



CEE and Central Asia Tax & Payroll newsletter

June 2026

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Get a better overview of the most important changes in tax, labour and payroll legislation in CEE.

The CEE and Central Asia Tax & Payroll Newsletter aims to share Forvis Mazars' latest news on tax, labour and payroll legislation in the region, with the scope of helping you to prepare for the changes that could lie ahead in the following CEE countries: Austria, Croatia, the Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine.

CEE and Central Asia Tax & Payroll Newsletter

Insights to guide you through today's evolving regional tax, labour and payroll landscape.

Forvis Mazars is a leading professional services network in the Central and Eastern European and Central Asian audit, tax and advisory market. We have developed regional competence centres while working collaboratively on a single integrated platform. Our approach offers you the competitive advantage of accessing both a multinational footprint of exceptional professionals and insights into the tax and payroll marketplace.

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Tax

Companies that operate across borders or have a presence in multiple jurisdictions know that complying with local tax laws, and meeting reporting requirements is a resource-intensive task. It demands local market expertise from trained professionals.

Our regional network is ideally suited to serve large multinationals and international-minded mid-sized companies that need on the ground expertise in multiple jurisdictions. We also have substantial expertise helping fast growing companies that need a tax efficient structure for their first international expansion.

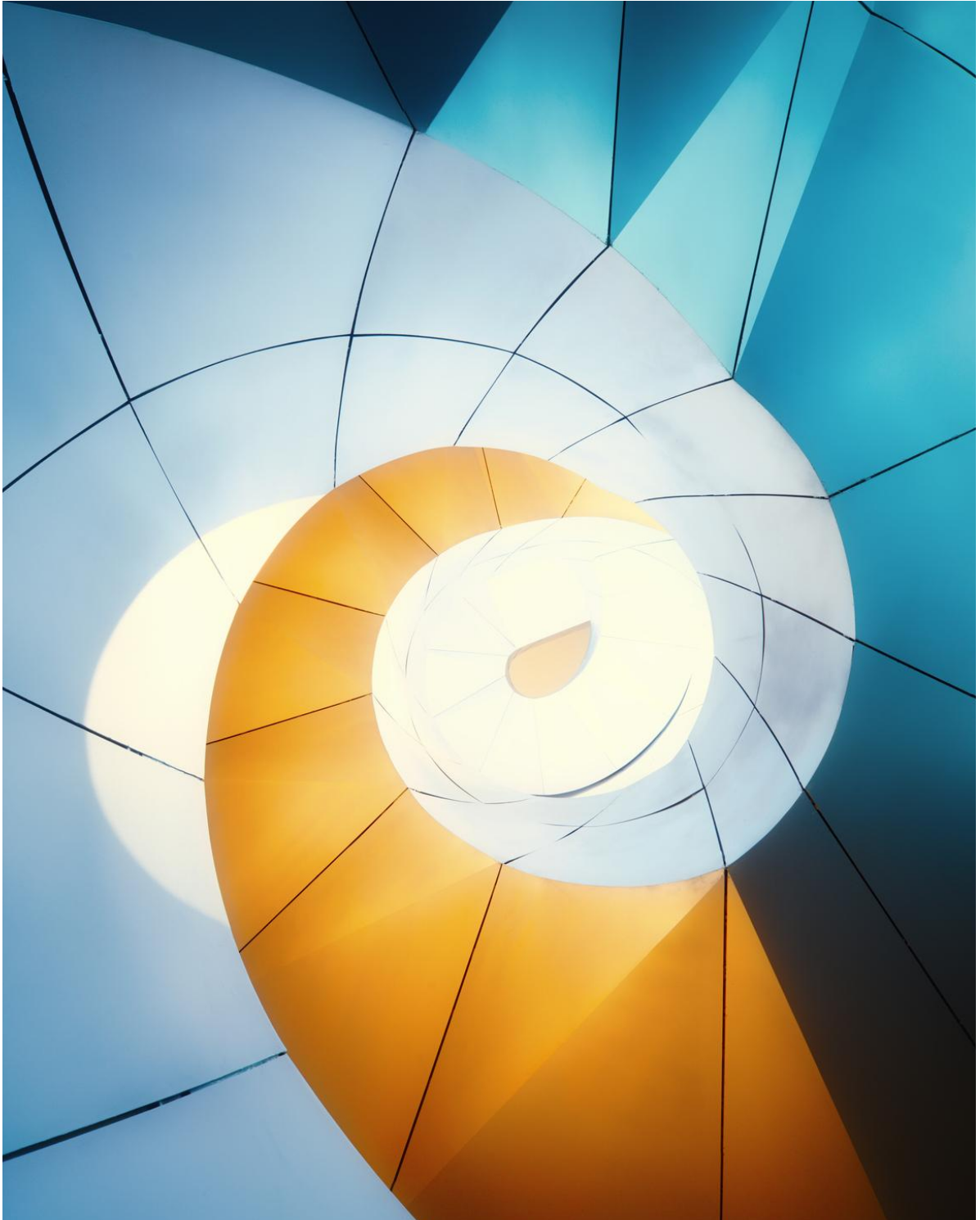
HR & payroll

A complete set of skills, one point of contact within the whole region. With a solid team of experienced HR and payroll specialists, we are able to successfully support clients throughout Central & Eastern Europe.

We are continuously developing our HR and payroll offering by investing in labour legislation trainings and further growing our people. This means our services are always consistent, provided by a highly trained and motivated team.

Rates are rising, loopholes are closing: inside Forvis Mazars' 2026 CEE tax guide

