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Costs Croatia

This page provides information on the costs of proceedings in Croatia.

Costs of lawyers

On the basis of the Legal Profession Act (*Zakon o odvjetništvu*) and in agreement with the Minister for Justice, the Croatian Bar Association (*Hrvatska odvjetnička komora*) draws up and adopts a Tariff of lawyers' remuneration and cost reimbursements (*Tarifa o nagradama i naknadi troškova za rad odvjetnika*). The Tariff determines the method of valuing, calculating and paying for the services of lawyers and the expenses which the parties are required to pay to a lawyer or a law firm for services provided under a power of attorney or decision of the competent authority, in accordance with the Legal Profession Act.

The costs of representation include lawyers' services plus value added tax and expenses necessary to provide those services. The costs of representation are payable by the client (party).

The Tariff of lawyers' remuneration and cost reimbursements regulates, in particular, the reimbursement of the costs related to different types of proceedings (criminal and minor offence proceedings, civil proceedings, etc.).

Lawyers are required to adhere to the Tariff for each service provided and to issue an invoice to the party.

Tariff items may be increased by 100% if specific expertise and specialised knowledge are required on the case or if it is particularly complex or implies a particular risk of liability for the services provided.

Specific expertise and specialised knowledge are recognised in particular in complex disputes or proceedings or in work on specific types of contracts, where familiarity with — or scrutiny of — foreign law or legal literature, or study or research of specialised topics in the field of engineering, chemistry, technology, natural and physical sciences, medicine, social science, or use of a foreign language, etc. are required.

Taking into account all the circumstances of the services provided and the benefits accruing to the party, lawyers may also reduce certain tariff items by 50%. The Lawyers' Code of Conduct (*Kodeks odvjetničke etike*) requires them to inform the client of an approximate amount of representation costs and to draw their attention to the possibility that the costs awarded to the client and to be charged to the opposing party may be lower than the amount stated on the lawyer's invoice.

Costs of criminal proceedings

The Criminal Procedure Act (*Zakon o kaznenom postupku*; *Narodne novine* (NN; Official Gazette of the Republic of Croatia) Nos 152/08, 76/09, 80/11, 121 /11, 91/12, 143/12, 56/13 and 145/13, 152/14, 70/17, hereinafter: the CPA of 2008) defines the costs of criminal proceedings, stating that such costs are to be understood as any expenses incurred in criminal proceedings from the time they are initiated to their conclusion, expenses related to taking evidence prior to criminal proceedings, and expenses associated with the provision of legal aid. The costs of criminal proceedings include:

expenses related to witnesses, judicial experts, interpreters and other professionals; costs of technical recording, transcribing of sound recordings and onsite investigation costs; costs of copying or recording files or parts of files;

costs of transport of the defendant;

expenses related to the appearance of the defendant or the arrested person;

costs of transport and travel expenses of any persons acting in an official capacity;

medical costs of a defendant who is not entitled to healthcare while in custody or pre-trial detention or at a medical facility by order of the court, as well as the costs of childbirth;

a flat-rate amount;

remuneration and necessary expenses incurred by the defence lawyer, necessary expenses incurred by the private prosecutor and the injured party acting as the prosecutor and their legal representatives, as well as the remuneration and necessary expenses of their attorneys-in-fact;

necessary expenses incurred by the injured party and their legal representative, as well as the remuneration and necessary expenses of their attorney-in-fact. The costs referred to in paragraph 2(1) to (5) of this Article, with the exception of those incurred by any authorities funded from the State budget and necessary expenses incurred by the defence lawyer and attorney-in-fact appointed to the injured party as the prosecutor in proceedings for criminal offences which are prosecuted *ex officio*, are payable from the resources of the authority responsible for conducting the criminal proceedings and are to be recovered at a later stage from the persons required to cover them.

The costs of criminal proceedings listed under points 1–5 are payable from the resources of the authority responsible for conducting the proceedings and are to be recovered at a later stage from the persons required to cover them, with the exception of the costs incurred by any authorities funded from the State budget and necessary expenses incurred by the defence lawyer and attorney-in-fact appointed to the injured party as the prosecutor in proceedings for criminal offences prosecuted *ex officio*.

