

[HR] Report on the Activities of the Board of Directors and the Programming Council of the Croatian Radio Television

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Pursuant to Section 19 para. 3 of the Croatian Radio-Television Act, the Council of the Croatian Radio-Television (HRT) shall submit to the Croatian Parliament, at least once a year, a report on its activities and on the implementation of the legally stipulated programming principles and obligations with respect to programmes of Croatian Radio (HR) and Croatian Television (HTV). Further, it shall also submit the Board of Directors' report on the business operations of HTV.

One of the items on the agenda of the 17th session of the Parliament of the Republic of Croatia on 13 December 2005 was the Report on the Activities of the Board of Directors and the Programming Council of the Croatian Radio-Television. The conclusions which were reached on 14 December 2005 resulted in the rejection of the Reports. It was pointed out that:

- the Report of the HRT Board of Directors revealed the illegality of the activities of HRT, a disturbingly significant drop in the income from HRT's own activities, and expenditures greater than expected. The Ministry of Finance was requested to examine the total amount of uncollected taxes and contributions to HRT, as well as the extent of any illegally acquired benefits as a result of broadcasting greater quantities of advertising than legally stipulated. Furthermore, the amount of salaries at HRT and the use of HRT's own means and staff for the purpose of realisation of external productions should be examined.

- the Programming Council did not work in compliance with the Croatian Radio-Television Act; in other words it failed to point to non-compliance with the requirement of providing true, complete and objective information of the general public and it failed to discuss the false, partial and unobjective use of information in the HRT news programmes.

The opposition voted against the above conclusions and took the view that they were a pressure on the freedom of public expression and on the freedom and independence of HRT.

On 6 December 2005 HRT announced that it had received a second instance decision of the Ministry of Finance regarding the collection of value added tax (VAT) for the period of six months of the year 2002 amounting to some HRK 70



million (EUR 1 Euro = HRK 7,3908). The Minister of Finance pointed out that the decision did not refer just to the amount of HRK 65 million of the unpaid VAT, but it also referred to HRK 14 million for debts of contributions, taxes, additional taxes and other duties, and to another HRK 9 million by way of interest. The decision was based on the inspection supervision of the business operations of HRT during the year 2002.

On 16 December 2005 the Ministry of Finance in pursuance of its duties cancelled the decision by which the tax liabilities of HRT were determined, due to facts which had not been considered in the procedure prior to the adoption of the decision at second instance. This resulted in the cancellation of all and any legal effects produced by the said decision.

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Croatian Radio-Television Act, Official Gazette No. 25/03