By Dr. Dániel H. Nagy, Partner, Head of Tax and Legal Services,
Forvis Mazars in Hungary



Rates are rising, loopholes are closing: inside Forvis Mazars' 2026 CEE tax guide

For over a decade, Central and Eastern Europe has positioned itself as a tax-competitive alternative to Western Europe - lower headline rates, lighter compliance burdens, more room to manoeuvre.

That positioning is shifting. Forvis Mazars' newly published [CEE Tax guide](#), now in its fourteenth year and covering 25 jurisdictions, shows a region where rates are climbing, compliance is tightening, and the old playbook for tax-efficient structuring is becoming harder to execute.

A synchronised VAT increase, the broadest in years

Usually, VAT policy in CEE moves country by country, year by year. 2026 broke that pattern. Romania pushed its standard rate from 19% to 21% while folding its 5% and 9% reduced rates into a single 11% band. Estonia moved from 22% to 24%. Kazakhstan posted the steepest jump of all, from 12% to 16%. Even Hungary, which already holds the EU's highest standard VAT rate at 27%, shows no sign of reversing course.

The pattern extends beyond headline rates. Lithuania eliminated its 9% reduced rate altogether, pushing district

heating and hot water onto the standard 21% band.

Slovakia did something similar with high-sugar and high-salt foods, moving them to its 23% standard rate. Meanwhile, registration thresholds quietly rose in Romania, Moldova and Poland - a smaller story, but one that matters for SMEs operating near the threshold line.

Personal income tax: a region pulling in opposite directions

Where VAT moved largely in one direction, personal income tax went two ways at once. Lithuania and Slovakia shifted toward steeper progressive systems, with top rates climbing into the 30–35% range.

Romania raised its dividend tax from 10% to 16%. Greece, by contrast, cut most personal rates by around two percentage points — a reminder that "CEE" is far from a uniform tax bloc.

The numbers behind employer social contributions make the point even more starkly: a regional average of roughly 17% of gross salary conceals a spread from under 5% in Lithuania, Kosovo and Romania to over 30% in

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Estonia, Slovakia and the Czech Republic.