Irrespective of the outcome of criminal proceedings, defendants, injured parties, injured parties acting as prosecutors, private prosecutors, defence lawyers, legal representatives, attorneys-in-fact, witnesses, judicial experts, interpreters and professionals bear the costs of their attendance, any delay in the taking of evidence or hearings and other costs of the proceedings caused by their fault, as well as a proportion of the flat-rate amount.

Defendants found guilty are ordered by the court to cover the costs of the criminal proceedings, unless they are eligible for a full or partial exemption. If several defendants are found guilty, each of them will be ordered by the court to cover the appropriate proportion of the costs or, if that proves impossible, they will be ordered to pay the costs jointly and severally.

In its ruling on the costs, the court may exempt the defendant from their obligation to fully or partially cover the following: costs related to witnesses, judicial experts, interpreters and other professionals; costs of technical recording, transcribing of sound recordings and on-site investigation costs; costs of copying or recording files or parts of files; costs of transport of the defendant; expenses related to the appearance of the defendant or the arrested person; costs of transport and travel expenses of any persons acting in an official capacity; medical costs of a defendant who is not entitled to healthcare while in custody or pre-trial detention or at a medical facility by order of the court; the costs of childbirth; a flat-rate amount, as well as the remuneration and necessary expenses

of the appointed defence lawyer. If these circumstances are established after a ruling on the costs has been issued, the chief judge (*predsjednik vijeća*) may issue a special decision exempting the defendant from their duty to cover the costs of the criminal proceedings. The court may ask the defendant to provide a certificate, issued by the tax administration, attesting to their financial circumstances and income.

However, if ten years from the date on which the ruling on the costs of the criminal proceedings became final, it is discovered that the financial circumstances of a convicted person mean that they are in a position to fully or partially cover the costs of the criminal proceedings, including the costs of the appointed defence lawyer, at the motion of the public prosecutor (*državni odvjetnik*), the chief judge may order the convicted person, after they have responded to the motion, to cover those costs fully or partially.

The defendant is not required by the CPA/08 to cover the costs of the proceedings at all events. If criminal proceedings are stayed or a judgment is issued acquitting the defendant of the charges or dismissing the charges, the costs of the criminal proceedings and the necessary expenses incurred by the defendant, as well as the remuneration of the defence lawyer, will be charged to the State budget.

The private prosecutor and the injured party as the prosecutor have to cover the costs of the criminal proceedings, the necessary expenses incurred by the defendant and the remuneration and necessary expenses incurred by their defence lawyer if the proceedings are brought to an end by a judgment acquitting the defendant of the charges or dismissing the charges, or by a decision staying the proceedings unless they have already been stayed, or if a judgment dismissing the charges is issued on account of the death of the defendant or because the prosecution has become time-barred due to delays in the proceedings by no fault of the injured party as the prosecutor or of the private prosecutor. If the proceedings are stayed for reasons of withdrawal of charges or desisting from prosecution, the defendant and the private prosecutor or the injured party as the prosecutor may reach a settlement of their respective costs. If there are several private prosecutors or injured parties as prosecutors, they will all bear the costs jointly and severally.

Regulations governing the costs of proceedings - legal basis

Information on the costs of criminal proceedings is available in Title X, Articles 145 to 152 of the CPA of 2008, the Legal Profession Act, the Tariff of lawyers' remuneration and cost reimbursements, and the Court Fees Act (*Zakon o sudskim pristojbama*) (you will pay a court fee of HRK 250.00 if

the criminal proceedings are initiated by private charges).

Online information on the costs of proceedings

All these acts are available in the Official Gazette of the Republic of Croatia, *Narodne novine*, or on the website of the Croatian Bar Association. Value Added Tax

As attorneys are subject to value added tax (VAT), their services are also subject to this tax obligation. VAT is charged at a rate of 25% on each invoice issued by a lawyer. It should be noted that the tables specified in the Tariff of lawyers' remuneration and cost reimbursements are exclusive of VAT, which is charged on invoicing.

