

Member States capabilities in fighting tax crimes			
Relevant legal definition(s) of tax-related offences			
	Tax avoidance	Tax evasion	Money laundering
Croatia	is understood as a legal act - unless deemed illegal by the tax authorities or, ultimately, by the courts - of using tax regimes to one's own advantage to reduce one's tax burden.	is defined as an illegal act of evading taxes by concealing income, earned either legally or illegally, from detection and collection by the tax authorities.	refers to acts involving the processing of proceeds of crime to conceal their illegal origin and bring them back into the legal economy.
Legal text	N/C	Article 256 on Tax or Customs Duty Evasion of the Criminal Code („Official Gazette“ No: 125/11, 44/12, 56/15 and 61/15)	Article 265 on Money laundering of the Criminal Code („Official Gazette“ No: 125/11, 44/12, 56/15 and 61/15)
Nature of the offence	N/C	N/C	N/C
Objective element	N/C	1) Whoever, with the aim that he or she or another person evade paying in full or in part a tax or customs duty, provides false or incomplete information on income, items or other facts of relevance for determining the amount of tax or customs duty payable or whoever, in the case of mandatory declaration, fails, with the same aim, to declare his or her income, items or other facts of relevance to the determination of tax or customs duty payable, which results in a reduction of the tax or customs duty payable by an amount exceeding 20,000 kuna or to its non-determination in the said amount (2) The same applies to whoever uses a tax relief or customs privilege in an amount exceeding 20,000 kuna in breach of the conditions under which he or she obtained it. (4) The provisions of paragraphs 1 to 3 of this Article shall also apply to the perpetrator who reduces European Union funds by committing the acts described therein.	(1) Whoever invests, takes over, converts, transfers or replaces a material gain derived from criminal activity for the purpose of concealing or disguising its illicit origin. (2) The same punishment shall be inflicted on whoever conceals or disguises the true nature, source, location, disposition, movement, rights with respect to, or ownership of a proceeds of crime. (3) The same punishment shall be inflicted on whoever acquires, possesses or uses the proceeds of crime.
Mental element	N/C	N/C	N/C
Sanction	N/C	Imprisonment from 6 months to 5 years.	Imprisonment from 6 months to 5 years.
Other tax-related crimes		Article 246 - Misuse of trust in economic operation Article 248 - Violation of the obligation to keep trade and business records Article 249 - Causing bankruptcy Article 250 - Preference of creditors Article 291 - Misuse of position and powers	

Aggravating / mitigating circumstances	N/C	If the criminal offence referred to in paragraph 1 or 2 of this Article leads to a reduction in or non-determination of a considerable tax or customs liability.	<p>Aggravating:</p> <ul style="list-style-type: none"> • Whoever commits the offence in financial or other dealings or where the perpetrator engages professionally in money laundering or the material gain referred to in paragraph 1, 2 or 3 of this Article is of high value. • Committed in organised group <p>Mitigating:</p> <ul style="list-style-type: none"> • Whoever commits the offence by negligence with respect to the circumstance that the material gain is proceeds of crime. • The perpetrator who contributes voluntarily to the discovery of the criminal offence activity from which a pecuniary advantage has been derived may have his or her punishment remitted.
Legal persons/natural persons			Both
Other information			

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Statistical data on tax avoidance, tax evasion and money laundering

Croatia	2012	2013	2014	2015	2016	Comments
MONEY LAUNDERING						
FIU: Anti-Money Laundering Office – Financial Intelligence Unit RC (FIU)						The Office is central national administrative unit responsible for receiving and analysing information on suspicious transactions and other information prescribed by the Law in relation to money laundering, associated predicate offenses (including evasion of tax and customs duties) and the financing of terrorism. The Office is responsible for reporting on the results of its operational analysis as well as financial - intelligence and all other relevant information to the competent authorities for further action and prosecution when it finds that in the concrete case there are grounds for suspicion of money laundering and / or terrorist financing, including cases where the predicate offenses are criminal tax-related offences.
Human Resources					20	
Budget (€)						
Type of FIU						Administrative
Total number of reports disclosed						
Including Suspicious Activity Reports (SARs)	397	577	698	770	867	
Including Suspicious Transaction Reports (STRs)						
Including Unusual Transaction Reports						
Including Cash Transaction Reports						
Including Currency Transaction Reports						
Including External Transaction Reports						
International cooperation						
Requests sent to foreign FIUs	238	280	232	202	108	
Requests received from foreign FIUs	77	111	74	144	113	
Audits conducted						
Number of opened cases with suspicion on money laundering and terrorism financing	340	411	444	464	472	
Number of cases sent to competent authorities and foreign financial intelligence units for further processing	132	159	233	283	329	

