

SERVICES MARKET LIBERALIZATION IN CROATIA

POLICY OVERVIEW

Services market liberalization is a part of the regulatory reform led by the Ministry of Economy and Sustainable Development. **The main objective of this reform is to facilitate services market entry and to boost productivity and competitiveness.**

Services market liberalization was implemented by the end of May 2023 with 270 measures in approximately 50 activities and professions.

In this way, the target value was achieved as a result indicator under the National Reform Programme 2020. At the same time, the expected dynamics of implementing additional measures is achieved with the **National Recovery and Resilience Plan 2021-2026**, the **National Reform Programme 2022**, and the **National Reform Programme 2023**, in a way that there are at least 300 measures in total by the end of 2024.

Since 2019, measures in this area have been implemented through action plans for liberalization of the services market, following the regulatory analysis of professional services by the World Bank (funded by the European Commission under the Structural Reform Support Programme). In the process, 18 out of 20 measures of the first action plan and 13 out of 18 measures of the second action plan were implemented. Other measures are in the process of implementation during 2023.

The aim of the continuation of the reform is to further open the institutional framework for the potential and existing entrepreneurs and to simplify or lift at least 50 regulatory requirements for the private professional services sector by the end of 2024. Several measures have already been implemented. Since the second half of 2023, the reform has continued through the third action plan on liberalization of the services market, which contains measures foreseen for implementation during 2023 and 2024 within the following professions: tax advisors, auditors, architects, civil engineers, mechanical engineers and electrical engineers, energy certifiers, geodetic engineers, public notaries, pharmacists, physiotherapists, psychologists, social pedagogues, social workers, educational rehabilitators, patent agents, trademark representatives, veterinarians, and tourist agency managers. In almost all these professions, certain liberalization measures have already been implemented.

SUMMARY OF THE MEASURES IMPLEMENTED

Open cross-border market competition

The domestic market is open to competition from the EU market. Freedom of establishment on a permanent basis has been provided mutually within the EU. Furthermore, [freedom to provide cross-border services](#) on a temporary and occasional basis has been provided for various business activities for EU/EEA nationals, without obligation to register a company, to be a member of a professional chamber or to pass a professional exam. [Freedom of establishment](#) has been provided as well.

Simplified procedures

[Starting a business](#) has been simplified, accelerated and digitalized. As regards the access to the services market, [digital procedures](#) are available for the growing number of professions (architects, civil engineers, mechanical engineers and electrical engineers, geodetic engineers, tax advisors, auditors, detectives, driving schools, tourism and catering industry, tourist guides, intellectual property, private education, real estate agents, retail and e-commerce), and process is ongoing. For a variety of other services, scanned documents may be sent by e-mail,

without seals and stamps, as well as without the additional obligation of sending the documents via post office. Information on requests for the services sector are available in a single place, without obligation to go to institutions in person.

Less duplication and zero-licensing

Equivalent types of professional liability insurance is recognized from other EU/EEA states. The access to regulated professions through automatic recognition of professional qualifications for EU/EEA citizens has been facilitated, and the same applies to Croatian professionals in the EU market. The government does not demand information from domestic service providers that it already has in the system. The use of IMI system for verification of information on the cross-border service providers has been increased. Relicensing of construction companies has been removed, including energy certification, auditors, psychotherapists, as well as licensing of tourist guides, employment agencies and accountants. Professional chamber is not mandatory for construction site managers, anymore.

Market prices

Removing fixed tariffs has enabled free price formation and negotiation in various professions and sectors such as accountants, real estate agents, architects, engineers, auditors, tax advisors, taxi drivers, driving schools, etc. Furthermore, it is possible to determine the price of legal services more flexibly, in such a way that in all legal matters lawyers can agree with the client in writing to work on an hourly basis, whereby they are not obliged to adhere to the minimum hourly rate.

Less exclusive rights

Interior and landscape design is not exclusively under the competence of architects, so there are no limitations for others to perform this business activity.

Easier recognition of professional qualifications

Automatic recognition of the [professional qualifications](#) has been implemented for the professions from other EU/EEA states. A general system for recognition of professional qualifications from the third countries has been introduced as well. European Professional Card issued for provision of services on temporary and occasional basis gives an automatic right to practice the profession without fulfilling any additional requirement. A person who wants to provide regulated professional services may notify electronically the competent authority thereof or Point of Single Contact for services. Obligation of testing Croatian language proficiency is not obligatory anymore for professionals from EU/EEA states, except for healthcare professions due to patient safety. There is a 30-day deadline for a competent authority to issue a decision on recognition of foreign professional qualifications after fulfilment of an additional measure.

Advertising options

Architects and engineers, lawyers, pharmacists and physiotherapists are no longer banned to advertise their services, and this is also the case in many other professions.

No office and license restrictions

Territorial restrictions considering the number of licenses have been removed (for example driving schools and taxi services). Taxi drivers may obtain licenses in any municipality. This enables expansion of professional

businesses and their new investments. Furthermore, founders of driving schools, private archives, private educational institutions and private scientific institutes are no longer under obligation to have economic justification of their business by means of a study. Architects, engineers, auditors and lawyers are free to open new offices as most of other occupations and professions.

Selection of legal form

In the majority of professions, there are no limitations in terms of the legal form. Therefore, the entrepreneurs decide independently whether they want to start a business as natural or legal persons. This enables removal of costs of obligatory status change, for example from natural to legal persons. For example, lawyers and tax advisors may also establish a limited liability company.

No permanent residence obligation and less certificates

Architects, engineers and geodetic engineers, as well as many other professions are no longer under obligation to register their permanent residence in Croatia. Architects and geodetic engineers are no longer under obligation to prove that they are not under any criminal investigation or criminal proceeding.

