

# THE CROATIAN PARLIAMENT

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Pursuant to Article 89 of the Constitution of the Republic of Croatia, I hereby issue the

## DECISION

### PROMULGATING THE ACT ON AMENDMENTS TO THE CREDIT INSTITUTIONS ACT

I hereby promulgate the Act on Amendments to the Credit Institutions Act passed by the Croatian Parliament at its session on 12 July 2019.

Class: 011-01/19-01/115

No.: 71-06-01/1-19-2

Zagreb, 17 July 2019

The President of the Republic of Croatia  
**Kolinda Grabar-Kitarović, m.p.**

### THE ACT ON AMENDMENTS TO THE CREDIT INSTITUTIONS ACT

#### Article 1

In the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015 and 15/2018), in Article 2 after paragraph (3), paragraphs (4) and (5) are added which read:

"(4) This Act further regulates the implementation of Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, hereinafter referred to as 'Regulation (EU) No 1024/2013').

(5) This Act further regulates the implementation of Regulation (EU) No 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for cooperation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities and with national designated authorities (SSM Framework Regulation) (OJ L 141/1, 14.5.2014, hereinafter referred to as 'Regulation (EU) No 468/2014')."

#### Article 2

In Article 3, after item (29), items (29a) and (29b) are added which read:

"29a) '*less significant supervised entity*' shall have the meaning as defined in Article 2, point (7) of Regulation (EU) No 468/2014;

29b) '*less significant supervised group*' shall have the meaning as defined in Article 2, point (23) of Regulation (EU) No 468/2014."

After item (47), item (47a) is added which reads:

"47a) '*national competent authority in close cooperation*' shall have the meaning as defined in Article 2, point (10) of Regulation (EU) No 468/2014. In the Republic of Croatia, the national competent authority in close cooperation is the Croatian National Bank."

After item (48), items (48a) and (48b) are added which read:

"48a) '*supervised entity*' shall have the meaning as defined in Article 2, point (20) of Regulation (EU) No 468/2014;

48b) '*supervised group*' shall have the meaning as defined in Article 2, point (21) of Regulation (EU) No 468/2014."

After item (95), items (96) and (97) are added which read:

"96) '*significant supervised group*' shall have the meaning as defined in Article 2, point (22) of Regulation (EU) No 468/2014;

97) '*significant supervised entity*' shall have the meaning as defined in Article 2, point (16) of Regulation (EU) No 468/2014."

### **Article 3**

After Article 11, Articles 11a and 11b and their titles are inserted which read:

#### *"Close cooperation*

##### Article 11a

(1) In accordance with Article 7, paragraph (2) of Regulation (EU) No 1024/2013, as of the date of application of the decision establishing a close cooperation that was published in the Official Journal of the European Union, the Croatian National Bank shall abide by any guidelines or requests issued by the European Central Bank, and shall adopt any measure in relation to credit institutions requested by the European Central Bank.

(2) Legal acts adopted by the European Central Bank pursuant to Regulation (EU) No 1024/2013 shall be directly applicable in the Republic of Croatia.

(3) Whenever the European Central Bank exercises and performs its supervisory tasks referred to in Articles 4 and 5 of Regulation (EU) No 1024/2013, the Croatian National Bank shall in performing its supervisory tasks and exercising its supervisory powers or powers of the designated authority in accordance with this Act and Regulation (EU) No 575/2013 adopt decisions in accordance with the instructions, requests or guidelines issued by the European Central Bank in accordance with Article 7 of Regulation (EU) No 1024/2013.

(4) Whenever the European Central Bank exercises and performs its supervisory tasks referred to in Article 4, paragraphs (1) and (2) of Regulation (EU) No 1024/2013, in relation to significant supervised entities or significant supervised groups, the Croatian National Bank shall in performing its supervisory tasks and exercising its supervisory powers in accordance with this Act and Regulation (EU) No 575/2013 adopt decisions only upon request and in accordance with the European Central Bank's specific instructions, guidelines, requests and measures.

(5) Whenever the European Central Bank exercises and performs its supervisory tasks referred to in Article 4, paragraph (1), points a) and c) of Regulation (EU) No 1024/2013, in relation to less significant supervised entities or less significant supervised groups, the Croatian National Bank shall in performing its supervisory tasks and exercising its supervisory powers in accordance with this Act and Regulation (EU) No 575/2013 adopt decisions only upon request and in accordance with the European Central Bank's specific instructions, guidelines, requests and measures, unless otherwise provided by Regulation (EU) No 1024/2013 or legal acts of the European Central Bank.

(6) Whenever the European Central Bank exercises and performs its supervisory tasks referred to in Article 4, paragraph (1), points b), d) to g) and i) of Regulation (EU) No 1024/2013, in relation to less significant supervised entities or less significant supervised groups, the Croatian National Bank shall in performing its supervisory tasks and exercising its supervisory powers in accordance with this Act and Regulation (EU) No 575/2013 adopt decisions upon request and in accordance with the European Central Bank's instructions, guidelines, requests and measures.

