainder that is not returned to the sender, but remains with the customer *(e.g. the customer will destroy the remainder or otherwise dispose of it)* –it is necessary to submit a substitute form for Intrastat, which will serve to correct the data on initially dispatched/received goods so that one item (e.g. newspaper) is presented as two items of the same goods (e.g., newspapers) are created, but entered under different nature of transaction codes:

↘ **for the quantity of sold/purchased goods –** based on the invoice, the nature of transaction code 11 is declared *(outright purchase/sale)*

↘ **for the amount of remainder that is not returned to the sender –** the nature of transaction code 30 is declared *(transactions involving the transfer of ownership without financial or other compensation)*

3.6. Distance selling

The term distance selling refers to a situation where a supplier of goods, registered for VAT purposes in one EU Member State, **sells and delivers goods to natural persons in another EU Member State or to legal entities that are not VAT payers in another EU Member State.** Typical examples of distance selling are: goods ordered online, TV sales, telephone sales and catalogue sales.

The declaration of goods, which are the subject of a transaction "distance selling", is subject to **standard rules** in Intrastat forms**:** pursuant to *Art. 2 (a), Art. 2 (d) and Art. 3 of the Regulation (EC) No 638/2004 of the European Parliament and of the Council*, all physical dispatches of Union goods from the Republic of Croatia to other EU Member States as well as all physical arrivals of Union goods from other EU Member States to the Republic of Croatia (except for goods listed in Annex I of the Commission Regulation (EC) No 1982/2004) are to be reported to Intrastat.

3.6.1. Distance selling in fiscal terms

Distance selling means that goods are transported directly from one EU Member State to the EU Member State of destination, where the goods will be consumed. Each EU Member State has established a system of fiscal thresholds in national currency that defines when a seller, with headquarters in one EU Member State, has to register for VAT purposes in another Member State to which he physically dispatches the goods:

(A) If the seller <u>has not</u> exceeded the fiscal delivery threshold in the EU Member State of destination, then the seller is not obliged to register for VAT purposes in the Member State of destination.

In that case, the Member State **in which the transport of the goods <u>begins</u>** is considered the place of delivery of the goods. In practice, this means that the seller will calculate and declare his national VAT on the invoice (issued to the buyer, natural person or legal entity who is not a VAT payer in the EU Member State of destination).[7]

> ↘ **Intrastat procedure**: the arrival of goods is not reported for Intrastat in the EU Member State of destination!

(B) If the seller <u>has</u> exceeded the fiscal delivery threshold in the EU Member State of destination, then the seller is obliged to register for VAT purposes in the Member State of destination.

In that case, the Member State of destination **in which the transport of the goods <u>ends</u>** is considered the place of delivery of the goods**.** In practice, this means that the seller will calculate and declare the VAT of the EU Member State of destination on the invoice (*issued to the buyer, who is a natural person or legal entity and who is not a VAT payer in the EU Member State of destination*).

> ↘ **Intrastat procedure**: a seller, i.e. a supplier of goods, who is a VAT payer in the Member State where the physical movement of goods begins and at the same time a VAT payer in the EU Member State of destination, provided that he has exceeded the annual Intrastat exemption threshold, must report for Intrastat in both EU Member States the DISPATCHES in the Member State of origin as well as the ARRIVALS in the EU Member State of destination.

3.6.2. Transactions similar to distance selling, but cannot be considered as such

It is necessary to distinguish distance selling transactions from transactions that are similar to distance selling, but cannot be considered as such. In order to accurately distinguish distance selling from similar transactions, according to Eurostat guidelines, it is first necessary to understand the way in which the transactions in question are recorded in tax forms.

In the transaction "distance selling" – the recipients of goods are natural persons (citizens) and legal entities that are not subject to VAT. Therefore, citizens and entities who are not VAT payers do not submit Intrastat forms.

---

[7] The only exception to this rule is the delivery of excise goods: although the fiscal delivery threshold (so-called tax threshold or distance selling threshold) is not exceeded, in the case of excise goods – the place of delivery will always be the EU Member State of destination.

Transactions that are similar to distance selling, but cannot be considered as such, are best explained by the following case:

Example 28: *Natural person A from Croatia orders goods via the Internet from Dutch seller B, who is subject to VAT in the Netherlands. The seller B owns a distribution warehouse in Croatia and has been assigned the Croatian VAT ID number. The goods are delivered from the Netherlands first to the warehouse in Croatia, and then from the warehouse in Croatia to the customer A's address in Croatia .*

The delivery of goods to a natural person after the goods have previously been stored in a distribution warehouse in the EU Member State of destination (in this case in the Republic of Croatia) cannot be considered as distance selling. In this example, it is first necessary to identify two different transactions:

↘ **first transaction** is the transfer of own goods (owned by Dutch seller B) from the Netherlands to a warehouse in the Republic of Croatia, which is subject to standard fiscal rules on the delivery of goods within the EU, and

↘ **second transaction** is a inward purchase transaction in the Member State in which the goods will be consumed (inward sales within the Republic of Croatia).

Since seller B reports the transfer in tax forms in Croatia, he is at the same time the seller (the Dutch seller with Croatian VAT ID number) who is also obliged to declare ARRIVAL of goods to the distribution warehouse for Croatian Intrastat (provided that he has exceeded the annual exemption threshold in the Croatian Intrastat system).

3.6.3.   Return of goods from the Republic of Croatia to the EU delivered as part of distance selling

Although buyers (natural persons – citizens and legal entities that are not subject to VAT) physically return goods from the Republic of Croatia to the seller in another EU Member State, if it is actually a return of goods originally purchased as a part of the distance sale – the seller who is Intrastat provider in Croatia is obliged to declare in his Intrastat form the goods that are the subject of the return.

Namely, all distance sellers who exceed the annual Intrastat threshold for one trade flow (arrivals or dispatches) are obliged to submit Intrastat forms for both trade flows (both for arrivals and dispatches), regardless of the fact that they have not exceeded the annual exemption threshold for the other trade flow.

Example 29: *Company XY based in Belgium has a web store and delivers goods to customers – natural persons in Croatia. Company XY is registered in Croatia for VAT purposes and has a Croatian VAT ID number. In July, the value of deliveries of goods to natural persons in the Republic of Croatia (goods were purchased through the web store) exceeded the Intrastat threshold for the trade flow ARRIVALS.*

In July, the company XY, based in Belgium, became the Intrastat provider for both trade flows: for ARRIVALS (for which the Intrastat threshold was exceeded) and for DISPATCHES (for which the Intrastat threshold was not exceeded).

The reporting obligation for both trade flows has been introduced for distance sellers so that they can also report physical returns of goods that their customers (natural persons in Croatia) return to another EU Member State.

Example 30 : *The company ZZ based in Germany is engaged in web sales and delivers goods to customers – natural persons in the Republic of Croatia. The company ZZ is the Intrastat provider in the Republic of Croatia. In <u>February, the company</u> delivered a mobile phone from Germany to Croatia to the address of the customer Marko Markovic in Varazdin. In <u>March</u>, Marko Markovic physically returned the mobile phone to the seller's address in Germany, and the seller will return the money paid to Marko.*

The company ZZ will report the following goods to the Croatian Intrastat system:
- In the form for ARRIVALS for February: mobile phone under **nature of transaction code 11** (outright purchase/sale), and
- In the form for DISPATCHER for March: mobile phone under **nature of transaction code 21** (return of goods).

If it is a return of goods that buyers – natural persons (citizens) from the Republic of Croatia return to the seller to the address of his distribution warehouse located on the territory of the Republic of Croatia – in such cases Intrastat forms are not submitted since the goods do not cross the Croatian border.

However, if the seller then moves the same goods from the distribution warehouse in the Republic of Croatia to a distribution warehouse in another EU Member State, then the movement in question must be reported again in the Intrastat DISPATCHES form under nature of transaction code 99 (moving own goods).

3.6.4. Return of goods from EU to Croatia delivered as part of distance selling

In the case of a distance seller who delivers goods from Croatia to natural persons (citizens) in other EU Member States, there are also situations when the returned goods are to be reported in Intrastat forms.

In order to facilitate the understanding of the methodology for filling in the Intrastat forms, below is a tabular presentation of potentially possible situations when EU buyers – natural persons (citizens) are not satisfied with the received goods delivered to them from Croatia:

Description of the potential situation	Intrastat procedure (PSI is liable for both trade flows: ARRIVALS and DISPATCHES)
Physical return of goods and money. The buyer (EU citizen) physically returns the received goods to the Republic of Croatia, and the company returns the money to the buyer.	Physical return of goods from EU to Croatia must be reported in the Intrastat ARRIVAL form under **the nature of transaction code21.**
Return of money without physical return of goods – the goods remain in EU.	It is necessary to submit a substitute form for DISPATCH for the month in which such goods were initially physically transported from Croatia to EU, and change the nature of

Dissatisfied with the received product, the buyer wants to return the goods to Croatia, but due to high delivery costs, the return of goods is not worth it. The buyer requests the return of the money and the company does it. So the goods remain in EU, but the company returns the money to the buyer.	transaction code for such goods in the Intrastat DISPATCHES form – nature of transaction code 11 (outright purchase/sale) is corrected to the **nature of transaction code 30** (transactions involving the transfer of ownership but without financial compensation).
Physical return of goods and delivery of replacement goods. The buyer (a natural person from EU) physically returns the received goods to Croatia, and the company sends replacement goods to the buyer. There is no refund of money, but the replacement of goods. *Example:* *Klaus from DE receives a shirt from the Republic of Croatia, determines that the size does not suit him, returns the shirt to the Republic of Croatia, and the seller delivers a replacement shirt of the appropriate size .*	1. The initial physical delivery of goods from Croatia to EU must be reported in the Intrastat DISPATCHES form under **nature of transaction code 11.** 2. Physical return of goods from EU to Croatia must be reported in the Intrastat ARRIVALS form under **nature of transaction code 21.** 3. Dispatches of replacement goods from Croatia to EU must be reported in the Intrastat form for DISPATCHES (in the month in which the replacement goods crossed the Croatian border) under **nature of transaction code 22** (replacement for returned goods).
Physical return of goods, refund and delivery of replacement goods <u>free of charge</u>. The buyer (a natural person from EU) physically returns the received goods to Croatia, and the company refunds the money to the buyer and (for some reason) also sends the replacement goods free of charge.	1. The initial physical delivery of goods from Croatia to EU must be reported in the Intrastat DISPATCHES form under **nature of transaction code 11.** 2. Physical return of goods from EU to Croatia must be reported in the Intrastat ARRIVALS form under **nature of transaction code 21.** 3. Dispatches of replacement goods from Croatia to EU must be reported in the Intrastat DISPATCHES form (in the month in which the replacement goods crossed the Croatian border) under **nature of transaction code 30.**
Physical return of goods, refund and delivery of replacement goods <u>with payment</u>. The buyer (a natural person from EU) physically returns the received goods to Croatia, and the company returns the money to the buyer and delivers the replacement goods with payment (and a new invoice).	1. The initial physical delivery of goods from the Republic of Croatia to the EU must be reported in the Intrastat DISPATCHES form under **nature of transaction code 11.** 2. Physical return of goods from EU to Croatia must be reported in the Intrastat ARRIVALS form under **nature of transaction code 21.** 3. The dispatch of replacement goods must be reported in the Intrastat DISPATCHES form (in the month in which the replacement goods crossed the Croatian border) under **nature of transaction code 11.**
Refund without physical return of goods – goods are lost. The buyer paid for the goods, but the goods were never physically delivered because they were lost during the delivery. The company refunds money to the buyer.	It is first necessary to determine whether the goods were lost on the territory of the Republic of Croatia (before crossing the Croatian border) or on the territory of another EU Member State (after the goods have already physically left the territory of the Republic of Croatia): ↘ **If the goods disappeared on the territory of the Republic of Croatia**, which means that the goods never crossed the Croatian border and never physically left the territory of the Republic of Croatia – there is no reporting for Intrastat. ↘ **If the goods have disappeared on the territory of**

	another EU Member State, which means that the goods have crossed the Croatian border – then the goods in question must be reported in the Intrastat DISPATCHES form under **nature of transaction code 99**.
Delivery of replacement goods without refund and without physical return of original goods. The buyer paid for the goods, but received the damaged and defective goods. The company from Croatia does not request the return of the goods (i.e. the original goods remain in the EU), and sends the undamaged replacement goods to the buyer in EU.	It is necessary to report the following in the Intrastat form for DISPATCHES: ↘ **Original goods –** which arrived damaged (in the month in which the original goods crossed the Croatian border), under **nature of transaction code 11;** ↘ **Replacement goods** (in the month in which the replacement goods crossed the Croatian border) under **nature of transaction code 23** (replacement for non-returnable goods).

Table 7: Return of goods from the EU to the Republic of Croatia delivered as part of distance selling

3.7. Software and licenses

The software is reported in Intrastat only if it is delivered on a physical (tangible) medium. In this case, the value of the goods represents the total value (hardware + support + licenses).
If the software is delivered over the Internet, then there is no reporting for Intrastat.

Licenses that are delivered independently, i.e. without software or hardware, as well as licenses that are delivered later (after the physical delivery of software or hardware) – are not registered in Intrastat at all, but are considered a service!

Example 3 1: The *PSI physically received a desktop computer with installed Windows in January. In February, the PSI received the Windows license (on paper or CD or similar) and the license invoice.*
For Intrastat, it is necessary to report the ARRIVAL of the desktop computer according to the appropriate Combined Nomenclature code for computers. The invoice value of the computer includes hardware (computer) and software (Windows). The arrival of the license in February is not reported for Intrastat at all – the license is delivered independently (one month later) and is considered a service.

What is to be reported for Intrastat:

↘   Hardware supplied together with the software and license – in which case the total value of the hardware, software and license is reported under the CN code of the goods for the hardware.

Example 32: *Purchase of a personal computer equipped with software and a license.*
For Intrastat, it is necessary to report the total value of the consignment (the value of the personal computer together with the software and the license). The consignment must be classified according to the CN code for hardware (e.g., 8471 ....). Since the license is included in the consignment, it is reported as an integral part of the consignment.

↘   Serial production of standard software delivered on a physical medium (CD, USB, etc.) – the total value of goods (physical medium + software) is reported according to the CN code for the physical medium.
Example 33: Arrival of the standard software package "Windows 2000" on USB.

➘ Upgrade (update) of standard software, if the upgrade is delivered on a physical medium (e.g., CD, USB, etc.) – is to be reported according to the CN code for the physical medium.
   - In cases when the price for the delivery of updates has already been included in the invoice for the
   original purchase of software and no new invoice for updates has been issued – there is no reporting
   for Intrastat.

What is not to be reported for Intrastat:

➘ Delivery of specially designed software for a specific customer – dispatches and arrivals are not reported for Intrastat.
   Example 34: A Swedish software company supplies custom-made software to a Croatian company.

➘ Software delivered via the Internet (no physical carrier)

   Example 35: *Additional licenses, which are paid for the use of software that has already been supplied.*
   Licenses are considered a service and are not to be reported for Intrastat.

   Example 36: Software delivered via e-mail.

Upgrade (update) of standard software, if the upgrade is delivered online (via the Internet) – there is no reporting for Intrastat.

3.8. Monetary gold and means of payment

3.8.1. Monetary gold

Monetary gold is gold owned by the national Government of an EU Member State and state institutions *(or other companies whose operations are under the direct control of the Government or state institutions, such as authorised banks)*, which is considered a reserve *(financial reserve)*. Monetary gold is a financial asset of a country and not a commodity, therefore transactions with monetary gold are excluded from Intrastat reporting.

Transactions with monetary gold can be performed exclusively between representatives of monetary authorities of EU Member States (in Croatia it is the Croatian National Bank) or between representatives of the monetary authority of an EU Member State and an international monetary organisation (e.g., IMF).

Gold bars, which are held as a reserve by non-monetary institutions, are included in Intrastat reporting in case of the exchange between EU Member States and are declared as non-monetary gold.

Non-monetary gold refers to all gold except monetary gold (including gold held in allocated gold accounts), and transactions with non-monetary gold must be reported in the Intrastat form. Non-monetary gold can appear in various forms: gold coins, gold coins, ingots, powdered gold, ... etc., of at least 995 parts per thousand purity.

Gold jewellery, watches and other gold products are not classified in the Intrastat form under the code of non-monetary gold, but under the CN code of the product in question.

Example 37: A *bank buys gold bars for investment purposes on behalf of its client or for its own needs. The bars are physically dispatched from one EU Member State to the other.*
This transaction is considered non-monetary gold and must be reported to Intrastat.

3.8.2. Means of payment

Means of payment which <u>are not in circulation</u> *(such as unissued banknotes, securities and coins)* are reported for Intrastat as products of printing or manufacturing industry. The invoice value should be the transaction value of the printing or metal stamping costs included in the production and any cost of delivery of the goods. For used banknotes that are not in circulation, the value should be the cost of obtaining the banknotes and all delivery costs.

Means of payment which <u>are in circulation</u> are excluded from Intrastat reporting.

Postage stamps and other securities *(e.g. motorway vignettes, motor vehicle toll labels, etc.)* that are the subject of commercial transactions are reported to Intrastat in the same way as unissued banknotes that are not in circulation.

3.9. Goods for or following temporary use

Goods temporarily imported to the Republic of Croatia (e.g. for fairs, exhibitions, etc.), intended for being dispatched again and which are not exposed to any changes other than the usual depreciation due to its use, are considered temporarily arrived if the following conditions are met at the same time (all three conditions must be met at the same time):

1. **There is no transfer of ownership of the goods**
    There is no purchase/sale invoice that is declared in VAT forms,

2. **Goods are not processed**
    (Goods will not be upgraded, modified, etc.),

3. **Goods will be returned to the initial EU Member State within two years** from the date of physical delivery.

If the goods in question have the status of "Union goods" and meet *all three conditions* for temporary admission, the arrival of the goods in question from EU to Croatia is not reported for Intrastat. Dispatches of temporarily imported goods are also not reported for Intrastat.

If any of the three conditions is no longer met, then the goods in question are reported to Intrastat as follows:

↘ **If the goods are subjected to the processing procedure in Croatia –** ARRIVAL is reported for Intrastat in the month when the processing started under nature of transaction codes 41 or 42,

↘ **If a period of 24 months has passed and the goods still physically remained in Croatia, but still owned by the EU partner –** for Intrastat it is necessary to report ARRIVALS of the goods **in** question **in the** month in which the conditions for temporary use of goods have been terminated, under nature of transaction code 91 *(lease, loan and operating lease for more than 24 months).*

If there is a change of ownership of the goods with financial compensation (purchase/sale transaction) – in this case the transaction is to be reported in VAT forms, while for Intrastat it is necessary to report ARRIVALS of the goods in the month in which the conditions for temporary use of goods have been terminated, under nature of transaction code 11 *(outright purchase/sale).*

3.10. Packaging

YES – if the packaging is traded as ordinary goods, such a transaction is reported to Intrastat.

NO – if packaging is treated as an integral part of the traded product, it is not necessary to report to Intrastat. Likewise, in the event that the packaging is expected to be returned to the seller, this is considered a temporary delivery and is not reported to Intrastat.

Empty bottles that are temporarily brought in/dispatched for later filling with certain goods are excluded from Intrastat reporting because it is considered a temporary arrival or dispatch of goods.

3.10.1. Pallets

↘ **If pallets are traded as standard goods** and there is an invoice for such purchased/sold pallets – such a transaction is reported to Intrastat under nature of transaction code 11 and the invoice value of pallets according to the invoice.

↘ **In the case where pallets are expected to be returned to the sender**, this is considered a temporary delivery and is not reported to Intrastat.

↘ **If the pallets are listed on the invoice, but will not be charged** (the value on the invoice is not stated or euro/ HRK 0.00 is stated) – the invoice issued in this way implies that the ownership of the pallets has been transferred from the supplier to the buyer. In that case, the arrival of pallets in the Republic of Croatia must be reported in the Intrastat arrivals report under nature of transaction code 30 *(transactions involving the transfer of ownership without financial compensation)* according to the estimated market value of the pallets.

3.11. Waste products

Movement of waste across the Croatian border can be divided into purchase/sale transactions of valuable waste containing recovered (valuable) materials, transactions of processing of valuable waste and transactions of waste disposal:

↘ **Purchase/sale of valuable waste.**
It is a trade transaction between two business entities that is considered a purchase/sale transaction for tax purposes and is reported to Intrastat <u>as a standard sale</u> (NoT 11).

Example 38: *Purchase/sale of ferrous scrap (CN 7204 10 00).*

↘ **Processing of valuable waste.**
The owner of the valuable waste instructs the processor to separate the valuable materials from the waste and to subsequently return the recovered materials. For Intrastat it must be reported <u>as processing</u> (NoT 41/51).

> ↘ **Waste disposal.**
> The company dispatches the waste for disposal including payment, that is, the company pays for the service of disposing of the dispatched waste. In this case, it makes no difference whether the waste contains valuable materials that can be potentially recovered. For Intrastat it is reported under NoT 99 and with the actual weight and value of HRK 1.00.