Less time to obtain the license

Mandatory work experience for architects, engineers and geodetic engineers has been reduced to two years, for veterinarians to six months, while it is no longer required for tourist agency managers. Work experience for notaries has been reduced.

More open employment practices

As other professions, civil engineers and online travel agencies are no longer under obligation of hiring minimum number of employees; instead, they independently decide in this matter. Freedom of concluding full-time or part-time job contracts is provided for driving schools. Online travel agency office manager is no longer under obligation to have permanent residence. Also, there is no obligation to have a full-time employed office manager in every branch office of a travel agency.

Facilitated provision of lawyer services

Croatian lawyers may practice their profession in companies in other EU Member States. When the profession is practiced outside a law firm, the right to practice law profession does not cease to exist for Croatian lawyers in other EU Member States. Branch offices of EU law firms may provide consulting services on Croatian law as well. Lawyers from other EU Member States may start a law firm in Croatia, and they can provide legal services jointly with Croatian lawyers or lawyers from other EU Member States, without obligation to wait for recognition of qualifications to have an equal status with Croatian lawyers. It is possible to start employment as a lawyer with another lawyer who as an employer independently practices legal profession, and within a joint law firm. Lawyers who without a justified cause do not practice their profession more than 6 months will no longer be deleted from the register. Specific administrative requirements for European lawyers have been reduced. The high fee for chamber re-enrolment is no longer payable, while the fee for the first enrolment has been reduced by 40%.

DETAILED OVERVIEW OF THE MEASURES IMPLEMENTED

Architects

Ministry of Physical Planning, Construction and State Assets

Act on Physical Planning and Building Tasks and Activities; Act on the Chamber of Architects and Chambers of Engineers in Construction and Physical Planning; Ordinance on entries in directories, registers and records of the Croatian Chamber of Architects.

1. Documents may be sent by e-mail or by using e-service, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
2. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company, obtaining an approval, membership in a professional chamber or waiting for a prior check; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
3. Automatic recognition of professional qualifications for architects from the European Economic Area has been provided.
4. Fixed and mandatory price regulation has been revoked for architects.
5. There are no advertising limitations for architects.
6. Certified architects are free to establish more than one office.
7. Legal form restriction on certified architects - town planners, has been abolished.
8. Obligation to delete architects from the register if they fail to perform project activities and/or activities of professional supervision of construction processes for six consecutive months has been revoked.
9. Architects do not have exclusive rights regarding building permits (but shared rights with engineers regarding planning and design, professional supervision, project certification (attestation) and construction project management).
10. The authorization procedure is no longer required for feasibility study, interior design project and landscape project design that are not under the construction project.
11. Project management activities may be carried out by persons that are not entered in the project management records.
12. Obligation of trainee internship through professional work experience under mentorship has been revoked, and it is sufficient to meet a two-year requirement of an adequate professional work experience.
13. All certified architects may conduct activities of project attestation (certification), project development and signing of projects as well as site management activities.
14. Requirement that architects as applicants for an approval may not be under a criminal procedure has been removed.
15. Requirement of permanent residence in Croatia for architects from other countries has been removed.

Civil construction, mechanical and electrical engineers

Ministry of Physical Planning, Construction and State Assets

Act on Physical Planning and Building Tasks and Activities; Act on the Chamber of Architects and Chambers of Engineers in Construction and Physical Planning

16. Documents may be sent by e-mail or by using e-service, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.

17. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company, obtaining an approval, membership in a professional chamber or waiting for a prior check; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
18. Fixed and mandatory price regulation has been revoked for engineers and prices can be freely negotiated.
19. Non-binding Chamber guidelines for the service standard and the working hours standard for civil engineers have been further simplified.
20. Fees for cross-border service provision and recognition of mechanical engineering qualifications have been reduced.
21. There are no advertising limitations for engineers.
22. Certified engineers are free to establish more than one office.
23. Obligation to delete engineers from the register if they fail to perform project activities and/or activities of professional supervision of construction processes for six consecutive months has been removed.
24. Engineers do not have exclusive rights regarding building cost management (but shared rights with architects regarding planning and design, professional supervision, project certification (attestation) and construction project management)
25. Project management activities may be carried out by persons that are not entered in the project management records.
26. Obligation of trainee internship through professional work experience under mentorship has been removed, and it is sufficient to meet a two-year requirement of an adequate professional work experience.
27. The authorization procedure is no longer required for development of the feasibility study.
28. All certified engineers may conduct activities of project attestation (certification), project development and signing of a project as well as site management activities.
29. Requirement of permanent residence in Croatia for engineers from other countries has been removed.
30. The obligation to submit photographs for civil engineers has been cancelled.

Construction works managers / site engineers

Ministry of Physical Planning, Construction and State Assets

Act on the Chamber of Architects and Chambers of Engineers in Construction and Physical Planning

31. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company, obtaining an approval, membership in a professional chamber or waiting for a prior check; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
32. The requirement of obligatory membership in a professional chamber of construction works managers, i.e. site engineers has been removed.
33. The requirement of professional liability insurance for construction work managers, i.e. site engineers has been removed.

Construction: construction works, project management, inspection of building components and testing the construction material

Ministry of Physical Planning, Construction and State Assets

Act on Physical Planning and Building Tasks and Activities; Act on the Chamber of Architects and Chambers of Engineers in Construction and Physical Planning

34. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company, obtaining an approval, membership in a professional chamber or waiting for a prior check; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
35. The licensing procedure has been removed for contractors – construction companies (the contractor has to be registered for construction works and needs to employ a manager of construction works).
36. Obligation of hiring a minimum number of employees for construction works has been removed (note: construction work refers to building design and construction), therefore, the contractors independently decide on the number of employees.
37. Persons carrying out the inspection of building components no longer have the obligation of accreditation.
38. A fee for the decision on meeting requirements on evaluation and inspection of constancy of performance of construction components, has been reduced by half.
39. Provision of services in civil engineering has been facilitated due to simplification procedures and cutting costs for obtaining a building permit.