Costs in misdemeanour proceedings

The costs of misdemeanour proceedings include:

expenses incurred by the state administration body as the authorised prosecutor as a result of identifying a misdemeanour by using technical means or by carrying out the necessary analyses and expert evaluations;

any expenses of the court paid in advance from its State budget allocation while conducting the proceedings (expenses related to witnesses, judicial experts, interpreters and other professionals; on-site investigation costs; costs of appearance of the defendant or other persons; travel expenses and remuneration of any persons acting in an official capacity, etc.);

a flat-rate amount of the costs of misdemeanour proceedings:

incurred by the authorities responsible for conducting the proceedings;

incurred by the municipal court (općinski sud) ruling on an objection to a mandatory misdemeanour warrant;

incurred by Croatia's High Misdemeanour Court (*Visoki prekršajni sud*) when delivering its final ruling on the defendant's misdemeanour liability, if it has deliberated on an appeal filed by both the prosecutor and the defendant, or on an appeal filed by the defendant only.

medical costs of a defendant who is not entitled to healthcare while on remand or at a medical facility by order of the court;

travel expenses of the defendant;

necessary expenses incurred by the injured party and the injured party as the prosecutor, as well as by their legal representatives and attorneys-in-fact; necessary expenses and remuneration payable to the defendant's defence lawyer.

The flat-rate amount is determined within the limits set by a specific regulation, taking into account the complexity and duration of the proceedings and the defendant's financial circumstances.

The court will recover the costs of the proceedings paid in advance from its State budget allocation at a later stage from the defendant or other persons required to cover them in accordance with the provisions of this Act.

The court keeps a separate list of any costs incurred, relating to the expenses incurred by the state administration body as the authorised prosecutor as a result of identifying misdemeanours by using technical means or by carrying out the necessary analyses and expert evaluations; any expenses of the court paid in advance from its State budget allocation while conducting the proceedings (expenses related to witnesses, judicial experts, interpreters and other professionals; on-site investigation costs; costs of appearance of the defendant or other persons; travel expenses and remuneration of any persons acting in an official capacity, etc.); and medical costs of a defendant who is not entitled to healthcare while on remand or at a medical facility by order of the court. The person seeking reimbursement of such costs needs to submit to the court a cost specification, along with the necessary information and evidence of the costs incurred.

The costs of interpretation into minority languages in Croatia arising from the application of the provisions of the Constitution and the Act on the Rights of National Minorities to Use Their Language and Script in the Republic of Croatia (*Zakon o uporabi jezika i pisma nacionalnih manjina u Republici Hrvatskoj*) will not be charged to the persons who are required by this Act to cover the costs of the proceedings.

The minister responsible for justice issues rules detailing the reimbursement of the costs of misdemeanour proceedings.

The matter of who is liable to pay costs and the question of deliberations on the costs of proceedings are regulated by Articles 139 and 140 of the Misdemeanours Act (*Prekršajni zakon*; NN Nos 107/07, 39/13, 157/13, 110/15, 70/17 and 118/18).

Costs of civil proceedings

The costs of civil proceedings consist of eligible expenses incurred in the course or for the purpose of the procedure. Certain costs, such as court fees, are related to the functioning of the authority responsible for conducting the proceedings; other expenses, such as the costs of expert evaluations or

interpretation services, refer to the costs payable to the judicial expert or court interpreter. The costs of civil proceedings also include travel and subsistence expenses and the loss of earnings reimbursed to the witness, but the majority is accounted for by the costs of representation in the proceedings incurred by the lawyer representing the parties.

Most provisions on the costs incurred in civil proceedings may be found in the Civil Procedure Act (*Zakon o parničnom postupku*), including the costs of taking evidence (Article 168 of the Civil Procedure Act), the costs of filing for amicable dispute settlement in actions for damages or the costs incurred by a

party who intends to bring a civil action in order to protect their individual rights. However, prior to that, they must file for amicable dispute settlement (Article 186(a) of the Civil Procedure Act).

As a rule, these costs are covered by the party submitting the motion but may be reimbursed to them subsequently as part of litigation costs, depending on their success in the litigation.

The costs incurred in the course of civil proceedings relate to the costs necessary to prove certain facts (costs of adducing evidence, costs of witness appearance) and the costs of representation.

