KOPRIVNICA KRIZEVCI COUNTY

INVESTORS GUIDE (FDI)

Koprivnica, June 2011
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The Republic of Croatia (RH) is a European country, geographically situated at the crossing from Central to Southeast Europe. Croatia borders with Slovenia and Hungary on north, with Serbia on east, on the south and east with Bosnia and Herzegovina and Montenegro. Croatia has a sea border with Italy at Adriatic sea.

Area total of the Republic of Croatia: 56,538 km$^2$
Number of inhabitants: 4,284,889
GDP (Gross domestic product)
RH (2009): 10,246 €

Territorial organization:
20 counties +
The City of Zagreb

Area total of Koprivnica-Križevci County:
1,748 km$^2$
Number of inhabitants: 115,582
GDP KKŽ: 8,560,00 €
INTERNATIONAL INTEGRATIONS OF THE REPUBLIC OF CROATIA

1. UN
On May 22nd 1992 Croatia became a full member of the UN (United Nations)

2. NATO
On April 1st 2009 Croatia became a full member of NATO (North Atlantic Treaty Organisation)

3. EU
Croatia is became a 28th full member of EU (European Union) on the July, the first, 2013
II. TRAFFIC CONNECTIONS – AIR TRAFFIC

9 airports
(7 international-Zagreb, Osijek, Pula, Rijeka, Zadar, Split, Dubrovnik, 2 local-Brač, Mali Lošinj)

Air distance:
Beč - 360 km
Pariz - 1410 km
Bruxelles - 1355 km
Prag - 620 km
Budimpešta - 350 km
Rim - 880 km
In the plan is construction of the second railway track line from Rijeka to the Hungarian border, with possibility of European R-65 corridor in the direction of port Rijeka to the Baltic determination.
Approximate investment costs
Upgrade of the existing tracks and construction of new tracks on the section Botovo–Zagreb–Rijeka per sectors

I. Botovo – Dugo Selo  0,47 billion €
II. Zagreb Junction  0,49 billion €
III. Horvati – Krasica  2,47 billion €
IV. Rijeka Junction**  0,22 billion €

Total  3,65 billion €
### TRAFFIC CONNECTION

#### UPGRADE AND MODERNIZATION OF RAILWAY LINE DIRECTION BOTOVO– ZAGREB–RIJEKA

Importance for the RoC:
- connects central and maritime part of the country,
- connects agriculture and tourism,
- connects industrial potential of the country with port capacities in the Rijeka basin,

#### SIGNIFICANT DEVELOPMENT OF THE RIJEKA PORT ON THE ADRIATIC

Port of Rijeka
- Rijeka Gateway Project:
  - Construction of container, passenger and Ro-Ro terminal
  - EUR 190 million (IBRD loan EUR 160 million)
- Porto Baross
  - Urban port interface

Importance for the RoC and the EU:
- the shortest railway connection between Hungary, other Central European countries and Mediterranean,
- encourages the development of the Rijeka Port and transit railway traffic between Croatia and Central European countries,
- provides opportunity for subsequent development of transit railway traffic between Western Europe and the Balkan via Croatia,
- has significant influence on environmental protection due to redirection of large volumes of freight from road to railway.
Pan-European transport corridors in the Republic of Croatia:

Vb – Budapest-Varaždin-Zagreb-Rijeka
Vc – Budapest-Osijek-Sarajevo-Ploče
VII – Danube river
X – Salzburg-Villach-Ljubljana-Zagreb-Beograd-Skopje-Thessaloniki
Xa – Graz-Maribor-Zagreb
TRAFFIC CONNECTIONS – ROAD

TRANSPORT CORRIDORS ESTABLISHED IN CHAPTER 21

Distance from Koprivnica to major cities

<table>
<thead>
<tr>
<th>City</th>
<th>ROAD (KM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZAGREB (airport)</td>
<td>101</td>
</tr>
<tr>
<td>RIJEKA (seaport)</td>
<td>288</td>
</tr>
<tr>
<td>WIENA</td>
<td>370</td>
</tr>
<tr>
<td>BUDAPEST</td>
<td>315</td>
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<tr>
<td>PRAGUE</td>
<td>740</td>
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<tr>
<td>WARSZAW</td>
<td>1110</td>
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<tr>
<td>BERLIN</td>
<td>1120</td>
</tr>
<tr>
<td>PARIS</td>
<td>1460</td>
</tr>
<tr>
<td>ISTAMBUL</td>
<td>1450</td>
</tr>
<tr>
<td>MADRID</td>
<td>2310</td>
</tr>
</tbody>
</table>