Energy certification

Ministry of Physical Planning, Construction and State Assets
Building Act

40. Documents may be sent by e-mail, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
41. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company.
42. The price of energy certification training has been approximately reduced by half thus enabling price competition.
43. Obligatory work experience for graduate engineers (five-year study programme) has been reduced from five to two years and for undergraduate engineers (three-year study programme) from ten to five years, which simplifies licensing procedure.
44. Obligation of attestation of documents by notaries before starting energy certification of buildings has been removed.
45. Authorization fees have been reduced for entities performing energy certification.
46. Obligation of re-licensing every five years has been removed, thus cancelling the additional procedural costs.
47. Obligation of professional liability insurance has been removed.
48. Obligation to submit a clean criminal record certificate has been removed.

Geodetic engineers

State Geodetic Administration
Act on Geodetic Activity

49. Documents may be sent by e-mail or by using e-service, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
50. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is

no obligation of initial registration of a company, obtaining an approval, membership in a professional chamber or waiting for a prior check; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.

51. Licensing procedures has been simplified.
52. Mandatory working experience has been reduced to two years.
53. There are no limitations of legal form for geodetic engineers.
54. Obligation of having land surveying equipment and premises as a condition for providing the service has been removed.
55. There are no limitations on advertising for geodetic engineers.
56. Requirement of permanent residence in Croatia for geodetic engineers has been removed.
57. Obligation of delivering a certificate proving that against a geodetic engineer no criminal proceedings are being conducted has been removed.
58. Obligation of guidelines provided by the Croatian Chamber of Chartered Geodetic Engineers in terms of a time limit for providing a land surveying service has been removed.

Mining engineers

Ministry of the Economy and Sustainable Development
Mining Act

59. The requirement to submit a proof of Croatian language proficiency for candidates for the professional exam of mining engineers who obtained their professional qualifications abroad has been abolished.
60. Candidates for the professional exam of mining engineers can take the exam again after three months, instead of after a year.
61. Electronic registration of the professional exam for mining engineers is ensured.

Real estate agents

Ministry of the Economy and Sustainable Development
Real Estate Brokerage Act

62. Documents may be sent by e-mail or by using e-service, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
63. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company, obtaining an approval or waiting for a prior check; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
64. The price of licensing exam for real estate agents has been reduced.
65. The price is formed in the market.

Accountants

Ministry of Finance
Accounting Act

66. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company, obtaining an approval, membership in a professional

chamber or waiting for a prior check; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.

67. Planned licensing of accountants in accordance with the law has been revoked.

68. The prices are formed in the market, and they can be freely negotiated.

Auditors

Ministry of Finance

Audit Act

69. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment.

70. The authorization for the work of auditors no longer has a time limit, i.e. the extension request every three years is no longer needed, which reduces the administrative burden.

71. Only one member of an audit company management board needs to be proficient in Croatian language, instead of majority of members.

72. An authorized independent auditor is free to establish more than one audit office, and thus the establishment limitation has been lifted and, thereby, the option of expanding business has been created.

73. Professional liability insurance for auditors from another EU Member State has been recognized automatically, and thus duplication of contracting another professional liability insurance has been removed.

74. Cooperation with other EU Member States is mandatory regarding harmonization of the requirement on professional qualifications of auditors.

75. Free formation of prices has been retained.

76. Advertising is ensured for auditors.

77. Linked companies of an audit company are free to provide certain tax consulting services to audit clients of the public interest.

78. An audit client may be provided with tax services regarding preparation of tax forms, assistance at tax inspections, tax calculation and tax advising.

79. Independent public supervision of audit services has been introduced, without the influence of the Chamber.

80. The Chamber contribution, membership fee and examination fee have been reduced.

81. Competition of prices and organizers of professional training for audit exams has been enabled, and costs of providing training have been reduced.

Tax advisors

Ministry of Finance

Tax Advising Act

82. Documents may be sent by e-mail or by using e-service, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.

83. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company, obtaining an approval, membership in a professional chamber or waiting for a prior check; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.

84. Free price formation and negotiation of tax advisory services has been enabled.

85. Advertising is enabled for tax advisors.

86. Limitation of legal form to limited liability company has been removed.
87. A limitation that a citizen of an EEA state may establish only a branch office for tax advising and not some other type of an establishment has been lifted.
88. An obligation that a tax advisor from the EU has to nominate a proxy for receiving documents if it provides the services on temporary and occasional basis has been cancelled.
89. Limited tax advisory services may be conducted only by certified independent auditors and audit companies within the scope of their activity.
90. A requirement that the amount of minimum capital for tax advisors is to be higher than the standard one for a limited liability company (d.o.o.) has been revoked.
91. Qualified candidates have been exempted from the obligation to take certain sections of the professional exam for tax advisors. Candidates who pass the exam "Accounting, Financial Reports and Auditing", when taking the auditing exam, in addition to application for tax advisor exam have to submit a certificate issued by the Croatian Auditing Chamber that they have passed the exam and that they did not lose the status of an auditor.
92. A part of professional exam "Tax Act in the Republic of Croatia" formerly taken only as an oral exam, now is also a written exam.
93. Independent appeal procedure is available in electronic form as well, for the candidates who take professional exam for tax advisors.