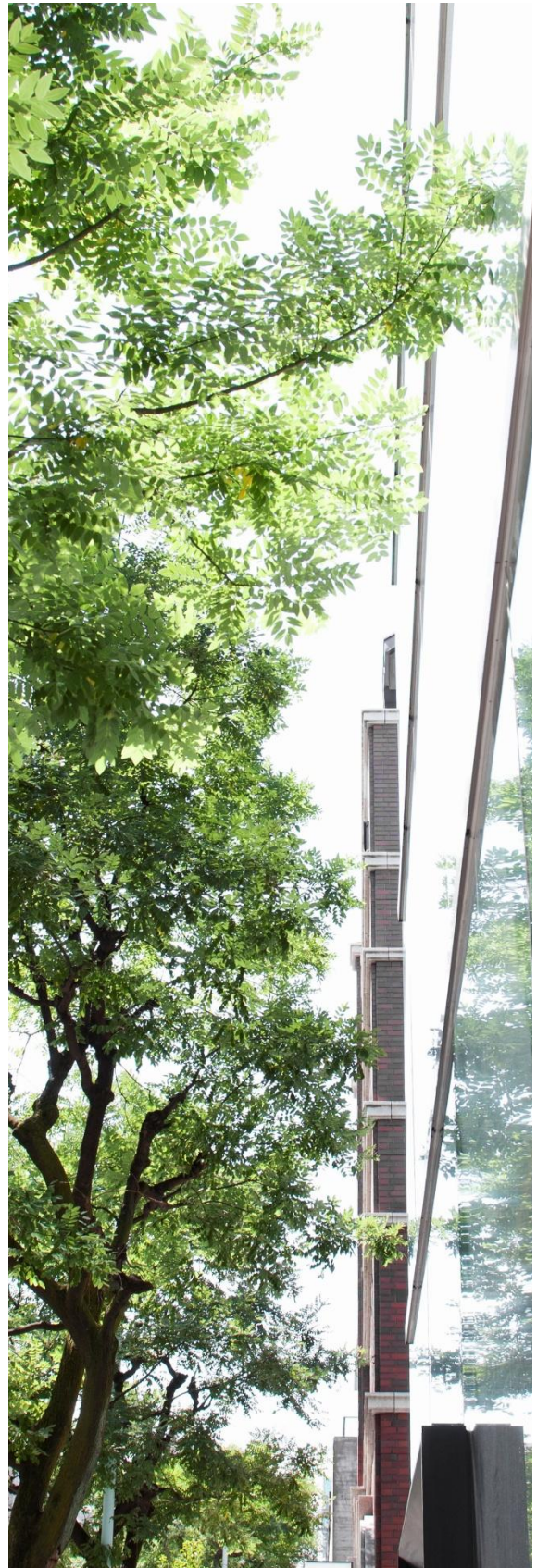
Flat-tax countries like Hungary, Bulgaria, Romania and Ukraine show comparatively little change in burden as income rises; progressive systems like Austria's and Albania's diverge sharply. And family allowances, where generous, can swing the effective tax burden by up to 20%, meaning two workers earning identical salaries in different CEE countries can face dramatically different real tax bills depending on household composition alone.

Wages are rising - but not as much as the headlines suggest

Minimum wages climbed across the board, with Montenegro's roughly one-third increase to €670 the standout. Slovakia, the Czech Republic and Albania also posted strong double-digit local-currency gains. But nominal numbers only tell part of the story: adjusted for purchasing power, Estonia's wage advantage largely evaporates, Greece falls behind several lower-headline countries, and Montenegro, Poland, Croatia and Romania all look considerably stronger in real terms than their raw figures imply.

Pillar II stops being theoretical

If 2025 was the year of legislative transposition, 2026 is the year



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Pillar II becomes a filing obligation. Fourteen of the 25 jurisdictions in the guide have now implemented EU Directive 2022/2523, and in-scope multinationals face their first top-up tax return for fiscal year 2024 by June 30, 2026 (the Czech Republic is the exception, with an extension to October).

Romania and Slovakia have gone further, also transposing the DAC9 information exchange directive.

This is arguably the most consequential shift in the guide. The gap between countries with fully operational Pillar II frameworks and those still lagging is no longer academic, it's starting to determine where profit-shifting is realistically still possible within the region, and where it isn't.

Digital compliance is no longer optional

E-invoicing has moved from pilot programme to standard practice across CEE's largest economies. Croatia rolled out real-time invoicing for all VAT-registered businesses in 2026. Poland's mandatory e-invoicing system went live in phases through the year. Romania extended SAF-T reporting to its entire taxpayer base.

Slovakia and Slovenia are

expected to follow with similar mandates in the near future.