Example 40*: Disposal of liquid chemical waste (CN 3825 69 00).*

Example 41*: Receipts of textile waste for disposal free of charge*
They are reported in the Intrastat form for arrivals under nature of transaction code 99, stating the actual net weight, and the invoice value of the goods (waste) in the amount of HRK 1.00. If this transaction is recorded in accounted books according to the value of, for example, HRK 10.00, it is also allowed to state the value of HRK 10.00 in the Intrastat form.

> ↘ **Waste and scrap**
> They are reported and classified with the appropriate commodity code when there is a special code for waste products *(e.g., CN 7602 00 – Aluminium waste and scrap, CN 5103 30 00 – Animal hair waste, CN 3825 10 – Municipal waste, etc.)*.
> However, if there are no specific CN codes for particular waste products, the general rules for the interpretation of the CN are used.

3.12. Sales/purchases with the intermediation of an agent (intermediary)

An intermediary (agent) is an enterprise/person that performs foreign trade activities in the name and on behalf of the principal. The intermediary's role is to connect the principal with the buyer or seller without direct intervention in concluding the affair and to charge a commission for the performance of that transaction.

Example 42: *Company A in Hungary sells goods to company C in Croatia. The sale of goods is done through intermediary B. Intermediary B contacts the seller, the company A and the buyer C. The company A issues an invoice directly to the company C. After the work is done, the company A pays a commission to the company B.*
The flow of goods between companies A and C is reported. The company A reports the dispatch of goods to Croatia. The company C reports the arrival of goods from Hungary. The value of the goods does not include the commission intended for the company B.

3.13. Delivery of goods with the intermediation of a commission agent

The commission agent is a company/person that performs foreign trade operations in his own name, but on behalf and by order of his principal. Three parties are involved in the transaction: the seller, the commission agent and the buyer. There is an invoice between the seller of the goods and the commission agent and between the commission agent and the buyer of the goods.

Example 43: *The sale of goods between the company A in Hungary and the company C in Croatia is mediated by the commission company B. The company A issues an invoice to the commission company B. The commission agent issues an invoice for goods to the company C. The company A*

If the commission agent is located in Hungary, he must report the dispatch of goods to Croatia. The value of the goods does not include the provision.

In case the commission agent is located in Croatia, he must report the arrival of goods from Hungary. The value of the goods includes the provision. Goods are reported under nature of transaction code 12.

3.14. Consignment and call-off warehouses

Consignment is a business in which the owner (consignor) sends a certain amount of goods to his agent or consignee to the consignment warehouse, from which the consignee sells them on behalf of the consignor. Consignment relations are usually governed by the Consignment Agreement.

There is a difference between *consignment stock transactions* and *call-off stock transactions*:

⭲ If goods are moved from one EU Member State to another and the supplier **retains control of the goods** and ownership of the goods – then it is a **consignment warehouse of goods.**

⭲ If goods are moved from one EU Member State to another and the **buyer takes control of the goods** (e.g., the buyer can at his own free will take the goods from the warehouse and distribute them to retail stores or put into production) – then it is a **call-off warehouse of goods.**

Reporting for Intrastat is the same for both types of warehouses: all goods moved from one EU Member State to another EU Member State to a consignment/call-off warehouse must be recorded in the Intrastat system of the EU Member State that physically dispatches the goods and in the EU Intrastat system in which the goods physically arrive.

In case of the dispatch of goods from another EU Member State to a consignment/call-off warehouse in Croatia, without transfer of ownership, for the purpose of subsequent sale to a buyer **in Croatia or in another Member State** by a business entity (owner of goods) who is registered for VAT purposes in both Croatia and the country of destination, the transaction is to be reported to Intrastat under **nature of transaction code 99.** The foreign business entity (non-resident) with a VAT ID number issued in the Republic of Croatia is the person who is liable to report it.

In the case of dispatch of goods from another EU Member State to a consignment warehouse in Croatia, without transfer of ownership, for the purpose of subsequent sale to the buyer **exclusively in Croatia** by a business entity (owner of goods) who is registered both in Croatia and in the country of destination, the transaction is reported to Intrastat under **nature of transaction code 19.** The foreign business entity (non-resident) with a VAT ID number issued in the Republic of Croatia is the person who is to report it. If the goods are sold in the Republic of Croatia, this transaction is not reported because it is considered a domestic transaction.

If the business entity (owner of the goods) is not registered in the country to which the goods are dispatched to the consignment warehouse without transfer of ownership, and for the purpose of subsequent sale to one buyer, that transaction is reported to Intrastat under **nature of transaction code 12**. Arrival/dispatch is reported by the warehouse owner. In this case, the total quantity of goods arrived/dispatched to the warehouse (not only subsequently invoiced goods) from another Member State is reported, having in mind that the Intrastat survey records trade between EU Member States at the time of actual arrival of goods to the warehouse or their dispatch from the warehouse. What matters is the flow of goods, not the flow of payment or resale.

When the warehouse owner receives goods from a foreign supplier in his own name and on his own account, it is a classic sale transaction where the warehouse owner reports the arrival of goods under **nature of transaction code 11.** In this case, the ownership of the goods is immediately transferred.

Return of unsold goods from a consignment/call-off (or distribution) warehouse – the standard Intrastat reporting rules are applied, which refer to the physical return of goods.

Example 44: The company XY in Croatia receives goods at a consignment warehouse in Zagreb. How is the ARRIVAL of the goods in question declared for the Croatian Intrastat?

When it comes to the arrival of goods from the EU to a consignment warehouse in Croatia, the following Intrastat procedures apply in the Republic of Croatia:

⬎ **If the EU supplier (consignor) is not registered for VAT purposes in Croatia –** then the Croatian company XY reports the ARRIVAL in Intrastat, where the following facts are important:
- the use of nature of transaction code **12,**
- the reporting period is the calendar month of the actual physical arrival of the goods
- the **total quantity of goods physically received in that particular month is** reported (which will only subsequently be sold and subsequently recorded in VAT forms)
- the value of the goods, if not precisely determined, needs to be assessed!
- the basis for filling in the Intrastat form is any documentation that contains information on the goods (e.g., CMR, e-mail order, delivery note, pro-forma invoice, etc.)
- subsequently invoiced goods are not reported in the Intrastat form (because the goods have already been declared under nature of transaction code 12), nor is it necessary to correct the nature of transaction code 12 to nature of transaction code 11 after the invoice has been issued. In that case, differences between Intrastat and VAT data will appear – however, such differences are methodologically justified.

⬎ **If the EU supplier (consignor) is registered for VAT purposes in Croatia –** then the ARRIVAL is declared for Intrastat by the EU supplier (consignor), i.e. non-resident in Croatia) with his Croatian VAT ID number, where the following facts are important:
- if the EU supplier intends to sell goods from a warehouse in Croatia exclusively to Croatian customers in Croatia and to buyers from other EU Member States and/or customers in third countries – then the ARRIVAL of the goods in the consignment warehouse in Croatia is to reported under **nature of transaction code 99**
- if the EU supplier intends to sell the goods from the warehouse in the Republic of Croatia to customers exclusively in the Republic of Croatia – then the ARRIVAL of the goods in question in the consignment warehouse in the Republic of Croatia is to be reported under nature of transaction code **19**
- the reporting period is the calendar month of the actual physical arrival of the goods
- the total quantity of goods physically received in that particular month is reported (which will only subsequently be sold and subsequently recorded in VAT forms)
- the value of the goods is known since the non-resident is the owner of the goods
- subsequently invoiced goods are not reported in the Intrastat form, nor is it necessary to correct nature of transaction code after the goods are sold.

Recommendation!
For easier observation of goods in Intrastat forms as well as for comparison with tax forms, we recommend PSIs to keep their own records on the quantity of goods reported as arrivals in/dispatches to the warehouse (consignment, call-off or distribution warehouse) and, at the same time, to keep records of received/issued invoices for the quantity of goods in question. In this way, you will at all times have updated information on the quantity of goods physically arrived from the EU in the Republic of Croatia (or vice versa), and how much of that quantity has been sold (*evidence:*

invoices registered in VAT forms) as well as how much is yet to be sold or possibly returned to another EU Member State.

3.15. Delivery of goods with assembly service

Delivery and assembly of goods includes simultaneous delivery of goods and services. The value declared for intra-Union trade statistics (Intrastat) covers only the value of the goods, which means that for Intrastat only goods without the value of the service need to be reported.

If the Intrastat form is filled in on the basis of an invoice on which the value of the goods and the value of the assembly service are not separately stated – in that case the value of the goods must be estimated according to the market value of the goods (value that would be achieved if it were sold on open market).

3.16. Operating and financial leasing

3.16.1. Operating leasing

Goods under operating leasing are excluded from reporting to Intrastat when they are planned to stay for less than two years. Goods under operating leasing must be reported to Intrastat when the contract covers a period longer than two years.
Arrivals and dispatches are reported under **nature of transaction code 91**.

The reporting period is the month in which the goods are physically received or dispatched *(at the beginning of concluding the contract)* or the month in which it becomes apparent that the goods will remain for more than two years. The value of the goods is the estimated value of the goods at the time of concluding the contract.

Goods originally intended to be returned within two years but not returned during that period are reported with an estimated value in the Intrastat form for the month in which it becomes clear that the goods will remain for more than two years in the reporting Member State.

If the lessor transfers ownership to the lessee after the expiration of the operating leasing agreement *(the reporting period is the month in which the transfer of ownership occurred)* – the (estimated) market value of the goods in the month of transfer of ownership to the lessee is reported.

3.16.2. Financial leasing

Financial leasing is reported for Intrastat under **nature of transaction code 14**. The financial leasing is a transaction involving three parties: a supplier of goods, a lessee and a lessor.

- ↘ **Direct leasing** exists when the supplier and the lessor are the same person;

- ↘ **Indirect leasing** exists when the leasing company (lessor) buys goods from the manufacturer or supplier and subsequently leases the goods to the lessee.

When the lessor and the lessee are located in the same Member State and the supplier of the goods in another EU Member State, the supplier reports the dispatch of the goods and the lessor reports the arrival of the goods.

If the supplier of the goods and the lessor are located in the same Member State and the lessee in another Member State – the dispatch of the goods is reported by the lessor of the goods and the arrival of the goods is reported by the lessee.

The value of the goods at the time of concluding the contract is reported under nature of transaction code 14. The reporting period is the month when the goods arrived or were dispatched (usually the month when the leasing/rental agreement was concluded).

Example 45: *A PSI from the Republic of Croatia purchased a machine from a Belgian supplier. The payment for the machine is made through a leasing company from the Republic of Croatia (the leasing company finances the purchase of the machine). The invoice of the Belgian supplier is issued to the leasing company, and the place of delivery is the warehouse of the PSI in the Republic of Croatia.*

In this example, the supplier of the goods is the company from Belgium, the lessor is the leasing company from the Republic of Croatia and the lessee is the PSI from the Republic of Croatia. Given that both the lessor (the leasing company from the Republic of Croatia) and the lessee (the PSI from the Republic of Croatia) are located in the same Member State (i.e., in the Republic of Croatia) – the lessor (leasing company) will report the arrival of the goods for Intrastat.

3.17. Processing

Processing is a broad term that encompasses activities (*transformation, performance, assembly upgrades, renovation, modification, conversion, etc.)* to **produce a new or significantly improved product**. This does not necessarily lead to a change in the tariff number of the product. Here are some examples of processing operations:
   - Industrial assembly of products (components used in the production of a new product);
   - Canning (e.g., by adding preservatives);
   - Treatment (e.g., against parasites and rust);
   - Mixing products of different quality to produce new quality products;
   - Filling bottles with liquid (e.g., wine from barrels);
   - Converting textiles into a product (e.g., clothes, handbags, curtains);
   - Diluting or concentrating liquids (e.g., juice).

In practice, except in cases where there is *a Processing Agreement* concluded between the consignee of the processing service and the executor, there are also transactions that are reported to Intrastat in the same way as in the case of processing operations *(e.g., a contract for the production of the finished product)*. Such transactions are also considered processing operations. Delivery of goods for processing or after processing under contract, as well as transactions that are considered processing, are reported to Intrastat.

The nature of transaction code depends on the fact whether there is a transfer of ownership over the goods dispatched/arrived for processing (raw materials or semi-finished products) or not. In this sense, different nature of transaction codes are used in the Intrastat form:

3.17.1. Nature of transaction code in processing – if there is <u>no transfer</u> of ownership over the goods

It means that goods (raw materials or semi-finished products) remain the property of the consignee, which are accompanied by the dispatch note without a commercial invoice and there is no report of "delivery/acquisition within the EU" in the VAT form. The goods dispatched in this way are called "owner's goods" or "consignee's goods" *(engl. "owner supply")*. In this case, the following information is entered in the Intrastat form:

> ↘ dispatch/receipt of goods (raw materials/semi-finished products) intended for processing under **nature of transaction code 41 or 42**,

In standard processing cases, in which the processor (performer of processing) will issue an <u>invoice for the processing service</u> (and not an invoice for the goods), when dispatching/receiving the goods **for processing**, the following information is entered in the Intrastat form:
- nature of **transaction code 41 –** if the goods are <u>expected</u> to be returned to the initial Member State of dispatch
- nature of **transaction code 42 –** if the goods are <u>not expected</u> to be returned to the initial Member State of dispatch.

> ↘ dispatch/arrival of goods (finished product) after processing under **nature of transaction codes 51 or 52**

In standard processing cases, in which the processor (performer of processing) will issue an <u>invoice for the processing service</u> (and not an invoice for the goods), when dispatching/receiving the goods **after processing**, the following information is entered in the Intrastat form:
- nature of **transaction code 51 –** if the goods are <u>expected</u> to be returned to the initial Member State of dispatch
- nature of **transaction code 52 –** if the goods are <u>not expected</u> to be returned to the initial Member State of dispatch.

3.17.2. Nature of transaction code in processing – if there <u>is transfer</u> of ownership over the goods

This means that the ordering party sells the raw material or semi-finished product to the company (the so-called processor) that will perform the processing operation, whereby the transaction in question is declared in the VAT form based on the commercial invoice. In this case, the following information is reported in Intrastat:
- ↘ dispatch/arrival of goods intended for processing under **nature of transaction code 11** on the basis of the issued invoice for the goods,
- ↘ dispatch/arrival of goods (finished product) after processing is also reported under **nature of transaction code 11** based on the issued invoice for the goods.

3.17.3. Nature of transaction code in processing – if there is a <u>partial transfer</u> of ownership over the goods

In case of dispatch/arrival of goods for processing with partial[8] transfer of ownership over the goods, it is necessary to distinguish between the standard procedure "contracted processing" and the procedure "processing on the processor's account". Therefore, for the purposes of Intrastat reporting, it is necessary to apply the following principle:

> ↘ **If the value of the goods (materials) sent/dispatched to another EU Member State without transfer of ownership of the goods is <u>significant</u>**

Such a transaction is considered the "processing under contract" and is reported to Intrastat under standard nature of transaction codes 41/42 and 51/52 that define the processing operations.

> ↘ **If the value of the goods (materials) sent/dispatched to another EU Member State without transfer of ownership of the goods is <u>negligible</u>**

The term "negligible value" means that the value of the goods sent for processing makes up less than 10% of the value of the finished (processed) product.
Such a transaction is considered "processing on the processor's account" and is reported to Intrastat under nature of transaction codes 99 and 11 in the following way:

↘ arrival/dispatch of goods of negligible value **to the** processing **procedure** under ***nature of transaction code 99*** (other transactions that cannot be classified under other codes).
  - The goods are accompanied by a delivery note and transport documentation
  - **Invoice value** = market value of the goods **accepted** for the procedure considered as processing (*if there is no infomation on the value – IV needs to be estimated).*

↘ dispatch of the final product to the buyer (consignee) **after the** processing **procedure –** for Intrastat it is reported under nature of **transaction code 11** (outright purchase/sale),
  - The goods are accompanied by an invoice (for the finished product) and transport documentation
  - **Invoice value** = <u>gross value</u>, which includes the value of the finished product according to the invoice + the value of previously received goods (raw materials) for processing without transfer of ownership.

Example 46: Company A *from Germany orders the construction of a vessel in Croatia from company B from the Republic of Croatia. The company B wants a special rudder to be installed in the vessel, the one which the company A already owns. The rudder is physically transported from Germany to Croatia for installation in the new vessel.*
Upon completion of the production, the new vessel with a built-in special rudder is delivered to the customer in Germany. The value of the rudder is 8% of the value of the manufactured vessel.
The company A from Germany and the company B from Croatia signed a contract for the production of the vessel. The separately installed rudder represents the goods of the owner/customer that will be installed in the vessel.
The company B from Croatia must report the following to Intrastat:
  - ARRIVAL of the rudder from Germany to Croatia for processing under **nature of transaction code 99;**
  - DISPATCH of the vessel from Croatia to Germany under **nature of transaction code 11.**
The value of the vessel at the dispatch must include the value of the finished product (vessel) according to the **invoice** issued by the company B from Croatia to the company A from Germany

---

[8] **Partial transfer of ownership of goods** intended for processing refers to the situation when the ordering pary from one EU Member State sends to another EU Member State part of the goods (raw materials/semi-finished products) for processing without transfer of ownership (part of the goods that remains in the ownership of the ordering party), and another part of the goods with transfer of ownership (the ordering party sells the goods to the processor and issues an invoice for the goods/raw materials/semi-finished products sold).

plus the value of the previously arrived **rudder** (reported as arrival under nature of transaction code 99).

In this case, the data on the value of goods in the Intrastat form for DISPATCHES will be higher than the value reported in the VAT form for "Deliveries within the EU", but such a difference is methodologically justified for Intrastat.

3.17.4.   Nature of transaction code for processing within defense projects

The processing of goods carried out within the framework of defense projects or other intergovernmental production programs is recorded under **nature of transaction code 70.**

3.17.5.   Invoice value of goods in processing operations

In the case of a standard processing operation, in which a consignee sends goods from one EU Member State for processing to another EU Member State without transfer of ownership over the goods and the processor issues an <u>invoice for the service</u>, the value of the goods is reported as follows:

↘ ARRIVALS/DISPATCHES of goods **for processing**

> **Estimated market value of** goods arrived/dispatched for processing. The consignee sends the goods for processing with an accompanying delivery note or any other document that does not normally state the value of the goods. Therefore, the company receiving the goods for processing must estimate the value of the goods in question

↘ ARRIVALS/DISPATCHES of goods **after processing**

> **The value of the finished product** (processed goods) which represents the **gross value of the** goods received for processing, the consumed additional material and the work done based on the invoice issued by the processor for the processing service.

In the case of processing operations, in which the consignee from one EU Member State sends the goods for processing to another EU Member State with transfer of ownership over the goods (evidence: <u>invoice for the goods</u>), and the processor also issues an invoice for the goods (evidence: invoice for the finished product), the invoice value of the goods is stated on the basis of the invoice for the goods.

In the case of processing with partial transfer of ownership of the goods, the value of the goods arrived for processing is estimated (NoT 99), while the value of goods after processing (NoT 11) must be expressed in gross amount that includes the value of the finished product according to the invoice + value of previously arrived goods (raw materials) for processing without transfer of ownership.

3.17.6.   Examples for some processing cases

	TOK FAKTURE
	TOK ROBE
	PODUZEĆE OBVEZNO IZVJEŠTAVATI ZA INTRASTAT
	PROCESOR

I. SIMPLE PROCESSING OPERATIONS - <u>two</u> business entities included

Example 47: *Company A1 from Croatia sends goods for processing to Hungary to company B1. After processing, the company B1 returns the processed goods to the company A1. Processing is done at the expense of the company A1.*
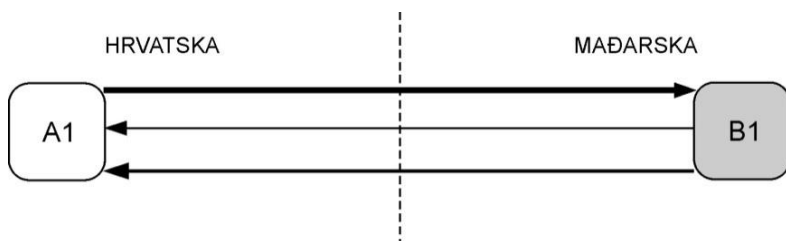
The company A1 reports the dispatch of goods for processing to Hungary under nature of transaction code 41, and the receipt of goods after processing from Hungary under nature of transaction code 51.

The cCompany B1 reports the arrival of goods for processing from Croatia under nature of transaction code 41, and the dispatch of goods after processing to Croatia under nature of transaction code 51 (invoice value = gross value).

II. PROCESSING OPERATIONS in which <u>several </u>business entities are involved
II. A) The goods are returned to the initial EU Member State

Example 48: *Company A1 in Croatia sends goods for processing to Hungary to company B1. After processing, the company B1 returns the processed goods to Croatia, but to the address of the company A2. Processing is done at the expense of the company A1.*

The company A1 reports the dispatch of goods for processing to Hungary under nature of transaction code 41, and the arrival of goods after processing from Hungary under nature of transaction code51.

