



Are you ready for Pillar Two?

Essential Croatian filing deadlines for GIR and QDMTT

As of 31 December 2023, Croatia has implemented the Pillar Two rules through the “Zakon o minimalnom globalnom porezu na dobit”. This legislation introduces a 15% global minimum tax applicable to large multinational and domestic groups with consolidated annual revenues of at least EUR 750 million.

For financial years starting on or after 1 January 2024, multinational enterprise (MNE) groups with in-scope Croatian entities need to assess their local obligations regarding the submission of the GloBE Information Return (GIR), potential GIR-notifications, and the Qualified Domestic Minimum Top-up Tax (QDMTT) return.

Designated Reporting Entity (DRE)

Where the Ultimate Parent Entity does not prepare and file the GloBE Information Return (GIR), the multinational enterprise (MNE) group must appoint another group member to act as the Designated Reporting Entity (DRE) responsible for filing the GIR on behalf of the group. Ideally, the DRE should be established in a jurisdiction that participates in the GloBE information-exchange framework to facilitate efficient data sharing.

If the DRE is located in a jurisdiction that does not exchange GloBE information, the GIR will not be transmitted to the Croatian Tax Administration (CTA). In such cases, each Croatian constituent entity will be required to submit its own local GIR filing.

We note that, on 24 December 2025, the Republic of Croatia signed the Multilateral Competent Authority Agreement on the Exchange of GloBE Information (GIR MCAA). This agreement establishes the framework under which GloBE information will be automatically exchanged between the jurisdictions that are signatories to the agreement. Also, the Croatian legal framework provides additional alternative legal bases for the exchange of GloBE Information Returns. Specifically, information exchange may occur under the Convention on Mutual Administrative Assistance in Tax Matters, existing Tax Information Exchange Agreements, relevant double taxation treaties, or any other international instrument that enables the automatic exchange of information for tax purposes.

GloBE Information Return (GIR) and GIR-notification

Where the GIR is submitted abroad by a DRE in an exchange jurisdiction, Croatian group entities must submit a GIR notification.

For every reporting fiscal year, in scope entities must inform the Croatian Tax Administration of which group entity will submit the GloBE Information Return (GIR) on their behalf, specifying the jurisdiction in which that entity is resident. This notification must be provided no later than 30 days before the GIR filing deadline. Accordingly, for the 2024 reporting fiscal year (assuming it coincides with the calendar year), the notification must be submitted by the end of May 2026.

If the GIR is filed locally in Croatia or the DRE is situated in a non exchange jurisdiction (triggering local reporting), no separate notification is necessary.



Qualified Domestic Minimum Top-up Tax (QDMTT)

The QDMTT mechanism enables the Republic of Croatia to exercise a priority right to collect top-up tax in respect of undertaxed Croatian Constituent Entities, prior to the application of collection mechanisms in foreign jurisdictions. Where the effective tax rate of an individual Croatian Constituent Entity is below 15%, the submission of a QDMTT return is mandatory.

The obligation to file a QDMTT return is expected to apply even in cases where no top-up tax liability arises. The QDMTT return must be filed using the form prescribed by the Ordinance on the Global Minimum Tax, namely Form MGP-DP1 – Qualified Domestic Minimum Top-up Tax (QDMTT) Return.

It is expected that taxpayers, i.e. Constituent Entities operating in the Republic of Croatia, will obtain the data required for completion of the relevant form from the GloBE Information Return (GIR) prepared by the designated filing entity at the Group level.

In cases where two or more Constituent Entities of the same multinational group operate in the Republic of Croatia, the Ordinance introduces the concept of a Croatian Subgroup, referring collectively to all such entities that are subject to the application of the Croatian minimum tax legislation.

For the purposes of the Croatian Subgroup, the responsible entity is required to notify the Croatian Tax Authorities of the assumption of all rights and obligations arising from the tax relationship, together with a list of all Constituent Entities for which such obligations are assumed.

The QDMTT return must be filed within the same deadlines applicable to the GloBE Information Return, i.e. 18 months following the end of the fiscal year (for the first year of application – transitional deadline) and 15 months following the end of the fiscal year (standard deadline applicable to subsequent years).

Deadlines Overview - applies to fiscal years starting on or after 31 December 2024

Filing	Transition year deadline	Regular year deadline	Notes
GlobBE Information Return (GIR)	18 months after year-end	15 months after year-end	One GIR per group if filed by a Designated Reporting Entity (DRE) in an exchange jurisdiction; otherwise, Croatian entity files locally.
GIR - notification	30 days prior to the GIR filing deadline	30 days prior to the GIR filing deadline	Required only when the GIR is filed abroad by a DRE located in an exchange jurisdiction.
QDMTT Return	18 months after year-end	15 months after year-end	Even if no top-up tax is due, Croatian Constituent Entities are expected to file a QDMTT return reporting a zero amount, using the prescribed form MGP DP1.

Key takeaways

- A GIR or a GIR notification will always be required, irrespective of transitional safe harbour application or in case no top-up tax will be due by local Croatian entity
- The DRE should ideally be resident in an information exchange jurisdiction to minimise multiple local filings.
- The Croatian QDMTT allows for domestic collection of the top up tax on low taxed profits, ensuring that taxation occurs locally before foreign jurisdictions intervene.

Our team is ready to guide you through all stages of Pillar Two implementation – from high level strategic planning to local compliance and reporting. If you would like to learn more about optimising your Pillar Two processes, we would be pleased to discuss how we can assist.

Contacts

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