

ECONOMY SUPPORTING MEASURES OF THE  
GOVERNMENT OF THE REPUBLIC OF CROATIA DUE TO THE  
CORONAVIRUS EPIDEMIC AND COVID-19 DISEASE -  
MEASURE FOR JUNE 2020

JUNE 2020.  
BMWC

**NEW PACKAGE OF ECONOMY SUPPORTING MEASURES OF THE GOVERNMENT OF THE REPUBLIC OF CROATIA FOR SUPPORT  
DUE TO THE CORONAVIRUS EPIDEMIC AND COVID-19 DISEASE  
(June 2020)**

	Name of state measure	Short description, criteria and additional notes
1.	<b>Support for the preservation of jobs in activities affected by the coronavirus</b>	<ul style="list-style-type: none"> <li>• support per employee amounts to HRK 4,000.00 net for full-time work, i.e. proportional part for part-time work</li> </ul> <p>The Croatian Employment Service (HZZ) will receive applications in the period from June 8 to June 30, 2020, and they must be submitted via the online application at the web address <a href="http://measure-orm.hzz.hr">measure-orm.hzz.hr</a>, regardless of whether the employer has already used grants for the previous months, except for employers who perform seasonal activities, and who submit their applications exclusively by e-mail.</p> <p><b>TARGET GROUPS OF EMPLOYERS:</b></p> <ul style="list-style-type: none"> <li>• Agriculture, forestry and fishing - only crop and livestock production, hunting and related service activities and fishing</li> <li>• Transport and storage - primarily passenger transport (rail, land, air and water)</li> <li>• Accommodation activities and food and beverage service activities</li> <li>• Administrative and support service activities - only rental and leasing activities and travel agencies, tour operators and other reservation services and related activities</li> <li>• Arts, entertainment and recreation - only creative, artistic and entertainment activities, entertainment and recreational activities and production and screening of films and video films, sound recording and music publishing activities and their distribution</li> <li>• Other service activities – only repair of computers and personal and household goods and other personal service activities</li> <li>• Organisers of cultural, business and sports events, organisers of fairs and weddings, and related activities such as companies for equipment rental, audio and video recording, ticket sales, hall rental and other companies that generate most of their income from events and public gatherings</li> </ul>

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		<p><b>Criteria:</b></p> <ul style="list-style-type: none"> <li>• Employers need to prove that in May 2020 they had a decrease in income by at least <b>50%</b> compared to May 2019, based on the submission of the VAT form for May 2020 and May 2019 to the Tax Administration</li> <li>• An employer who has been operating for less than 12 months must prove a decrease in income of at least <b>50%</b> for May 2020 compared to February 2020 based on the submission of a VAT form to the Tax Administration</li> <li>• Entrepreneurs who are not in the VAT system prove a decline in revenue based on the table of revenue decline</li> <li>• If the percentage of revenue decline is at least 50%, other conditions may be granted</li> </ul>
		<p><b>TARGET GROUPS OF EMPLOYEES:</b> Employees employed by employers from the target group of employers, that is all insured persons with the employer in question (regardless of whether the employee is a fixed-term or indefinite worker, a citizen of the Republic of Croatia, the EU or third countries, full-time or part-time or has some of the statuses such as single parent, Croatian veteran and posted worker) and employees employed in branches of foreign companies in the Republic of Croatia</p> <p><b>The target group of employees does not include:</b></p> <ul style="list-style-type: none"> <li>• Co-owners with more than 25% share, founders, board members, directors, procurators, etc. This does not apply to employers with up to 10 employees, and to craftsmen regardless of the number of employees</li> <li>• Retirees</li> <li>• Foreign workers from third countries whose residence and work permits have expired</li> <li>• If several business entities have the same founder / owners who individually employ less than 10 employees, and all business entities together have more than 10 employees, the support is not approved for owners, co-owners, founders, board members, directors, procurators</li> </ul>
		<p><b><u>The employer loses the right to support if from 20.3.2020. until the time the support was paid, he had a decline in employment larger than:</u></b></p>