The company B1 reports the arrival of goods for processing from Croatia under nature of transaction code41, and the dispatch of goods after processing to Croatia under nature of transaction code51.
The company A2 does not report to Intrastat (national transaction between A1 and A2).
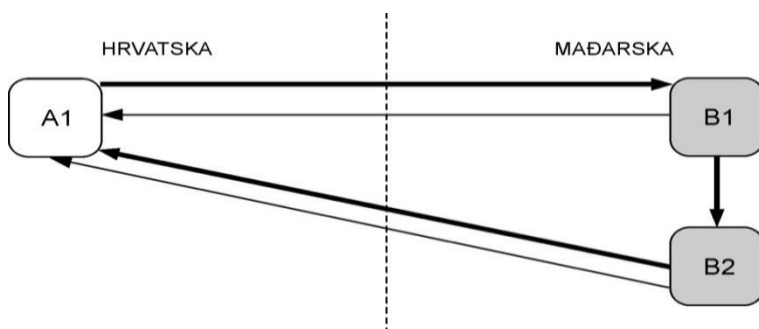
The company A1 reports the dispatch of goods for processing to Hungary under nature of transaction code 41, and the arrival of goods after processing from Hungary under nature of transaction code 51.
The company B 1 reports the arrival of goods for processing from Croatia under nature of transaction code 41.
The company B2 reports dispatch of goods after processing to Croatia (gross value) under nature of transaction code 51.

The company A1 reports the dispatch of goods for processing to Hungary under nature of transaction code 41, and the arrival of goods after processing from Hungary under nature of transaction code 51.
The Company B1 reports the arrival of goods for processing from Croatia under nature of transaction code 41 and the dispatch of goods after processing to Croatia (gross value) under nature of transaction code 51.
The company B2 does not report to Intrastat (national transaction between B1 and B2).

II. B) The goods are not returned to the initial EU Member State - Processing is done at the expense of the seller

Example 51: *Company A1 in Croatia sells goods to company C1 in Germany. The company A1 dispatches the goods for processing to company B1 in Italy, which performs the processing operations at the expense of the company A1. After processing, the company B1 sends the goods to the buyer, the company C1, in Germany.*
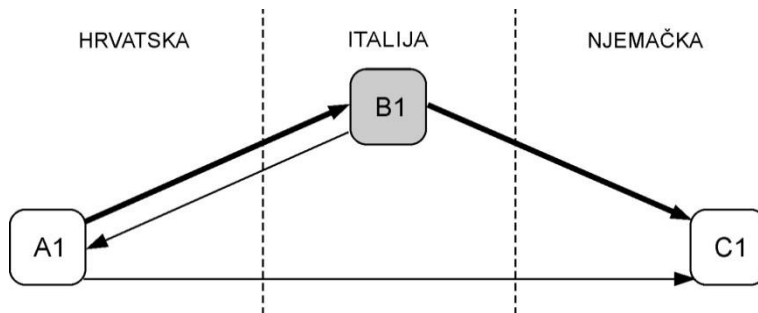
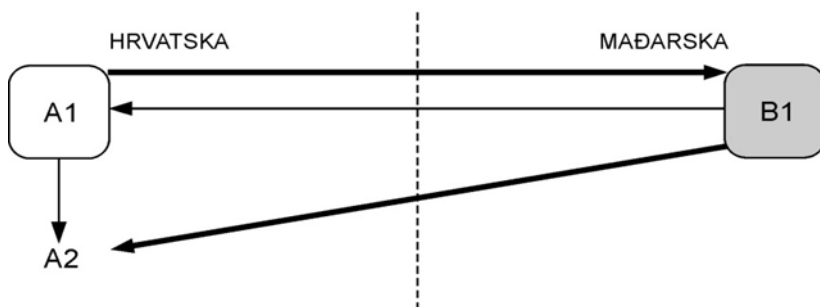The company A1 reports the dispatch to Italy under nature of transaction code 42.
The company B1 reports the arrival of goods for processing from Croatia under nature of transaction code 42 and the dispatch of goods after processing to Germany under nature of transaction code 52.
The company C1 reports arrival of goods from Italy, gross value, **under nature of transaction code 11 –** transfer of ownership 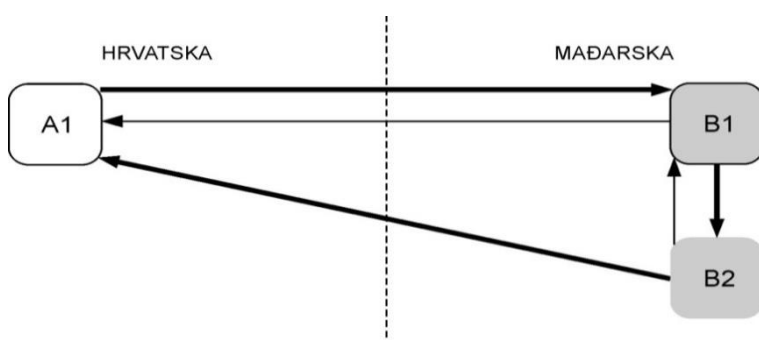for a fee. The company C1 will receive an invoice from the company A1, which will contain the value of the processed goods.

Example 52: *Company A1 in Croatia sells goods to company B in Hungary. The company A1 dispatches the goods for processing to company A2 in Croatia, which performs processing operations at the expense of the company A1. After processing, the company A2 dispatches the goods to the buyer company B in Hungary. The company A2 charges the company A1 with processing costs.*
The company A1 reports the dispatch of goods to Hungary under **nature of transaction code 11, the** value of the goods is that which A1 charges to company B.
The company B reports the arrival of goods from Croatia under **nature of transaction code 11, the** value charged to it by A1.
The company A2 does not report to Intrastat.

Example 53: *Company A1 in Croatia sells goods to company B2 in Hungary. The company A1 dispatches the goods for processing to company B1 in Hungary, which processes the goods at the expense of the company A1. After processing, B1 dispatches the goods to the buyer, the company B2 in Hungary. The company A1 has a tax representative in Hungary (the company A1*).*
The company A1 reports dispatch to Hungary, under **nature of transaction code 11**.
The company A1* (tax representative) reports arrival of goods from Croatia, net value, value of goods before processing, under nature of transaction code 11.
The companies B1 and B2 in Hungary do not report to Intrastat.

II. C) The goods are not returned to the initial EU Member State - Processing is done at the expense of the buyer

Example 54: *Company C1 in Croatia buys goods from company A1 in Germany. The company C1 asks the company A1 to send the goods for processing to company B1 in Hungary. The company B1 performs the processing of goods at the expense of the company C1. After processing, the company B1 sends the goods to the buyer, the company C1 in Croatia.*

NJEMAČKA — MAĐARSKA — HRVATSKA
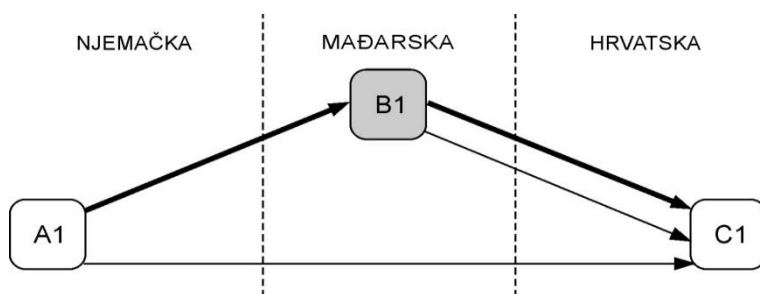
The company A1 reports the dispatch of goods to Hungary, the value before processing under nature of transaction code 11.

The company B1 reports arrival of goods for processing from Germany, under nature of transaction code 42 (value of goods before processing), and dispatch of goods after processing to Croatia, under nature of transaction code 52, gross value of goods after processing.

The company C1 reports arrival of goods from Hungary, gross value, under **nature of transaction** code **11**.

IV = value of goods *(according to the invoice for the goods of the supplier A1 from Germany)* **+** value of the processing service *(according to the invoice for the service of the company B1 from Hungary)*

Example 55: *Company B1 in Croatia buys goods from company A1 in Hungary. The company B1 asks the company A1 to send the goods for processing to company A2 in Hungary at the expense of the company B1. After processing, the company A2 sends the goods to the buyer, the company B1 in Croatia.*

MAĐARSKA — HRVATSKA

The company A2 reports dispatch of goods to Croatia, gross value under nature of transaction code 11 (value of goods to be processed, if not known to company A2 – must be estimated).

The company B1 reports arrival of goods from Hungary, gross value under **nature of transaction code 11**.

The company A1 does not report to Intrastat.

Example 56: *Company B2 in Croatia buys goods from company A in Hungary. The company B2 asks the company A to dispatch the goods for processing to company B1 in Croatia, which will carry out the processing at the expense of the company B2. After processing, the company B1 sends the goods to the buyer, the company B2 in Croatia. The company B1 charges company B2 with processing costs.*

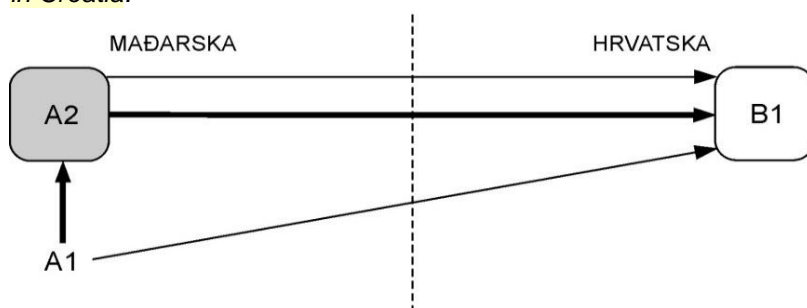**HRVATSKA**   **MAĐARSKA**

58
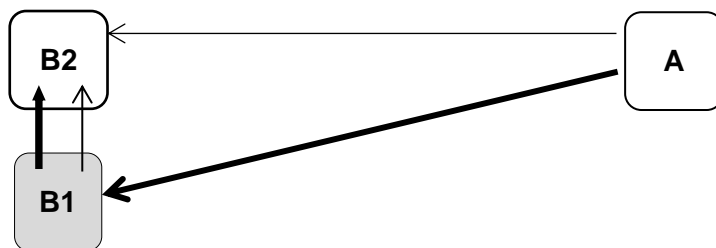
The company A reports dispatch of goods to Croatia, the value of goods before processing under nature of transaction code 11.

The company B2 reports arrival of goods from Hungary, the value of goods before processing under **nature of transaction code 11.** The processing work in this case is considered a domestic business transaction that occurred after the goods crossed the Croatian border, so it is not reported in Intrastat.

The company B1 in Croatia does not report to Intrastat.

3.18. Repair

Repair means returning the goods to their normal function or condition. The goal of repair is to maintain goods in good condition; this may include rebuilding, replacement or enhancement, but does not, in any way, change the nature of goods. In general, goods during repair and after it are therefore considered defective goods sent to a service technician in order to restore their original function. Also, the repair includes the situation when the service technician comes to repair the goods and subsequently issues an invoice for the performed repair and spare parts.

Delivery of goods during repair or after it is NOT reported in Intrastat!

Example 57: *Company A from Croatia bought a band saw from another Croatian company. After some time, the band saw must undergo a regular service. Authorised service is offered by a company in Slovenia and the saw was transported to Slovenia for repair and then returned to Croatia. Is it necessary to report the invoice for the regular service in the Intrastat form?*
No, the invoice issued by the service technician is the evidence that it is a repair service, which is not reported in the Intrastat form.

3.18.1. Spare parts installed as part of the repair

Spare parts installed as part of the repair are replacement parts used by the service technician during the repair to repair/service the defective goods. The service technical can send back the damaged parts that he replaced together with the repaired goods. All these products are NOT reported to Intrastat when moved from one country to another.

In standard cases of repair (service), it is common for the service technician to issue an invoice listing the spare parts (i.e., new or used goods used in the repair) and the hours of work of the service technician. Such an invoice is written evidence that it is a repair and the goods listed on such

an invoice are not reported to Intrastat, but are seen as replacement parts installed as part of the repair.

However, if the service technician issues a separate invoice for spare parts used in the repair (and a separate invoice for the service) – the spare parts used exclusively for repair also do not need to be reported to Intrastat if the PSI has the appropriate documentation from which it can be undoubtedly concluded that the goods indeed represent spare parts used as part of the repair. Such documentation may include, for example:
- ↘ E-mail or written order for service/repair or spare parts
- ↘ Response from the service technician (e-mail or in writing) stating which spare parts need to be procured for repair
- ↘ Request for execution of service, etc.

Example 58: *Company XX from the Republic of Croatia sends a welding machine for repair to a supplier from Germany. After the repair, since the fault was caused by incorrect use, the supplier from Germany charges for the parts installed in the appliance and transport, but not for the repair service. How to report the receipt of parts?*
In this particular case, these are spare parts installed as part of the repair, which are not reported to Intrastat. It should be noted that in this case the parts did not arrive in Croatia, but the welding machine that was serviced/repaired crossed the Croatian border. The parts are built into the appliance and form a whole (appliance). Although the value of the repair service is HRK 0.00, and spare parts and transport service are charged for – there is no reporting for Intrastat since it is considered a repair.

Example 59: Company *AB from the Republic of Croatia made an agreement on the service of the machine with the Belgian company CD. Due to its size, the machine will not be transported to Belgium, but a service technician from Belgium will come to Croatia to service the machine. Upon completion of the work, an invoice for the repair service and a separate invoice for the spare parts used in the repair were subsequently issued. Is it necessary to register the invoice for parts (goods) in Intrastat?*
In this particular case, it is a service (repair) and spare parts installed as part of the repair. A separate invoice for spare parts, which were used as part of the repair, also does not need to be reported to Intrastat.

3.18.2.   PSIs that provide servicing

Only if the service technician buys spare parts from other EU Member States, which he later uses for repair purposes or returns some defective spare parts to the supplier, such transactions are included in Intrastat.

Example 60: *Company XY from Croatia is engaged in vehicle servicing. They procure the parts in Slovenia and report the arrival to Intrastat. The buyer from Slovenia ordered a vehicle servicing to be done by the company XY. In Croatia, the buyer has spare parts installed in the vehicle. The buyer pays for the service* **and the** *installed parts in the vehicle and returns to Slovenia. In this case, is it necessary to report to the Intrastat for the installed parts, i.e., for the vehicle servicing?*
Delivery of goods during the repair or after it and spare parts installed as part of the repair – are not reported to Intrastat. Only if the service technician buys spare parts from other EU Member States, which he later uses for repair purposes (or for some other purpose), or returns some defective spare parts to the supplier, then these transactions are included in Intrastat. In this particular case, this would mean the following:

- **Procurement of spare parts (goods) from Slovenia –** regardless of what these goods (spare parts) will be used for later, it is a pure purchase transaction in which nothing is repaired, therefore the arrival of spare parts from Slovenia must be reported on Intrastat ARRIVALS form, under nature of transaction code 11 (outright purchase/sale).
- **The buyer from Slovenia orders servicing from the company XY in Croatia –** he drives his vehicle to the Republic of Croatia, the company XY performs servicing of the vehicle (service includes the installation of spare parts), and after service (repair) is done, an invoice for service (which includes spare parts) is issued to the buyer. This transaction is not reported to Intrastat.

3.19. Non-residents

For Intrastat, a non-resident is a PSI that does not have headquarters in the Republic of Croatia, but is still registered for VAT purposes with the Tax Administration. To put it simply, a **non-resident is a foreigner (legal entity or craftsman) with a Croatian VAT ID number.** Since it has a Croatian VAT ID number, when it trades in goods with other EU Member States and when it has exceeded the annual Intrastat exemption threshold, the non-resident becomes liable for Intrastat reporting in Croatia.

Example 61: **A classic non-resident purchase and sale transaction**
The Austrian company X with the Croatian VAT ID number buys the goods from the German supplier Y. The goods are physically delivered from Germany to Croatia. The German supplier Y issues an invoice with the clearly stated Croatian VAT ID number of the Austrian customer X.
It is a classic purchase transaction between two business entities. The Austrian company X with Croatian VAT ID number (non-resident) , if it is the Intrastat provider in Croatia, reports the arrival from Germany under nature of transaction code type 11 (outright purchase/sale).

Example 62: **Movement of goods owned by a non-resident**
Austrian company A, which also has a Croatian VAT ID number, is physically moving part of its own goods from Austria to its own warehouse in Croatia. As there is no transfer of ownership over the goods (the goods are owned by the Austrian company A at all times) and there is no purchase transaction, there is no invoice for the goods in question.
The Austrian company A with a Croatian VAT ID number (non-resident), if it is the Intrastat provider in Croatia, reports the arrival from Austria under nature of transaction code 99 (other transactions that cannot be classified under other codes).

Example 63: **Croatian company registered for VAT purposes in another EU Member State – movement of goods**
Croatian company A is physically moving part of its own goods stock from the Republic of Croatia to its own warehouse in the Netherlands. The Croatian company A is registered for VAT purposes in the Netherlands, which means that, in addition to its Croatian VAT ID number, it also has a Dutch VAT ID number. Since there is no transfer of ownership over the goods (the goods are owned by the Croatian company A at all times) and there is no purchase transaction, there is no invoice for the goods in question.
The Croatian company A reports DISPATCHES for Intrastat (relocation) of its own goods from the Republic of Croatia to the Netherlands:
- under **nature of transaction code 99**, if it intends to sell the goods (after relocation) to buyers in the Netherlands and buyers in other countries or it intends to return the goods back to Croatia, **i.e.**
- under **nature of transaction code 19,** if it intends to sell the goods (after relocation) to buyers exclusively on the territory of the Netherlands.

Example 64: A **non-resident in the Republic of Croatia participating in a triangle involving two EU Member States.**
German company A buys goods from supplier B from Belgium, and then (re)sells the same goods to buyer C in Croatia. The German company A is registered in Croatia for VAT purposes (non-resident). The goods are physically dispatched from Belgium directly to Croatia to the address of the buyer C. The Belgian company B issues an invoice to the German company A. The German company A issues an invoice to the Croatian buyer C.
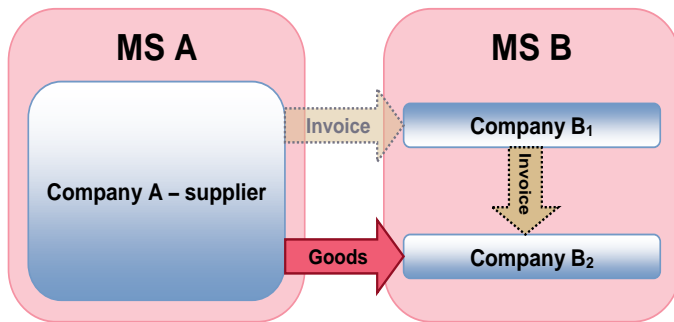
The Belgian company B reports the dispatch of goods to Croatia to Belgium's Intrastat.

Non-resident A (German company with Croatian VAT ID number) reports arrival of goods in Croatia from Belgium, under <u>nature of transaction code 11</u> if the Belgian seller's invoice states the Croatian VAT ID number of the German buyer, i.e., under <u>nature of transaction code 99</u> if the Belgian seller's invoice states the German VAT ID number customer, which means that the German company A reports the relocation of its own goods to Croatia based on internal documentation within the company A.

The end customer C, to whose Croatian address the goods physically arrive from Belgium, does not report to Intrastat, and the invoice received from the German seller presents a domestic/national transaction within the Republic of Croatia (the invoice must state the Croatian VAT ID number of the German seller and the stated and calculated Croatian VAT at the appropriate rate).