Court Cases						
Total number of proceedings started				218	419	new criminal reports' for Criminal offence of money laundering or tax evasion and for customs duties from Article 265 of the Criminal Code
Number of pending/unresolved court cases						
Total number of convictions				65	67	
Including of natural persons convicted						
Including of legal persons						
Number of court cases resolved with an acquittal					14	
Number of court cases resolved in another way					18	
Number of court cases resolved in sentences				74	99	
Amount of seized financial means				€ 449.264	€ 1.143.544	Valuta HRK --> EUR calculated 16/5/2017
Including natural persons				6	90	
Including corporate bodies				0	9	
Including fines				0		
Amount of fines						
Including imprisonment				65	59	
of which, conditional sentence				59	52	
of which, unconditional imprisonment				6	7	

OTHER TAX-RELATED OFFENCES

Tax administration						Tax Administration is a single and independent administrative organisation within the Ministry of Finance whose basic task is implementation and monitoring of the application of tax regulations and regulations on the collection of contributions.
Human Resources					96	The Tax Administration had 96 employees working on matters of preventing and detecting tax fraud and tax offenses in 2016
Budget (€)						
Number of Tax Audits conducted						
Number of Site Visits					14	
Taxes Debited on the basis of Audits						
Number of tax offences reported to the police						
Total number of tax offences, investigations and legal proceedings				2	9	

Independent Sector for Tax Fraud Detection (ISDTF)						<p>Independent Sector for Tax Fraud Detection (ISDTF) is currently the independent Unit in the Ministry of Finance. From July 2017 it will be part of Tax administration also as Independent Unit with a new name: "Independent Sector for Financial Investigation". The main goal of the Sector is to recognise natural and legal persons of high risk behaviour of which indicates large-value tax frauds, and to additionally collect and process data within the analyses. The Unit is specialised in combating organised fraud and cooperating with law enforcement authorities, especially USKOK (Office for Suppression of Corruption and Organised Crime, State Attorney's Office of the Republic of Croatia).</p>
Human Resources					26	
Budget (€)						
Number of Tax Audits conducted						
Number of Site Visits						
Taxes Debited on the basis of Audits						
Number of tax offences reported				165		
Court cases						
Charges dismissed						
Sentences						
Including penalties						
Including fines						
Including imprisonment						
of which, conditional sentence						
of which, unconditional imprisonment						<p>Numbers included in the Money Laundering section</p>

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Croatia	Interventions in response to the publication of the Panama Papers
Processing and analysing the Panama Papers data	<p>The Office analysed the publicly disclosed information [with the Mossack Fonseca leaks] and found 20 offshore companies associated with the Republic of Croatia through natural persons as shareholders or directors. Law firm Mossack Fonseca is the agent of three of the above mentioned 20 companies. In the course of the analytical processing, the Office has collected data from banks and foreign financial intelligence units, and disseminated collected and analysed financial - intelligence for further proceedings to the authorities responsible for criminal investigation and prosecution (police and State Attorney's Office).</p> <p>Croatian banks, their branches and representative offices are not listed in the "Panama Papers". Also, the "Panama Papers" referred to a small number of natural and legal persons resident in the Republic of Croatia. Anti-Money Laundering Office as the Croatian Financial Intelligence Unit conducted the measures and actions in the scope of its competence in relation to those natural and legal persons. The Croatian National Bank is working closely with the Office and in the monitoring plan for 2017 included specific monitoring activities in this regard. The risk that arises from business with entities from offshore jurisdictions is regularly monitored through off-site supervision. The percentage of non-resident clients established in the offshore jurisdictions in relation to the total number of clients of Croatian banks is low (about 0.04%).</p>
Supervisory activities	
Investigations initiated	
(Pre) trial proceedings initiated	
Fines and sentences	
Other information	