



# CEE and Central Asia Tax & Payroll newsletter

February 2026

**forv/s**  
**mazars**

## **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, Bulgaria, 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.

[Austria](#) [Bulgaria](#) [Croatia](#) [Czech Republic](#) [Hungary](#)

[Poland](#) [Romania](#) [Serbia](#) [Slovakia](#) [Slovenia](#) [Ukraine](#)

### 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.

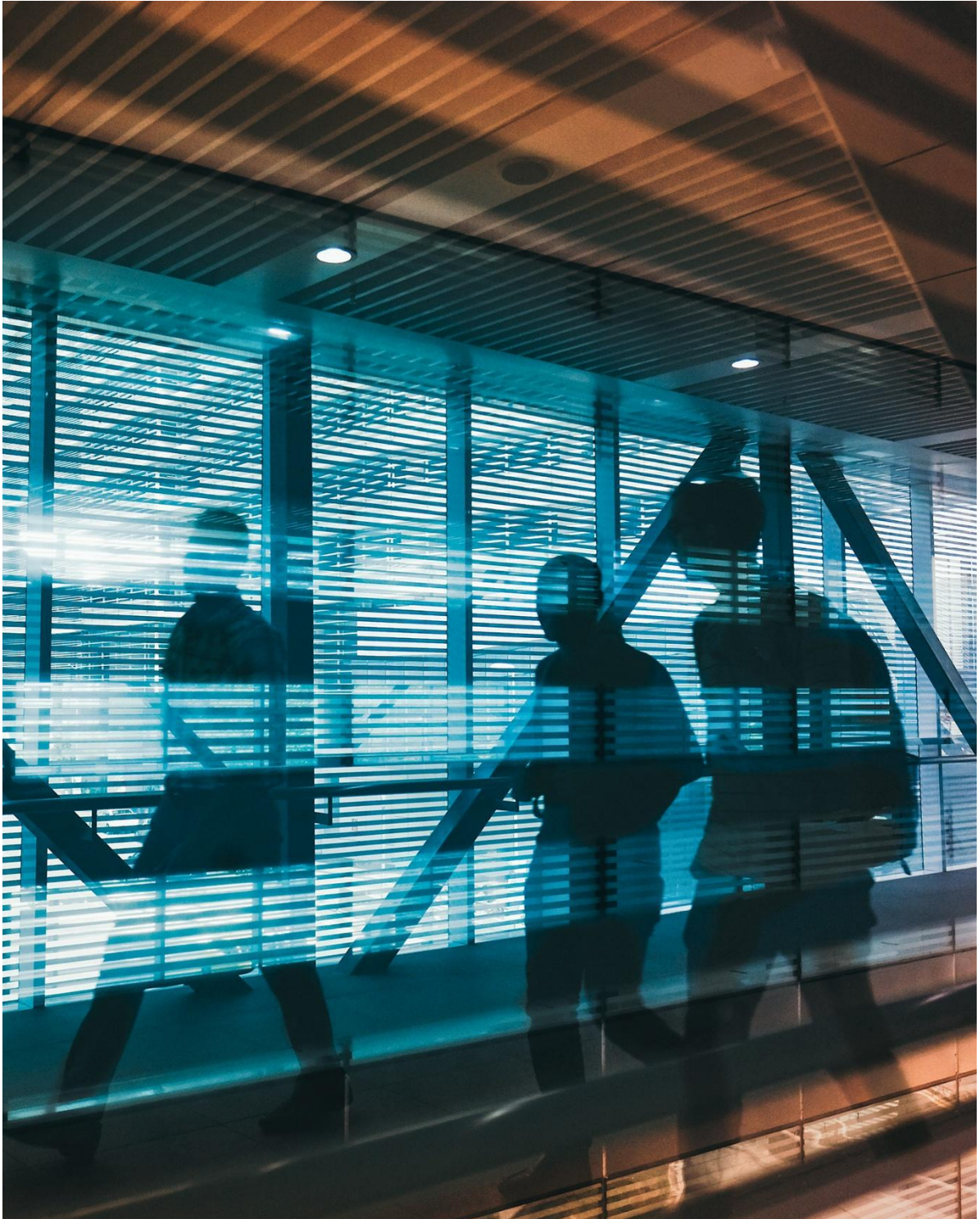
### HR & payroll

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.