(7) Whenever the European Central Bank exercises and performs its supervisory tasks referred to in Article 5 of Regulation (EU) No 1024/2013, the Croatian National Bank shall in exercising its powers of the macroprudential authority in accordance with this Act and Regulation (EU) No 575/2013 adopt decisions in accordance with the instructions, requests or guidelines issued by the European Central Bank in accordance with Article 7 of Regulation (EU) No 1024/2013.

(8) Where the Croatian National Bank acts as designated authority for the purposes of Article 458, paragraph (1) of Regulation (EU) No 575/2013 or adopts any other measures aimed at addressing systemic or other macroprudential risks provided for, and subject to the procedures set out, in Regulation (EU) No 575/2013 and this Act in the cases specifically set out in relevant Union law in the part related to the adoption of measures to limit systemic risk, whenever the European Central Bank exercises and performs its supervisory powers and tasks referred to in Article 5 of Regulation (EU) No 1024/2013, the Croatian National Bank shall, in accordance with Article 7 of the Regulation (EU) No 1024/2013, act in accordance with the instructions issued by the European Central Bank.

(9) Where the Croatian National Bank acts in accordance with Article 7, paragraph (8) of Regulation (EU) No 1024/2013, the Croatian National Bank may propose to the Government of the Republic of Croatia to request the European Central Bank to terminate close cooperation with immediate effect.

(10) The Government of the Republic of Croatia shall without delay notify the Croatian National Bank of submitting the request referred to in paragraph (9) of this Article.

(11) Upon the termination of close cooperation, the legal acts of the European Central Bank adopted pursuant to Regulation (EU) No 1024/2013 shall cease to be applied in the Republic of

Croatia and the Croatian National Bank shall inform supervised entities and supervised groups thereof.

(12) Where the Governing Council of the European Central Bank notifies the Croatian National Bank that it confirmed its objection to the complete draft decision of the Supervisory Board, the Croatian National Bank may, within five days of the receipt of such notification, notify the European Central Bank that it shall not be bound by any of the decisions adopted pursuant to the amended initial complete draft decision to which the Governing Council of the European Central Bank raised its objection.

(13) The Croatian National Bank shall, without delay, notify the Government of the Republic of Croatia of the circumstances referred to in paragraph (12) of this Article.

### *Comprehensive assessment by the European Central Bank*

#### Article 11b

(1) Aiming to establish close cooperation between the Croatian National Bank and the European Central Bank in accordance with Article 7 of Regulation (EU) No 1024/2013 and in order to ensure to the European Central Bank or the person empowered by the European Central Bank, the performance of a comprehensive assessment referred to in Article 7, paragraph (2), point (b) of Regulation (EU) No 1024/2013, the persons referred to in Article 179, paragraph (2) of this Act shall provide to the European Central Bank or the person empowered by the European Central Bank all necessary information.

(2) For the purposes of a comprehensive assessment referred to in paragraph (1) of this Article, the European Central Bank or the person empowered by the European Central Bank, may:

- 1) request from the persons referred to in Article 179, paragraph (2) of this Act to submit documentation;
- 2) carry out a review of business books and documentation of the persons referred to in Article 179, paragraph (2) of this Act including to obtain copies;
- 3) request written and oral explanations from the persons referred to in Article 179, paragraph (2) of this Act and from their employees; and
- 4) for the purpose of collecting information, interview any person it considers as having relevant information, provided such person provides their explicit consent.

(3) The submission of the information referred to in paragraphs (1) and (2) of this Article shall not be considered as disclosure of business or banking secret."

## **FINAL PROVISIONS**

### *Provisions of this Act that shall cease to have effect*

#### **Article 4**

(1) On the date of application of the Decision on close cooperation published in the Official Journal of the European Union Article 3 of this Act shall cease to apply in the part adding Article 11b.

(2) As of the date of termination of close operation in accordance with Article 7 of Regulation (EU) No 1024/2013 or as of the date on which the derogation pursuant to Article 139 TFEU is abrogated in respect to the Republic of Croatia in accordance with Article 140(2) TFEU, the provisions of Article 3 of this Act shall cease to apply in the part adding Article 11a.

*Entry into force*

**Article 5**

This Act shall enter into force on the eighth day after the day of its publication in the Official Gazette, with the exception of Article 3 of this Act in the part adding Article 11a, which shall enter into force on the date of application of the Decision on close cooperation published in the Official Journal of the European Union.

Class: 022-03/19-01/98  
Zagreb, 14 July 2019

THE CROATIAN PARLIAMENT

The President of the Croatian Parliament  
**Gordan Jandroković**, m.p.