The reimbursement of all these costs by the opposing party depends on success in the proceedings. In principle, each party meets, in advance, the costs they incur as a result of their actions (Article 152 of the Civil Procedure Act), while the party who is entirely successful in the dispute is entitled to full reimbursement of the costs of the proceedings (Article 154 of the Civil Procedure Act). However, account should also be taken of whether these costs were necessary for the purpose of litigation, because the party is entitled to have only such costs reimbursed (Article 155 of the Civil Procedure Act). The court may order each party to bear their own costs when their success in the proceedings is partial or order one party to reimburse a proportionate part of the costs to the other party and the intervener.

The court may decide that one party should pay all the costs incurred by the opposing party and their intervener if the opposing party is unsuccessful in only a relatively minor part of their claim, resulting in no specific costs.

The two basic principles on which a decision on the costs of civil proceedings is founded are the principle of success (*causae*) and the principle of fault (*culpe*).

A party that incurs costs through their own fault or through an event which happened to them is not entitled to have the costs reimbursed by the opposing party, irrespective of their success in litigation (Article 156 of the Civil Procedure Act).

The right to a reimbursement of costs in the event of discontinuance or multiparty litigation or if a court settlement is reached is regulated by Articles 158(1), 159, 161 and 324 of the Civil Procedure Act.

The costs of civil proceedings, as well as court fees, are determined according to the value of the subject matter of the dispute at the time of taking a certain litigation action, rather than by what its value might be at the time that the main hearing is brought to a close. In addition, the costs of civil proceedings are determined proportionately to the success relative to the value of the subject matter of the dispute at the time that the main hearing is concluded. The obligation to pay court fees is regulated by the Court Fees Act.

A party in judicial proceedings may exercise the right to exemption from payment of the costs of the proceedings and the right to qualified legal aid in the manner and under the conditions laid down in separate regulations governing free legal aid (Article 172 of the Civil Procedure Act).

The court decides on cost reimbursement acting on a specific claim of the party, without a hearing. In the claim, the party is required to specify the costs for which they seek reimbursement. The claim for costs must be filed by the party not later than the end of oral proceedings preceding deliberations on costs. However, if such a decision is to be issued without prior oral proceedings, the party must include a claim for costs in a motion to be ruled on by the court. The court will rule on the claim for costs in a judgment or order closing the proceedings before that court (Article 164 of the Civil Procedure Act).

A decision as to costs contained in the judgment may be contested only by complaint filed against the order unless the decision on the substance of the case is contested at the same time (Article 167 of the Civil Procedure Act).

Costs of enforcement proceedings

The costs of enforcement proceedings consist of expenses incurred by the parties, the court and other participants in the enforcement proceedings, arising from or in connection with the enforcement proceedings.

The Enforcement Act (*Ovršni zakon*) contains relatively few provisions regulating the costs of such proceedings. Only one article deals exclusively with the reimbursement of the costs of the enforcement proceedings (Article 14 of the Enforcement Act). It specifies the advance payment of the costs of the proceedings, the consequences of failure of the parties to comply with the obligation to pay the costs of the proceedings in advance, and the application of these provisions in security proceedings.

The provisions that would allow a court to order the reimbursement of costs are not contained in the Enforcement Act. Instead, under Article 21(1) of the Enforcement Act, the provisions of the Civil Procedure Act are applied accordingly.

In accordance with the Execution of Enforcement Against Monetary Funds Act (*Zakon o provedbi ovrhe na novčanim sredstvima*) of 1 January 2011, the Financial Agency (*FINA*) undertakes enforcement on the monetary funds of business entities and citizens, against all their accounts and term deposits at all banks, according to the personal identification number of the enforcement debtor, without their consent. In accordance with Article 8 of the

Rules on the types and amount of fees for the services laid down in the Execution of Enforcement Against Monetary Funds Act (*Pravilnik o vrstama i visini* naknada za obavljanje poslova propisanih Zakonom o provedbi ovrhe na novčanim sredstvima), FINA's management sets the fees referred to in the Rules in its price list, which is approved by the Minister for Finance. An extract from the Price List for FINA's services under the Execution of Enforcement Against Monetary Funds Act can be downloaded from its official website.