Transfer pricing rules are tightening in parallel.

Latvia introduced mandatory reporting for larger cross-border transactions, Moldova aligned its framework with OECD standards, and Poland expanded public country-by-country reporting for large multinational groups - though some countries are easing the burden at the margins, accepting standard mark-ups for low-value intragroup services rather than requiring full transfer pricing studies.

What this means for investors

Corporate tax rates, by contrast, have stayed remarkably stable - most countries remain clustered around 20%, with Hungary's 9% rate still the EU's lowest (sector-specific levies notwithstanding). But stability at the headline level masks growing complexity underneath: Lithuania nudged its rate from 16% to 17%, Germany has committed to a gradual cut from 15% to 10% by the early 2030s, and Latvia introduced a hybrid model taxing distributed profits at

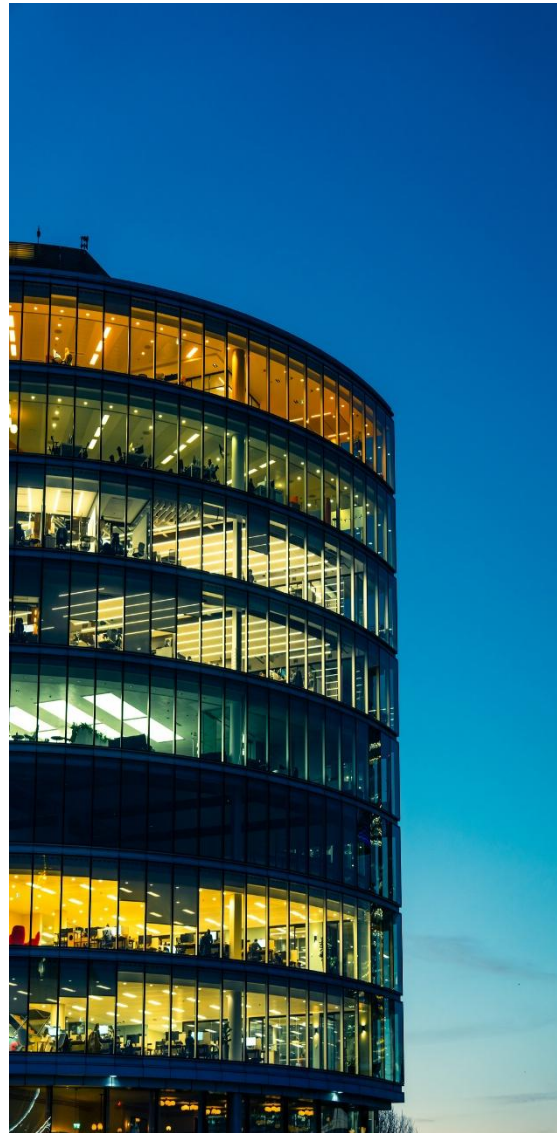
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15% alongside a separate dividend tax.

Increasingly, the real competitive lever isn't the headline corporate rate - it's incentives. The Czech Republic strengthened its R&D support regime; Romania introduced a new refundable tax credit. Both moves point to where regional tax competition is actually happening now: not in nominal rates, but in targeted, sector-specific carve-outs.

"Nominal rates tell only part of the story – effective burdens and tax predictability matter just as much. The region remains competitive, but the pace of change is accelerating“, Dr Dániel H. Nagy, Partner and Head of Tax and Legal Services, Forvis Mazars in Hungary.

For multinationals with CEE operations, the practical takeaway is straightforward: the days of treating the region as a single, low-tax bloc are over. Jurisdiction-by-jurisdiction analysis - covering not just headline rates but Pillar II readiness, e-invoicing obligations and incentive structures - have become essential, not optional.



Dr. Dániel H. Nagy
Partner, Head of Tax
Forvis Mazars in
Hungary

Pay transparency in the EU: implementation status and national particularities

by our joint regional team of payroll experts in CEE and Western Europe



Pay transparency in the EU: implementation status and national particularities

Directive (EU) 2023/970 on pay transparency introduces one of the most significant sets of obligations in the field of remuneration in recent years, marking a paradigm shift in how organisations define, manage and communicate salaries.