# Annual foreign income reporting: a practical guide for Croatia and broader CEE outlook

By Vladimir Nol, Partner, Tax, Forvis Mazars in Croatia and Ana Perožić, Manager, Tax, Forvis Mazars in Croatia



# Annual foreign income reporting: a practical guide for Croatia and broader CEE outlook

As tax administrations across Central and Eastern Europe (CEE) accelerate their digital transformation and enhance cross-border income monitoring, compliance requirements for individuals and businesses with international activities are becoming increasingly complex.

Croatia exemplifies this trend with what is likely Europe's earliest foreign income reporting deadline for the previous tax year. While neighbouring CEE countries generally allow taxpayers until spring or early summer to file their annual returns, Croatia's compressed timeline demands exceptional preparation and proactive tax planning.

This article examines Croatia's foreign income reporting framework in detail, compares key deadlines across the region, and provides practical guidance for tax residents navigating these obligations in an era of heightened scrutiny and digitalisation.

Preparations for the annual reporting of foreign income in Croatia are already underway. Due to the short statutory deadlines prescribed by the Croatian Personal Income Tax legislation, timely organisation and data collection are essential.

The first key deadline, the submission of the foreign income report (INO-DOH form), set at the end of January for the previous tax year, is likely the earliest filing deadline in Europe.

## The purpose of INO-DOH Form

The INO-DOH form must be filed when an individual has earned income abroad that has already been subject to taxation in another country, while also being taxable in Croatia as the country of tax residence.

The main purpose of this reporting obligation is for tax residents to declare their worldwide income and to eliminate double taxation:

- in accordance with the method provided by the applicable Double Taxation Treaty (DTT); or
- under the provisions of the Croatian Personal Income Tax Act, in cases where no treaty applies.

Although the filing obligation is sometimes perceived as an additional administrative burden, in practice, the INO-DOH form is designed to protect taxpayers from double taxation.

# Annual foreign income reporting: a practical guide for Croatia and broader CEE outlook

## Preliminary steps in the annual reporting process

Several actions typically precede the preparation of the annual foreign income report:

### 1. **Determination of tax residency status**

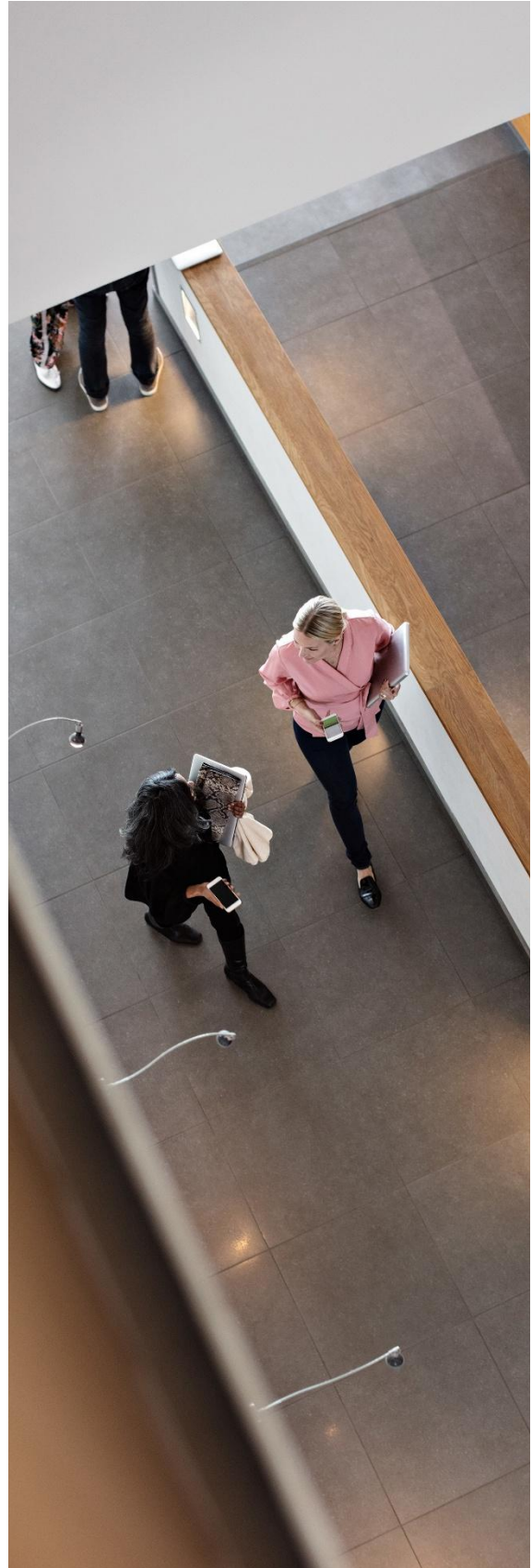
An initial assessment is required to determine the individual's tax residency status, as this status defines the scope of the reporting obligation in Croatia.