29.547 km roads (public)
2.720 km railways

PLANNED HIGHWAY CONSTRUCTION

29.547 km of CLASSIFIED PUBLIC ROAD
1512.4 km of ROAD (full scale)
142.2 km of ROAD (not yet as a full scale)
319.0 km of PLANNED TO BE BUILT
6.813 km of NATIONAL ROADS
10.997 km of COUNTY ROADS
12.207 km of LOCAL ROADS
TOTAL: 29.547 km of CLASSIFIED PUBLIC ROAD

Pelješac Bridge €320 million

CIFR
CROATIAN INVESTMENT PROMOTION BOARD
In Koprivnica Križevci County is total of 38,000 inhabitants employed, from which 5,000 is employed at the area of the business zones in 110 companies.

Danica—the biggest business zone in Koprivnica Križevci County employs 2,000 people. Belupo, Podravka, Carlsberg

More informations about the zones: www.pora.com.hr
## Business zones in Koprivnica-Križevci County

<table>
<thead>
<tr>
<th>UNIT: The City of Koprivnica</th>
<th>NAME OF THE ZONE: Business zone Dravska</th>
<th>CONTACT: <a href="mailto:gospodarstvo.financija@koprivnica.hr">gospodarstvo.financija@koprivnica.hr</a></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Business zone Radnička</td>
<td></td>
</tr>
<tr>
<td>The City of Križevci</td>
<td>Business zone Cubince</td>
<td><a href="mailto:financije@krijevci.hr">financije@krijevci.hr</a></td>
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<tr>
<td></td>
<td>Business zone Nikola Tesla</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Business zone Gornji Čret</td>
<td></td>
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<tr>
<td>The city of Đurđevac</td>
<td>Business industrial zone A</td>
<td><a href="mailto:jasna.kovacev@djurdjevac.hr">jasna.kovacev@djurdjevac.hr</a></td>
</tr>
<tr>
<td></td>
<td>Business worker zone B</td>
<td></td>
</tr>
<tr>
<td>Koprivnički Ivanec Municipality</td>
<td>Business zone Koprivnički Ivanec</td>
<td><a href="mailto:opcina.kop.ivanec@kc.t-com.hr">opcina.kop.ivanec@kc.t-com.hr</a></td>
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<tr>
<td>Kloštar Podravski Municipality</td>
<td>Business zone Istok</td>
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<tr>
<td>Novigrad Podravski Municipality</td>
<td>Business zone Novigrad Podravski</td>
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<tr>
<td></td>
<td>Business zone Kutnjak</td>
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</tr>
<tr>
<td>Legrad Municipality</td>
<td>Business zone Danica</td>
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</tr>
<tr>
<td>Peteranec Municipality</td>
<td>Business zone Peteranec</td>
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</tr>
<tr>
<td>Kalinovac Municipality</td>
<td>Business zone Sjever</td>
<td><a href="mailto:opcina.kalinovac@kc.t-com.hr">opcina.kalinovac@kc.t-com.hr</a></td>
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<tr>
<td></td>
<td>Business zone Jug</td>
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</tr>
<tr>
<td>Drnje Municipality</td>
<td>Business zone Botovo</td>
<td><a href="mailto:opcina-drnje@kc.t-com.hr">opcina-drnje@kc.t-com.hr</a></td>
</tr>
<tr>
<td>Ferdinandovac Municipality</td>
<td>Business zone Blata</td>
<td><a href="mailto:opcina.ferdinandovac@kc.t-com.hr">opcina.ferdinandovac@kc.t-com.hr</a></td>
</tr>
<tr>
<td>Podravske Sesvete Municipality</td>
<td>Business zone Peski</td>
<td><a href="mailto:podravske.sesvete@inet.hr">podravske.sesvete@inet.hr</a></td>
</tr>
<tr>
<td></td>
<td>Business zone Bukove Grede</td>
<td></td>
</tr>
<tr>
<td>Molve Municipality</td>
<td>Business zone Zdelja</td>
<td><a href="mailto:opcina-molve@kc.t-com.hr">opcina-molve@kc.t-com.hr</a></td>
</tr>
<tr>
<td></td>
<td>Business zone Brzdeljeva</td>
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</tr>
<tr>
<td></td>
<td>Business zone Molve Grede</td>
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<table>
<thead>
<tr>
<th>UNIT: Sveti Ivan Žabno Municipality</th>
<th>NAME OF THE ZONE: Business zone Industrijska</th>
<th>CONTACT: <a href="mailto:opcina-sv-ivan-zabno@kc.t-com.hr">opcina-sv-ivan-zabno@kc.t-com.hr</a></th>
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<tr>
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<td>Business zone Pofuki</td>
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<tr>
<td>Delekovac Municipality</td>
<td>Business zone Delekovac</td>
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<td>Virje Municipality</td>
<td>Business zone Virje</td>
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<td>Kalnik Municipality</td>
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<tr>
<td>Novo Virje Municipality</td>
<td>Business zone Medvedička</td>
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<td>Rasinja Municipality</td>
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<td></td>
<td>Business zone Kuzminec</td>
<td><a href="mailto:opcinarasinja@net.hr">opcinarasinja@net.hr</a></td>
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<tr>
<td>Sveti Petar Orehevoce Municipality</td>
<td>Business zone Gregurovec</td>
<td><a href="mailto:opcina-orehovec@kc.t-com.hr">opcina-orehovec@kc.t-com.hr</a></td>
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<tr>
<td></td>
<td>Business zone Donji Fodrovec</td>
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<tr>
<td></td>
<td>Business zone Sveti Petar Orehevoce</td>
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<td>Business zone Mihole</td>
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<tr>
<td>Sokolovac Municipality</td>
<td>Business zone Velika Mučna</td>
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<td></td>
<td>Business zone Zapad</td>
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<td>Business zone Istok</td>
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<tr>
<td>Hlebine Municipality</td>
<td>Business zone Hlebine 1</td>
<td><a href="mailto:opcinahlebine@gmail.com">opcinahlebine@gmail.com</a></td>
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<td></td>
<td>Business zone Hlebine 2</td>
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More informations about the zones: www.pora.com.hr
BUSINESS ZONE KOPRIVNIČKI IVANCE, KOPRIVNIČKI IVANEC

