What should you check before paying for foreign software or adverts?

For: Trading company · limited liability company · limited company

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Applicability: Business services from the EU within the scope of the relevant rules

When making a business purchase of services from another EU member state, the reverse charge procedure may apply. Even a business outside the standard VAT scheme may need a VAT identification number. Before making a purchase, verify the supplier, the service and your own status.

Information you prepare before a transaction

Check who the actual issuer of the invoice is: the platform's name or the currency of payment are not sufficient information about the supplier's country. The invoice and user profile should contain your business entity's details.

Provide the accountant with a sample invoice, a description of the service and the tax status. Separately verify the registration, the method of calculation and reporting, rather than assuming that the platform handles all Croatian obligations.

How to prepare this in your business

In the platform user account, verify the business name, address and identification details that are required. Then compare the downloaded invoice with those settings. If the details are incorrect, request a correction through the provider's supported procedure.

Add subscription renewal dates to your calendar as well. Alongside tax checks, it's useful to review the price, scope of use and cancellation terms; a small monthly subscription can generate administrative work and expense even when the tool is no longer in use.

Example of a software subscription

Before paying the subscription, save the supplier details and billing terms. If the supplier or invoice issuer changes, re-verify the scenario; the previous settings may not apply to the new invoice.

Specific next steps

1. Collect supplier data.
2. Record your status and VAT ID.
3. Check the transfer of tax liability and reporting.

Most common mistakes

• Determine the supplier's country solely based on the language of the page.

• To present an entrepreneur as a private individual on a business subscription.

Limits of application

Do not assume the right to deduct pre-tax expenses. Special services, third countries and different circumstances require individual assessment.

Sources

European Union · cross-border VAT

https://europa.eu/youreurope/business/finance-and-tax/vat/cross-border-vat/index_hr.htm

START · Questions about the VAT identification number

https://start.gov.hr/st/cesta-pitanja.html

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