Unlike previous regulations, the directive does not merely enshrine general principles but establishes concrete, verifiable requirements that are directly applicable to employers. These requirements cover the entire employment lifecycle - from recruitment to internal pay structures, access to information and reporting mechanisms.

For companies, this entails a clear transition from flexible and often informal pay practices to documented, consistent and auditable remuneration systems.

The main areas of impact include:

- Recruitment, through the obligation to disclose the salary level or range prior to hiring.
- Pay structures, which must be based on objective, gender-neutral criteria and supported by clear and consistent methodologies.
- Internal transparency, by expanding employees' rights to access pay information and understand remuneration mechanisms.
- Monitoring and reporting, through the introduction of periodic mechanisms to measure and report pay equity indicators.
- Governance, by developing organisational frameworks that ensure consistency, objectivity and fairness in remuneration decisions.

The implementation of the directive takes place in a dynamic and heterogeneous European context.

At the time of writing:

- Slovakia is the first Member State to have completed the transposition of the Directive and committed to implementation by 7 June 2026.
- 15 Member States have published legislative drafts or transposition initiatives (including the Czech Republic, Finland, Slovakia, Denmark, the Netherlands, Sweden, Poland and Romania).

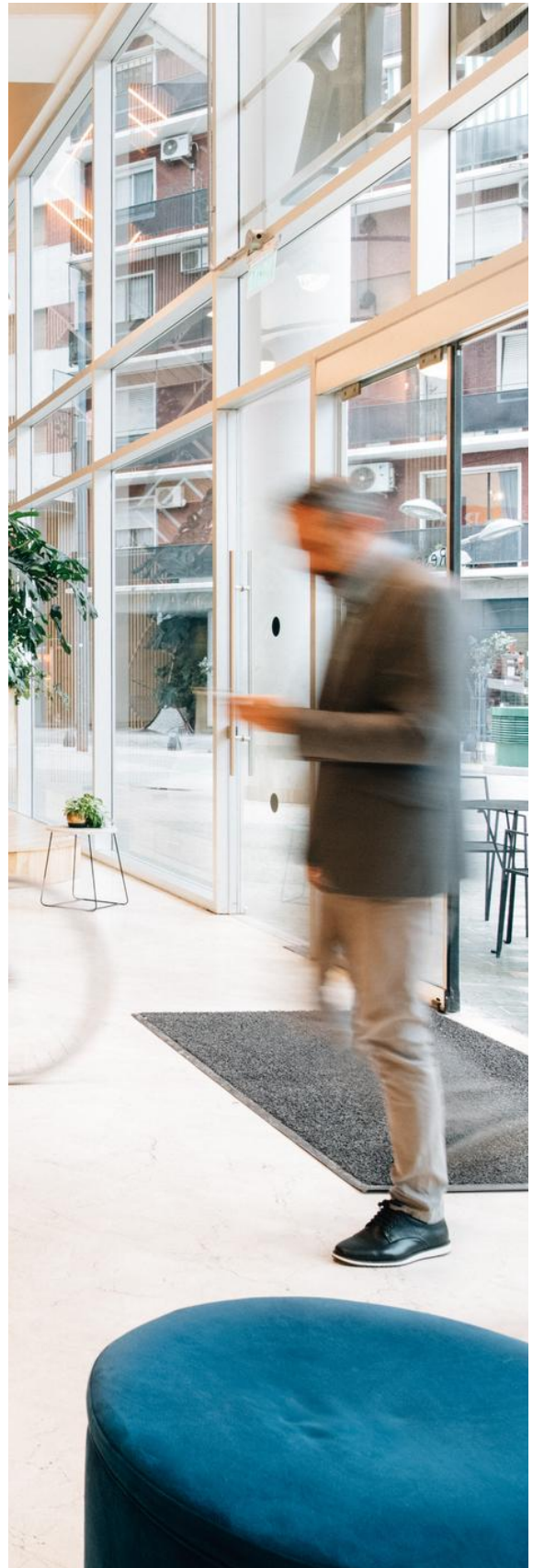
Pay transparency in the EU: implementation status and national particularities

- have not yet published official legislative initiatives, despite the approaching transposition deadline - although some already have relevant frameworks (e.g., Spain).
- At EU level, the gender pay gap gradually decreased to 11.1% in 2024 (Eurostat). However, progress remains slower than expected, prompting Directive (EU) 2023/970 to accelerate change through greater transparency and accountability.