Lawyers

Ministry of Justice and Public Administration

Legal Profession Act; Ordinance on Legal Advertising and Website

94. Documents may be sent by e-mail, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
95. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company and membership in a professional chamber.
96. Excessive requirements on the criteria for EU lawyers taking the exam on Croatian legal system have been removed with regard to recognition of professional qualifications for practicing regulated profession – a lawyer – in Croatia.
97. The following administrative requirements have been removed: enrolling foreign lawyers into the list of lawyers, proof of nationality, certified translation and documents not older than three months.
98. The obligation of submitting a notification to the Croatian Bar Association on their intention to provide services in Croatia (except for the representation) has been removed for lawyers from EU Member States not enrolled in the list of foreign lawyers.
99. The fee for the chamber registration of 5,000 euros when re-entering the legal profession has been abolished.
100. The fee for the first admission to the Croatian Bar Association has been reduced by 40%.
101. Lawyers from other EU Member States may use Croatian word for a lawyer ("odvjetnik") if they select one of the following two principles: If they pass the exam on Croatian legal system, or if they work in Croatia as lawyers under the same professional title as in their home country, provided that they prove efficient and regular legal practice under the same professional title as in their home country for a minimum period of three years.
102. Joint provision of services of lawyers established in Croatia and in any EU Member State has been enabled.
103. Advertising of lawyers is permitted under condition that information contained therein is accurate, authentic, objective and not misleading. Time-consuming procedure of a prior approval by the Chamber of a lawyer's website, i.e. of information contained therein is no longer required. The information available

- on the website is no longer strictly administered. Client information may be published on the website only with their prior consent. Lawyers may unilaterally communicate their services on social networks.
104. It is possible to determine the price of legal services more flexibly, in such a way that in all legal matters lawyers can agree with the client in writing to work on an hourly basis, whereby they are not obliged to adhere to the minimum hourly rate.
 105. Branch offices of law firms from EU Member States may provide consulting services on Croatian law, the law of their home country, European law and on the international law.
 106. Croatian lawyers may provide their services in companies in other EU Member States.
 107. Lawyers from other EU Member States may start law firms in Croatia, without obligation of waiting to have an equal status with Croatian lawyers.
 108. Lawyers from other EU Member States have been provided with an option to jointly provide services with Croatian lawyers or lawyers from other EU Member States, without obligation of waiting to have an equal status with Croatian lawyers.
 109. A law firm may establish another law firm.
 110. A limitation on the number of law firms to be established by the same lawyer has been removed.
 111. It is possible to start employment as a lawyer with another lawyer who as an employer independently practices legal profession, and within a joint law firm.
 112. Lawyers who without a justified cause do not practice their profession more than 6 months will no longer be deleted from the register.
 113. Cessation of the right to provide lawyer services for Croatian lawyers established in other EU Member States in the event of an employment outside a law firm, has been revoked.
 114. Within the process of professional qualification verification for lawyers from other EU Member States who plan to work in Croatia under the title of a lawyer (*odvjetnik*), every individual request will be considered so that the professional exam will be adapted to acquired qualifications and competences of each candidate.

Public notaries

Ministry of Justice and Administration
Notary Public Act

115. The time required for work experience in legal matters after passing the bar exam in order to acquire the conditions for taking the notary exam has been reduced.
116. A shorter duration of the conditions of service in legal affairs was determined after passing the bar examination required for the appointment of public notaries.

Taxi

Ministry of Maritime Affairs, Transport and Infrastructure
Road Transport Act

117. Free and equal market conditions for existing and new business models have been provided.
118. The number of requirements for obtaining a license has been reduced, i.e. a mandatory three-year skilled-driver course has been removed.
119. The procedure of obtaining a driving license is simplified so that it is issued within 15 days from the day of submitting an application.
120. If the license is not issued within the stated time, the competent Ministry of Maritime Affairs, Transport and Infrastructure will issue a decision within the following 15 days.
121. The content of the exam has been simplified and the exam fee has been reduced.

- 122.E-procedure has been provided for submitting an application, for paying a fee and for obtaining licenses.
- 123.Maximum fee for a license may not amount more than 10% of the net salary in the territory of the local self-government unit issuing the license.
- 124.A driver may have a copy of the driving license in the vehicle instead of the original.
- 125.The right of the local self-government units to limit the number of licenses has been cancelled.
- 126.The license does not depend on business establishment and on permanent residence of a taxi driver anymore and it may be obtained in any unit of local self-government regardless of their number.
- 127.Prices may be established on the market basis.
- 128.Driving service may be paid via e-application, not only by a taximeter, which is important for digital platforms within the framework of economic cooperation.
- 129.Taxi drivers from other EU Member States are entitled to freedom of establishment in Croatia as well as the ones from third countries if the aforementioned has been regulated under the international treaty.

Driving schools

Ministry of the Interior
Road Traffic Safety Act

- 130.Documents may be sent by e-mail or by using e-service, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
- 131.By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment.
- 132.Driving schools may independently set their prices, without regulated minimum price.
- 133.Driving schools' network has been terminated because it served for limitation of the allowed number of driving schools per territory of each county and depending on the number of candidates, under justification of market demand.
- 134.Freedom of contracting a job on a full-time or part-time basis has been enabled for driving schools, in order to adapt their work to market demand.
- 135.A driving school may train driving candidates outside the area of the registered office as well, i.e. in branch offices.
- 136.Driving schools will no longer be under obligation to change their cars every 7 years, i.e. their buses every 12 years. Considering that it is assumed that all the vehicles have undergone a technical inspection, driving schools may use 10-year-old cars and 15-year-old buses, which will result in financial savings.

