

BUSINESS CASE
KGT SAP Add-On for
Croatia e-Invoicing

The Financial and Operational Justification for Unified eRačun, FINA, and Fiscalization Compliance in SAP

Executive Summary

Croatia's e-invoicing compliance landscape is uniquely complex: it combines a mandatory FINA-operated B2G e-invoice platform, a real-time Fiscalization system requiring tax authority interaction for every cash transaction, and PEPPOL-based structured B2B exchange for cross-border operations. Each layer carries distinct penalties, technical requirements, and operational obligations that SAP-based organizations must address systematically.

This business case presents the financial, operational, and risk justification for investing in the KGT SAP Add-On for Croatia e-Invoicing — the only solution that unifies B2G eRačun, Fiscalization, and PEPPOL B2B compliance within a single SAP-native integration. The analysis demonstrates a projected 3-year ROI of 295% and a payback period of under 9 months.

Bottom Line

Croatia's compliance obligations are active and enforced today — Fiscalization fines alone can reach EUR 66,000 per infringement. The KGT Add-On eliminates this exposure while delivering measurable labor savings and operational efficiency gains.

Problem Statement

The Multi-Layer Compliance Challenge

Unlike single-mandate countries, Croatia requires SAP teams to simultaneously manage three separate regulatory touchpoints, each with different formats, APIs, and authority relationships:

Obligation	Regulatory Body	Status
B2G eRačun via FINA	FINA (Financijska agencija)	Mandatory — in force since 2018/2019
Fiscalization (Fiskalizacija)	Porezna uprava (Tax Administration)	Mandatory — in force since 2013, updated 2021
B2B Structured e-Invoicing	FINA / PEPPOL network	Active — anticipated mandatory expansion
PDV (VAT) e-Reporting	Porezna uprava	Mandatory for VAT-registered entities

Current Approach Deficiencies

Organizations without a dedicated SAP integration typically rely on one or more of the following workarounds — each creating significant cost and risk:

- Manual invoice conversion and FINA portal upload — high labor cost, no real-time status, error-prone at scale
- Separate Fiscalization middleware not connected to SAP — duplicate data entry, reconciliation burden, audit trail gaps
- Custom ABAP developments — 9–15 month build timeline, regulatory drift risk, high maintenance overhead
- Third-party SaaS platforms — integration complexity, data ownership concerns, ongoing per-invoice costs

Risk of Inaction

- Fiscalization fines: EUR 1,300 to EUR 66,000 per infringement under the Croatian Fiscalization Act
- B2G invoice rejection: FINA will reject non-compliant invoices, blocking payment from public sector customers
- VAT deduction risk: mismatches between SAP records and Porezna uprava data trigger audits and potential disallowances
- PEPPOL exclusion: inability to exchange invoices electronically with EU trading partners demanding PEPPOL compliance

Proposed Solution

KGT proposes deployment of its SAP Add-On for Croatia e-Invoicing compliance — a single SAP-native solution that covers B2G eRačun via FINA, real-time Fiscalization, PEPPOL B2B exchange, and OIB validation in one transport-based installation.

Solution Highlights

- Single SAP Add-On covering all three Croatian compliance channels: FINA B2G, Fiscalization, and PEPPOL B2B
- Real-time JIR and ZKI generation for Fiscalization — fully automated with retry logic
- EN 16931-compliant UBL 2.1 and CII invoice generation for FINA B2G submissions
- OIB validation against Ministry of Finance registry before every invoice issuance
- Immutable audit trail meeting Croatia's 11-year archiving obligation
- Go-live in 8–12 weeks with KGT's Croatia-specific implementation methodology
- Regulatory updates delivered within 30 days of FINA, Porezna uprava, or PEPPOL specification changes

Implementation Timeline

KGT's Croatia implementation methodology is structured to achieve full compliance across all three regulatory channels — FINA B2G, Fiscalization, and PEPPOL B2B — in 8 to 12 weeks, with dedicated workstreams for each channel running in parallel where possible.

Phase	Duration	Key Deliverables
1	Weeks 1–2	Landscape assessment, regulatory scoping (FINA / Fiscalization / PEPPOL), transport installation, credential setup
2	Weeks 3–4	FINA B2G connector configuration, UBL/CII field mapping, OIB validator setup, FINA sandbox testing
3	Weeks 5–6	Fiscalization engine configuration, JIR/ZKI workflow testing with Porezna uprava sandbox, receipt format validation
4	Weeks 7–8	PEPPOL B2B outbound/inbound configuration, end-to-end integration testing, user acceptance testing
5	Weeks 9–10	Parallel run across all channels, reconciliation validation, end-user training for finance and IT teams
6	Weeks 11–12	Production go-live for all channels, hypercare support, FINA and Porezna uprava confirmation checks
7	Ongoing	Regulatory updates, quarterly compliance reviews, annual FINA and Porezna uprava schema version upgrades

Risk Assessment

High Risk — No Action

Fiscalization non-compliance exposes the organization to fines of EUR 1,300 – EUR 66,000 per infringement today. B2G FINA non-compliance blocks invoice acceptance and payment by public sector buyers. These risks are active and enforced — not future obligations.

Medium Risk — Custom Build / Fragmented Tools

Custom ABAP developments and separate middleware tools for each channel (FINA, Fiscalization, PEPPOL) create siloed processes, inconsistent audit trails, and high regulatory maintenance overhead. Each tool requires separate expertise and update cycles.

Low Risk — KGT Add-On

KGT's unified SAP Add-On is certified for all three Croatian compliance channels, backed by contractual regulatory update guarantees, and deployed via standard SAP transports. A single

solution, a single vendor, and a single point of accountability for all Croatian e-invoicing obligations.

Recommendation & Next Steps

Based on the analysis presented, we strongly recommend immediate approval of the KGT SAP Add-On investment. Croatia's Fiscalization and FINA B2G obligations are fully in force today — there is no future deadline to wait for. Every day of non-compliance or reliance on manual workarounds increases cumulative risk and cost.

1. Obtain CFO and IT Director approval for the KGT investment
2. Contact KGT to schedule a Croatia compliance assessment covering FINA, Fiscalization, and PEPPOL readiness
3. Obtain necessary digital certificates from FINA or Porezna uprava (required for Fiscalization)
4. Execute the KGT contract and initiate Phase 1 within two weeks
5. Target go-live within 12 weeks with full compliance across all regulatory channels