In this context, attention shifts from the existence of the issue to how it is regulated and managed in practice.

A key aspect is that the directive must not be treated as a simple reporting exercise. It requires organisations to demonstrate, in a consistent and documented manner, how salaries are set and to justify any differences using objective criteria.

This shift transforms pay transparency into a cross-functional process involving HR, legal and management functions, redefining how organisations build and communicate their remuneration policies.



Pay transparency in the EU: implementation status and national particularities



Europe of pay transparency: a landscape of national solutions

Belgium partially transposed the Directive in September 2024.

The Czech Republic published the legislative draft in March 2026.

Denmark published the legislative draft in February 2026.

Finland published legislative drafts in December 2025 and March 2026.

France has ongoing transposition initiatives and consultations.

Ireland published the legislative draft in January 2026.

Italy published legislative drafts in February and April 2026.

Lithuania published legislative drafts in May 2025, January and March 2026.

Malta published the legislative draft in June 2025.

Netherlands published the legislative draft in February 2026.

Poland published the legislative draft in April 2026.

Romania published the legislative draft in March 2026.

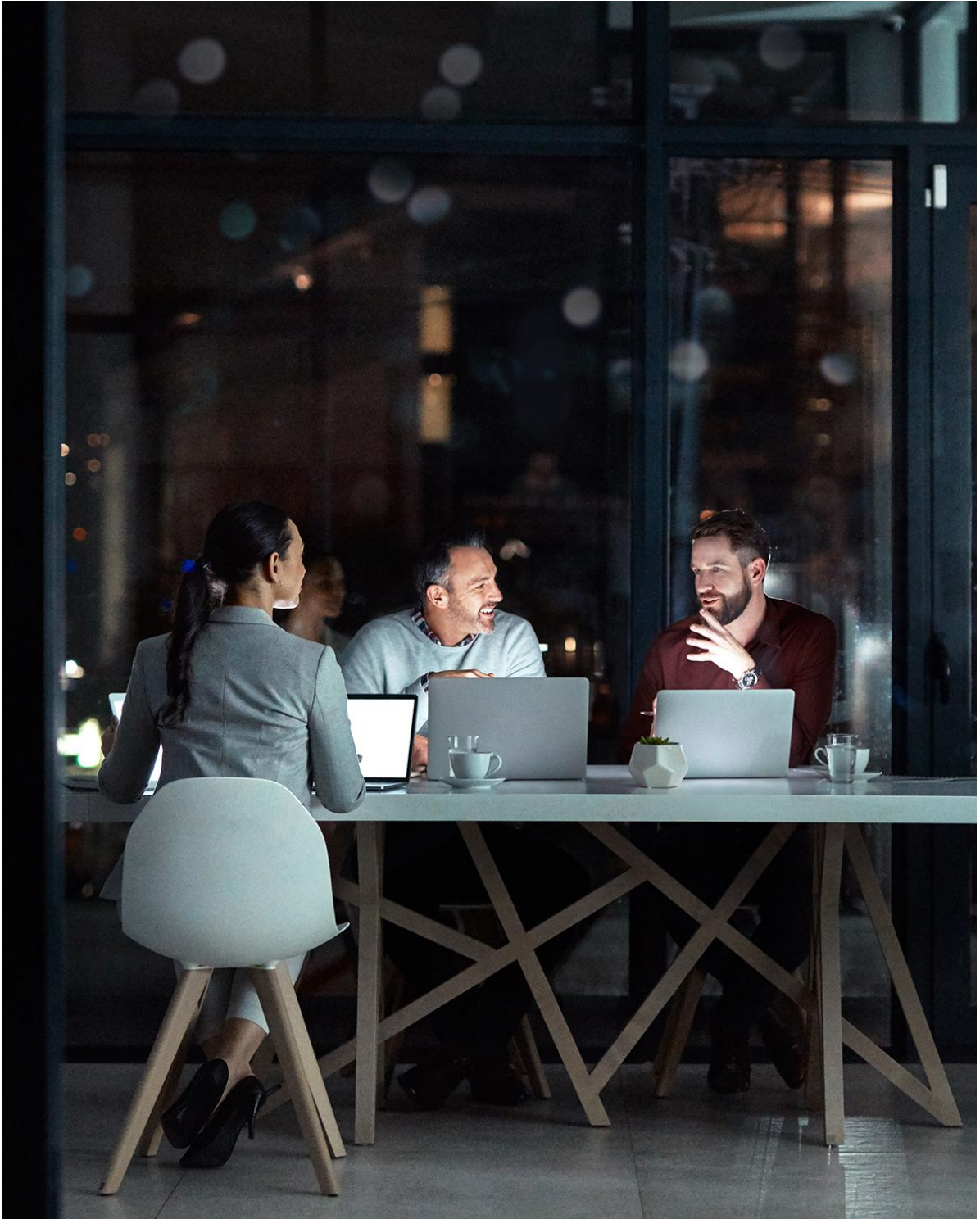
Slovakia finalised transposition on 15 April 2026.