Retail distribution

Ministry of the Economy and Sustainable Development
Retail Trade Act

- 137.Documents may be sent by e-mail or by using e-service, and the procedure of checking minimum technical requirements is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
- 138.By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services.
- 139.Retailers no longer have the obligation of attesting scales every year, but every two years.
- 140.Continuation of retail activity without issuing a new decision on meeting minimum technical requirements has been enabled, which then ensures a simplification of opening new retail stores without an additional burden.

141. The procedure for obtaining an approval for building large shopping malls has been annulled, with economic justification of their opening.
142. The storage area for a wholesale may be less than 50m² (but not smaller than 25m²).
143. It has been enabled that more selling facilities of the same trader on different locations use a joint storage.
144. The procedure for obtaining an approval for conducting a wholesale activity for certain types of petroleum products and biofuels has been annulled, and thus including the fees.
145. The obligation of disposing specially equipped storages for a wholesale of petroleum products and biofuels has been removed, which has enabled a direct retail network access to wholesalers and importers.

Tourism and tourist guides

Ministry of Tourism and Sports

Act on the Provision of Tourism Services

146. Documents may be sent by using e-service or by e-mail, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
147. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company, obtaining an approval or waiting for a prior check; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
148. Obligation of proving capacity for work as a prerequisite to be a tourist guide has been cancelled.
149. Obligation of taking professional exams for tourist guides in every county has been cancelled.
150. Obligation of proving that no ongoing safety measure or protective measure prohibiting a tourist guide to work have been issued in accordance with a final judgement or a decision on misdemeanors to a person that wants to provide tourist guide services has been cancelled.
151. Obligation of proving that no ongoing safety measure or protective measure prohibiting a person to work as office manager have been issued in accordance with a final judgement or a decision on misdemeanor to a person that wants to provide office management services has been cancelled.
152. Regulation of professions of a tour guide and a tour manager has been revoked.
153. Limitation of the number of employees for online tourist agencies in residential premises has been lifted.
154. Limitation for online tourist agencies operating in residential premises that office managers need to have registered permanent residence in such premises has been lifted.
155. Obligatory work experience for managers of tourist agencies has been removed.
156. Obligatory B2 language level for at least one foreign language for managers of tourist agencies has been removed.
157. Obligation of tourist agencies to have an office manager in each branch office or business premises has been removed.
158. Obligation of using a tourist agency ID code has been removed.
159. Obligation of delivering tourist agency representation contracts to the Ministry of Tourism has been removed.
160. Administrative procedure of obtaining a decision on meeting the minimum technical requirements for provision of tourist agency services has been cancelled; it is only required to deliver to the Ministry of Tourism a notification on the start of the service provision.
161. Obligation of proving capacity for work as a prerequisite for a tourist agency manager has been removed.
162. Obligation of attending seminars prior to taking licensing exam for office manager of tourist agency has been removed.
163. Procedure of obtaining a decision on approving the provision of tourist services on a family farm has been cancelled.

164. A procedure of obtaining a decision on approving the provision of services for a special type of tourist offer, with regard to meeting the minimum technical requirements (farm, health, cultural, wellness, congress, youth, adventure, hunting, sport and golf tourism; sport or recreational sea fishing, diving tourism, sport freshwater fishing as a supporting activity to aquafarming of fish, crabs and shells and so on) and a procedure of obtaining a decision on other tourist services (renting instruments and equipment for sports and recreation) have been cancelled.
165. The group of service providers in the sector of health and congress tourism has been extended.
166. Provision of tourist services in health tourism has been enabled to other health institutions and to the private health sector, in addition to special hospitals and sanatoria.

Catering industry

Ministry of Tourism and Sports
Hospitality and Catering Industry Act

167. Documents may be sent by using e-service or by e-mail, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
168. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company, obtaining an approval, membership in a professional chamber or waiting for a prior check; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
169. The requirement of annulment of the decision for a hospitality facility, which fails to start the service within nine months, has been removed.
170. The requirement for lessors to obtain a certificate from an authorized health institution proving that they or a member of their household living in the same building or an apartment, have not been registered as patients suffering from a registered contagious disease or as mental patients who, due to their condition, may present a disturbing element to their surroundings, has been cancelled.
171. Hospitality services may be provided by the private health sector as well.
172. The procedure of re-categorization of hospitality facilities has been simplified and the fee for categorization of the accommodation facilities has been removed.

Employment agency

Ministry of Labour, Pension System, Family and Social Policy
Labour Market Act

173. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
174. Obligation of obtaining a license for work of an employment agency has been removed.

Psychotherapists

Ministry of Labour, Pension System, Family and Social Policy
Psychotherapy Act

175. Documents may be sent by e-mail, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
176. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company, obtaining an approval or membership in a professional chamber; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
177. Cross-border recognition of the professional liability insurance has been provided.
178. The permit is no longer time limited.
179. There are no limitations regarding legal form.
180. There are no limitations regarding number of offices.
181. Prices of private psychotherapists may be formed in accordance with market requirements.
182. Freedom to provide advisory services is retained, while a psychotherapist may only be the person holding the title.
183. The number of university programmes completion of which is a requirement for access to the profession has been increased.

Psychologists

Ministry of Labour, Pension System, Family and Social Policy
Psychology Act

184. Documents may be sent by e-mail, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
185. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company, obtaining an approval or membership in a professional chamber; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
186. An option of deleting trainees from the register if they fail to pass the exam within three years from the day of acquiring status to take the exam, has been removed.
187. Psychologists who lost their right to practice the profession for not complying with obligation of professional development, may again acquire the right to practice their profession.
188. Psychologists with more than ten years of professional work experience, or the ones who passed the professional exam or the State exam of the second level, or who hold postgraduate MA degree or PhD, and are not members of the Chamber and do not have the right to practice their profession, may within three years of transitional period pass the professional exam for psychologists, without obligation of traineeship in order to be authorized to practice the profession.