### 2. **Analysis of income received**

A detailed review of all foreign-sourced income received during the year should be conducted, including employment income, share awards, capital income, pensions, and other categories of foreign income. It is also necessary to identify any benefits in kind, which may constitute taxable income.

### 3. **Confirming the availability of foreign Tax Certificates**

Information on whether Certificates of taxes paid abroad are available is an important step. The Certificates should be obtained from the foreign Tax authorities and are necessary for the avoidance of double taxation. The availability of such certificates may influence both the method and the timing of the annual reporting process.



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## Reporting obligations and deadlines

A step preceding the submission of the annual tax return is that individuals who earn income from abroad must be registered in the Register of Taxpayers as recipients of foreign income. The procedure for filing the annual tax return and the applicable deadlines are as follows:

- The deadline for submitting the INO-DOH form set for January 31 for the previous calendar year.
- If foreign tax certificates are not available by this date, the deadline for supplementing the report can be extended. However, the initial form must still be submitted by January 31, even if the report is filed without attachments.
- The final deadline for supplementing the report with all supporting documentation (including foreign tax certificates) is November 30 for the previous tax year.

In practice, this extended deadline may still prove challenging. For example, certificates from certain EU jurisdictions are usually issued in spring, while some non-EU countries issue them much later,

occasionally even after the November deadline, due to significantly longer local filing timelines.

If the certificates are still unavailable by the extended deadline, this should be taken into account so that the proper steps can be taken in communication with the Croatian Tax Administration.

## Who must file the report

The obligation to submit the annual foreign income report applies to:

- **individuals** who have received income directly from foreign payers (such as foreign employers, clients or pension funds); and
- **employers**, in cases involving posted or seconded employees who become taxable in another jurisdiction during their period of assignment.

## Filing procedure

The INO-DOH form may be filed electronically through the ePorezna system or submitted directly to the competent local tax office. In either case, supporting documentation (such as foreign tax certificates) must be attached once available.

## Annual foreign income reporting: a practical guide for Croatia and broader CEE outlook

Given the short filing deadlines, the complexity of analysing different categories of income, and the frequent delays in obtaining foreign tax documentation, early preparation is highly recommended. Timely preparation ensures compliance with Croatian reporting requirements and enables the proper application of relief from double taxation, in line with international treaties and local regulations.

### Regional context: foreign income reporting across CEE

Croatia's January 31 deadline for foreign income reporting stands out as notably early when compared to other Central and Eastern European countries. Across the **CEE region**, approaches to foreign income reporting vary significantly. In **Poland**, tax residents must file their annual personal income tax returns (including foreign income) by April 30 of the following year, giving taxpayers three additional months compared to **Croatia**. The **Czech Republic** offers even more flexibility, with deadlines ranging from April 1 for paper filings to July 1 for those using tax advisors. **Hungary** requires tax returns by

May 20, with the possibility of extension to November 20 upon request.

**Romania** taxes its nationals on worldwide income but does not impose a separate early deadline specifically for foreign income reporting.

