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Factsheet for case **HR-2020-12/317**

## An interest-free loan from the Republic of Croatia to local and regional units of government, Croatian Health Insurance Institute and Croatian Institute for Pension Insurance

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|              |   |
|--------------|---|
| Country      | Croatia, applies nationwide                                 |
| Time period  | Temporary, 19 March 2020 - 31 December 2020                 |
| Type         | Legislation or other statutory regulation                   |
| Category     | Supporting businesses to stay afloat<br>– Access to finance |
| Case created | 06 April 2020 (updated 28 April 2020)                       |

### Background information

The Croatian Parliament has adopted the Law on Amendments to the Act on the Execution of the State Budget of the Republic of Croatia for 2020 on March 19, 2020. The aim is to remedy the coronavirus pandemic effects by making possible the reallocation of funds in the state budget of the Republic of Croatia to budget items among budget users or between budget users and extra-budget users.

### Content of measure

According to the Law on Amendments to the Law on Execution of the State Budget of the Republic of Croatia for 2020 the Republic of Croatia undertakes the obligation to assure needed financial resources to bodies of local and regional government (municipalities, cities and counties) as well as to the Croatian Health Insurance Institute and the Croatian Pension Insurance Institute, in the event that the repayment or deferral of payment and/or installment repayment of income tax and surtax on income tax and social contributions reduce the revenues of government bodies and the Institutes for Social Insurance.

The Republic of Croatia would provide to local and regional government an interest-free loan to overcome the situation arising from different dynamics of inflow of financial funds and maturity of liabilities. The amount of such loan is limited up to the amount of income tax, surtax on income tax and social contributions whose payment is deferred and/or is granted in installment repayment.

## Use of measure

Not yet known at this stage.

## Actors, target groups and funding

| Actors   | Target groups | Funding        |
|--|---------------|----------------|
| National government<br>Local / regional government<br>Social insurance | All companies | National funds |

## Social partners

|                         |                |
|-------------------------|----------------|
| Role of social partners | No involvement |
| Form of involvement     | No involvement |

No involvement

## Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

## Sources

- 19 March 2020: Zakon o dopunama Zakona o izvršavanju Državnog proračuna Republike Hrvatske za 2020. godinu ([narodne-novine.nn.hr](http://narodne-novine.nn.hr))