The costs of the proceedings related to the ordering and execution of enforcement and security need to be paid in advance by the enforcement creditor or lienor. The enforcement creditor or lienor must pay the costs of the proceedings in advance within a time limit set by the court.

In the case of enforcement against movable property, the court will order the enforcement creditor to advance the costs necessary to carry out certain enforcement actions (actions taken by the court enforcement officer for the purposes of seizure and evaluation, forfeiture, removal and surrender of movable property to the custody of the court or enforcement creditor or a third party) within a specific time limit. The enforcement creditor has no right of appeal against such a decision and is required to comply with it. The costs are advanced to the deposit account of the court.

If the enforcement creditor or lienor fails to comply with the court's decision to advance the costs within the time limit set by the court and an enforcement or security action cannot be taken without their payment, the court will suspend enforcement. If the costs required for taking a certain action which is not essential for enforcement are not advanced within the time limit set by the court, the action will not be taken (Article 14(2) of the Enforcement Act).

In the case of enforcement against immovable property, one of the enforcement actions involves determining the property value. This is done by a ruling of the court at its discretion following a hearing at which the parties are given the opportunity to provide their statements on it and supporting evidence (Article 92(1) of the Enforcement Act). However, either party may also propose that the value of the immovable property be determined by expert evaluation prepared by an appropriate judicial expert. In that case, such party must advance the costs of the expert evaluation.

In addition to the general provisions governing the reimbursement of the costs of enforcement proceedings, the Enforcement Act contains — in the part regulating enforcement against immovable property — provisions on the costs of proceedings determining the order of settlement in the sharing of the purchase price.

The proceeds of sale need to cover primarily the costs of enforcement proceedings relating to court fees and advances paid for taking enforcement actions, as well as taxes and other charges due for the previous year and charged to the property sold. These costs are given priority over all other claims, both by parties and other participants in the proceedings (Article 113(1)(1) of the Enforcement Act).

As regards the legal position of the lienor in case of enforcement against immovable property, the case law shows that, in addition to the parties, the lienor is also entitled to the reimbursement of the costs of the proceedings.

Enforcement against immovable property requires the use of a court enforcement officer, who is entitled to the reimbursement of costs. In this case, the provisions of the Civil Procedure Act on the reimbursement of the costs apply (Article 155 of the Civil Procedure Act provides for the costs to be reimbursed, and Article 154 of the Civil Procedure Act lays down the arrangements for the reimbursement of the costs of the proceedings).

Since the Enforcement Act does not contain any provisions on the way to decide on or the amount of the costs of the proceedings, the authorities deciding on the costs apply the general provisions of the Civil Procedure Act specifying that, in ruling on which costs are to be reimbursed to a party, the court will take into account only the costs which were necessary to conduct the proceedings. The necessary costs and the amount of costs are decided by the court, examining carefully all the circumstances, taking account, in particular, of the rules of the Civil Procedure Act governing the preparatory procedure for the main hearing, which involves written submissions, one preparatory hearing and one main hearing (Article 155 of the Civil Procedure Act).

In addition to the costs of representation of the enforcement creditor by a lawyer, in case of enforcement on the grounds of an authentic instrument, the enforcement creditor is also entitled to a reimbursement of the costs of notarial fees.

The Rules on the fees and remuneration of notaries in enforcement proceedings (*Pravilnik o naknadi i nagradi javnih bilježnika u ovršnom postupku*) specify that the costs of actions taken by notaries in receiving enforcement motions and issuing enforcement orders under an authentic instrument are to be paid in advance by the enforcement creditor. If the enforcement creditor fails to pay the costs in advance, the enforcement proceedings will be stayed (Article 14(2) of the Enforcement Act).

The fact that movable property cannot be sold in auctions and that the enforcement creditor's claim remains unsettled does not mean that the enforcement creditor has not incurred any necessary costs of the enforcement proceedings.

The costs of initiation of the proceedings by the court of its own motion are payable in advance by the court from its own resources. The Enforcement Act provides for the possibility of initiating enforcement proceedings *ex officio*, provided that this is expressly laid down by law.

Notaries implementing enforcement under authentic instruments have certain costs, such as notarial fees or material costs which may relate to the costs of delivery or postal services, or the cost of stationery, e.g. paper etc., as well as those related to enforcement motion drafting, if done by a lawyer. These costs must be paid in advance by the enforcement creditor.