AREA TOTAL OF THE ZONE: 241 ha

1. phase: 30 ha, from which is approximately 26,6 ha for sale

Ownership: Koprivnički Ivanec Municipality
Price: 12-15 Eur/m2
Way of selling: public tenders
Contact: opcina.kop.ivanec@kc.t-com.hr

Use and purpose of the zone

Location of the area coverage UPU „Business zone Koprivnički Ivanec related to broader area“
LOCAL INCENTIVES TO ENTREPRENEURS IN THE ZONE KOPRIVNIČKI IVANEC

Utility fee payment incentives

The utility fee decision on the area of Koprivnički Ivanec Municipality (Koprivnica Križevcy County Official Gazzete 14/07 i 14/08)

The utility fee height is determinated with zone coefficient multiplication (0,2) with purpose coefficient (2,0 for production activities) and the point value (1,80) which amount 0,10 € /m2.

Incentives of utility fee payment to the entrepreneurs:

100% reduced utility fee in the first year of performing the activities
75% in the second year of performing the activities
50% in third year of performing the activities
25% in fourth year of performing the activities

Public contribution

The public contribution decision on the area of Koprivnički Ivanec Municipality (Koprivnica Križevcy County Official Gazzete 14/07)

Unit value of the public contribution in the zone Koprivnički Ivanec is 30 kn/m3, and it is multiplied with purpose coefficient (0,60 for producing facilities over 10000 m3, ) and with volume which is 2,43 € /m3.
AREA TOTAL OF THE ZONE: 45 ha

OWNERSHIP: the town of Križevci

DISPOSAL OF BUILDING LAND:
1) Sale through public tenders: price of the land for sale is 16.4 EUR/m²
2) Granting construction rights through public tenders: price of the land with construction rights is 0.07 EUR/m² per month

CONTACT: financije@krizevci.hr

DISTANCE:
• center of Križevci – 2 km (22,324 inhabitants)
• center of Koprivnica – 33 km (30,944 inhabitants)