Example 65: **Non-residents and processing (Part I)**
Company X from Member State A (Austria) sends goods in the amount of EUR 400 to company Y in Member State B (Croatia) for processing. The company X is the owner of the goods (there is no transfer of ownership).The company Y will receive € 50 for the processing service. The company X based in Austria (has an Austrian VAT ID number) is also registered in Croatia for VAT purposes. The final product (processed product) will be sold by the company X to company Z in the Member State C (Hungary) at the price of EUR 500. The processed finished product will be physically delivered directly from the Member State B – Croatia (the address of the company Y) to the Member State C – Hungary (to the address of the company Z).
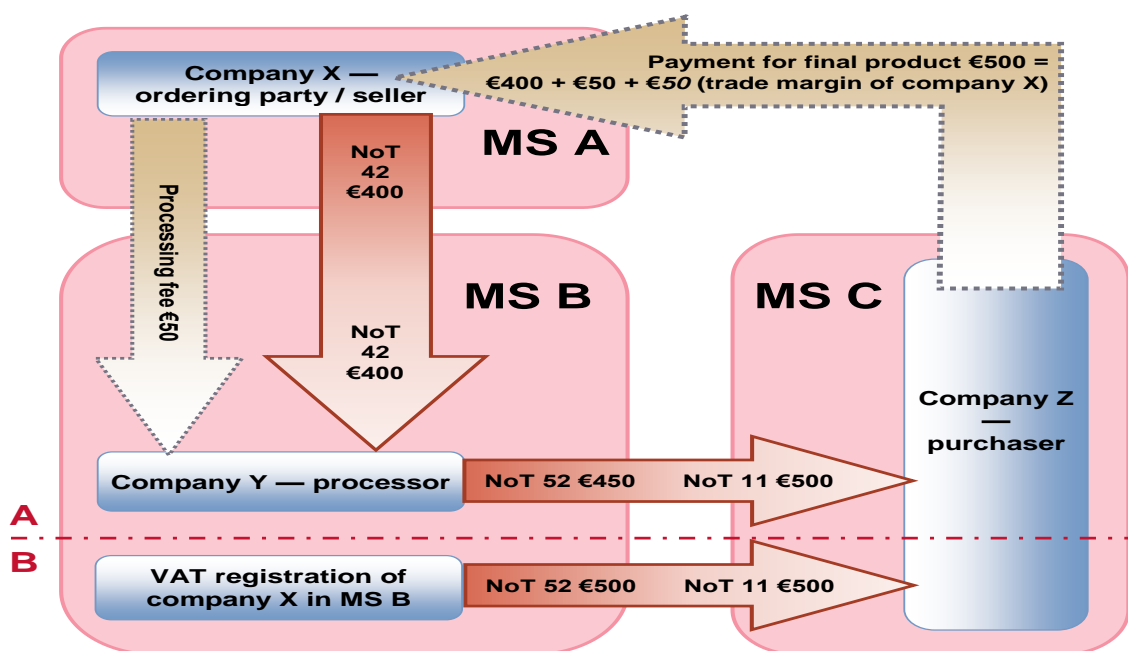
Non-resident X (Austrian company with Croatian VAT ID number) reports arrival of goods in the Republic of Croatia from Austria, under nature of transaction code 42.

Non-resident X (Austrian company with Croatian VAT ID number) also reports the dispatch of goods from the Republic of Croatia to Hungary, under nature of transaction code 52, according to the gross value.

Company Y (Croatian resident) reports arrival and dispatch to Intrastat only if the company X (Austrian company) does not have Croatian VAT ID number along with the Austrian one.

Example 66: **Non-residents and processing (Part II)**

Company X from Member State A (Austria) sends goods in the am ount of EUR 400 to company Y in Member State B (Croatia, Zagreb) for processing. The company X is the owner of the goods (no transfer of ownership). The company Y will receive € 50 for the processing service. The company X based in Austria (has an Austrian VAT ID number) is also registered in Croatia for VAT purposes, which means that it also has a Croatian VAT ID number. The final product (processed product) will be sold by the company X to company Z in Member State B (Croatia, Split) at the price of EUR 500. The processed finished product will be physically delivered directly from Zagreb to Split.

Non-resident X with Croatian VAT ID number) reports arrival of goods in the Republic of Croatia from Austria, under nature of transaction code 42.

The company Y (Croatian resident) reports arrival to Intrastat only if the company X (Austrian company) does not have Croatian VAT ID number.

Dispatch of goods from Zagreb to Split is not reported for Intrastat, because there is no crossing of goods across the Croatian border.

Example 67: **Non-residents and processing III.**

Company X from Austria (Vienna) sends goods in the amount of 400 euros to company Y in Croatia for processing without transfer of ownership. The company Y will receive 50 euros for the processing service. The company X based in Austria is also registered in Croatia for VAT purposes and has a Croatian VAT ID number. The final product will be sold by the company X to company Z in Austria (Graz) at the price of 500 euros. The processed finished product will be physically delivered directly from Croatia to Austria (to the buyer's address in Graz).
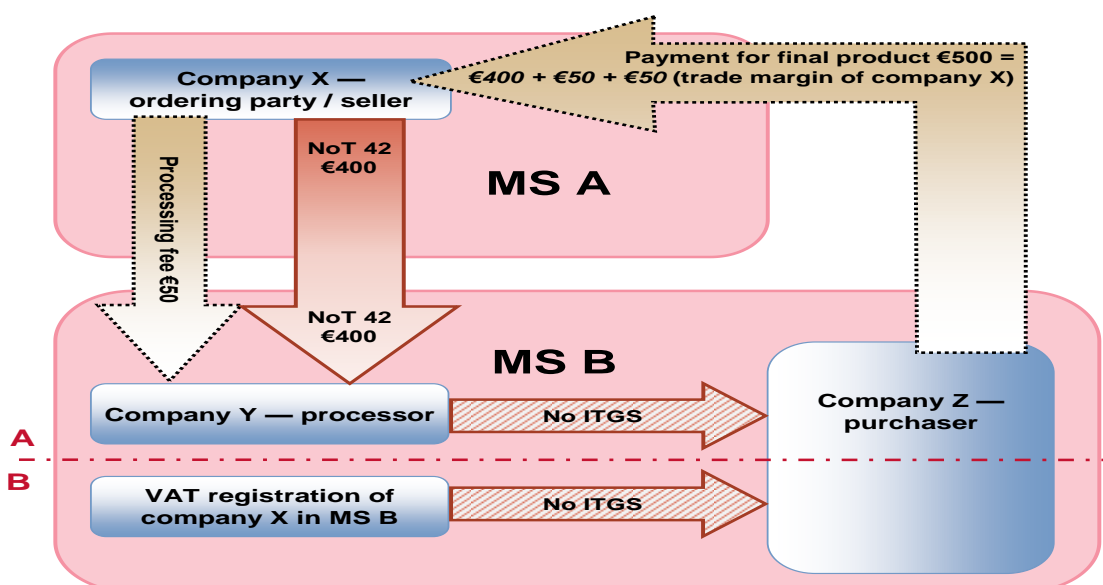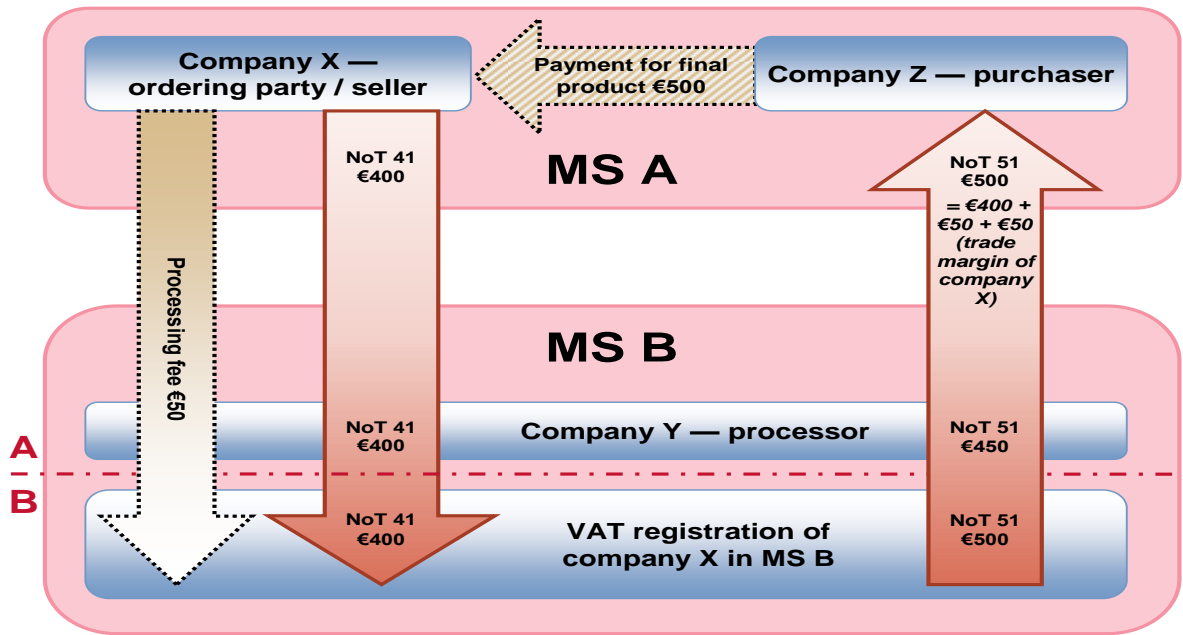
Non-resident X (Austrian company with Croatian VAT ID number) reports arrival of goods in the Republic of Croatia from Austria, under nature of transaction code 41.

Non-resident X (Austrian company with a Croatian VAT ID number) also reports dispatch of goods from the Republic of Croatia to Austria, under nature of transaction code 51, according to the gross value.

The company Y (Croatian resident) reports arrival and dispatch to Intrastat only if the company X (Austrian company) does not have Croatian VAT ID number.

The company Z in Austria (Graz) reports arrival of goods from Croatia.

3.20. Used vehicles/vessels/aircraft
- special margin taxation procedure

Used means of transport are:
- **(A) land motor vehicles with an** engine capacity exceeding 48 cubic centimeters or an engine power exceeding 7.2 kilowatts, delivered six months after the date of first use and having travelled more than 6 000 kilometers
- **(B) vessels** longer than 7.5 meters, delivered three months after the date of first use and having travelled more than 100 hours
- **(C) aircraft** weighing more than 1550 kilograms at take-off, delivered after three months from the date of first use and having travelled more than 40 hours.

If used vehicles/vessels/aircraft are traded within the EU, business entities whose value of trade exceeds the Intrastat exemption threshold for a particular trade flow are obliged to report the used means of transport in the Intrastat form regardless of how they are taxed. When registering used vehicles/vessels/aircraft in the Intrastat form, the following should be kept in mind:

→ **If the used means of transport are subject to <u>VAT</u>** – then Intrastat and VAT data will be comparable (exchange rate differences are possible);

→ **If the used means of transport are subject to a <u>special margin taxation procedure</u>** – then it will not be possible to automatically compare Intrastat and VAT data, but such a difference is methodologically justified for Intrastat.

More information on taxation and registration of used means of transport in tax forms is available at the link: https://gov.hr/moja-uprava/promet-i-vozila/kupnja-i-prodaja/porezne-obveze-pri-kupnji-rabljenih-vozila-iz-drugih-drzava-clanica-eu/1762

SELLER from another EU Member State	BUYER in Croatia	BUYER'S TAX LIABILITIES	REGISTRATION DOCUMENTS
A reseller applying a special margin tax procedure	Tax collector	- there is no liability for VAT or tax on the acquisition of used goods at the rate of 5% because a reseller from another Member State has calculated the VAT of his Member State on the margin - special tax (excise duty) according to the Act on Special Tax on Motor Vehicles It is not expressed in forms.	- decision of the Customs Administration on the payment of special tax (excise duty) - an invoice or other document issued by the reseller stating the application of the special margin tax procedure the Tax Administration has no obligation to issue notes or clauses/certificates.

Table 8: Tax liabilities in case of acquisition of used means of transport

(SOURCE: https://gov.hr/moja-uprava/promet-i-vozila/kupnja-i-prodaja/porezne-obveze-pri-kupnji-rabljenih-vozila-iz-drugih-drzava-clanica-eu/1762, retrieved on 30 November 2020)

Example 68: *Company XY from Croatia purchases and sells used vehicles. On the initial invoices for used cars from sellers from Italy, the code Art.36 D.L. 41/95 is stated, and such invoices are not reported in Intrastat form for the acquisition of goods from the EU. If such cars were reported in the Intrastat form, there would be a difference compared to the VAT form. What to do?*

In this particular case, these are goods (cars) that are physically delivered from one EU Member State to Croatia – therefore the goods in question must be reported in the Intrastat ARRIVALS form.

The difference between Intrastat and VAT data, which will appear in this case, is methodologically justified since these are goods to which a special margin taxation procedure is applied, where the transactions in question are not reported in the Croatian tax forms "PDV" or "PDV-S". Namely, the EU seller referred to Art. 36 D.L. 41/95 (article in the Italian tax legislation) on the invoice, which can be applied by **resellers who apply a special margin taxation procedure.** Pursuant to the opinion of the Tax Administration, Class: 410-19/13-01/232, Reg. No.: 513-07-21-01/13-4, issued in Zagreb on 26 July 2013, the invoice in question is not declared in VAT forms.

4. SPECIFIC GOODS AND SPECIFIC MOVEMENTS - special methodological provisions

Specific movements of goods are deliveries of goods which, due to their nature, require special methodological provisions. Specifics may be related to characteristics of the deliveries, type of goods, nature of transaction code or the business entities that trade in goods.

4.1. Industrial plants

An industrial plant is a combination of machines, devices, apparatus, equipment, instruments and materials from different chapters of the Combined Nomenclature, which together form a whole product of large dimensions, stationary units that produce goods (e.g., petroleum refinery, power station) or provide services (e.g., hospital) and act as a coordinated whole.

4.1.1. Simplified reporting of industrial plants

If components, intended for the construction of industrial plants, are products which are classified in the same chapter of the Combined Nomenclature – PSIs may request issuing of the *Simplified Reporting Approvals* from CBS.

The Simplified Reporting Approval is issued if the following conditions are met:

1.   If the industrial plant is **new –** the total value of the new plant must **exceed 3 million euros,**

2.   If the industrial plant is **used –** the value limit does not apply,

3.   The PSI must submit a written "Request for the Simplified Reporting Approval"

In the case of simplified reporting, statistics relating to the trading in goods between the EU Member States shall cover only the dispatches and arrivals of components used for the construction of new industrial plants or for used industrial plants.

This simplification is aimed at reducing the burden on PSIs so that PSI may declare its trade for each component using a single commodity code from Chapter 98 instead of using several different commodity codes from different subheadings of CN chapters. Commodity codes will be assigned as follows:
- ⇘ the first four digits are **9880**
- ⇘ the fifth and sixth digits indicate the **chapter of CN to** which the components (XX) belong
- ⇘ the seventh and eighth digits are zero (**0**).

When using simplified CN codes, information on the quantity per unit of measure is not reported, but information on net weight is mandatory. The reporting period is the month in which the goods physically enter or physically leave the territory of the Republic of Croatia. If some components are delivered as successive consignments, it is reported only once, in the month when the last consignment arrived or was dispatched.

The Request for Simplified Reporting Approval is to be submitted to the Croatian Bureau of Statistics and must contain specific information relevant for making the decision, as follows:
- Information on the PSI (name, address, OIB)
- Flow, arrival/dispatch
- Trade name of the commodity (plant), CN code
- Contracted value of the job: value according to the contract
- List of commodities included in the same CN chapter, with stated value and quantity
- Period in which arrival/dispatch will take place: from (date) to (date)
- Contract number
- Partner country (country with which the contract is concluded and country/countries from which the goods are dispatched)
- Information on whether the trade partner in another EU Member State applies simplified reporting.

If the PSI does not submit a *Request for Simplified Reporting Approval*, it is then obligated to classify every single component of the industrial plant according to the appropriate Combined Nomenclature code (in which case it is not allowed to use tariffs according to simplified CN codes). In that case, the data on the quantity in the unit of measure shall be entered if it is prescribed by the Combined Nomenclature code.

4.1.2.   Turnkey plant and construction investments
(Turnkey projects)

A turnkey contract is often used to contract the construction of large plants (e.g., geothermal power plants, wind farms, wastewater treatment plants, refineries, etc.) and large construction investments such as factories, buildings, industrial halls, farms, etc.

By contracting a turnkey clause, the investor (client) requires the contractor to build the investment to the final stage of construction and to hand over the plant/building suitable for use. The "turnkey" clause, in the figurative sense, presupposes that the contractor, after the construction of the plant/building is over, hands over the key to the client as a confirmation that the building is suitable for use or that the investor (client) can initiate the contracted investment.

In this case, the contracted price usually includes the value of all construction and engineering works (planned and unforeseen), goods, installation (organisation, implementation and supervision of installation), quality control after construction and installation are completed, functional testing of installed equipment and commissioning (e.g., with the issuance of a certificate or a similar document on the readiness of the plant for operation). In the case of large plants, the handover of equipment and work performed is considered to have been done by signing the Handover Protocol.

Ownership over a turnkey investment is transferred to the buyer at the moment of the turnkey delivery (until then, the goods and materials are owned by the seller). Invoices issued by the seller can be issued in different ways: one invoice for the entire investment or several invoices issued according to the installment payment of the investment, etc.

In the case of turnkey investment works involving a seller/contractor from one EU Member State and a buyer (investor) from another EU Member State, involving the physical movement of goods between EU Member States, such movement of goods must be reported to the Intrastat system of the EU Member State of origin and destination.

The delivery of goods and equipment under such investment projects is usually divided into several physical deliveries, either during the same calendar year or over several years. The seller/contractor

may move his own goods from one EU Member State to the country of destination or may purchase the necessary goods and equipment in another EU Member States or in third countries; he may also purchase part of the goods/equipment in the EU Member State of destination, etc. Furthermore, the seller/contractor may have several subcontractors involved in the construction, installation or equipping of the entire investment.

Invoice value

For the purposes of Intrastat reporting, the rule applies here that only goods that are physically moving between EU Member States are reported in the Intrastat form. Services, which are an integral part of such investment projects (e.g., costs of construction, assembling, installation, accommodation and travel of employees, etc.) are not reported in Intrastat forms.

If the **value of goods without services** is not specified, the PSI is obliged to estimate the value of the goods and declare the estimated value for Intrastat.

Reporting period

I.   For the trade flow DISPATCHES
The reporting period is the month of physical crossing of the goods over the Croatian border (dispatch from Croatia is reported by the seller/contractor).

II.   For the trade flow ARRIVALS
The reporting period depends on whether the arrival is reported by the buyer/investor in Croatia or the arrival in Croatia is reported by a non-resident (seller/contractor) who is registered for VAT purposes in Croatia:
- ↳ **If ARRIVAL is reported by the buyer/investor in Croatia** – the reporting period is the calendar month in which the investment was handed over to the buyer ("turnkey" month);
- ↳ **If ARRIVAL is reported by the seller/contractor** registered for VAT purposes in Croatia – the reporting period is the calendar month in which the goods physically cross the Croatian border (the standard rules for Intrastat reporting apply).

Example 69: **Turnkey investment in the Republic of Croatia (Croatian investor, EU contractor)**
In January 2019, the French company FR concludes a contract for the construction of a TURNKEY wind farm in Croatia with the Croatian company HR. For construction purposes, FR uses materials and other components from its own production in France (in which case the goods physically move on the route France – Croatia) and materials and components that it procures in other EU Member States and delivers them directly to Croatia (in that case, the goods move physically between another EU Member State and Croatia). After the entire wind farm was built, the start of operation and signing of the Handover Protocol took place in June 2020.

If FR is not registered for VAT purposes in Croatia (it means if FR **does not have a** Croatian VAT ID number) – ARRIVAL for Croatian Intrastat is reported by the **Croatian buyer HR (buyer/investor)**:
- ↳ All individual components of the plant and materials that have physically arrived in Croatia from other EU Member States are reported.
- ↳ The Croatian company HR reports this ARRIVAL to Intrastat after acquiring the right of ownership over the wind farm, i.e. in the Intrastat form for JUNE 2020 (in the month when the handover took place according to the "turnkey" system).
- ↳ Nature of transaction code 11 – if the seller/contractor has submitted documentation with the exact values of the goods (e.g., invoices or packing lists with the values of the goods or the table with the exact values of the goods, etc.).

If the value of the goods needs to be assessed (which means that the seller/contractor issues an invoice that includes both goods and services) – then the <u>nature of transaction code 80</u> is used.

If the FR is registered for VAT purposes in Croatia (i.e., if the FR **has** a Croatian VAT ID number as well) – ARRIVAL for the Croatian Intrastat is declared by the FR (contractor).
- ↘ All individual components and materials that have physically arrived in Croatia from other EU Member States are reported.
- ↘ FR reports such ARRIVAL to Intrastat in the month (or months) of physical entry of goods into the territory of the Republic of Croatia (i.e., not in the month when the handover took place under the "turnkey" system, but over several months depending on the physical movement of goods).
- ↘ If individual plant components are delivered successively – the French seller/contractor FR may apply the rules for successive deliveries described in chapter 6.2. of these Instructions.
- ↘ Nature of transaction code 19 – for own goods that a French seller/contractor moves from France to Croatia to his (own or rented) warehouse or to his permanent business unit in the Republic of Croatia, which will then be delivered from the warehouse in the Republic of Croatia to a construction site in Croatia as needed; nature of transaction code 11 – for goods purchased by the French seller/contractor in other EU Member States using his Croatian VAT ID number.