While all CEE countries require tax residents to declare worldwide income and provide mechanisms to avoid double taxation through tax treaties, Croatia's compressed timeline, particularly the January 31 initial deadline, required significantly more advance preparation than neighbouring jurisdictions.

This makes Croatia's foreign income reporting requirements among the most demanding in the region from a timing perspective, underscoring the importance of early engagement and proactive tax planning for individuals with cross-border income sources.



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# Payroll leaders across Europe are turning compliance and accuracy into growth levers

by our joint regional team of payroll experts in Central & Eastern Europe



## Payroll leaders are turning compliance and accuracy into growth levers across Europe

Based on the views of more than 1,000 payroll, HR and finance leaders from 13 markets, our [Compliance, accuracy and visibility: the 3 non-negotiables in modern European payroll study](#) offers an unprecedented look into the transformation of payroll across Europe.

Conducted in partnership with Transiris, the 2025 research combines quantitative survey data and qualitative interviews with C-level and payroll experts from companies operating across multiple jurisdictions. The study shows that European organisations are increasingly recognising payroll as a core business function, one that ensures compliance across borders, protects business integrity and enhances employee confidence.

### [From compliance burden to strategic advantage](#)

The report reveals that 60% of payroll leaders struggle to keep pace with changing labour laws, while 62% cite frequent regulatory updates as a top operational challenge. In a multi-country environment, each jurisdiction adds complexity through different rules, deadlines and reporting formats. For cross-border employers, local expertise has become indispensable.

Nearly half (48%) of respondents said that regulatory compliance is a key factor when deciding whether to manage payroll internally or outsource it, while over half (53%) rely on external payroll providers for accuracy and legal alignment. A similar share (53%) also consult legal and tax advisors for deeper regulatory guidance.

### [Accuracy: the foundation of trust](#)

Across all countries, accuracy remains the most critical expectation for both employees and employers. Nearly one in three organisations report payroll calculation errors, and one in five admit these issues have damaged employee confidence. In a competitive labour market where retention and employer reputation are paramount, even a single payroll error can have disproportionate consequences.

Forvis Mazars' research highlights how internal controls, audits, and proactive data governance are increasingly embedded into corporate payroll structures. Around 47% of surveyed

## Payroll leaders are turning compliance and accuracy into growth levers across Europe

organisations conduct regular audits, while 43% maintain dedicated in-house teams to strengthen control and transparency.

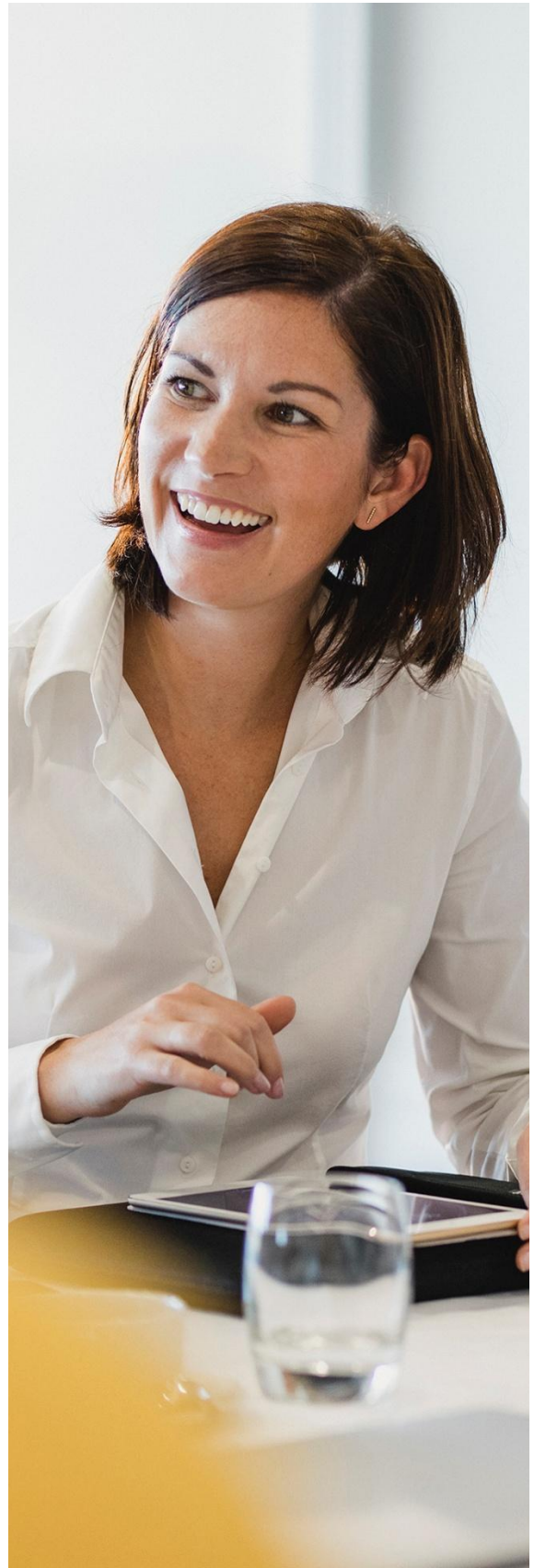
As accuracy becomes non-negotiable, payroll is also gaining visibility at board level as a direct contributor to organisational reliability and brand integrity.