TRAFFICAL POSITION OF THE COUNTY

STATE ROAD:
ZAGREB-KOPRIVNICA

VARAŽDIN
HUNGARIAN BORDER
OSIJEK

RAILWAIL: RIJEKA - BUDAPEST
NEW HIGHWAY: HUNGARIAN BORDER
KRIŽEVCI CITY IS READY TO OFFER CONSULTING AND TECHNICAL ASSISTANCE IN THE REALIZATION OF INVESTMENTS

PARTIAL EXEMPTION FROM THE COMMUNAL CONTRIBUTION
Entrepreneurs in business zones are exempt from the contribution as follows:

1) For the business objects of the volume of 1000 m³ to 5000 m³ the communal contribution is reduced by 35%
2) For the business objects of the volume over 5000 m³ the contribution is reduced by 60%

COMPANY TAX BENEFITS:
The entrepreneurs – beginners (legal and physical entities) will be exempt to the Company tax, as follows:
- In 1st year of business 100%
- In 2nd year of business 75% (tax: 70€)
- In 3rd year of business 50% (tax: 140€)

The existing entrepreneurs that employ with no time limit contracts:
- up to 10 employees - exempt of the Company tax by 25% (tax: 210€)
- up to 25 employees - exempt of the Company tax by 50% (tax: 140€)
- more than 25 employees - exempt of the Company tax by 100%

BENEFITS REGARDING PAYMENT OF COMMUNAL COMPENSATION
100% reduction for the first year of business
75% reduction for the second year of business
50% reduction for the third year of business
25% reduction for the fourth year of business
LOCATION OF THE GEOTHERMAL PROGRAMME ECONOMY ZONE

Economy zone size is 142,5 ha with 720 plots

Land repurchase is in the progress; until October 2010 85 ha was repurchased.
Legrad municipality was the repurchase bearer.
End of repurchase: year 2011

KONTAKT: opcina-legrad@kc.t-com.hr

With land transfer (a donation from the Legrad municipality and the Fund) Geopodravina Ltd. will become the land owner.

OVERVIEW OF PURCHASED PARCELS AND PREPARED PURCHASE CONTRACTS

BENEFITS REGARDING THE DEVELOPMENT OF EXISTING AND OPENING NEW ENTREPRENEURIAL ACTIVITIES AND EMPLOYMENT

1. COMMUNAL COMPENSATION
   Physical and legal entities engaged in business are partially exempted from the communal compensation:
   - 50% of total years debit – company headquarters outside the Legrad municipality area and employing workers from Legrad municipality area
   - 75% of total years debit – company headquarters inside the Legrad municipality area and employing workers from Legrad municipality area

2. COMMUNAL CONTRIBUTION
   Entrepreneurs who build or rebuild business facilities for performing manufacturing or other business activities, in order to increase the number of employees, with condition that the headquarter of activities is situated in the Legrad Municipality.
Projects included in the Geothermal programme

1. Energetic projects and economy zone regulation
   1.1 Geothermal source
   1.2 Geothermal power plant – heating plant
   1.3 Thermal network
   1.4 Economy zone regulation

2. User projects
   2.1 Vegetable drier/cooler
   2.2 Greenhouses for flower growing
   2.3 Greenhouses for vegetable growing
   2.4 Fish farm and sport fish pond
   2.5 Kutnjak Spa
   2.6 Tourist resorts
   2.7 Delivery of heat energy for business zone industry/citizens
ENERGETIC PROJECTS

Geothermal power plant – heating plant

Geothermal power plant – heating plant first phase visualization

USER PROJECTS

SPA - External pools for excursion tourism – example

Health resorts
Incentives from the City of Koprivnica

The gas connection fee - free of charge except for those who build commercial and catering services - depending on the capacity of planned annual spending: for up to 1.200 m3 of anticipated annual consumption should be paid the compensation of 100% of average gross monthly salary in Croatia in the previous year; for 1.201 m3 to 6.000 m3 of anticipated annual consumption should be paid the compensation in the amount of 200% of average gross monthly salary in Croatia in the previous year, for each additional 5.000 m3 of anticipated annual consumption should be paid the compensation of 100% of average gross monthly salary in Croatia in previous year.