Sweden published the legislative draft in March 2026.

[Discover here the full overview and status over the 14 European jurisdictions analysed.](#)

News from the CEE countries

Austria, Croatia, the Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine.





2,200+

professionals



70+

partners



30+

offices



20+

countries

The overview of the most important tax and payroll insights from the whole region will help you navigate more efficiently through the changes that occur in the following countries in Central and Eastern Europe: Austria, Croatia, the Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine.

Learn about all the updates below.



Austria

- Central and Eastern European Tax Guide 2026. [Read more.](#)
- New ÖGK service hotline for data changes. [Read more.](#)
- AMS subsidies for educational leave. [Read more.](#)
- Austerity package 2027/28. [Read more.](#)
- Tax-free employee bonuses for 2026. [Read more.](#)

News from the CEE countries



Croatia

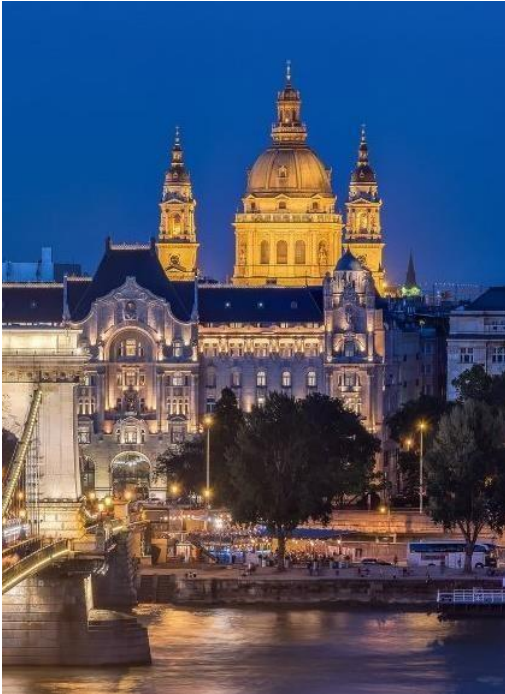
- Employing foreign workers without mistakes seminar – Aliens Act. [Read more.](#)
- Croatian filing deadlines for GIR and QDMTT. [Read more.](#)
- (ViDA) and E-invoicing requirements. [Read more.](#)
- Disposal of a partnership interest: When exiting a joint project becomes a tax issue. [Read more.](#)



Czech Republic

- Proposed changes to individual taxation in connection to the Introduction of EET 2.0. [Read more.](#)
- Bad debts and unpaid receivables in VAT from 2027. [Read more.](#)
- New developments in the R&D tax deduction from 2026. [Read more.](#)
- Publication of forms for the top-up tax. [Read more.](#)

News from the CEE countries



Hungary

- New M sheet rules from 1 July 2026. [Read more.](#)
- Elevation of emergency decrees to statutory level, wealth taxation. [Read more.](#)
- Advertising tax: the 0% rate update. [Read more.](#)
- Tax-exempt business hospitality expenses at restaurants and confectioneries. [Read more.](#)