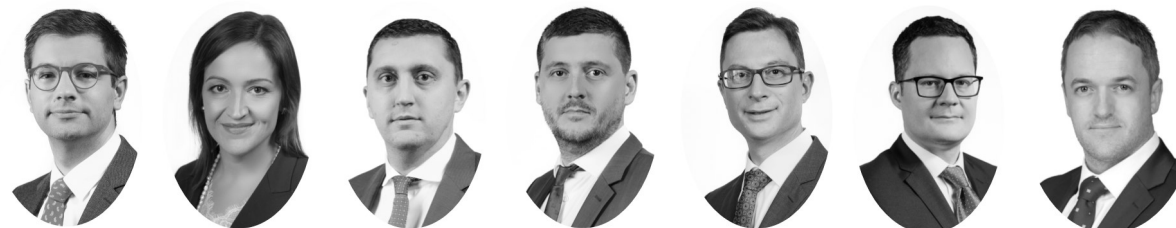
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		<ul style="list-style-type: none"> <li>• 40 % for employers who employ up to 10 employees,</li> <li>• 20% Small businesses,</li> <li>• 15% Medium size businesses,</li> <li>• 10% Large businesses.</li> </ul> <p>The same does not include the expiration of a fixed-term employment contract, the retirement of an employee and the dismissal of a misconduct by a worker.</p>
		<p><b>ADDITIONAL NOTES:</b></p> <ul style="list-style-type: none"> <li>• For employees employed after 19.3.2020, <b>regardless of the reason for employment</b>, no support can be granted</li> <li>• <b>Employers who have not paid the salary (s) for April 2020 cannot use the measure</b></li> <li>• Private accommodation renters cannot use the measure</li> <li>• Family farms that are not in the profit tax or income tax system cannot use the measure</li> <li>• Companies in liquidation or bankruptcy can use this measure if they have employees and meet their obligations</li> <li>• Employers who have active contracts under the measure for Self-employment support can use this measure for themselves and other employees</li> <li>• If they use the Job Preservation support, contractual obligations under active contracts are put on hold</li> <li>• At the end of the period of use of this measure, they continue to use the APZ measure that they originally put on hold for the remaining period, in a way that it is regulated by the Annex to the contract</li> <li>• Employers who had a decrease in the number of employees from 1 to 20 March 2020 may be granted support</li> </ul>
	<b>IMPORTANT!</b>	<p><b><u>An employer who has requested support for 50 or more employees will be obliged to return the support, if from the moment of receiving the support until 31.12.2021. he proceeds in one of the following ways:</u></b></p> <ul style="list-style-type: none"> <li>• If he pays a dividend or share of profits or other equivalent receipts that are considered a distribution of profits of any tax period</li> </ul>

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		<ul style="list-style-type: none"> <li>• If he allocates his own shares or business shares to members of the management board and/or executive directors and/or procurators and/or other persons authorised to run all or part of his company</li> <li>• If he grants the right to the persons referred to in point 2 to an optional purchase of shares or any other right based on the value of own shares</li> <li>• If he pays to the persons referred to in point 2 any amount such as: bonus for achieved results, reward for work results above the non-taxable amount prescribed by the regulations governing income taxation and other similar receipts taxed as income from self-employment or other income, in accordance with regulations governing income taxation</li> <li>• If he acquires own shares or own business shares</li> </ul> <p><b><u>CAUTION!!!</u></b></p> <p>According to publicly available information and documents, there is a difference in defining the period in which the employer may not act in accordance with the above points.</p> <p>In the <u>HZZ implementation document</u>, this period is described "<b>from the moment of receiving the support until 31.12.2021</b>". However, on the other hand, on the <u>official website of the HZZ</u>, in the section "Questions and Answers", this period is described as "the period from 29.5.2020 until 31.12.2021."</p> <p>Considering that the moment of receiving the support and 29.5.2020. by the nature of things are not the same days, in order to remove doubts and possible risks, it is necessary to seek the opinion of the HZZ about which day is relevant. Otherwise, we believe that entrepreneurs must act according to official HZZ documents.</p>

In case of questions contact us via our support e-mail (0-24):  
[coronadesk@bmwc.hr](mailto:coronadesk@bmwc.hr)



[www.bmwc.hr](http://www.bmwc.hr)