The water connection fee - free of charge except for those who build commercial and catering services - depending on the capacity of planned annual spending: for up to 1.200 m3 of anticipated annual consumption should be paid the compensation of 100% of average gross monthly salary in Croatia in the previous year; for 1.201 m3 to 6.000 m3 of anticipated annual consumption should be paid the compensation in the amount of 200% of average gross monthly salary in Croatia in the previous year, for each additional 5.000 m3 of anticipated annual consumption should be paid the compensation of 100% of average gross monthly salary in Croatia in previous year.

The sewer connection fee - free of charge except for those who build commercial and catering services - depending on the capacity of planned annual spending: for up to 1.200 m3 of anticipated annual consumption should be paid the compensation of 100% of average gross monthly salary in Croatia in the previous year; for 1.201 m3 to 6.000 m3 of anticipated annual consumption should be paid the compensation in the amount of 200% of average gross monthly salary in Croatia in the previous year, for each additional 5.000 m3 of anticipated annual consumption should be paid the compensation of 100% of average gross monthly salary in Croatia in previous year.

Communal contribution - the entrepreneurs who built business buildings in the business zone equiped by the City of Koprivnica, are exempt from communal contributions by 50%, except for non-productive activities (commerce and catering) - 80 kn/m3.

Communal compensation - from 1.36 kn/m3 to 3.40 kn/m3 with benefits - 100% deduction in the first year, 75% in the second, 50% in the third and 25% in the fourth. Entrepreneurs who carry out their activities in business zones equiped by the City of Koprivnica utility fee will be reduced by another 50%.

Business zone RADNIČKA

Total size of the zone: 38,3 ha
Size of the land available for sale: 24,2 ha
Price of the land:
- 350,00 kn/m2 for trade activities
- 200,00 kn/m2 for production activities

Contact: gospodarstvo.financija@koprivnica.hr
Total size of the zone: 103 ha
Size of the land available for sale: 15.52 ha
Price of the land: for entrepreneurial activity – small trades and manufacturing activities 12,00 kn/m², for commerce and catering activities 250,00 kn/m².

**Incentives from the City of Đurđevac**

**Communal contribution:** Investors who build the objects intended for entrepreneurial activity are partially exempted from paying the communal contribution for 50%. For greater investments in entrepreneurial activities, and in the case that the investor undertakes to hire new workers, investor may also be partially or completely relieved from paying communal contributions, and each application will be evaluated by the City Council of the City of Đurđevac.

**Communal compensation:** legal or physical person, in case of opening a new plant to expand production or hiring new employees, shall be exempt from paying communal compensation as it follows: 100% in the first year, 50% in the second year and 25% in the third year. Tax on company or title do not pay the contractors who are opening a new plant or for new employment, and in the amount of 100% in the first year, 50% in the second year and 25% in the third year.
INCENTIVES TO THE ENTREPRENEURS

Incentives for investments in Croatia are regulated by the Law of Investment Promotion and Investment climate (Official Gazette 111/12 and 28/13) and Regulation on the Investment Promotion and Improvement of Investment Environment (Official Gazette 40/13), which relate to investment projects in:

1. Production and processing activities
2. Development and innovation activities
3. Business support
4. Service activities and high added value

Incentive measures are:

Incentives for micro entrepreneurs
Tax incentives
Customs incentives
Incentives for eligible costs of new jobs related to the investment project
Incentive measures for: development and innovation activities, business support activities, activities of services with high added value
Incentives for capital costs of the investment project
Incentives for labor intensive investment
**TAX INCENTIVES**

<table>
<thead>
<tr>
<th>INVESTMENT VALUE (MILLION EUR)</th>
<th>NUMBER OF NEW EMPLOYEES</th>
<th>PERIOD OF PRESERVING NEW WORKPLACES (YEARS)</th>
<th>PROFIT TAX RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 1</td>
<td>5 (3 za mikro)</td>
<td>3 (SME), 5 (large)</td>
<td>10%</td>
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<tr>
<td>1-3</td>
<td>10</td>
<td>3 (SME), 5 (large)</td>
<td>5%</td>
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<tr>
<td>&gt;3</td>
<td>15</td>
<td>3 (SME), 5 (large)</td>
<td>0%</td>
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**EMPLOYMENT INCENTIVES**