### Payroll data: the untapped strategic resource

One of the report's most striking findings is that approximately 70% of business-critical data passes through payroll systems, from salaries and benefits to tax IDs, time logs and cost centre data. Yet, many organisations still underuse this information.

When integrated effectively, payroll data can provide strategic insight into workforce planning, risk management, and financial forecasting. However, without automation and system interoperability, businesses risk fragmentation and security vulnerabilities.

Despite this potential, nearly 60% of organisations report inconsistent service quality from payroll providers, and only 17% have implemented automated compliance monitoring systems. The opportunity lies in strengthening integration and



## Payroll leaders are turning compliance and accuracy into growth levers across Europe

harnessing automation to turn payroll data into actionable intelligence.

### Automation and human expertise: a necessary balance

Automation is transforming payroll operations across Europe, but technology alone is not enough. The study reveals that 45% of leaders identify process optimisation and cost reduction as their top challenges, yet less than one in five have adopted automated monitoring solutions.

Forvis Mazars advocates a blended model that merges intelligent automation with human-led advisory.

This approach enables payroll teams to process faster, think smarter and act strategically, combining technology's precision with human insight's adaptability.

### Pay transparency and equal pay: from obligation to opportunity

Equal pay has become a defining issue in European workplaces.

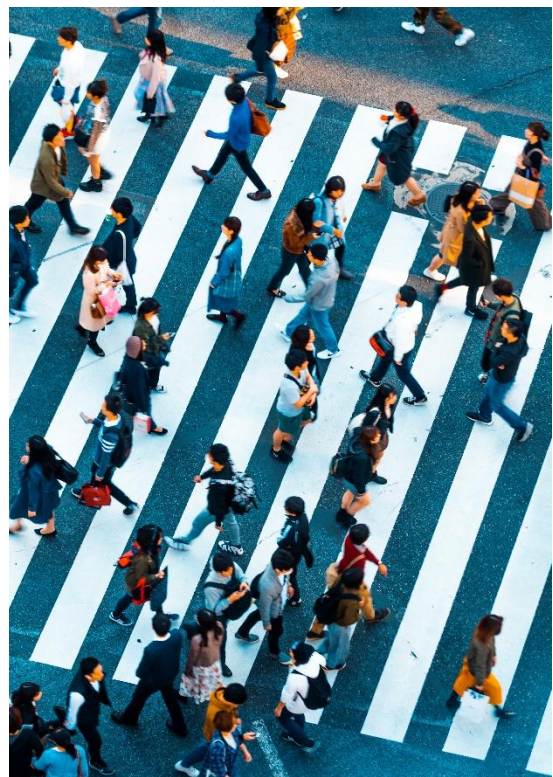
Driven by the EU Pay Transparency Directive (2023/970), companies must evaluate and disclose gender pay gaps and, if inequalities exceed 5%, take corrective action within six months.