Example 70 : **Turnkey investment in another EU Member State (EU investor, Croatian contractor)**
In January 2019, the Croatian company HR1 concluded a contract for the construction of a TURNKEY factory in Germany, with the German company DE. For construction purposes, the Croatian company HR1 uses materials and other components from its own production in Croatia (in which case the goods physically move on the route Croatia – Germany) and materials and components that it procures in other EU Member States and delivers directly to Germany (in which case the goods move physically between another EU Member State and Germany). After the entire factory was built, the start of operation and signing of the Handover Protocol took place in September 2019.
- ↘ For Croatian Intrastat, the Croatian company HR1 declares DISPATCH from Croatia to Germany only of goods that were physically delivered from Croatia to Germany.
- ↘ The reporting period is the month or months of physical crossing of the Croatian border (i.e., not in the month when the handover took place under the "turnkey" system, but over several months depending on the physical movement of goods).
- ↘ <u>Nature of transaction code 11</u> for goods delivered directly to the construction site in Germany, or <u>nature of transaction code 19</u> for own goods which the Croatian seller/contractor first moves from Croatia to Germany to his (own or rented) warehouse or to his permanent business unit in Germany, which will be delivered from the construction site in Germany as needed.

4.2. Staggered consignments

Staggered consignments include the delivery of components of the whole product in an unassembled or disassembled state, which, for commercial or transport reasons, are delivered over several reporting periods. In order for a consignment (delivery) of goods to be considered successive, the basic condition must be met: classification of the product (e.g., entire plant lines) under <u>a single Combined Nomenclature code</u> (one item of goods in the Intrastat report).

Given that in such cases goods from a single CN code are delivered over several reporting periods, e.g., over several months (for transport or commercial reasons), the Intrastat methodology allows PSIs to declare the goods in question in the Intrastat form in the month of the last delivery.

The reporting period for the arrival or dispatch of staggered consignments is to be expressed in such a way that the data are reported only once, for the **calendar month in which the last consignment arrived or was dispatched**. The total value of all consignments is reported, while the CN code of the assembled product is entered in field 10 (commodity code).

4.3. Vessels and aircraft

When it comes to registering vessels and aircraft in Intrastat forms, it is important to pay attention to the following:

↘ **In the case of vessels and aircraft considered to be specific goods or specific movements –** the standard rules on the physical movement of goods between two EU Member States do not apply, but a trade transaction related to the transfer of economic ownership is recorded;

↘ **In the case of vessels and aircraft that are not considered as specific goods or specific movements –** the standard rules on the physical movement of goods between two EU Member States do apply.

Important!

Vessels considered to be specific goods or specific movements include sea-going vessels in line with the CN chapter 89, tugs, warships and floating structures. Possible CN codes for their reporting are: **8901 10 10, 8901 20 10, 8901 30 10, 8901 90 10, 8902 00 10, 8903 91 10, 8903 92 10, 8904 00 10, 8904 00 91, 8905 10 10, 8905 20 00, 8905 90 10, 8906 10 00, 8906 90 10.** The transfer of economic ownership rule is applied for these codes!.

Aircraft considered to be specific goods or specific movements include airplanes within CN codes **8802 30 and 8802 40**. The transfer of economic ownership rule is applied for these codes!

All other vessels and aircraft classified within other CN codes (except those stated here) – are not considered to be specific goods or specific movements and therefore are reported in Intrastat forms applying standard methodological rules on physical movement of goods.

4.3.1. How to report vessels/aircraft that are considered specific goods in Intrastat form?

In case the PSI from the Republic of Croatia sells/purchases a vessel or aircraft classified under one of the previously mentioned CN codes, a purchase transaction is reported for Intrastat in the month of transfer of economic ownership, whereby the vessel or aircraft does not have to be physically moved from one EU Member State to another;

In the event that PSI from the Republic of Croatia sells/purchases a vessel or aircraft classified under any other CN code for vessels or aircraft, a purchase transaction is reported for Intrastat in the month of physical dispatch/arrival of goods, i.e. according to Art. 6 of Regulation (EU) No 659/2014 of the European Parliament and of the Council.

Foreign trade in vessels and aircraft that are considered specific goods or specific movements does not involve the physical cross-border movement of goods within the Union, which means that the standard rules for declaring goods in Intrastat forms do not apply. The trade transaction that is recorded is associated with a transfer of economic ownership and processing activities. If there is no transfer of <u>economic ownership</u>, but only of <u>legal ownership</u> of the vessel – there is no reporting for Intrastat.

4.3.2.   Economic ownership

Economic ownership means the right of a VAT payer to claim benefits related to the use of a vessel or aircraft during an economic activity, provided that he accepts the associated risks. Economic ownership may be equal to legal ownership, but economic ownership may also be different from legal ownership of a vessel/aircraft.

The transfer of economic ownership can most easily be determined by entry in/deletion from the state register of vessels/aircraft. Namely, economic ownership of a vessel/aircraft should undoubtedly be transferred from one Member State to another as a result of a commercial transaction. This can serve as evidence for the ship/aircraft when there is a transfer to another Member State of, e.g., majority ownership, headquarters, decision making or legal responsibility. When the transfer of ownership of an entire vessel or aircraft takes place between two parties established in different Member States, deletion from the national register in the country of sale means reporting dispatches to Intrastat, and entry in the register of the purchasing country means reporting arrivals to Intrastat.

Important!
In case there is no transfer of ownership of the goods, but the owner deletes the vessel or aircraft from the register of one country and enters it in the register of another country for other reasons (e.g., fiscal), there is no statistical movement of the vessel or aircraft and no Intrastat reporting.

When filling in the Intrastat form for vessels/aircraft considered to be specific goods or specific movements, special attention should be paid to the following elements:

⮡   **The reporting period** for arrivals and dispatches is the month in which the transfer of economic ownership takes place (meaning not the month in which the sale took place – as evidenced by a commercial invoice, but the month in which the transfer of economic ownership of the vessel/aircraft occurred – as evidenced by entering a vessel/aircraft into the register).

⮡   **Net mass** of the vessel/aircraft and the **supplementary unit of measure** (SU) prescribed by the Combined Nomenclature are mandatory data.

⮡   **Invoice value** is entered without stating the tax amount.

⮡   **Partner countries** must be:
   I.   The EU Member State in which the seller of the vessel/aircraft (which transfers economic ownership to the buyer) is **established**, and the EU Member State in which the buyer (to which economic ownership of the vessel/aircraft is transferred) is established;
   II.   **In the case of new vessels or aircraft: the** EU Member State in which the vessel/aircraft was built and the EU Member State in which the buyer's headquarter is located (transaction between the manufacturer and the first economic owner of the vessel/aircraft);
   III.   **In the case of processing operations**: the EU Member State in which the headquarter of the ordering party (economic owner of the vessel or aircraft) is located and the EU Member State which, under the contract, carries out the processing operation.

4.4. Goods delivered to vessels and aircraft

Delivery of goods to vessels and aircraft includes delivery of short-term and long-term goods from the Republic of Croatia to a vessel or aircraft belonging to another EU Member State, provided that such **vessel/aircraft is anchored/located in a port on the territory of the Republic of Croatia**.

Delivery of **short-term goods** to vessels and aircraft, such as food, technical items, paints, oils, spare parts, etc., is also called *"supply of vessels and aircraft"*.

For goods intended for the supply of vessels and aircraft registered in the EU, as well as for vessels/aircraft registered outside the EU, a customs declaration (SAD) must be submitted to the competent customs office in the Republic of Croatia.

4.4.1. Customs treatment

Although there are no exports of goods (*because EU Member States are considered*), in accordance with Union customs legislation, an export SAD is submitted for products that are exempt from tax in accordance with national rules. The final destination of the vessel/aircraft may be inside or outside the EU. According to the Supplies to Vessels and Aircraft Instruction Manual No. 27/16 (*Customs Administration, Class: 011-02/16-03/27, Reg. No.: 513-02-1220/1-16-1 of 28 April 2016*):

- ↘ it is possible to lodge an <u>oral customs declaration</u> if the value of the goods does not exceed EUR 1000 or 1000 kg net weight. An oral declaration cannot be submitted for excise products (tobacco products, alcohol and alcoholic beverages).
- ↘ no export customs declaration shall be lodged for the refuelling of standard tanks of vessels and aircraft, as the <u>fuel in standard tanks</u> is considered to be part of the means of transport.

4.4.2. Intrastat treatment

The Intrastat form need not be submitted for goods intended for the supply of vessels and aircraft, provided that:

- ↘ Trader has an export customs declaration for the goods in question where a simplified code **"QR" (**country of destination) **is** entered in *Box 17*, and
- ↘ EU vessel or EU aircraft, to which the goods intended for supply have been delivered, is **anchored/located in a Croatian port.**

In all other cases, the PSI must submit an Intrastat form, i.e., if:

- ↘ goods orally declared to customs (therefore there is no customs declaration, indirectly there are no data in Extrastat), or
- ↘ motor fuel delivered and loaded into standard tanks of vessels and aircraft without an export customs declaration.

4.4.3. SHORT-TERM GOODS – supply of vessels/aircraft

These are goods that will be consumed during the trip. Delivery of goods to vessels and aircraft includes delivery of products intended for crew and passengers, as well as for operation of engines, machines and other equipment of vessels and aircraft (e.g.: oil for propulsion of marine engines).

The vessel and the aircraft belong to the EU Member State in which the VAT payer (economic owner of the vessel/aircraft) has its registered office. Statistics on trade in goods between EU Member States (Intrastat) cover only dispatches of goods delivered on the territory of the Republic of Croatia to vessels and aircraft belonging to another EU Member State. Simplified Combined Nomenclature codes can be used for the short-term goods in question:

- **9930 24 00:** goods listed in chapters 1 to 24 of the CN
- **9930 27 00**: goods listed in chapter 27 of the CN
- **9930 99 00**: goods classified elsewhere.

When using simplified CN codes, data on quantity in supplementary unit (SU) is not reported; however, data on net weight are mandatory.

4.4.4.   LONG-TERM GOODS – supply of vessels/aircraft

This is the delivery of long-term goods and equipment that remain on the vessel and aircraft for a long time (*it will not be consumed during the trip and therefore it is not a "supply"*), such as: delivery of bedlinen or musical instruments for musicians on board or TV sets for cabins, delivery of spare parts for marine engines, etc.

When declaring long-term goods delivered to vessels and aircraft in the Intrastat form, it is necessary to use the precise corresponding code of the Combined Nomenclature (*it is not allowed to use simplified CN codes*). In that case, the information on the quantity in the unit of measure shall be entered if it is prescribed by the CN code.

If an export customs declaration has been lodged for such delivery – there is no reporting to Intrastat.

Scenario	Intrastat reporting	Explanation
Delivery of goods from Croatia to national (Croatian) vessels/aircraft anchored/located in Croatia	Not reported in Intrastat	Inward transaction
Deliveries from Croatia to national (Croatian) vessels/aircraft anchored/located in another Member State (e.g. the Netherlands) or in non-EU country (e.g. Algeria).	Not reported in Intrastat	Exempt from Intrastat statistical coverage
Delivery of goods from Croatia to vessels/aircraft registered in the EU and anchored/located in Croatia – export customs declaration has been lodged	Not reported in Intrastat	If a simplified code **"QR"** of country of destination is entered in Box 17 of the export customs declaration (Condition 1) and if the EU vessel/aircraft is anchored/located in a Croatian port (Condition 2) – then it is exempt from the Intrastat coverage

Delivery of engine fuel loaded in standard tanks of foreign vessels/aircraft, registered in EU and anchored/located in Croatian ports – export customs declaration has been lodged	Not reported in Intrastat	If the simplified code „QR" is entered in box 17 of export customs declaration (Condition 1) and if the EU vessel/aircraft is anchored/located in Croatian port (Condition 2) – then it is exempt from the Intrastat coverage
Delivery of engine fuel loaded into standard tanks of vessels/aircraft, registered in EU and anchored/located in Croatia – export customs declaration has not been lodged	YES – it is reported in Intrastat because there is no export customs declaration	Included in the Intrastat statistical survey because it is not monitored through export customs declarations
Delivery of goods to vessels/aircraft registered in the EU and anchored/located in Croatia – the goods are orally declared to Customs	YES – it is reported in Intrastat because there is no export customs declaration	Included in the Intrastat statistical survey, because it is not monitored through export customs declarations

Table 9: Possible scenario of delivery of goods to vessels/aircraft

4.5.   Offshore installations

Offshore installation includes equipment and devices installed and stationed at sea outside the statistical territory of any Member State. For statistical purposes, offshore installations are considered to be the property of an EU Member State that has exclusive rights to exploit the seabed or the land where it is located. For Intrastat reporting, the partner country is determined according to the defined ownership.

It is also allowed to use the simplified code of the partner country **'QV'** (*Countries and territories not listed in the framework of intra-EU trade).*

4.5.1.   Goods delivered to offshore installations

Goods delivered to offshore installations include the delivery of products intended for the crew (e.g., food) and the operation of engines, machines and other equipment of offshore installations (e.g., fuel, spare parts) – short-term goods.

Simplified reporting for Intrastat is allowed for dispatches and arrivals of goods delivered to the crew and operation of offshore installation equipment. In that case, the following codes are used for goods delivered to offshore installations:

- **9931 24 00:** goods listed in chapters 1 to 24 of the CN
- **9931 27 00:** goods listed in chapter 27 of the CN
- **9931 99 00**: goods classified elsewhere.

When using simplified CN codes, information on the quantity per unit of measure is not reported; however, information on net weight is mandatory.

On the other hand, investment goods for the construction or technical improvement of an offshore installation (long-term goods) or goods obtained from or produced at an offshore installation must be reported with the corresponding CN heading (then it is not allowed to use a tariff according to simplified CN codes) . In that case, the informationo on the quantity in the unit of measure shall be entered if it is prescribed by the CN code.

4.5.2. Goods obtained or produced at an offshore installation

Goods obtained from or produced at an offshore installation include products extracted from the seabed or underground (e.g., gas and oil), or produced at offshore installations (e.g., electricity produced via windmills). Goods dispatched from an offshore installation must be reported to Intrastat with the corresponding CN heading (*there is no simplified reporting, the quantity information in the unit of measure is also entered if prescribed by the CN code*).

4.6. Sea products

Sea productsf means fishery products, minerals and all other products obtained from the sea or produced on board a vessel, which have not yet been unloaded from seagoing vessels to the land in the port of a Member State. For the purposes of Intrastat reporting, sea products belongs to the EU Member State in which the legal entity or natural person (craftsman), who is the economic owner of the vessel and who is engaged in catches, is established.[9]

Irrespective of the geographical location of the sea products caught or acquired (in territorial waters, international waters, exclusive economic zones, etc.), the partner countries (field "Country of destination/delivery" in the Intrastat form) for sea products are:
↘ EU country in which the economic owner of the vessel (catching) is **established** and
↘ The first EU country to whose mainland the sea products are landed (**EU country of landing**).

4.6.1. ARRIVAL of sea products

It is reported when a vessel, whose economic owner is based in another EU Member State, unloads sea products in a Croatian port (Croatia is in that case an EU Member State reporting ARRIVALS to Intrastat) or when a Croatian vessel (a vessel whose economic owner has headquarters in Croatia) acquires/procures sea products at sea (on the high seas) from another vessel, whose economic owner has its headquarters in another country.

↘ **The field "Country of destination/delivery"** is to be filled in with Geonomenclature code of the EU Member State in which the economic owner of the vessel (who is engaged in catches) is based or, in the case of acquisition/purchase of sea products at sea (on the high seas), the Geonomenclature code of the EU Member State in which the seller of sea products is established.

4.6.2. DISPATCH of sea products

It occurs when a Croatian vessel, whose economic owner is based in Croatia, unloads sea products in the port of another EU Member State or when a Croatian vessel delivers/sells sea products at sea (in the middle of the sea) to another vessel whose economic owner is based in another country EU member state (Croatia is in that case an EU member state reporting Intrastat SHIPPING).

---

[9] The statistical and customs notions of the affiliation of sea products differ. In statistical terms, sea products belongs to the country in which the economic owner of the catching vessel is established. In customs terms, sea products is linked to the geographical position of the sea in which they were caught or acquired/purchased. Furthermore, according to customs regulations, the nationality of a vessel mostly depends on the flag of the vessel, while for statistical purposes only the country in which the economic owner has its registered office is important. The flag of the vessel does not necessarily belong to the state in which the *economic owner* has his seat (the vessel may have the flag of the state in which the *legal owner of the vessel* has his seat)

↘ **In the "Country of destination/delivery** " field, enter the Geonomenclature code of the EU Member State in which the sea products was landed or, in the case of delivery/sale of sea products at sea (in the middle of the sea), the Geonomenclature code of that EU Member State to which the acquirer/buyer of sea products is established.

It is important to point out that trade in sea products exclusively on the route sea *(country where the economic owner of the vessel has headquarters)* – the first land port *(partner country)* is considered a specific movement of goods, and in this regard the above mentioned Intrastat rules shall apply.

All further transactions with sea proucts, which take place after the sea products (extracted from the sea) are landed at the first land port, are reported in Intrastat in accordance with the standard reporting rules.
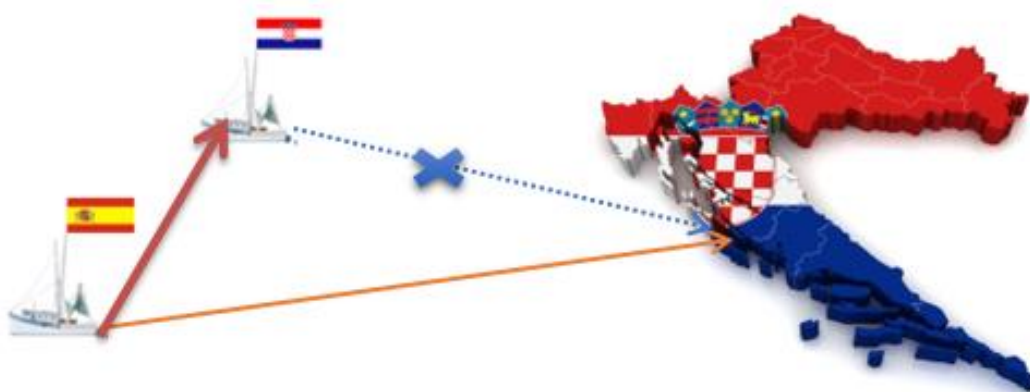
Figure 1: Reporting sea products to Intrastat

4.7. Electricity and gas

According to the Intrastat legislation, electricity and gas are considered specific goods or movements to which specific legal provisions apply. Electricity is classified in CN code 2716 00 00, while gas is considered natural gas in gaseous state and is classified in CN code 2711 21 00. Specific legal provisions for gas apply only to gas moving through pipelines. Gas in liquid state and in gaseous state that is not transported through pipelines is statistically treated like all other goods, in which case the standard Intrastat rules apply.

When it comes to business transactions related to electricity and gas, it is necessary to report in Intrastat form all electricity/gas with the status of Union goods ("domestic goods") that physically arrived in the Republic of Croatia (arrivals), as well as all electricity/gas with the status of Union goods ("domestic goods") that is physically dispatched from the Republic of Croatia (dispatches). The precondition is that, in addition to electricity (or gas) physically entering or leaving the Republic of Croatia, the PSI receives or issues an invoice for the value of electricity or gas, and not only for the transit service. If only the transit service were invoiced, there would be no transfer of ownership and it would be considered a service, so the registration in Intrastat would not be necessary.

It is important to emphasise that the arrival is reported according to the country that will issue the invoice, and the dispatch according to the country to which the invoice is issued, so that the data can be in line with VAT data. Foreign electricity or gas, i.e. electricity or gas that does not have the status of Union goods, should either be released for free circulation upon arrival in the Republic of Croatia, i.e. cleared through customs, or placed under some other appropriate customs procedure (e.g., transit).

It is important that PSI, when electricity/gas arrives at the border of the Republic of Croatia, can distinguish whether electricity/gas has the status of Union goods or the status of foreign goods, and to declare goods to Intrastat or appropriate customs procedure accordingly.

4.7.1. Purchase and sale of electricity or gas on the EU market

In cases when the purchase transaction of the goods in question (electricity or gas) was performed on the EU market, but without the physical entry of goods into the Republic of Croatia or the exit of goods from the Republic of Croatia – there is no reporting for Intrastat.

Example 71: *IJ buys electricity on the EU market from a Hungarian seller and immediately sells the same electricity to a German buyer.*

The invoice for the transaction in question is issued by the Hungarian seller to the Croatian buyer. Considering that the electricity did not physically enter the Republic of Croatia – there is no reporting for Intrastat. The Croatian company issues an invoice to the German buyer, but there is no reporting for Intrastat because the goods did not physically leave the Republic of Croatia (there is no physical crossing of the Croatian border).

This example of trade in which a total of three EU Member States participate (Croatia, Hungary, Germany) is called the triangular trade.

The triangular trade is a type of commodity transaction involving at least three business entities in two or three different countries, providing that at least two of those countries are EU Member States. Croatian business entities are obliged to report when they purchase (or sell) goods to a trading partner (VAT payer) in another EU Member State and when goods cross the Croatian border. For better understanding, an example of the triangular trade in gas/electricity is given below:

↘ **gas physically arrives from Austria to Croatia through the pipeline**
   YES, a monthly Intrastat form is submitted, since it is a trade between EU Member States and the goods (gas) physically crossed the Croatian border.