Intellectual property

State Intellectual Property Office
Act on Copyright and Related Rights

189. Documents may be sent by e-mail or by using e-service, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.

Private detectives

Ministry of the Interior
Private Detectives Act

190. Documents may be sent by e-mail or by using e-service, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
191. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company, residency, and examination or the language proficiency; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
192. Certain obligations regarding special physical and technical conditions of business premises for private detectives have been cancelled in such a way that waiting rooms, the minimum size of premises (30m²) and fax machines are no longer required.

Veterinarians

Ministry of Agriculture
Veterinary Act

Ordinance on procedure of recognition of professional qualifications and requirements for temporary or occasional provision of veterinary services

193. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
194. Automatic recognition of professional qualifications has been enabled.
195. Procedure of obtaining an approval from the competent veterinary office for opening a veterinary pharmacy has been cancelled.
196. Mandatory professional work experience to be appointed as a certified veterinarian has been reduced from two years to six months.

Environment protection

Ministry of the Economy and Sustainable Development
Environment Protection Act

197. Documents may be sent by e-mail or by using e-service, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
198. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
199. It is not required to renew an approval to perform professional activities of environment protection every three years, but every five years.
200. Conditions for working premises of an office manager responsible for professional work of environment protection have been removed.

201. Obligation of participating and paying costs of a professional council in the procedure of obtaining an approval for the policy of preventing major misfortunes in the sector of protection has been removed.

Private museums, libraries and theatres

Ministry of Culture and Media

Museums Act; Theatres Act; Act on Library Activities and Libraries

202. Restrictions on the legal form of the establishment of private museums, libraries and theatres have been lifted, and freedom of establishment of private museums, libraries and theatres has been ensured.

Private archives

Ministry of Culture and Media

Archives and Archival Institutions Act

203. The mandatory feasibility study on the establishment of private archives has been withdrawn.

Private undertakers

Ministry of the Economy and Sustainable Development

Act on Funeral Services

204. Documents may be sent by e-mail, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.

205. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.

206. Professional liability insurance from another EU Member State has been recognized.

Media and paper press

Ministry of Culture and Media

Media Act

207. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services.

Social welfare

Ministry of Labour, Pension System, Family and Social Policy

Social Welfare Act

208. Documents may be sent by e-mail, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.

209. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is

no obligation of initial registration of a company; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.

Nannies

Ministry of Labour, Pension System, Family and Social Policy
Nannies Act

210. Documents may be sent by e-mail, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
211. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.

Private educational institutions and scientific institutes

Ministry of Science and Education
Education Act; Quality Assurance in Science and Higher Education Act; Adult Education Act

212. Documents may be sent by e-mail or by using e-service, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
213. By opening this market to competition, private service providers from the European Economic Area are entitled to freedom of establishment, and freedom to provide cross-border services is enabled for adult education services, when it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
214. There are no legal form restrictions for private higher education institutions and private scientific institutes with regard to natural and legal persons as founders.
215. Private kindergartens and private elementary schools no longer have to prove the justification of their establishment.
216. Private higher education institutions and private scientific institutes no longer have to prove through the study paper that the establishment and study programme are justified; that obligation is retained only in the public sector.
217. Private higher education institutions and scientific institutes do not have to obtain the opinion of the National Council for Science, Higher Education and Technological Development on the need for establishment – this obligation applies only to public sector.
218. The obligation to obtain approval for the establishment of a higher education institution and a scientific institute has been cancelled.
219. Restrictions or waiting for one year to initiate a new accreditation procedure, if the procedure ends negatively, have been lifted.
220. Accreditation of a joint study of a domestic and foreign higher education institution is enabled, while enabling the selection or recognition of initial accreditation through another agency within the framework of the European Quality Assurance Register for Higher Education.

Education and rehabilitation services

Ministry of Labour, Pension System, Family and Social Policy
Act on Education and Rehabilitation Services

221. Documents may be sent by e-mail, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
222. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
223. Cross-border recognition of the professional liability insurance has been provided.
224. Minimum price setting has been cancelled.

Pharmacists

Ministry of Health

Pharmaceutical Affairs Act; Ordinance on standards and norms on premises, medical devices and healthcare workers; Ordinance on start and end time, i.e. work schedule of healthcare institutions and private healthcare workers in offices of public healthcare service network; Ordinance on pharmaceutical advertising

225. Requirements with regard to pharmaceutical advertising have been reduced.
226. Regulations with regard to opening hours of pharmacies have been reduced.

Physiotherapists

Ministry of Health

Act on Physiotherapy; Decision on invitation to tender for conclusion of the healthcare service provision contract with regard to mandatory health insurance for provision of private physiotherapy practice; Ordinance on physical therapy advertising methods

227. Requirements with regard to physiotherapy advertising have been reduced, provided that professional standards are respected.
228. Physiotherapists have been provided with equal requirements to participate in public tenders on provision of physiotherapy services. Croatian Institute for Health Insurance has issued a Decision on invitation to tender for conclusion of the healthcare service-provision contract with regard to mandatory health insurance for private physiotherapy practice.

Dentists

Ministry of Health

Act on Dental Medicine

229. Obligation for dentists from EU Member States to pass the professional exam has been cancelled.

Air-conditioner maintenance

Ministry of the Economy and Sustainable Development

Act on Climate Change and Protection of Ozone Layer

230. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.

231. Licensing exam passed in another EEA state is recognized (and it is mandatory in accordance with the EU law).
232. Persons having a higher qualification in the field of mechanical engineering, persons who completed secondary vocational school, persons having master craftsman's certificate or having master craftsman's status in the field of installation and maintenance or servicing the air-conditioners, i.e. persons who passed the vocational exam before entering into the procedure of obtaining the approval, have been exempted from the obligation to pass the vocational exam (mandatory in accordance with the EU law).