According to the report, 45% of HR leaders cite compensation as

a major challenge, and 51% of organisations would switch providers for stronger compliance support. Payroll departments now play a critical role in ensuring accuracy, transparency and fairness.

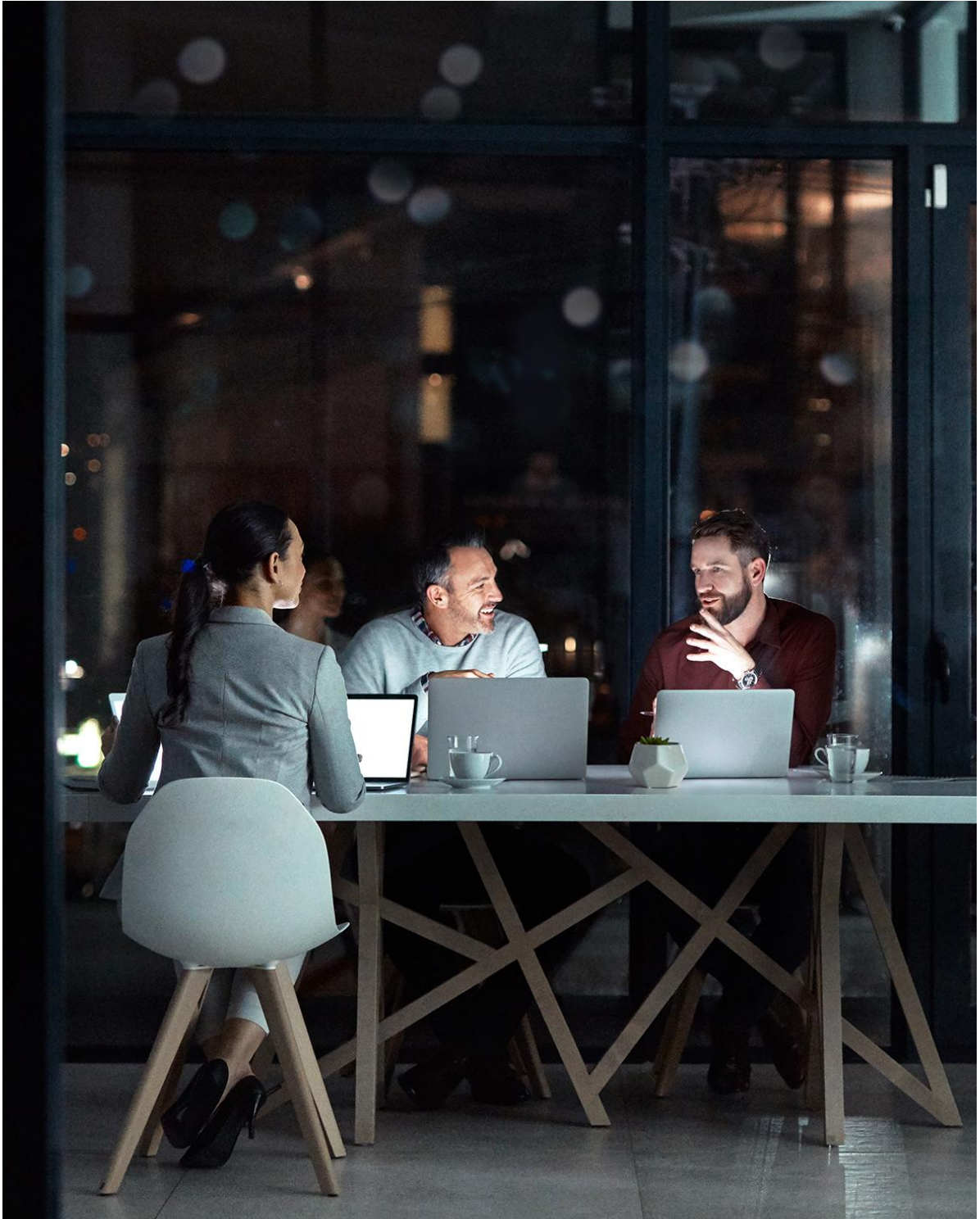
Forvis Mazars' experience across the CEE region confirms that the new directive is an opportunity to streamline remuneration systems, improve HR data quality and empower managers to communicate more transparently about pay.