↘ **gas purchased in Austria does not arrive through pipelines in Croatia because it is further sold to a foreign buyer**
   NO, Intrastat form is not submitted, considering that the goods do not physically enter the Republic of Croatia, and Intrastat does not monitor the flow of invoices but only the physical flow of goods. In this case, it is a triangular trade.

4.7.2. What is not reported for Intrastat in electricity/gas trade

Costs of using/maintaining/leasing pipelines concluded with another company – for the costs in question there is a separate invoice that does not need to be included in the Intrastat form. If these costs are included in the price of electricity/gas and shown in the same invoice together with the goods, they are included in the invoice value of the goods.

Exchange of goods at VTP (virtual trading point, e.g., for gas) – if the company intends to exchange gas at VTP (enabled by the transmission system operator) and the company to which the gas is delivered will make those same quantities available at the Central European Gas Hub in EU. The exchange of gas will take place in that way. With such transactions, the gas does not physically leave Croatia, and this will not be visible on the meter of the transmission system operator, but the transmission system operator will record such a transaction at the virtual trading point (VTP). The transaction in question is not reported for Intrastat.

Balancing energy – it is considered a service, and services are not subject to trade statistics between EU Member States, so there is no reporting for Intrastat.

5. PARTICULAR TRADE FLOWS

Particular trade flows include goods in transit, triangular transactions and quasi transit.

5.1. Goods in transit

The provisions of *Art. 2 (g), Art. 3 and Art. 9 (e) of Regulation (EC) No 638/2004 of the European Parliament and of the Council*, goods leaving one EU Member State and entering another EU Member State with the sole intention of arriving in a third EU Member State shall be considered as goods in transit. The criterion for precisely identifying whether the goods are in transit is the written statement of the destination to which the goods are intended. This means that there must be a written documentation of a single transaction, which unequivocally proves the EU Member State of origin and the EU Member State of destination.

If goods on their way from the EU Member State of origin to the EU Member State of destination of the EU stops in an intermediate EU Member State for reasons not related to the processing of goods or with the transfer of ownership of the goods, this intermediate EU Member States is then considered a EU Member State of transit, where it is not necessary to register goods in the Intrastat system.

Example 72**:** *German seller X sells goods to Croatian buyer Y and issues a commercial invoice on which the seller from Germany and the buyer from Croatia are clearly stated, where goods are physically moved from Germany to Croatia, but are paused in Slovenia for a few days in order to tranship them from one means of transport to another.*

In this case, Slovenia will not collect Intrastat data on the goods in question, because it is clear and unambiguous from the documentation (from the commercial invoice) that the goods are intended for the buyer in Croatia. This means that there is no transfer of ownership over goods in Slovenia and therefore there is no reporting for the Slovenian Intrastat system. In this case, the German seller declares the dispatch of goods for the German Intrastat, and the Croatian buyer declares the arrival of the goods for the Croatian Intrastat.

Important!

Transit is considered a situation when a seller from one EU Member State (e.g. Hungary) sells goods to a buyer from another EU Member State (e.g. Slovenia), where the goods are physically transported through the territory of a third EU Member State (e.g. Croatia). In the transit EU Member State:

1.   There is **no transfer of ownership –** the ownership over goods is not acquired and such goods are not reported in Croatian tax forms, but the goods only physically pass through the territory of the Republic of Croatia.

2.   There are **no processing** operations – no transformations whatsoever are done on goods in the Republic of Croatia.

3. The goods can be temporarily paused in Croatia, but only in order to be transshipped to another mean of transport (and providing that operations stated in 1. and 2. do not take place).

5.1.1. What is not transit?

Proper understanding and precise definition of the Member State of transit has proved to be very problematic in practice. Collecting information on the reasons for misunderstanding the concept of transit showed that, in practice, business entities ignore the fact that there must be written documentation of a single transaction. Namely, in most cases, business entities have documentation on two sales transactions, which were performed one after the other (*which means that they have two commercial invoices for the same goods, but for different values*), where the goods are not physically unloaded, but continues to move to the end (other) buyer on the same mean of transport.

Since one invoice represents only one transaction, the existence of two invoices means that there are two transactions and **each transaction needs to be viewed separately**.
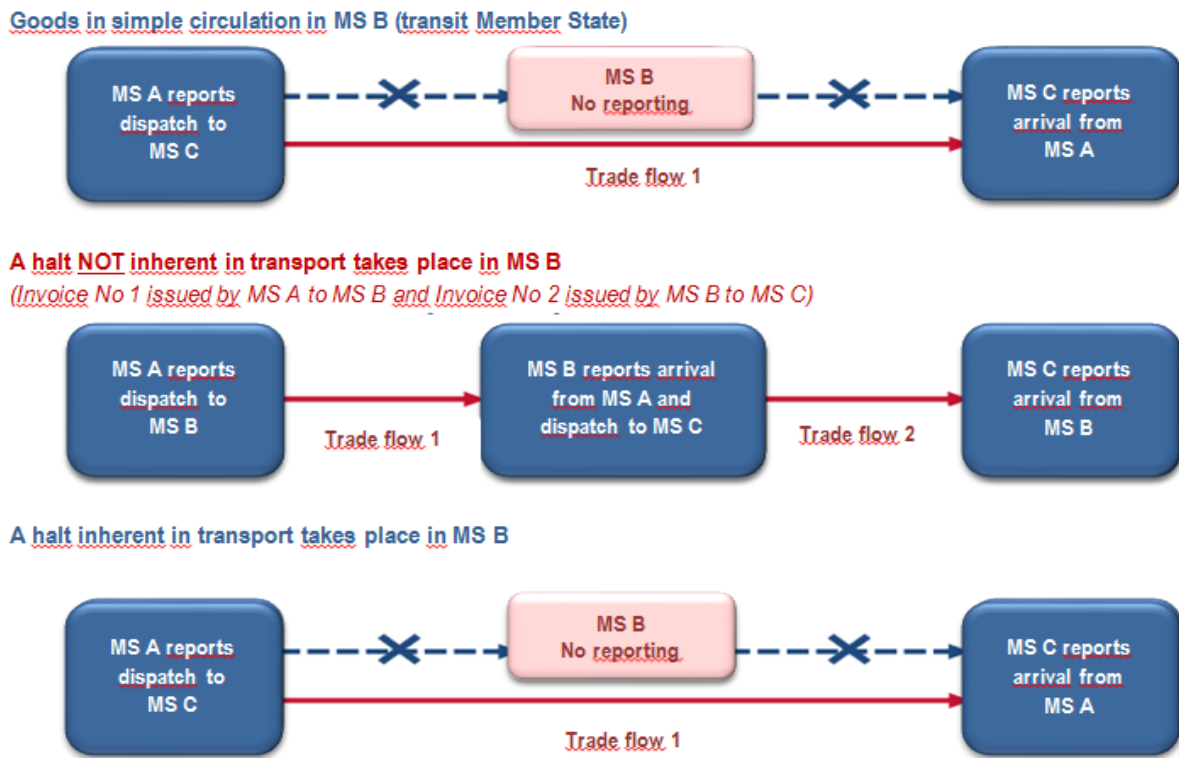
Figure 2: Cases of goods in transit and goods not in transit

Example 73: *A seller from Austria sells goods to a buyer in the Republic of Croatia and issues the invoice No. 1, then the buyer from the Republic of Croatia resells the same goods to a buyer in Bosnia and Herzegovina and issues the invoice No. 2, whereby the goods are physically transported from Austria to Croatia and continue their movement to Bosnia and Herzegovina on the same mean of transport.*
For Intrastat, it is necessary to report the arrival of goods from Austria according to the invoice No. 1 because on the territory of the Republic of Croatia there is the transfer of ownership over the goods,

and, according to the invoice No. 2, an export customs declaration is submitted to the customs office in the Republic of Croatia and there is no Intrastat reporting on dispatch.

Example 74: *Croatian PSI A buys goods from a Hungarian seller B. The goods physically arrive from Hungary to the Republic of Croatia, accompanied by an invoice issued by B. In the Republic of Croatia, the goods are not unloaded from the mean of transport, but the Croatian PSI A attaches the invoice for the Slovenian buyer C, to which the goods were resold. After the invoices have been exchanged, the goods continue their physical movement from the Republic of Croatia to Slovenia on the same mean of transport.*

Therefore, this is not an example of transit, considering that the goods, at the beginning of their movement from Hungary, were intended for the Republic of Croatia, which is proven by the invoice and transport documentation that accompany the goods.

It is irrelevant whether the goods are physically present on the territory of the Republic of Croatia for a few minutes or a few months. The invoice is evidence that the goods are intended for the Republic of Croatia, so the arrival must be reported in the Intrastat form. The new destination for goods (Slovenia) is determined only after their arrival in the Republic of Croatia, which is proven by a new invoice issued by the Croatian seller A to Slovenian end buyer C. Therefore, although the goods physically continue their movement to Slovenia, arrival of goods from Hungary must be reported in Intrastat.

5.2. Triangular trade

Triangular trade means a transaction in goods involving <u>at least three business entities,</u> in two or three different countries, providing that <u>at least two of these countries are EU Member States</u>. Only those business entities in the Republic of Croatia that buy goods from or sell goods to a trading partner (VAT payer) in another EU Member State, and when the goods cross the Croatian border, must report to Intrastat.

Important!

Basic rules for Intrastat reporting in case of a triangular trade are the following:

1. Physical movement of goods!

Intrastat monitors **the physical movement of goods** between Member States, irrespective of the flow of invoices.

2. EU trading partner according to the invoice as an evidence of WHO reports goods in Intrastat form!

In case there are two different business entities registered for VAT purposes in the same Member State who are involved in the triangular trade, the business entity who has the trading partner from another EU Member State is obligated to report for Intrastat, which is evident pn the invoice on which the reseller refers to legal provisions that regulate triangular transactions.

5.2.1. Examples of triangular trade involving EU Member States
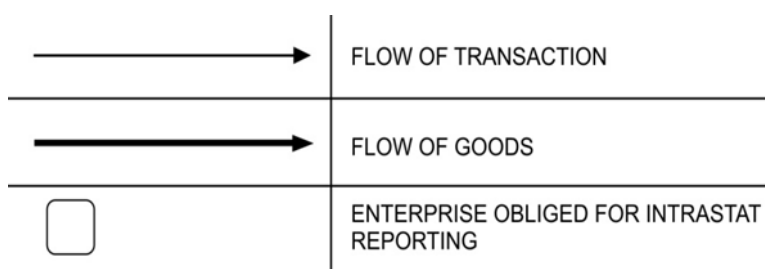
Example 75: *Company A1 from Croatia sells goods to company B in Austria, which sells those goods to another company A2 in Croatia. The physical flow of goods is from the company A1 to the company A2 in Croatia.*

This transaction is not reported in Intrastat due to the fact that the goods do not leave the Croatian territory.

Example 76: *Company A1 in Croatia orders goods from company B1 in Germany and the goods are delivered directly to the buyer company C1 in France.*
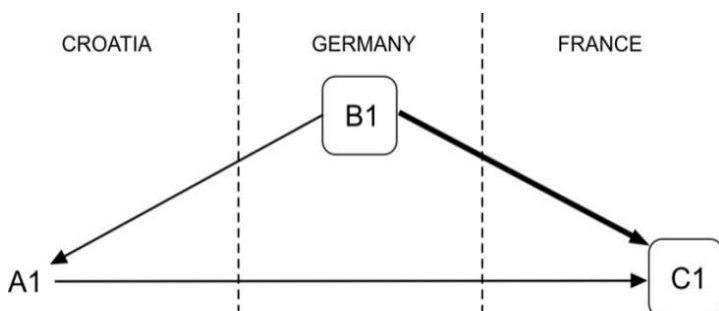
The company A1 in Croatia does not report in Intrastat because the goods do not pass through Croatia.

Example 77: *Company A in Croatia sells goods to buyer B in Germany, and the goods are physically delivered to the buyer directly from the address of another company C in Croatia (manufacturer).*

The company A, which sells and invoices goods to buyer B, reports the dispatch of goods to Germany.

The company C does not report in Intrastat (the invoice issued by C to A proves that it is an inward transaction, which means that C does not have a trading partner in another EU Member State, but only in Croatia).

Example 78: *Company A1 in Croatia sells goods to another company A2 in Croatia. The goods are procured and dispatched directly from company B1 in Germany to the company A2.*
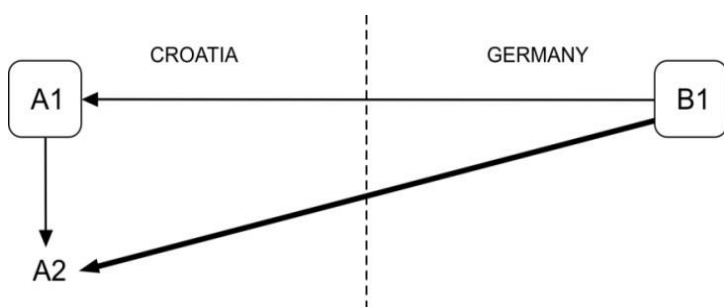
The company A1 must report the arrival of goods from Germany to Intrastat because it is the company A1 and not the company A2, to which the goods are dispatched, who purchased the goods from the manufacturer B1 in Germany.

The company B1 from Germany reports the dispatch of goods to Croatia.

Example 79: *Company A1 in Croatia orders goods from company B1 in Denmark and the goods are dispatched directly from manufacturer C1 in Germany.*
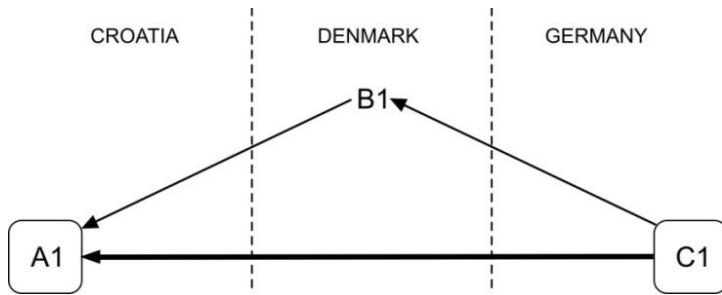
The company A1 in Croatia reports the arrival of goods from Germany, and the company C1 in Germany reports dispatch to Croatia.
The company B1 in Denmark does not report.

5.2.2.   Examples of triangles involving a third country (non-EU country)
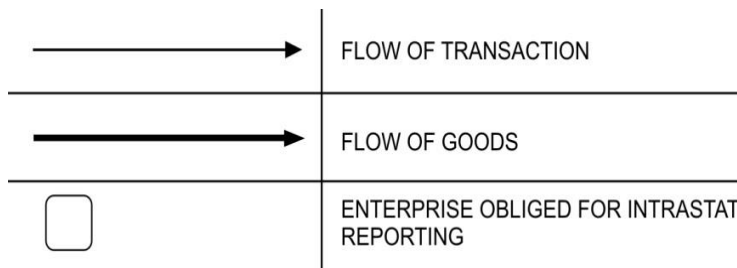
Example 80: *Croatian company B1 buys goods from company C1 from Germany, however, company A1 from China delivers the goods directly to the company in Croatia.*
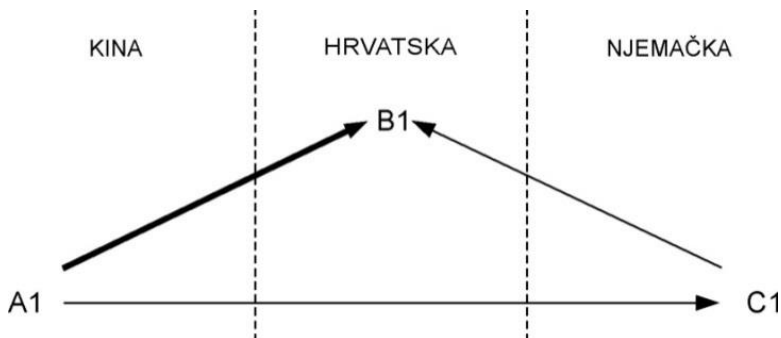
The company B1 does not report in Intrastat because the goods physically arrive from a non-EU country. The import customs declaration is submitted in Croatia where the goods are released for free circulation.
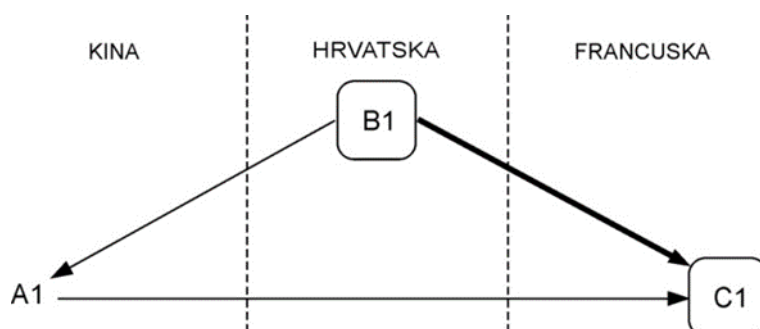
The company B1 in Croatia reports the dispatch of goods to France.
The company C1 in France reports the arrival of goods from Croatia.

There is no reporting for Intrastat because the goods are delivered from Croatia directly to Albania.

5.3. Quasi transit (Rotterdam effect)

Quasi transit occurs when goods from an EU Member State leave the territory of the Union[10] for export to a third country (a non-EU country), in the process of which the export customs declaration is lodged in another EU Member State and, vice versa, when goods are imported from a third country onto the EU territory, the import customs declaration is lodged in one EU Member State and then the goods are dispatched to another EU Member State. In both cases, in the EU Member State where the export customs declaration is lodged, the resident of the other EU Member State does not acquire ownership of the goods.

Quasi transit occurs in two cases:

1. **Quasi import**
   When an importer, a non-EU resident, imports foreign goods from a third country, customs-clears them for import in the Member State "A", after which they automatically become the Union goods, and then those Union goods are delivered to the Member State "B".

2. **Quasi export**
   When Union goods are physically dispatched from Member State "A" to Member State "B", then an export customs declaration is lodged in the Member State "B" (because the goods are exported to a third country). The exporter is not the resident of the Member State "B".

---

[10]The territory of the Union – covers the customs territory of the Union (i.e. the territory of all EU Member States).

Union customs legislation provides for the possibility of lodging import and export customs declarations in any customs office on the territory of the Union (any customs office in any EU Member State). The physical movement of goods between a non-member country and an EU Member State is divided into two trade flows: one recorded for Extrastat, while the other one is recorded for Intrastat, when customs clearance takes place in another EU Member State (usually in a Member State located on external border of the EU, in a significant port for the transport of goods, such as Rotterdam, Antwerp).

These two cases are sometimes referred to as the "Rotterdam effect" and reflect the interrelationship between the Intrastat and Extrastat data collection systems.

For Intrastat, any physical movement of Union goods (released for free circulation) between Member States must be reported (unless the goods are excluded under Annex 1 of the Commission Regulation (EC) No 1982/2004).

5.3.1.   Quasi import

Quasi import means a situation where foreign goods from a non-EU country (i.e., from a third country) are customs-cleared for import in an EU Member State (automatically changing their status to Union goods) by a non-resident prior to their delivery to another EU Member State. The movement of goods between a non-EU country and an EU Member State is divided into two trade flows: one recorded for **Extrastat** *(statistics on trade in goods between EU Member States and non-EU countries)*; the other one for **Intrastat** (s*tatistics on trade in goods between EU Member States*).

When it comes to determining quasi-imports, the transaction in question is most easily identified if customs procedures 42 or 63 are applied when submitting the import customs declaration.

⤷   **Customs procedure 42** is a procedure for the release of goods for free circulation with exemption from VAT because the goods are destined for another EU Member State.

⤷   **Customs procedure 63** is the re-importation with the simultaneous release of goods for free circulation with exemption from VAT because the goods are destined for another EU Member State.