Enforcement under an enforceable title is executed by the courts. In this case, the costs to be paid in advance by the enforcement creditor consist of court fees, as well as expenses related to the preparation of enforcement motions by lawyers.

The enforcement debtor or lienee must reimburse the costs necessary for enforcement or security procedures to the enforcement creditor or lienor (Article 14 (4) of the Enforcement Act). That legal provision constitutes the basis for ruling on the costs of the proceedings.

When a decision is taken on the necessary costs [based] on the enforcement order under an authentic instrument or motion forwarded to the competent court for ruling on the matter and delivering the decision to the parties, the enforcement creditor is entitled to a reimbursement of the notarial fee in an amount depending on the amount of the claim, and is also entitled to charge VAT on that amount.

The cases in which the enforcement creditor is not entitled to a reimbursement of the costs of proceedings are regulated by Articles 39(1), (2) and (3) and 72 (1) of the Enforcement Act.

The enforcement creditor is entitled to a reimbursement of the costs caused to them through the fault of the opposing party or by an event that happened to the latter, irrespective of the outcome of the proceedings (Article 156 of the Civil Procedure Act, applying pursuant to Article 21(1) of the Enforcement Act). This provision is consistent with the provisions of the Civil Procedure Act governing the reimbursement of the costs of the proceedings on the principle of fault.

However, the enforcement debtor (or lienee) is also entitled to a reimbursement of any costs of the proceedings which were unduly caused by the enforcement creditor (Article 14(5) of the Enforcement Act).

The claim for costs should be submitted not later than 30 days after the date on which the proceedings were concluded (Article 14(6) of the Enforcement Act). A decision on the claim for the costs of the proceedings is issued either as an integral part of the enforcement order or as a separate order which, if it becomes final, constitutes an enforceable title under which enforcement may be sought in other enforcement proceedings.

Regulations governing the costs of civil and enforcement proceedings:

Civil Procedure Act (NN Nos 53/91, 91/92, 58/93, 112/99, 88/01, 117/03, 88/05, 02/07, 84/08, 123/08, 57/11, 148/11, 25/13, 89/14 and 70/19) Enforcement Act (NN Nos 112/12, 25/13, 93/14, 55/16, 73/17 and 131/20)

Execution of Enforcement Against Monetary Funds Act (NN Nos 68/18, 2/20, 46/20 and 47/20)

Court Fees Act (NN No 118/18)

Free Legal Aid Act (Zakon o besplatnoj pravnoj pomoći) (NN No 143/13)

Tariff of lawyers' remuneration and cost reimbursements (NN Nos 142/12, 103/14, 118/14 and 107/15)

Rules on the temporary tariff of notaries (*Pravilnik o privremenoj javnobilježničkoj tarifi*) (NN Nos 38/94, 82/94, 52/95, 115/12, 120/15 and 64/19) Rules on the fees and remuneration of notaries in enforcement proceedings (NN No 9/21)

Rules on the remuneration and reimbursement of costs of notaries acting as court-appointed trustees in probate proceedings (*Pravilnik o visini nagrade i naknade troškova javnog bilježnika kao povjerenika suda u ostavinskom postupku*) (NN No 135/03)

Rules on the tariff of cost reimbursements and remuneration for the services of certified commission agents (*Pravilnik o tarifi za naknadu troškova i nagradu za obavljanje javne komisione djelatnosti*) (NN No 115/12)

Rules on the types and amount of fees for conducting the sale of immovable and movable property in enforcement proceedings (*Pravilnik o vrstama i visini* naknada za obavljanje poslova provedbe prodaje nekretnina i pokretnina u ovršnom postupku) (NN No 156/14)

Rules on the types and amount of fees for the services laid down in the Execution of Enforcement Against Monetary Funds Act (NN No 71/18)

Rules on the fees for the discharge of official duties off the court's premises (*Pravilnik o naknadama za obavljanje službenih radnji izvan zgrade suda*) (NN No 38/14)

All these acts and regulations are available in the Official Gazette of the Republic of Croatia (*Narodne novine*) or on the website of professional chambers and FINA.

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