



TPA d.o.o.

Josipa Marohnića 1/1
10 000 Zagreb
Hrvatska

NEWSLETTER – Interpretation of the Ministry of Finance on Multisport Cards and the Fiscalization Requirement

Topic: Obligation to issue and fiscalized an invoice for Multisport cards acquired by employers “in the name and on behalf of employees”

Opinion date: 15 December 2025

1. Introduction

Many employers enable their employees to use Multisport cards, whereby the supplier's invoice is issued to the company, but the card is purchased in the name and on behalf of the employee. Such an invoice constitutes a pass-through item: the company does not incur a cost, has no right to input VAT deduction, and does not perform a supply of goods or services to the employee within the meaning of the Croatian VAT Act.

In practice, questions have emerged as to whether payroll deductions or benefits-in-kind related to Multisport cards are subject to fiscalization requirements.

2. Question Submitted to Ministry of Finance

The Croatian Chamber of Tax Advisers (HKPS) requested a written confirmation from the Ministry of Finance acknowledging that, in this scenario, there is no obligation to issue an invoice to the employee nor to perform fiscalization, given that—until now—the Ministry of Finance has only provided informal oral guidance that no such obligation exists.

HKPS expressed the view that:

- the company does not supply any goods or services to the employee,
- there is no obligation to calculate VAT under the VAT Act,
- payroll deduction represents a pass-through item, and
- there is no legal basis for issuing an invoice to the employee.

3. Position of the Ministry of Finance

In contrast to previous oral interpretations, the Ministry of Finance has now stated in its written opinion that:

- fiscalization requirement applies to taxpayers subject to corporate income tax or personal income tax on self-employment
- turnover in final consumption includes all invoices issued to end recipients (consumers)
- for fiscalization purposes, any supply to employees or any form of receivable from employees is treated as a B2C transaction
- therefore, if a fiscalization-taxpayer supplies a good or service to an employee and charges for it (either through employee payment or payroll deduction), the taxpayer is required to issue an invoice and fiscalized it.

According to this interpretation, the same could apply to other deductions, such as agreed payments for voluntary pension insurance (third pillar), supplementary health insurance, and benefits in kind (e.g., use of a company car for private purposes). This position leaves many questions open, so further clarification is needed. We will inform later whether this applies to other deductions, but for now, we can confirm that it is required for costs where the company has received an invoice (issued to the company and deducted from the employee because the employee uses the service).

4. Alternative approaches to settling obligations with employees

Instead of issuing invoices and fiscalizing them, certain organizations are considering the following models:

A. Transferring the obligation to the employee

The employee independently contracts and pays for the service or product directly to the supplier. In this case, the employer does not participate in the payment process, does not issue an invoice to the employee, and has no fiscalization obligation, as no transaction takes place between employer and employee.

B. Full cost absorption by the employer

The employer covers the full cost and does not deduct the amount from the employee's salary. Such expenditure is treated as an employer's cost (e.g. employee benefit) and is recorded accordingly in the company's books. As there is no B2C collection from the employee, no fiscalization requirement arises.

However, as this constitutes a taxable benefit in kind, the employer must calculate personal income tax and social security contributions, as the benefit is not tax-exempt under the Personal Income Tax Act.

5. Conclusion

Based on the issued opinion and established practice:

- A taxpayer subject to fiscalization who supplies a good or service in final consumption and charges the employee (whether through payment or payroll deduction) must issue an invoice and perform fiscalization.
- Alternative solutions are described above.
- We are awaiting an additional opinion regarding cases of benefits in kind, voluntary pension insurance (third pillar), and supplementary health insurance. However, based on the current understanding, invoices should not be required to be issued for these types of deductions.



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