



Council of the  
European Union

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## REPORT

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From: General Secretariat of the Council  
To: Permanent Representatives Committee

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Subject: Code of Conduct Group (Business Taxation)  
- Report to the Council  
= Approval

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### **Croatia's extension of the scope of application related to non-authentic arrangements (HR018)**

#### **1. Summary of the measure**

The aim of the modification of the law is to comply with international standards in the field of combating tax base erosion and profit shifting. Thus, the GAAR now also applies in the case of double taxation treaties, which do not explicitly foresee a comprehensive general rule for the prevention of tax evasion.

## 2. Summary conclusion

This measure will allow to tackle tax evasion.

## 3. Follow-up

The COCG agreed that **no action** is required from the Code of Conduct Group, as this measure will not cause a significantly lower level of taxation.

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