<table>
<thead>
<tr>
<th>COUNTY UNEMPLOYMENT RATE</th>
<th>INCENTIVES FOR ELIGIBLE COSTS FOR NEW WORKPLACES</th>
<th>INCENTIVES FOR DEVELOPMENT AND INNOVATION ACTIVITIES</th>
<th>INCENTIVES FOR BUSINESS SUPPORT ACTIVITIES</th>
<th>ADDITIONAL INCENTIVES FOR DEVELOPMENT AND INNOVATION ACTIVITIES</th>
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</thead>
<tbody>
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<td>&lt; 10%</td>
<td>Up to 10% (max. 3,000 €)</td>
<td>+50% (1,500 €)</td>
<td>+25% (750 €)</td>
<td>20% of real eligible costs for purchasing new equipment/machines (0,5 mill. € max)</td>
</tr>
<tr>
<td>10 - 20%</td>
<td>Up to 20% (max. 6,000 €)</td>
<td>+50% (3,000 €)</td>
<td>+25% (1,500 €)</td>
<td></td>
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<tr>
<td>&gt;20%</td>
<td>Up to 30% (max. 9,000 €)</td>
<td>+50% (4,500 €)</td>
<td>+25% (2,250 €)</td>
<td></td>
</tr>
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</table>

*the amount of incentives for eligible costs of new workplaces related to the investment project, as well as the criteria for determining the concrete amount of incentive will be regulated by the Government with Regulation of the Investment Promotion and Investment Environment Improvement*

**Incentive for eligible costs of training can not be over the maximum intensity as listed**

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<th>SPECIAL TRAINING</th>
<th>GENERAL TRAINING</th>
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<tr>
<td>LARGE ENTREPRENEURS</td>
<td>Up to 25%</td>
</tr>
<tr>
<td>SME</td>
<td>Up to 35%</td>
</tr>
<tr>
<td>SMALL ENTREPRENEURS</td>
<td>Up to 45%</td>
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</tbody>
</table>

**Classification of entrepreneurs due to the Law of Small Economy Development Incentives**

<table>
<thead>
<tr>
<th></th>
<th>Number of employees</th>
<th>Annual income</th>
<th>Total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large</td>
<td>≥250</td>
<td>≥50 milijuna €</td>
<td>&gt;43 milijuna €</td>
</tr>
<tr>
<td>Medium</td>
<td>&lt;250</td>
<td>≤50 milijuna €</td>
<td>≤43 milijuna €</td>
</tr>
<tr>
<td>Small</td>
<td>&lt;50</td>
<td>≤10 milijuna €</td>
<td>≤10 milijuna €</td>
</tr>
<tr>
<td>Micro</td>
<td>&lt;10</td>
<td>≤2 milijuna €</td>
<td>≤2 milijuna €</td>
</tr>
</tbody>
</table>

IV. TAX REGIME

Real estate transfer tax (The Real Estate Transfer Tax Law, Official Gazette 69/97, 26/00, 22/11, 153/02, 22/11)
Tax rate is 5%. Real estate transfer tax is regulated by The Real Estate Transfer Tax Law.
Real estate are: lands (agricultural, constructional and other lands)
buildings (residential, business and all other buildings and their parts).

Corporate income tax (The profit tax Act, Official Gazette NN 177/04, 90/05, 57/06, 146/08, 80/10, 22/12)
The taxpayers are all companies in Croatia which are dealing with economic activities, performing the economic activity in order to achieve a profit. The tax base is a profit which is determinate according to the accounting rules and it is determinate for the tax period which is generally the calendar year.
Corporate income tax rate is 20% on determinate tax base.

The Value added tax (Value Added Tax Act, Official Gazette 73/13, 99/13)
The value added tax is payable on the delivery of all types of goods and all provided services in the country, tax rate is 25%.

Income tax (The Income Tax Act, Official Gazette 177/04, 73/08, 80/10, 114/11, 22/12, 144/12, 43/13, 120/13, 125/13)
The taxpayer is a person resident of non-resident, who acquires an income from different sources: receipts generated from paid work, self-employment, property and property rights, capital, insurance and other receipts. Amount of basic personal deduction is 2,200,00 kuna.
The income tax is payable at the rate of:
12% (2,200-4,400 kn monthly)
25% (from 4,400-8,800 kn monthly)
40% (over 8,800 kn monthly)
Trade name tax
Taxpayer is legal entity registered for performance economic activity. Amount of tax is up to 280€ for each trade name per year, it can be less according to the decision of the city or community.

