



OTP Bank Group

Market: Croatia

Date: 15.12.2020.

Category: Tax Changes

Amendments to The Profit Tax Act and The Income Tax Act

Summary: Decrease of withholding tax rate on dividend payments

Dear Client,

The Ministry of Finance of the Republic of Croatia has opened public consultations on the package of legislation proposed by the Croatian Government. The legislation package includes the amendments to The Profit Tax and The Income Tax Acts, decreasing the withholding tax on dividends and shares in profit paid to foreign legal entities and individuals (both domestic and foreign) from the rate of 12% to 10%.

The public consultations are opened until 24 December 2020.

The abovementioned Acts are adopted, published in the Official Gazette and come into force on 1 January 2021.

For any additional questions and clarifications, please do not hesitate to contact us at inv-custody@otpbanka.hr

Impact: Decrease of withholding tax rate on dividend payments from 12% to 10%

Required actions: -

Application date: 01 January 2021.

OTP Bank d.d.

Ulica grada Vukovara 284, 10000 Zagreb

www.otpbank.hr

Your OTP GSS contact:

Mrs Marina Šonje Tomorad, Head of Custody Unit

marina.sonje-tomorad@otpbank.hr

+385 (0) 72 206 486

Disclaimer:

This Newsflash is provided by OTP Bank d.d., a member of OTP Group, as a service to its customers only. The information and opinions provided therein has been prepared in good faith on the basis of information which is either publicly available or obtained from



Global Securities Services

NewsFlash



sources which OTP Bank d.d. reasonably believes reliable, and OTP Bank d.d. does not represent or warrant their veracity, accuracy, relevance or completeness. Such publicly available information may be incomplete or condensed and no responsibility or liability (express or implied) is accepted for any errors, omissions or misstatement by OTP Bank d.d.. Information herein reflects the market situation at the time of writing and may change as market or regulatory conditions and circumstances develop. Figures relate to the past and indicate historic data. Past performance is not a reliable indicator of future results. No representation, warranty or undertaking, express or implied is made and no responsibility is taken or accepted by OTP Bank d.d. as to or in relation to the accuracy or completeness or otherwise of the material in this Newsflash or as to the reasonableness of any assumption contained herein. The estimates and opinions included in this Newsflash are subject to change without notice and solely reflect the viewpoint of the authors thereof and are not intended, and shall not be interpreted, as an offer by OTP Bank d.d. or any of its officers, directors, employees or agents to buy, sell, hold, hedge or otherwise deal with any currency, security, commodity or any kind of swap, forward rate, futures, options, derivatives or other contract or product whatsoever or an investment advice. It does not constitute legal, tax and accounting advice. Any person acting or behaving, or refraining from acting or behaving, in reliance on, or under the guidance of, the information provided or opinions expressed or recommendations made herein shall do so exclusively at its own risk based on independent assessment and without any liability for the result of its actions on the part of OTP Bank d.d. or any of its officers, directors, employees or agents. Any such assessment should involve the complex consideration of the legal, tax, accounting, regulatory, financial, credit and other related aspects of any decision in respect of the information contained in this Newsflash in order to be capable of making a well advised decision based on opinions from competent and independent advisors or other experts. OTP Bank d.d. or any of its officers, directors, employees or agents shall not be liable for any failure to obtain such advice.

OTP Bank d.d. assumes no responsibility or liability for information contained in this Newsflash and is not holding out any information as a recommendation to take (or refrain from taking) any action in respect of any financial instruments.

OTP Bank d.d. does not assume or accept any liability whatsoever for any direct, indirect, financial, economic or consequential loss or damage arising from any use of material contained herein, caused by the negligent act or omission of OTP Bank d.d., provided that such limitation of liability shall not apply to any liability which cannot be excluded or limited under applicable law.