Private security guards

Ministry of the Interior
Act on Private Security

233. Documents may be sent by e-mail or by using e-service, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
234. Equal conditions for provision of private protection services to natural and legal persons from EU/EEA states have been set.
235. It has been provided for natural and legal persons from EU/EEA countries to provide private protection services on occasional basis for a maximum of four times per year.
236. Security guards may be persons who completed primary school education.

Chemicals

Ministry of Health
Act on Chemicals

237. The procedure of obtaining the approval to conduct activities related to dangerous chemicals has been cancelled.

Sports

Ministry of Tourism and Sport
Sports Act

238. Documents may be sent by e-mail, and the procedure is thus simplified and accelerated. All information on the conditions is available at the Point of Single Contact for services.
239. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
240. Limitations in terms of legal form have been lifted so that craftsmen as natural persons may be engaged in sports business.

Energy

Ministry of the Economy and Sustainable Development
Act on Electricity Market; Act on the Market of Oil and Petroleum Products; Act on Gas

- 241. Freedom of establishment is guaranteed to service providers from the European Economic Area in the energy sector.
- 242. Category of privileged and tariff customers for gas and electricity has been cancelled.
- 243. Obligation of gas producers to sell the produced volume of natural gas in total to suppliers on the territory of the Republic of Croatia has been cancelled.
- 244. Tenders for nominating suppliers on a wholesale gas market have been introduced.

Pilots and nautical affairs

Ministry of Maritime Affairs, Transport and Infrastructure
Act on Croatian Register of Shipping

- 245. Provision of services in nautical tourism has been simplified.
- 246. The procedure for compulsory pilotage exemption has been simplified in a way that in the procedure for issuing the approval upon the request of the ship's owner, the operator of the ship or the company it is necessary that the ship fulfils only the safe ship management requirements, and that the ship's master holds the Pilotage Exemption Certificate. Regarding the procedure for compulsory pilotage exemption, a criteria has been introduced for obtaining the Certificate regardless of the ship's length, and the requirements for obtaining the Pilotage Exemption Certificate have been simplified in a way that the division on ships with less than 50 meters in length and on ships exceeding 50 meters in length has been removed, and the time limit for the professional work experience as the ship's master has been reduced from the minimum 36 months to the minimum 12 months. The validity of the Pilotage Exemption Certificate has been extended from 2 to 4 years.

Postal services

Ministry of Maritime Affairs, Transport and Infrastructure
Act on Postal Services

- 247. Freedom of establishment and freedom to provide cross-border services have been enabled to providers of postal services from the European Economic Area.
- 248. Monopoly on provision of the reserved postal services has been terminated.
- 249. There are no limitations in terms of legal forms for provision of postal services.
- 250. Cross-border provision of postal services in terms of parcel delivery has been simplified.

Healthcare

Ministry of Health
Healthcare Act

- 251. The system of private offices has been introduced in the primary healthcare service.
- 252. Private practice in offices without concession has been defined, i.e. without time-limited license.
- 253. Private healthcare workers may provide healthcare services in dislocated premises, i.e. locations, as in special vehicles.
- 254. Development of services in private healthcare tourism has been facilitated.
- 255. Healthcare institutions, healthcare companies and private healthcare workers may provide healthcare services in medical tourism.

Related crafts

Ministry of the Economy and Sustainable Development
Crafts Act

- 256. By opening this market to competition, service providers from the European Economic Area are entitled to freedom of establishment and freedom to provide cross-border services. As regards the latter, there is no obligation of initial registration of a company, passing the exam, professional chamber registration and language proficiency; it is sufficient to send an e-notification to the Point of Single Contact or directly to the competent authority.
- 257. Seasonal duration of a craft business has been extended from six to nine months.
- 258. Regulation of a business activity to be performed as a seasonal craft business has been repealed.
- 259. Two years of work experience for related craft business are sufficient, provided that a person has adequate secondary school qualifications. The exam certificate is required, however persons may provide services without the exam certificate, if they start a company.
- 260. Master craftsman's certificate is not required, but an adequate secondary school qualification for a craft business such as: dairymen, bakers, leather craftsmen, photographers, founders, blacksmiths, tinsmiths, boat mechanics, stove fitters, mechanics for agricultural machinery, air conditioning and heating mechanics, plumbers, roofers, musical instrument manufacturers and repairers, organ builders, upholsterers, watchmakers, electronics mechanics, plasterers, painters and decorators, car-bodyworkers, car painters, beauticians and sign painters.
- 261. It has been ensured that bookkeeping services may be provided by persons with a grammar-school diploma as well (in addition to persons with a diploma in secondary school of economics).

Regulated professions

Ministry of Labour, Pension System, Family and Social Policy
Act on Regulated Professions and Recognition of Foreign Professional Qualifications

- 262. A general system of recognition of professional qualifications from third countries has been introduced.
- 263. European Professional Card issued for temporary and occasional provision of services, automatically grants right to perform a profession, without the requirement of fulfilling additional conditions.
- 264. Persons from third countries may provide regulated professional services under same conditions applied to Croatian citizens (provided that they have three years of professional experience in the territory of a Member State that recognized professional qualification acquired in the third country, which is proved by a certificate from that country).
- 265. Automatic recognition of professional qualifications for doctors of medicine, doctors of dental medicine, midwives, pharmacists and nurses from EU Member States has been introduced, and they are entitled to freedom of establishment in Croatia.