PAYROLL TAXES

a) Paid vacation, warm meal, expenditure of travelling to work, Christmas bonus (per business)
b) Pension and disability contribution – 1st pillar 15%, 2nd pillar 5%
c) Health insurance contribution – 15%
d) Paid vacation minimum 18 days, everything else depends on the employment contract
e) Employment contribution – 1,7%
f) Employment of persons with disabilities – 0,2%
g) Work related injuries – 0,5%

In the Republic of Croatia working week lasts 40 hours.. Minimum wage in Croatia is 266,09 Eur (net).

http://www.porezna-uprava.hr/
V. CONSTRUCTION

Directions for facility construction:
Development of Project:
1. Technological Project documentation
2. Development of Preliminary Project Design (PPD)
3. Analysis of the PPD

Approval of Location permit:
4. Opinion regarding PPD
5. Environmental impact assessment
6. Issuing of Location permit

Approval of Building permit:
7. Designing of Main project
8. Issuing of Building permit
9. Designing of Final project

Approval of Work permit:
10. Executing the project
11. Technical review and issuing of Work permit

Government bodies involved
3. Analysis of the PPD – Ministry of Environmental protection, Physical Planning and Construction
4. Opinion regarding PPD – Ministry of Environmental protection, Physical Planning and Construction
6. Issuing of Location permit – Ministry of Environmental protection, Physical Planning and Construction
7. Issuing of Building permit – Ministry of Environmental protection, Physical Planning and Construction

Technical assistance:
Department for physical planning, construction and environmental protection
Antuna Nemcica 5, 48 000 KOPRIVNICA
Tel: 385 48 220-155
E-mail: drazen.kozjak@kckzz.hr
Residence and work of foreigners

Law on Foreigners (130/11) adjusted with the European acquis communautaire

Residence of Foreigners
Short-term
Temporary
Permanent

Work of foreigners in the Republic of Croatia
A foreigner can work in the Republic of Croatia on the basis of issued residence or work permit or certificate of work application, unless it is otherwise prescribed by this Law. Foreigner in the Republic of Croatia can work only on those jobs for which it is issued residence or work permit, or a certificate of work application and only with the employer with whom he has established employment.

Residence and work permits
Unique permit which allows the foreigner a temporary residence and work in the Republic of Croatia. It is issued on the basis of annual quota and outside the annual quota. Request for issuing the permit shall be submitted to the police according to the place of intended residence of foreigner, the headquarters of the employer or the foreigners’ place of work.
Certificate of work application

The certificate shall be issued for up to 90, 60, 30 days per year, depending on the type of jobs that foreigners do or provide services.

Foreigners can work in the Republic of Croatia on the basis of a certificate of employment on the whole territory of the Republic of Croatia, and in this case are not required to obtain residence and work permit.

A legal or natural person that employs foreigner on the basis of certificate of work application must have concluded contract or other proof of work completion with a stranger or foreign employer who addresses the foreigner to work in the Republic of Croatia.

The police is required to deliver a certificate of work application to the foreigner employer and the regional office or branch of The Tax Administration relevant according to the headquarters of the legal or natural person who uses the services of foreigners or a place in which the contracted work shall be done.

More informations: http://www.hgk.hr
www.mup.hr/main.aspx?id=47#dozvola
**VII. HUMAN RESOURCES**

About 3.000 unemployed peopels has secondary professional qualification

<table>
<thead>
<tr>
<th></th>
<th>gross</th>
<th>net</th>
<th>EUR(net)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum wage in Croatia</td>
<td>2814</td>
<td>1956</td>
<td>266,09</td>
</tr>
<tr>
<td>Processing industry</td>
<td>6617</td>
<td>4670</td>
<td>635,37</td>
</tr>
<tr>
<td>Food processing industry</td>
<td>6567</td>
<td>4663</td>
<td>634,42</td>
</tr>
<tr>
<td>Pharmaceutical industry</td>
<td>8720</td>
<td>5931</td>
<td>806,94</td>
</tr>
<tr>
<td>County average</td>
<td>5846</td>
<td>4246</td>
<td>577,69</td>
</tr>
</tbody>
</table>

More informations: www.hzz.hr
VIII. COMPANY ESTABLISHMENT

ESTABLISHING A COMPANY IN CROATIA IN 4 STEPS IN 15 DAYS

TYPES OF COMPANIES: defined by the Companies Act

LIMITED LIABILITY COMPANY - the lowest amount for base capital min. 2.800 eur

JOINT STOCK COMPANY - the lowest amount for base capital min. 28.000 eur

SELECTING NAME OF THE COMPANY - check the register; website of the Ministry of Justice: http://sudreg.pravosudje. to find out whether a company by the chosen name already exists

1. STEP ONE: HITRO.HR SERVICE AT THE FINANCIAL AGENCY (FINA)

   you can find all the information you need about procedures for establishing a company; forms for founding company, payment slip, list of the banks...