Poland

- Reform of the national labour inspectorate in Poland. [Read more.](#)
- Extension of the deadline for reporting JPK CIT. [Read more.](#)
- KSeF – new obligations and practical challenges. [Read more.](#)
- Changes in the determination of employment periods. [Read more.](#)
- e-Delivery. [Read more.](#)
- Proposed minimum wage rates for 2027. [Read more.](#)

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Romania

- Amendments to the fiscal code and digitalisation measures. [Read more.](#)
- Notification form published regarding the obligation to file the GloBE information return. [Read more.](#)
- Conduct of the Mutual Agreement procedure. [Read more.](#)
- Procedure for VAT returns having negative amounts. [Read more.](#)
- Foreign worker contracts and sick leave regulations. [Read more.](#)
- Labour market access and healthcare measures update. [Read more.](#)



Serbia

- Laws and rulebooks amendments: VAT, e-invoicing, electronic submission of tax returns. [Read more.](#)
- “Arm’s length” principle amendments. [Read more.](#)
- TP tax audit – inspectors’ perspective. [Read more.](#)
- R&D tax incentive in Serbia. [Read more.](#)

News from the CEE countries



Slovakia

- Electronic invoicing in Slovakia from 1 January 2027. [Read more.](#)
- Pay transparency in Slovakia: insights and practical perspective. [Read more.](#)



Slovenia

- Personal income tax (ZDoh-2) – changes for flat-rate taxpayers and rental taxation.
- Changes in the field of social contributions, pensions, and employment relationships.
- VAT (ZDDV-1) for basic foods.
- Healthcare and social regulation.
- Short-term relief intervention measures for businesses. [Read more about all the updates.](#)

News from the CEE countries



Ukraine

- How to prepare for the TP reporting period in 2026. [Read more.](#)
 - Martial law and mobilisation.
 - Diia.city residents.
 - Business digitalisation report.
 - Foreign economic activity for defense enterprises.
 - State supervision and military levy.
- [Read more about all the updates.](#)

Contacts

Austria

Florian Würth

Partner, Tax

florian.wuerth@forvismazars.com

Monika Raidl

Partner, Head of HR & Payroll

monika.raidl@forvismazars.com

Croatia & Serbia

Pere Mioč

Partner, Tax

pere.mioc@forvismazars.com

Vladimir Nol

Director, Payroll & Global Mobility

vladimir.nol@forvismazars.com

Czech Republic

Pavel Klein

Partner, Head of Tax

pavel.klein@forvismazars.com

Jana Bošťíková

Partner, Head of HR & Payroll

jana.bostikova@forvismazars.com

Hungary

Dániel H. Nagy

Partner, Head of Tax

daniel.h.nagy@mazars.hu

Dávid Szegő

Partner, Head of Outsourcing

david.szego@mazars.hu

Poland

Kinga Baran

Partner, Head of Tax

k.baran@forvismazars.com

Aneta Jurkiewicz

Partner, HR & Payroll

a.jurkiewicz@forvismazars.com

Romania

Edwin Warmerdam

Partner, Head of Tax

edwin.warmerdam@forvismazars.com

Cătălina Călinescu

Partner, Outsourcing-HR & Payroll

catalina.calinescu@forvismazars.com

Slovakia

Kvetoslava Čavajdová

Partner, Tax

kvetoslava.cavajdova@forvismazars.com

Jarmila Rovánová

Partner, Outsourcing

jarmila.rovanova@forvismazars.com

Slovenia

Matic Penko

Manager, Tax

matic.penko@forvismazars.com

Anja Bratož

Manager, Outsourcing

anja.bratoz@forvismazars.com

Ukraine

Denys Shendryk

Director, Head of Tax

denys.shendryk@forvismazars.com

Tatiana Feschuk

Head of HR & Payroll

tatiana.feschuk@forvismazars.com

Kazakhstan, Kyrgyzstan, Uzbekistan

Altynay Estebesova

Managing Partner

altynay.estebesov@mazars.kz

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