Foundations

Ministry of Justice and Public Administration
Act on Foundations

- 266. The procedure of establishing a trust has been facilitated.
- 267. Time-limit to establish a trust or its duration has been cancelled.
- 268. Trusts may be established by domestic or foreign natural or legal persons, which removes the limitations in terms of legal forms.

269. An obligation to seek consent for the purpose of the trust is no longer prescribed.

270. The obligation of obtaining an approval on a purpose of a trust is no longer required. Trusts may provide economic activities, i.e. provide services.

Last updated on 14 June 2023

METHODOLOGY AND RESULTS

According to OECD [data](#) from the five-year report [Product Market Regulation \(PMR 2018\)](#) in comparison with [PMR 2013](#), the level of regulation of the [Croatian](#) economy and the services market has been reduced from the highest level (upon the EU accession) to the average level of the EU and OECD (before Poland, Slovakia, Malta, Bulgaria, Romania, Austria, France and Belgium). In the meantime, this Regulation has been lowered below this average (according to the OECD's simulation of facilitating starting a business by means of the [START](#) system), which puts Croatia roughly at the level of regulation in the Czech Republic, Slovenia, Hungary, Estonia and Latvia. Within the given result, average level of the services market regulation, including main market professions, refers to accountants, architects, engineers, real estate agents and taxi services, sectors of road transport, energy, telecommunications, retail, public procurement, foreign investments and starting a business. Here, a total level of regulation of the services market entry is among ten the least regulated in the EU internal market and slightly below the OECD average. On the other hand, pharmacies are among the most regulated in comparison with the EU and OECD (along with Luxemburg, Spain and Malta). Also, legal services (lawyers and notaries) are more regulated than the EU average, however they are at the level of comparable countries (Estonia, Hungary, Slovenia, Poland, the Czech Republic, Slovakia and so on).

Additional information

- According to the report ([PMR 2013](#)) Croatia had the most regulated economy (with 2.08) upon its entry into the internal market of the European Economic Area. On the other hand, according to the new report ([PMR 2018](#)) [Croatia](#) scored 1.43, which is within the EU and OECD average. Accordingly, Croatia was at the level of countries such as Iceland, Chile, Japan and Israel, and within the EU it was less regulated than Poland, Slovakia, Malta, Bulgaria, Romania, Austria, France and Belgium.
- However, when looking at the e-registration of establishment in real time (Administrative Burden on Start-ups), Croatia has since the end of 2019 been below the EU and OECD average (with a maximum of 1.35, according to the OECD simulation), and with real corrections to certain data (Interaction with interest groups) and below, as there are public consultations with certain interested stakeholders. Thus, Croatia is roughly at the level of the comparable Czech Republic, Slovenia, Hungary, Estonia and Latvia.
- Observing the two main segments measured by the PMR, Croatia is with 1.82 above the EU and OECD average in terms of influence by the state-owned enterprises (**Distortions Induced by State Involvement**), while with 1.05 is below that average according to **market entry regulation (Barriers to Domestic and Foreign Entry)**, where a company registration, services market entry in more sectors, as well as retail and investments are observed. In particular, Croatia is according to market entry regulation among ten the least regulated EU Member States in the internal market, at the level of the Netherlands, Estonia and Hungary, and it is less regulated than the comparable Czech Republic, Slovakia, Poland and Romania. Since electronic registration of a company has been implemented, according to the OECD simulation the market entry regulation level has been reduced to 0.92, below the level of Slovenia.
- Regarding the **services sector regulation (Barriers in Services Sectors)**, Croatia is with 2.22 among 10 EU Member States with lower level of regulation, and at the same time with less than for example Latvia, Slovakia, Poland and Romania. Croatia is also close to the OECD average and about 10 % below the EU average.

- As for the **main professional services in the market (Professional Services)**, such as accountants, architects, civil engineers, real estate agents and lawyers, Croatia is with **1.48 below the EU and OECD average**. Here the Croatian market of professional services is less regulated than the comparable markets of Poland, Latvia, Slovenia, the Czech Republic, Slovakia, Germany, Austria, Romania and Bulgaria. Also, Croatia almost has the lowest level of regulation for professions among Central European countries that share similar continental regulatory framework. Furthermore, **regulation of lawyers** (as well as of the notaries) **is within the framework of the comparable Central European countries**, although it is slightly above the EU average. In comparison with the last PMR, regulation of lawyers has been slightly reduced (from 5.08 to 3.85), i.e. it is lower than in Hungary, Poland, the Czech Republic, Slovakia and Slovenia. The level of **regulation for architects (from 3.85 to 1.15) and engineers has been reduced so that it is below the EU and OECD average, while engineers are within the EU average**. Also, Croatia is among ten EU Member States that do not have licensing for accountants (0.00).
- **Retail Distribution Sector is open to competition and with 1.22 is somewhat less regulated than the EU and OECD average**, including the comparison with Latvia, Poland and Slovakia. On the other hand, sale of medicinal products, i.e. pharmacies are at 4.50 among the most regulated within the EU, and only less than Luxembourg and Spain.
- **Regulation of Network Sectors** has been reduced to the level slightly above the EU and OECD average (from 2.25 to 1.53), and it is lower than for example in Latvia, Lithuania, Poland and Romania. The regulation has been reduced in the energy sector (from 3.02 to 1.49), from electricity (from 3.85 to 1.50) to natural gas (from 2.16 to 1.48). Furthermore, regulation in transport sector has been reduced (to 2.15), and regulation of the road transport (including taxi service) is among the lowest in the internal market. Regulation of telecommunications is with 0.35 within the EU average and is significantly lower than the OECD average. Over-regulation of mobile telecommunications almost does not exist (0.02), as in several EU Member States such as the Czech Republic and Estonia.