The differences between quasi imports and regular (standard) imports can be illustrated as follows:
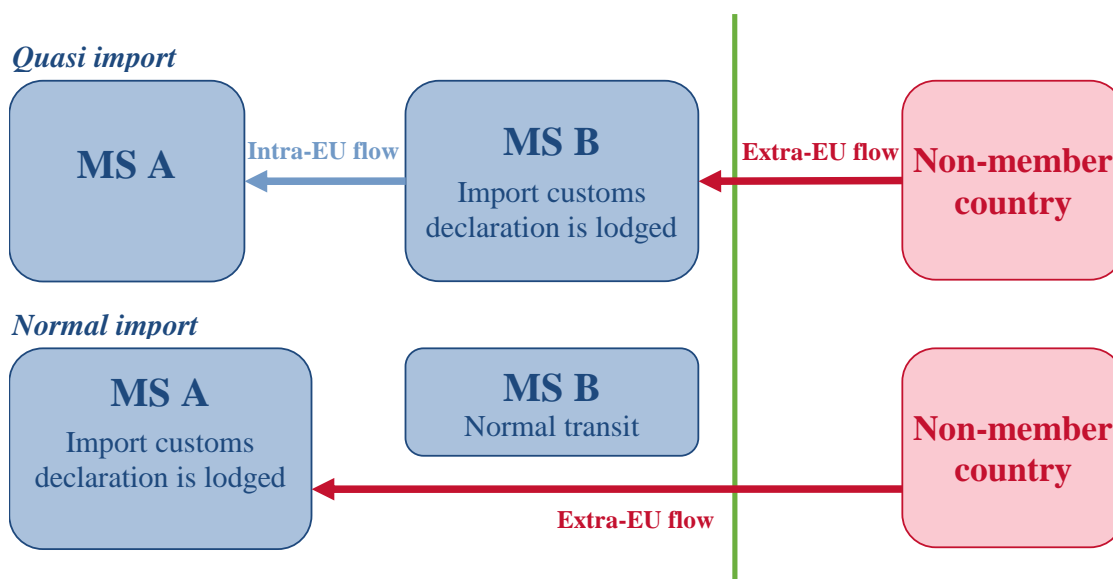
Figure 3: Difference between quasi import and regular import

Example 83: *Goods from China (third country) are customs-cleared for import in Slovenia, the port of Koper – the importer is a Croatian company, and the Slovenian dispatcher is a tax and customs representative of the Croatian company. After the customs formalities take place, the goods are physically dispatched to Croatia.*

This example is a typical quasi import. The movement of goods physically began in China (a non-EU country) with the intention of arriving in Croatia. The goods entered the territory of the Union (in customs terms, the territory of all EU Member States is considered the single customs territory of the Union) in the port of Koper, Slovenia. Until now, the goods have the customs status of "foreign goods".

The importer of the goods in question is a Croatian company (buyer of goods), which hired a Slovenian dispatcher in Slovenia for representation in customs proceedings, and at the same time authorised the Slovenian dispatcher for tax representation before the tax authorities in Slovenia. Upon completion of all import formalities, the customs releases the goods for free circulation, whereby the customs status of goods is automatically changed to "Union goods".

The physical delivery (dispatch) of goods from Slovenia to Croatia follows. As these are Union goods moving physically between two EU Member States – the movement in question must be reported to the Intrastat system of both countries, as follows:
⭾ for Slovenian Intrastat, the dispatch of goods to the Republic of Croatia is reported,
⭾ for Croatian Intrastat, the Croatian PSI reports the **arrival of goods from Slovenia under nature of transaction code 11.**

For the purposes of compiling the Intrastat report, the Croatian PSI uses the following information:
⭾ Invoice issued by a supplier from China,
⭾ Parity in accordance with the invoice (FOB Koper) regardless of the fact that goods from Slovenia will arrive in the Republic of Croatia by road,
⭾ Type of transport – considering that the goods cross the Croatian border by road, the mode of transport 3 (road) is entered
⭾ **Nature of transaction code 11** (*outright purchase/sale*)
⭾ **Invoice value in case of parity FOB Koper (place of delivery 2)** is the amount of customs value of goods, but without the amount of customs duty *(IV will include the value of goods in accordance with Article 70 and Article 74 of the Union Customs Code[11]: The primary basis for the customs value of goods shall be the transaction value, that is the price actually paid or payable for the goods when sold for export to the customs territory of the Union, adjusted, where necessary. The price actually paid or payable shall be the total payment made or to be made by the buyer to the seller or by the buyer to a third party for the benefit of the seller for the imported goods and include all payments made or to be made as a condition of sale of the imported goods.)*

It should also be noted that the Intrastat form would had to be filled out in a different way if the Chinese supplier stated **FOB Shanghai parity** on the invoice. When it comes to parity with a place of delivery in a third country (FOB Shanghai), place of delivery 3 is reported for Intrastat (a third country), while the invoice and statistical value are calculated as follows:
⭾ **Invoice value** *in the case of FOB Shanghai parity (place of delivery 3)* is the amount of goods shown on the invoice, and includes the value of the goods themselves.

Example 84: *Goods from a third country (e.g., China) are customs-cleared for import in the Croatian port of Rijeka. The importer is a Hungarian company, and the Croatian dispatcher is a tax and*

---

[11]REGULATION (EU) No 952/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 9 October 2013 on the Union Customs Code (recast)

Dispatches of Union goods (the customs status of goods is automatically changed from "foreign goods" to "Union goods" at the time of completion of the release of goods for free circulation) from Croatia to Hungary must be reported to Intrastat as follows:

↘ for the Croatian Intrastat, the Croatian dispatcher (customs and tax representative of the Hungarian company) reports the **dispatch of goods to Hungary under** <u>nature of transaction **code 67,**</u>

↘ for Hungarian Intrastat, the arrival of goods from Croatia under nature of transaction code 11 is reported.

For the purposes of compiling the Intrastat report, the Croatian PSI (dispatcher) uses the following information:

↘ Import customs declaration,

↘ Parity in accordance with the import customs declaration,

↘ Type of transport – since the goods cross the Croatian-Hungarian border by road, the mode of transport 3 (road) is entered

↘ **Nature of transaction code 67** (dispatch to another Member State of previously imported goods from a third country)

↘ **Invoice value in case of <u>FOB Rijeka</u> parity (place of delivery 1)** is the amount of customs value of goods, <u>but without the amount of customs duty</u> *(i.e., IV will include the value of goods in accordance with Articles 70 and 74 of the Union Customs Code: The primary basis for the customs value of goods shall be the transaction value, that is the price actually paid or payable for the goods when sold for export to the customs territory of the Union, adjusted, where necessary. The price actually paid or payable shall be the total payment made or to be made by the buyer to the seller or by the buyer to a third party for the benefit of the seller for the imported goods and include all payments made or to be made as a condition of sale of the imported goods.)*

It should also be noted that the Intrastat form would had to be filled out in a different way if the Chinese supplier stated **FOB Shanghai parity** on the invoice. When it comes to parity with a place of delivery in a third country (FOB Shanghai), place of delivery 3 is reported for Intrastat (a third country), while the invoice and statistical value are calculated as follows:

↘ **Invoice value** *in the case of FOB Shanghai parity (place of delivery 3)* is the amount of goods shown on the invoice, and includes the value of the goods themselves.

5.3.2. Quasi export

The movement of goods in the export procedure from between a non-EU country and an EU Member State can be done in two ways:

I. REGULAR EXPORTS
Goods intended for export to a third country are regularly **customs-cleared for export in the Republic of Croatia.** Then, using the customs transit procedure, they are sent to another EU Member State where the external border of the Union customs territory is located with the intention of leaving EU customs territory and exporting goods to the third country. In such a case, there is no reporting for Intrastat, given that statistics on goods from the export customs declaration are automatically recorded in the Extrastat system.

II. QUASI EXPORTS
Goods intended for export to a third country should be **customs-cleared for export in another EU Member State** (e.g., Slovenia), i.e. in the EU country in which the goods will physically cross the border and leave the customs territory of the Union with the intention of being exported to the third country. Therefore, goods from the Republic of Croatia are dispatched to Slovenia (an EU Member

State), where they will be loaded on a ship to, for example, Saudi Arabia. In this case, statistical reporting is divided to two trade flows: **Intrastat** (in which it is necessary to report the physical movement of the Union goods from the Republic of Croatia to Slovenia) **and Extrastat** (statistical data on goods are automatically recorded from the export customs declaration).

Quasi export

| MS A | → Intra-EU flow → | **MS B** Export customs declaration is lodged | → Extra-EU flow → | **Non-member country** |

Normal export

| **MS A** Export customs declaration is lodged | | **MS B** Normal transit | | **Non-member country** |

Extra-EU flow →
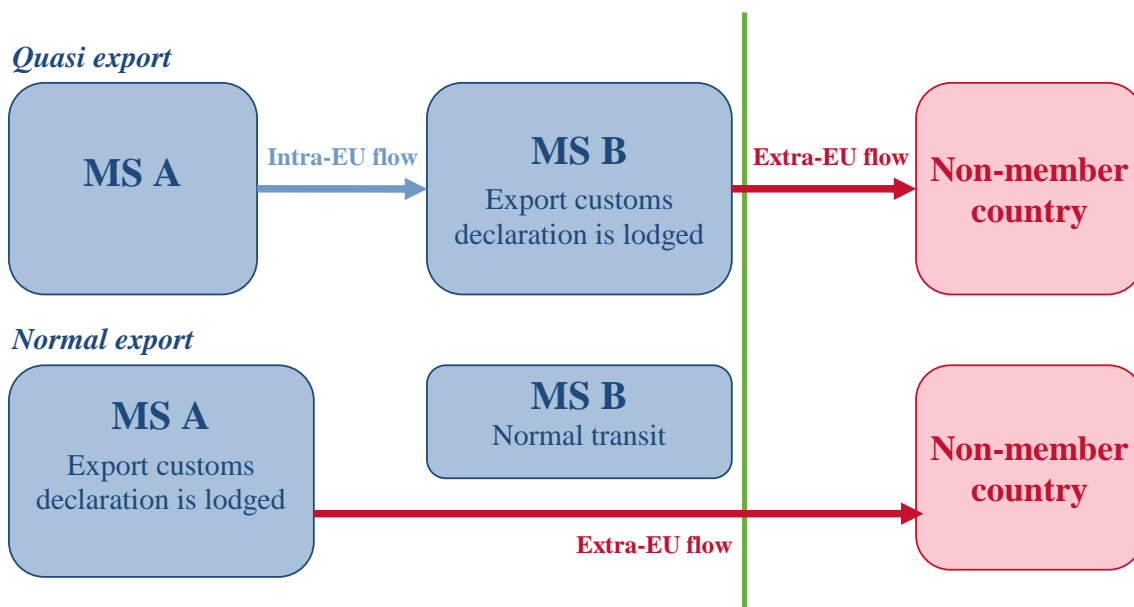
Figure 4: Difference between quasi export and regular export

Example 85: *A Croatian company sells goods to a buyer from India. The goods are first physically dispatched from Croatia to Slovenia, where the goods are customs-cleared for export. After that, the goods are exported to India (a third country). The exporter is a Croatian company, and the export customs declaration is submitted by the Slovenian dispatcher, who represents the Croatian company in the export procedures (the Slovenian dispatcher is the customs representative of the Croatian company in Slovenia). In the case of quasi exports, the Croatian exporter need not authorise anyone as the taxing representative in another Member State.*

Since the export customs declaration is lodged in Slovenia (another EU Member State), the following actions are to be done for Intrastat:
↘ for Croatian Intrastat, Croatian PSI reports the **dispatch of goods from the Republic of Croatia to Slovenia under** nature of transaction code 11
↘ for Slovenian Intrastat, the arrival of goods from the Republic of Croatia is reported.

For the purposes of compiling the Intrastat report in the Republic of Croatia, the following information is used:
↘ invoice issued by a Croatian PSI from the Republic of Croatia,
↘ parity according to the invoice,
↘ **nature of transaction code 11** (outright purchase/sale)
↘ invoice value is the amount of the value of the goods according to the invoice.

Notice! If the Croatian reporting unit decided to submit the export customs declaration in Croatia, then the goods from the Republic of Croatia to Slovenia would move under customs supervision. In that case, there would be no reporting for Intrastat, given that statistical data on goods are automatically taken from the customs declaration and recorded in the Extrastat system.

An *Austrian seller sells goods to a buyer in the USA. The goods are physically dispatched from Austria to the Republic of Croatia, to the port of Rijeka, and the export customs declaration is submitted in the Republic of Croatia. For the purposes of conducting the customs procedures in the Republic of Croatia, the Austrian seller has authorised the Croatian dispatcher for customs representation. In the case of quasi exports, the Austrian exporter does not need authorise anyone for customs representation in another Member State.*

Thus, quasi export means that the goods are first dispatched from one EU Member State (Austria) to another EU Member State *(a country at the external border of the EU – the port of Rijeka in the Republic of Croatia)* in which the procedure of export customs clearance of goods are performed. After that, the goods are exported to a third country. Dispatch of goods from Austria to Croatia must be reported in Intrastat as follows:

↘ for Austrian Intrastat, the dispatch of goods from Austria to the Republic of Croatia is reported,

↘ for Croatian Intrastat, the **arrival of goods from Austria is reported, under nature of transaction code 66**.

For the purposes of compiling the Intrastat form in the Republic of Croatia, the Croatian dispatcher uses the following information:

↘ Invoice issued by the Austrian company to a buyer from the third country,

↘ Parity according to the invoice,

↘ **Nature of transaction code 66** (arrival of goods from another Member State for further export to third countries)

↘ Invoice value is the amount of the value of the goods according to the invoice.

6. STATISTICAL TERRITORY OF THE EUROPEAN UNION

In general, it can be said that trade in goods between territories with a Geonomenclature code of one of the 27 EU Member States **(AT, BE, BG, CY, CZ, DE, DK, EE, ES, FI, FR, GR, HU, IE, IT, LT, LU, LV, MT, NL, PL, PT, RO, SE, SI, SK, HR)** is intra-Union trade in goods statistics reported to the Intrastat statistical system. Trade in goods of an EU Member States with a territory with a different Geonomenclature code means extra-EU trade in goods statistics, which is reported to the Extrastat statistical system.

6.1. Statistical territory

The statistical territory of an EU Member State is generally defined according to customs territory pursuant to Article 4 of Regulation (EU) No.952/2013 of the European Parliament and of the Council on the Union Customs Code (with the exception of Heligoland, which belongs to statistical but not to customs territory of Germany).

Trade in goods statistics between EU Member States are processed on the basis of Intrastat data on goods moving physically between the statistical territories of EU Member States. If the trade takes place between an EU Member State and a territory that does not belong to an EU statistical territory, such trade is generally monitored through the Extrastat system.

However, concerning certain specific movements of goods, Intrastat and Extrastat data are not determined by the statistical territory of the country (e.g., specific rules for some types of vessels and aircraft).

6.2. Customs territory

The customs territory of the European Union includes the land area, territorial waters, inland sea waters and airspace of all EU Member States; except for land area, territorial waters, inland sea waters and airspace of territories which do not belong to the customs territory of the EU.

6.3. Fiscal territory

The fiscal (VAT) territory of the European Union means the territory of the EU to which the provisions of Directive 2006/112/EC on the common system of value added tax (and any amendments thereto) apply. Some parts of the EU customs territory do not belong to the EU fiscal territory, with the result that VAT regulations cannot be fully applied in those territories. Trade between such non-fiscal territories of the EU and EU Member States is statistically monitored through customs declarations and is not reported in Intrastat in order to avoid duplication of data.

Below is a tabular overview of the EU's statistical, customs and fiscal territory, which helps PSIs to determine whether an exchange of goods is the subject of reporting for the Intrastat or Extrastat system or not.

EU Member State/country/territory	Fiscal territory	Customs territory	Statistical territory	Type of declaration from which goods statistics are collected
Belgium (BE)	Yes!	Yes!	Yes!	INTRASTAT
Bulgaria (BG)	Yes!	Yes!	Yes!	INTRASTAT
Czech Republic (CZ)	Yes!	Yes!	Yes!	INTRASTAT
Denmark (DK)	Yes!	Yes!	Yes!	INTRASTAT
Faroe Islands (FO)	NO!	NO!	NO!	Customs declaration
Greenland (GL)	NO!	NO!	NO!	Customs declaration
Germany (DE)	Yes!	Yes!	Yes!	INTRASTAT
Helgoland Island (DE)	NO!	NO!	Yes!	INTRASTAT
Büsingen (CH)	NO!	NO!	NO!	Customs declaration
Estonia (EE)	Yes!	Yes!	Yes!	INTRASTAT
Ireland (IE)	Yes!	Yes!	Yes!	INTRASTAT
Greece (EL)	Yes!	Yes!	Yes!	INTRASTAT
Mount Athos (EL)	NO!	Yes!	Yes! ([1])	Customs declaration
Spain including Balearic Islands (ES)	Yes!	Yes!	Yes!	INTRASTAT
Ceuta (XC)	NO!	NO!	NO!	Customs declaration
Melilla (XL)	NO!	NO!	NO!	Customs declaration
Canary Islands (ES)	NO!	Yes!	Yes! ([1])	Customs declaration
France including Corsica and Monaco (FR)	Yes!	Yes!	Yes!	INTRASTAT
French Guiana (FR)	NO!	Yes!	Yes! ([1])	Customs declaration
Guadeloupe (FR)	NO!	Yes!	Yes! ([1])	Customs declaration

EU Member State/country/territory	Fiscal territory	Customs territory	Statistical territory	Type of declaration from which goods statistics are collected
Martinique (FR)	**NO!**	**Yes!**	**Yes! (¹)**	Customs declaration
Reunion (FR)	**NO!**	**Yes!**	**Yes! (¹)**	Customs declaration
Mayotte (YT) (²)	**NO!**	**Yes!**	**Yes! (¹)**	Customs declaration
Saint-Martin (FR) (French part)	**NO!**	**Yes!**	**Yes! (¹)**	Customs declaration
New Caledonia (NC)	**NO!**	**NO!**	**NO!**	Customs declaration
Saint-Pierre and Miquelon (PM)	**NO!**	**NO!**	**NO!**	Customs declaration
Wallis and Futuna Islands (WF)	**NO!**	**NO!**	**NO!**	Customs declaration
French Polynesia (PF)	**NO!**	**NO!**	**NO!**	Customs declaration
French Southern (TF) and Antarctic Territories	**NO!**	**NO!**	**NO!**	Customs declaration
Saint-Barthelemy (BL)	**NO!**	**NO!**	**NO!**	Customs declaration
Croatia (HR)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Italy including Sicily and Sardinia (IT)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Livigno (IT)	**NO!**	**NO!**	**NO!**	Customs declaration
Campione d'Italia (CH)	**NO!**	**NO!**	**NO!**	Customs declaration
Italian waters of Lake Lugano (IT)	**NO!**	**NO!**	**NO!**	Customs declaration
San Marino (SM)	**NO!**	**NO!**	**NO!**	Customs declaration
Cyprus, including the UK Sovereign Base Areas of Akrotiri and Dhekelia (CY)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Latvia (LV)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Lithuania (LT)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Luxembourg (LU)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
EU Member State/country/territory	Fiscal territory	Customs territory	Statistical territory	Type of declaration from which goods statistics are collected
Hungary (HU)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Malta (MT)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Netherlands – European territory only (NL)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Austria (AT)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Poland (PL)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Portugal including the Azores and Madeira (PT)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Romania (RO)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Slovenia (SI)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Slovakia (SK)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Finland (FI)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**
Åland Islands (FI)	**NO!**	**Yes!**	**Yes! (¹)**	Customs declaration
Sweden (SE)	**Yes!**	**Yes!**	**Yes!**	**INTRASTAT**

Table 10: Overview of the EU's statistical, customs and fiscal territory

Explanation:

Yes! indicates that the area belongs to the relevant territory
NO! indicates that the area does not belong to the relevant territory
(¹) indicates that trade in goods statistical data are retrieved from customs declarations (Extrastat)
(²) Mayotte has been part of the statistical territory of France since 1 January 2014

6.4. Brexit

The United Kingdom has ceased to be an EU Member Stater since 1 February 2020 upon the entry into force of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community.

Until 31 December 2020, the transitional period provided for in the Withdrawal Agreement was in force, during which the Union law continued to apply. At the end of the transitional period, the United Kingdom ceased to be part of the EU's single market and customs union, ending the free movement of people, goods and services. During the transitional period, trade with the United Kingdom was reported to the Intrastat system.

From 1 January 2021 onwards, the situation regarding Intrastat reporting has changed in a specific way: the United Kingdom and the EU have recognised the unique situation of Ireland and Northern Ireland. It resulted in concluding the **Protocol on Ireland and Northern Ireland** has been concluded, which entered into force on 1 January 2021. The Protocol allows Northern Ireland to remain an integral part of the UK's customs territory, but at the same time to benefit from the European Union's single market (more information on this can be found at the link: Brexit (europa.eu)).

The Protocol on Ireland and Northern Ireland for Intrastat Reporting Taxpayers in the Republic of Croatia (for the reporting period: JANUARY 2021 onwards) means the following:

⇘ **Northern Ireland**
DISPATCHES of goods from the Republic of Croatia to Northern Ireland and ARRIVALS of goods from Northern Ireland to the Republic of Croatia must still be reported in Intrastat forms! The new Geonomenclature code "XI" must be entered in the field "Country of delivery/destination".

⇘ **The rest of the United Kingdom**
Trade in goods with the rest of the United Kingdom, which consists of the United Kingdom (*England, Scotland, Wales),* the Channel Islands and the Isle of Man (excluding Northern Ireland), is not reported for Intrastat.

⇘ **Republic of Ireland**
Trade in goods with the Republic of Ireland continues to be reported for Intrastat under the Geonomenclature Code "IE".

Reminder: Ireland is an island on which the **Republic of Ireland** and the region of the **United Kingdom – Northern Ireland** are located**.**

All updated information on Brexit is available on the website of the Customs Administration (link: Customs Administration - Withdrawal of the United Kingdom from EU membership (BREXIT) (gov.hr)) and on the website of the Ministry of Foreign Affairs (link: MVEP • Brexit).