2. STEP TWO: NOTARY PUBLIC

   Applications for Entry in the Court Register (PO form), Articles of Association-a Social Contract or Declaration of Establishment of a Company with certain enclosed documents must be verified by notary public

3. STEP THREE: HITRO.HR SERVICE AT THE FINANCIAL AGENCY (FINA)

   The Decision on Entry in the Court Register and the Notification of Classification of Activities with business identification number are collected at the HITRO.HR counter
   You can arrange the making of an official company stamp and opening of your account at the HITRO.HR
   Registrations of the company, owner/s and employees, will be executed electronically with Croatian Pension Insurance (HZMO) and the Croatian Health Insurance (HZZO) at the HITRO.HR counter
4. **STEP FOUR: HITRO.HR SERVICE AT THE FINANCIAL AGENCY (FINA)**

Documentation required must be submitted to the Commercial court, which shall issue a resolution regarding establishing a company.

After your company has been entered in the Court Register and the Register of the Central Bureau of Statistics, you must:

Register your company with Tax Authority for the purpose:
1. entering the company into the Register of Income Tax and VAT Payers

Documents: the Decision on Entry in the Court Register, the Notification of Classification, and the Signature Card.

Cost of the application process:
- Cost of public notary: cca 700 EUR
- Cost of publishing the court register entry in the Official Gazette: cca 130 EUR
- Commercial court fee: 55 EUR
- Central Bureau of Statistics fee: 8 EUR

**Contacts:** Free info line: 0800 0800
desk counters at the Financial Agency - FINA
info@hitro.hr
www.hitro.hr
## IX. SUPPORT INSTITUTIONS

### KOPRIVNICA-KRIŽEVCI COUNTY
- **Institute for Physical Planning of Koprivnica-Križevci County**
  - Trg bana Josipa Jelačića 15/II
  - 48000 KOPRIVNICA
  - Tel: +385 48 624 406
  - E-mail: prostorno-uredjenje@kckzz.hr

### CROATIAN CHAMBER OF ECONOMY
- **CROATIAN CHAMBER OF ECONOMY KOPRIVNICA**
  - Frankopanska 3
  - 48000 KOPRIVNICA
  - Tel: +385 48 674 560
  - E-mail: hgkkc@hgk.hr

### MINISTRY OF ECONOMY, LABOUR & ENTREPRENEURSHIP
- **DIRECTORATE FOR ECONOMIC DIPLOMACY, EXPORT & INVESTMENTS**
  - Ulica grada Vukovara 78
  - 10 000 Zagreb
  - Tel: +385 1 6106 114
  - Fax: +385 1 6109 114

### TOURIST BOARD
- **TOURIST BOARD of Koprivnica-Križevci County**
  - Antuna Nemčića 5
  - 48000 KOPRIVNICA
  - Tel: +385 48 624 408
  - E-mail: ured@tz-kckz.com

### MINISTRY OF FINANCE
- **TAX ADMINISTRATION REGIONAL OFFICE KOPRIVNICA**
  - Hrvatske državnosti 7
  - 48000 Koprivnica
  - Tel. 385 48-289-555
  - Fax. 385 48-622-868

### CROATIAN EMPLOYMENT SERVICE
- **Regional office Križevci**
  - Kralja Tomislava 20
  - 48260 KRIŽEVCI
  - TEL: +385 48 681 904
  - HZZ.Krizevci@hzz.hr

- **Regional office Križevci, Local office Đurđevac**
  - Trg Svetog Jurja 1
  - 48350 Đurđevac
  - Tel: +385 48 812 057
  - HZZ.Krizevci@hzz.hr

- **Regional office Križevci, Local office Koprivnica**
  - Ivana Meštrovića 25
  - 48000 Koprivnica
  - Tel: +385 48 622 516
  - HZZ.Krizevci@hzz.hr