Download the full report [here](#).



## News from the CEE countries

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



## News from CEE



2,200+

professionals



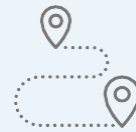
70+

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

Learn about all the updates below.



### Austria

- Assumed liabilities as RETT consideration. [Read more.](#)
- Temporary doubling of the investment allowance. [Read more.](#)
- Planned legislative changes. [Read more.](#)
- Payroll updates from A to Z. [Read more.](#)

## News from the CEE countries



### Bulgaria

- SAF-T reporting: mandatory for large companies from 2026.
- Annual taxable income reductions for parents from ~EUR 3,000, with higher amounts for additional children.
- The minimum wage was raised to ~EUR 550, from EUR 477 in 2024.
- The maximum monthly insurance base for social security contributions increased from ~EUR 1,917 to 2,111.
- Parents entering additional employment contracts may lose entitlement to full compensation.



### Croatia

- E-invoicing regulations. [Read more.](#)
- Ordinance on Value Added Tax and on Personal Income Tax. [Read more.](#)
- Global Minimum Corporate Income Tax Act (Pillar 2) updates. [Read more.](#)
- OECD model tax convention. [Read more.](#)
- Value Added Tax Act, Accounting Act, Corporate Income Tax Act and General Tax Act updates. [Read more.](#)

## News from the CEE countries



### Czech Republic

- Amendment to the Top-Up Tax Act. [Read more.](#)
- Year-end transfer pricing adjustments. [Read more.](#)



### Hungary

- Publishing of the new transfer pricing decree. [Read more.](#)
- Publishing of the draft ViDA implementation framework for Hungary. [Read more.](#)

## News from the CEE countries



### Poland

- New implementing regulations for KSeF. [Read more.](#)
- Income tax report updates. [Read more.](#)
- CBAM – changes and new obligations in CO<sub>2</sub> emission reporting. [Read more.](#)
- Car leasing and depreciation changes from 2026. [Read more.](#)
- Right to salary information during the recruitment process, Act on Collective Agreements. [Read more.](#)
- Minimum remuneration for work and the minimum hourly rate for 2026. [Read more.](#)



### Romania

- Amendments to the Fiscal Procedure Code. [Read more.](#)
- Form 300 (VAT Return) – Updated Version Applicable from 2026. [Read more.](#)
- Procedure on the ex officio assessment of the Social Security Contribution (CAS) and the Health Insurance Contribution (CASS) due by individuals. [Read more.](#)
- HR & payroll guide. [Read more.](#)
- Top 10 most FAQ employers ask about pay transparency. [Read more.](#)

## News from the CEE countries



### Serbia

- Overview of key amendments to tax laws in the Republic of Serbia. [Read more.](#)
- Amendment to the Rulebook on Electronic Invoicing. [Read more.](#)
- Developments in electronic invoicing (SEF). [Read more.](#)



### Slovakia

- Consolidation measures 2026: key tax implications. [Read more.](#)
- Changes in VAT deduction for motor vehicles. [Read more.](#)
- E-invoicing in Slovakia: mandatory from 1 January 2027. [Read more.](#)
- Top-up Tax Act updates. [Read more.](#)
- Consolidation measures 2026: Key payroll implications. [Read more.](#)
- Changes in meal allowances. [Read more.](#)

## News from the CEE countries



### Slovenia

- Taxation of individuals, determined minimum wage amount for 2026, self employed persons and Personal Income Tax. [Read more.](#)
- Tax treatment of income of External Healthcare Service Providers. [Read more.](#)
- “Winter holiday allowance” and Winter Allowance for pensioners. [Read more.](#)



### Ukraine

- Key changes to employee payments starting. [Read more.](#)
- New rules for the employment of persons with disabilities. [Read more.](#)
- Reconstruction of Ukraine newsletter, Jan 2026. [Read more.](#)
- Reconstruction of Ukraine newsletter, Dec 2025. [Read more.](#)
- Reconstruction of Ukraine newsletter, Nov 2025. [Read more.](#)

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