7. LEGAL BASIS

The legal basis for conducting Intrastat surveys in the Republic of Croatia are European and national legislation.

7.1. European legislation

European regulations contain methodological rules for the collection of statistical data, the determination of Intrastat exemption thresholds and the treatment of specific movements of goods. European regulations. European regulations are of supranational importance and apply in all EU Member States:

1. Regulation (EC) No 638/2004 of the European Parliament and of the Council of 31 March 2004 on Community statistics relating to the trading of goods between Member States and repealing Council Regulation (EEC) No 3330/91 (OJ L 102, 7.4.2004)

Amendments:
- ↘ **Regulation (EC) No 222/2009 of the European Parliament and of the Council** of 11 March 2009 amending Regulation (EC) No 638/2004 on Community statistics relating to the trading of goods between Member States (OJ L 87, 31.3.2009)
- ↘ **Regulation (EU) No. 659/2014 of the European Parliament and of the Council** of 15 May 2014 amending Regulation (EC) No 638/2004 on Community statistics relating to the trading of goods between Member States as regards the allocation of delegated and implementing powers to the Commission for the adoption of certain measures, communication of information by the customs administration, exchange of confidential data between Member States and definition of statistical value (OJ L 189, 6/27/2014)

2. Commission Regulation (EC) No 1982/2004 of 18 November 2004 implementing Regulation (EC) No 638/2004 of the European Parliament and of the Council on Community statistics relating to the trading of goods between Member States and laying down Commission Regulation (EC) No 1901/2000 and (EEC) No 3590/92 (OJ L 343, 19.11.2004)

Amendments:
- ↘ **Commission Regulation (EC) No 1915/2005** of 24 November 2005 amending Regulation (EC) No 1982/2004 as regards the simplified entry of quantities and data on specific movements of goods (OJ L 307, 25.11.2005)
- ↘ **Commission Regulation (EU) No 91/2010** of 2 February 2010 amending Regulation (EC) No 1982/2004 on the implementation of Regulation (EC) No Regulation (EC) No 638/2004 of the European Parliament and of the Council on Community statistics relating to the trading of goods between Member States, as regards the inventory of goods excluded from statistics, the submission of information by the tax administration and the quality assessment (OJ L 31, 3.2.2010)
- ↘ **Commission Regulation (EU) No 96/2010** of 4 February 2010 amending Regulation (EC) No 1982/2004 on the implementation of Regulation (EC) no. Regulation (EC) No 638/2004 of the European Parliament and of the Council on Community statistics relating to the trading of goods between Member States, as regards the simplification threshold, trade by business characteristics, specific goods and movements of goods and types of transaction codes (OJ L 34, 5.2.2010)

↳ **Commission Regulation (EU) No 1093/2013** of 4 November 2013, amending Regulation (EC) No 1982/2004 for the implementation of Regulation (EC) No 638/2004 of the European Parliament and of the Council on Community Statistics concerning the simplification of the Intrastat system and the collection of Intrastat data (OJ L 294, 6.11.2013)

3. **Commission Regulation (EU) No 1106/2012** of 27 November 2012 on the implementation of Regulation (EC) No 471/2009 of the European Parliament and of the Council on Community statistics relating to external trade with non-member countries, as regards updating the nomenclature of countries and territories Text with EEA relevance (OJ L 328, 28.11.2012)

4. **Commission Implementing Regulation (EU) No 2020/1470** of 12 October 2020 on the nomenclature of countries and territories for European statistics on international trade in goods and on a geographical breakdown for other business statistics (OJ L 334/2, 13.10.2020)

5. **Commission Implementing Regulation (EU) 2020/1577** of 21 September 2020 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 361, 30.10.2020).

7.2. National legislation

The legal basis for conducting Intrastat surveys at the national level is:

1. **Official Statistics Act** (OG, No. 25/20)

2. **Programme of Statistical Activities of the Republic of Croatia 2018 – 2020** (OG, No. 31/18)

3. **Annual Implementation Plan of Statistical Activities of the Republic of Croatia in 2020**

4. **Customs Service Act** (OG, No. 68/13)

5. **Act on Amendments to the Customs Service Act** (OG, Nos 30/14, 115/16, 39/19 and 98/19)

7.3. Responsibility for Intrastat

7.3.1. Providers of statistical information (PSIs)

Traders, who are obliged to submit data to the Intrastat system, are called "providers of statistical information". PSIs are responsible for the **timely** submission of data on the Intrastat form and for their **accuracy and completeness**.

If a PSI does not submit the Intrastat report within the set time limit, the misdemeanour proceedings will be initiated against the legal entity and the person responsible for Intrastat in the business entity in accordance with Article 76 of the Official Statistics Act (OG, No. 25/2020) or Article 118, paragraph 1, item 4, of the Customs Service Act (OG, Nos 68/13, 30/14, 115/16, 39/19 and 98/19).

7.3.2. Agents

An agent in the Intrastat system is **any business entity (legal entity, craftsman, etc.**) authorised by PSI to submit Intrastat reports on its behalf. The agent in the Intrastat system does not need to have any kind of customs credentials, which means that even a dispatch company can be the agent, but also an accounting company or trade, etc.

Although the agent submits Intrastat reports on behalf of the PSI, the **PSI** is still **responsible for providing timely, accurate and complete data** (regardless of whether it reports independently or by the mediation of an agent).

7.3.3. Croatian Bureau of Statistics and Customs Administration

Traders who are Intrastat providers submit Intrastat forms to the Customs Administration – Intrastat Department. The Customs Administration checks and verifies the submitted data, and then deliver them to the CBS, which is the holder of the Intrastat survey in the Republic of Croatia, in charge of processing and disseminating official national statistics. The CBS and the Customs Administration are bound by the *Agreement on Mutual Cooperation for the Implementation of the Intrastat Survey.*

7.4. Confidentiality and protection of statistical data in the Intrastat system

The Central Bureau of Statistics (CBS) conducts statistical surveys pursuant to **Regulation (EU) No 223/2009 on European statistics (OJ L 87/164, 31.3.2009)** and the Official Statistics Act (OG, No. 25/2020), whereby it is authorised to collect data from all available sources.

Confidentiality of statistical data is one of the fundamental principles of official statistics in the European Union. Data on intra-EU trade in goods, which PSIs submit to the Intrastat system, are considered confidential and they are treated as an official secret.

Pursuant to **Articles 63 – 72 of the Official Statistics Act (OG, No. 25/2020 -** Official Statistics Act (nn.hr)**),** statistical data on goods reported in the Intrastat system are subject to the provisions on confidentiality and protection of statistical data and are used exclusively for statistical purposes.

Statistical data on goods, which traders submit to the Intrastat system, are protected by the CBS and the Customs Administration from misuse, counterfeiting, alienation and unauthorised disclosure. Officials who have access to statistical data sign a **Confidentiality Declaration by** which they undertake to act in accordance with the provisions of all regulations and rules relating to confidentiality and protection of statistical data even after termination of their employment, i.e. engagement in official statistics on the basis of which they could have access to confidential statistical data.

7.5. Deadlines for keeping Intrastat reports and documentation

The Intrastat form is available in the Republic of Croatia exclusively in electronic form, which is submitted to the Intrastat system by exchanging electronic documents between traders and the information system of the Customs Administration. There is no legal restriction in terms of keeping electronic Intrastat forms on the traders' computer due to the fact that the Intrastat Department keeps, stores and archives all active Intrastat reports of traders (from the current and from previous years) in the customs information system.

Therefore, the Customs Administration, Intrastat Department, only **recommends that** PSIs and agents keep their active Intrastat reports for the current and the previous calendar year in case they need to make a correction of previously sent forms.

Documentation containing information on goods is the basis for filling in the Intrastat forms by PSIs and agents. It is important to point out that the basis for filling in the Intrastat form is any documentation that contains information on goods, such as:

- ↘ purchase or sale invoices,
- ↘ warehouse receipt/delivery note,
- ↘ transport documents,
- ↘ contracts (e.g., sales contract, processing contract, ...),
- ↘ e-mail orders,
- ↘ other documentation containing information on the goods.

The Croatian Bureau of Statistics and the Intrastat Department **recommend that** PSIs and agents keep the documentation used for compiling the Intrastat report in accordance with the legal deadlines prescribed by the General Tax Act (OG, Nos 115/16, 106/18, 121/19, 32/20 and 42/20) and the Accounting Act (OG, Nos 78/15, 134/15, 120/16, 116/18, 42/20 and 47/20).

These regulations explicitly state the deadlines for keeping documents, while Intrastat legislation does not cover the subject matter.

7.6.   GDPR – protection of personal data in the Intrastat system

On 25 May 2018, the **General Data Protection Regulation (GDPR)** entered into force in all EU Member States**.** The main purpose of this regulation is greater protection of individuals and their personal data.

"Personal data is all information relating to an individual whose identity has been established or can be established**.** Different information, which together can result in the identification of a particular person, also constitutes personal data." (*SOURCE*: What is personal data? | European Commission (europa.eu))

Examples of personal data: identification number (OIB) of an individual, name and surname, residential address, e-mail address, data on professional attainment, job, bank accounts, credit indebtedness, etc. Every individual in Croatia, regardless of citizenship or residence, has the right to the protection of personal data.

The Croatian Bureau of Statistics and the Ministry of Finance – Customs Administration, as state administration bodies, are obliged to apply the General Data Protection Regulation (GDPR) and to comply with all principles and rules prescribed by this Regulation.

7.6.1.   Croatian Bureau of Statistics – implementation of the GDPR

The provision of **Article 33 of the Act on the Implementation of the General Data Protection Regulation (OG, No. 42/18),** and based on the provision of **Article 89 of the General Data Protection Regulation (GDPR**), prescribes derogations from certain rights established by the provisions of the General Data Protection Regulation, which restrict the right to access personal data, the right to rectification of personal data, the right to restrict the processing of personal data and the right to object to the processing of personal data. These provisions were adopted in order to enable the production of official statistics while protecting the rights of respondents as much as possible.

More information on this topic is available on the link: GDPR-letak-2019-web-FINAL-2-bez tel.broja (dzs.hr). For any additional inquiries about the handling and processing of personal data of respondents, the Data Protection Officer in the CBS is available:

> **DRŽAVNI ZAVOD ZA STATISTIKU**
> Personal Data Protection Officer
> Ilica 3
> 10000 Zagreb
> E-mail: zastitapodataka@dzs.hr

7.6.2. Customs Administration – application of the GDPR

The Ministry of Finance – Customs Administration processes respondents' personal data in accordance with valid regulations governing the protection of personal data (**General Data Protection Regulation No 2016/679, Act on the Implementation of the General Data Protection Regulation (OG, No. 42/18**), Customs Service Act (OG, Nos 68/13, 30/14, 115/16, 39/19 and 98/19) and other legal acts and specific regulations governing certain actions within the competence of the Customs Administration (e.g., General Administrative Procedure Act, Misdemeanour Act, Administrative Disputes Act, Bankruptcy Act, Enforcement Act, etc.)

The Customs Administration processes personal data of individuals only when there is a clearly defined legal basis for this – a legal obligation, consent of the respondent, or as part of the performance of a task of public interest, or in the course of exercising official duties. Personal data of individuals are processed by the Customs Administration only to the extent necessary to achieve the lawful purpose of processing (Intrastat survey).

More information on this topic is available at the link: Customs Administration - Personal Data Protection (gov.hr). For additional inquiries about the handling and processing of personal data, respondents may submit a written request to the Data Protection Officer at the Customs Administration:

> **MINISTARSTVO FINANCIJA**
> **CARINSKA UPRAVA**
> n/a Data Protection Officer
> Alexander von Humboldta 4a
> 10000 Zagreb
> E-mail: zastita.podataka@carina.hr

7.6.3. Personal Data Protection Agency

The supervisory body for the protection of personal data in the Republic of Croatia is the Croatian Personal Data Protection Agency (abbr.: AZOP).

If you feel that any of your rights have been violated, you can file a complaint with the Personal Data Protection Agency at the following address:

Agencija za zaštitu osobnih podataka
Selska 136
10000 Zagreb
E-mail: azop@azop.hr

8. APPENDICES

8.1. APPENDIX 1 – Intrastat application form

THE INTRASTAT APPLICATION FORM	
1. Identification data of the business entity:	
ID number:	
Name:	
Address:	(street and number, settlement)
Zip code:	(post number and post office name)
Party in business entity legally responsible for providing INTRASTAT data:	
- first and last name:	
- ID number / Passport No.*:	
- home address:	(street and number, settlement, post number and post office name)
- phone:	
- fax:	
- e-mail:	
* Passport No. is entered by foreign nationals who do not have HR ID number.	
2. Information on contact persons for providing INTRASTAT data:	
a) For arrivals:	
Contact person 1	
- first and last name:	
- phone:	
- fax:	
- e-mail:	
Contact person 2	
- first and last name:	
- phone:	
- fax:	
- e-mail:	
Denote if above mentioned parties are contact persons for dispatches as well.	☐
b) For dispatches*:	
Contact person 1	
- first and last name:	
- phone:	
- fax:	
- e-mail:	
Contact person 2	
- first and last name:	
- phone:	
- fax:	
- e-mail:	
* Field b) should not be filled in if you tagged the field for confirmation.	
3. Methods of providing INTRASTAT data by business entity*:	
- reports itself	☐
- reports via an agent	☐
* If partly reports itself and partly via an agent tag both fields for confirmation.	

DRŽAVNI ZAVOD ZA STATISTIKU REPUBLIKE HRVATSKE

4.	Identification data of the third party declarant (enter only if providing INTRASTAT data via an agent):

ID number*:
Name:
Address: (street and number, settlement)
Zip code: (post number and post office name)
Country:

* For an agent with residence outside the Republic of Croatia EORI number is to be entered.

Information on contact persons in the third party declarant:

Contact person for arrivals
- first and last name:
- phone:
- fax:
- e-mail:

Denote if above mentioned party is contact person for dispatches as well. ☐

Contact person for dispatches*
- first and last name:
- phone:
- fax:
- e-mail:

* Should not be filled in if you tagged the field for confirmation.

5.	Remarks and other informaton:

Place and date:
Stamp and signature of the party in charge:

Please return the completed *INTRASTAT Application Form* within 10 days from the day you received *the INTRASTAT Reporting Obligation Notice* to the following address:

Carinska uprava
Zrinsko-Frankopanska 9
40000 Čakovec
By fax: (042) 234-215
Or e-mail to: Intrastat.prijava@carina.hr
Electronic INTRASTAT form is available at:
https://www.dzs.hr/default_e.htm

Thank you for completing and returning form and best regards.

If you have any additional questions with regard to reporting, please contact the Customs Administration via e-mail: Intrastat.helpdesk@carina.hr, by phone: (042) 234-255, or by fax: (042) 234-215.

The Intrastat application form is available for download:

- ⌲ on the official website of the Croatian Bureau of Statistics (http://www.dzs.hr/Eng/intrastat/intrastat.htm) and
- ⌲ on the CIWS website (https://e-carina.carina.hr/ciws-public/ciws-public/en)

8.2. ANNEX 2 – Nature of transaction codes

	A		B
1	Transactions involving actual or planned transfer of ownership against consideration (financial or otherwise) (excluding transactions listed under 2, 7 and 8)	1	Outright purchase/sale
		2	Procurement for sale on a trial period or after a trial, for consignment or with the mediation of a commission agent
		3	Barter trade (compensation in kind)
		4	Financial leasing (rent for hire) (¹)
		9	Other
2	Return and exchange of goods free of charge after registration of the original transaction	1	Return of goods
		2	Replacement for returned goods
		3	Replacement (e.g., under warranty) for non-returnable goods
		9	Other
3	Transactions involving the transfer of ownership without financial or other compensation (e.g., humanitarian shipments)	0	Transactions involving the transfer of ownership without financial or other compensations (e.g., humanitarian shipments)
4	Procedures for the purpose of processing (²) under contract (without transfer of ownership to the processor)	1	Goods expected to be returned to the initial Member State of dispatch
		2	Goods not expected to be returned to the initial Member State of dispatch
5	Procedures after processing under contract (without transfer of ownership to the processor)	1	Goods returned to the initial Member State of dispatch
		2	Goods not returned to the initial Member State of dispatch
6	Particular transactions recorded for national purposes	6	Arrival of goods from another Member State for further export to third countries (exporter is **non-resident**)
		7	Dispatch to another Member State of previously imported goods from a third country (importer is **non-resident**)
7	Procedures under joint defence programmes or other joint intergovernmental production programmes	0	Procedures under joint defence programmes or other joint intergovernmental production programmes
8	Transactions involving the supply of building materials and technical equipment under a general construction or civil engineering contract for which no separate invoicing of the goods is required and an invoice for the total contract is issued	0	Transactions involving the supply of building materials and technical equipment under a general construction or civil engineering contract for which no separate invoicing of the goods is required and an invoice for the total contract is issued
9	Other transactions that cannot be classified under other codes	1	Hire, loan and operational leasing longer than 24 months
		9	Other

8.3.   ANNEX 3 – Terms of delivery

Code	Incoterms 2020 – official ICC rules	Place
EXW	*Ex Works*	Named place of delivery of goods
FCA	*Free Carrier*	Named place of delivery of goods
FAS	*Free Alongside Ship*	Named port of shipment
FOB	*Free on Board*	Named port of shipment
CFR	*Cost and Freight*	Named destination port
CIF	*Cost Insurance and Freight*	Named destination port
CPT	*Carriage Paid To*	Named destination
CHIP	*Carriage and Insurance Paid To*	Named destination
DAP	*Delivered at Place* *Note: DAP has replaced and consolidated previous Incoterms 2000 rules: DAF, DES and DDU.*	Named destination
DDP	*Delivered Duty Paid*	Named destination
DPU	*Delivered at Place Unloaded* *Note one: DPU has replaced the previous Incoterms 2010 rule: DAT.* *Note two: DAT has replaced the previous Incoterms 2000 rule: DEQ.*	Named destination

Additional delivery term[12]:

XXX	*Delivery Terms Other Than the Above*	precisely stated terms of delivery in the contract

---

[12]The XXX delivery term is not prescribed by INCOTERMS 2020, but can be used when completing an Intrastat report.

8.4. ANNEX 4 – Place of delivery

Code	Meaning
1	Territory of Croatia
2	Territory of another Member State
3	Territory outside the EU

CODE 1 – territory of Croatia – costs and risks are transferred from the supplier to the buyer in the place of delivery located within the Republic of Croatia

CODE 2 – territory of another Member State – costs and risks are transferred from the supplier to the buyer at the place of delivery located within the territory of another Member State (except Croatia)

CODE 3 – territory outside the EU – for deliveries of goods from/to offshore installations and in case the Union goods (under customs control) are located in a non-EU country (customs warehouse) and from there are sold to a Member State (the goods are not released into free circulation in a non-EU country).

8.5. ANNEX 5 – Mode of transport codes

Code	Description
1	Sea transport (including wagons, motor vehicles, trailers, semi-trailers and transhipment boats)
2	Rail transport (including vans transported by rail)
3	Road transport
4	Air transport
5	Postal consignment[13]
7	Fixed transport installations (pipelines, high-voltage cables)
8	Inland waterway transport
9	Own propulsion (imported or exported means of transport crossing the border using own propulsion, e.g., airplane, van, ship, etc.)

---

[13]If the mode of transport used is not known and the goods are delivered by courier service, the mode of transport code 5 (postal consignment) is used.

8.6. APPENDIX 6 – Supplementary Units (SU)

Unit of measure	Which means unit of measure	What is required according to the unit code of the measure
11	pcs	number of pieces
12	1000 pcs	a thousand pieces
13	100 pcs	a hundred pieces
20	gi F/S	gram of fissile isotope
21	g	gram
25	nt	load capacity in tonnes
26	m	meter
27	m^2	square (square) meter
28	m^3	cubic meter
29	1000 m^3	thousand cubic meters
31	kg/net om	kilogram of net drained mass
32	kg 90% st	kilogram of 90% dry matter
33	l	litre
35	k	carat (1 metric carat = 2×10^{-4} kg)
36	1000 l	a thousand litres
37	l alc. 100%	litre of pure (100%) alcohol
45	pa	number of pairs
51	kg $C_5H_{14}ClNO$	kilogram of choline chloride
52	kg H_2O_2	kilogram of hydrogen peroxide
53	kg K_2O	kilogram of potassium oxide
54	kg KOH	kilogram of potassium hydroxide
55	kg met.am.	kilogram of methylamine
56	kg N	kilogram of nitrogen
57	kg NaOH	kilogram of sodium hydroxide
58	kg P_2O_5	kilogram of diphosphorus pentoxide
59	kg U	kilogram of uranium
60	ce/el	number of cells
61	TJ	terajoule (gross calorific value)
64	1000 kWh	a thousand kilowatt hours