

CROATIAN NATIONAL BANK

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Pursuant to Article 24 and Article 39, paragraph 2, under i) of the Croatian National Bank Act (Official Gazette 36/2001), the Governor of the Croatian National Bank hereby issues the

DECISION

ON HANDLING KUNA BANKNOTES AND KUNA AND LIPA COINS UNFIT FOR CIRCULATION

PURPOSE

Article 1

This Decision shall regulate the procedure for handling valid banknotes and coins unfit for circulation, the procedure for handling counterfeit and suspect banknotes and coins and the banknote reproduction procedure, to be applied by banks and other institutions which are engaged in financial operations, handle banknotes and coins and issue banknotes and coins to general public as part of their business activities.

BANKNOTES AND COINS UNFIT FOR CIRCULATION

Article 2

(1) For the purpose of this Decision, banknotes unfit for circulation shall imply banknotes which have been worn out by use and have a considerably reduced paper and colour quality.

(2) For the purpose of this Decision, banknotes and coins unfit for circulation shall also imply banknotes and coins which have been mutilated or damaged by use.

REPLACEMENT OF WORN OUT BANKNOTES

Article 3

The Croatian National Bank shall sort out and replace worn out banknotes in their full amount via cash centres in the course of processing and sorting cash deposits received from banks.

REPLACEMENT OF MUTILATED OR DAMAGED BANKNOTES AND DAMAGED COINS

Article 4

The Croatian National Bank shall replace mutilated or damaged banknotes in their full amount in the following instances:

- a) when over 50% of a banknote is presented;
- b) when less than 50% of a banknote is presented but the applicant proves that the missing parts have been destroyed.

Article 5

Mutilated or damaged banknotes shall be replaced subject to the following requirements:

- a) the identity of the applicant shall be established where his/her legal right to a banknote and the authenticity of the banknote is questioned;
- b) if there is a justified suspicion that a criminal offence has been committed or that a banknote has been damaged on purpose, the applicant shall be obliged to explain in writing why the banknote has been damaged and what has happened with the missing parts;

c) describe in writing the type of stain, impurity or impregnation on the presented banknote;

d) explain in writing the cause and type of neutralisation to which banks and other institutions submitted the banknotes after their colour had been changed due to the activation of an anti-theft device;

e) the applicant shall pay a fee determined by the Croatian National Bank in the event that the Croatian National Bank has to carry out a complex analysis of a mutilated or damaged banknote.

Article 6

(1) The Croatian National Bank shall replace damaged coins if such coins submitted for replacement are whole and if their authenticity can be established.

(2) Banks or other institutions engaged in financial operations shall accept or replace mutilated or damaged banknotes in their full amount provided that the applicant presents more than 50% of a banknote.

(3) Where the applicant presents 50% or less than 50% of a banknote, the bank shall neither accept nor replace the mutilated banknote, but it shall refer the applicant to the Croatian National Bank for damage estimation and possible replacement.

(4) The Croatian National Bank shall replace damaged or mutilated banknotes and damaged coins received by banks pursuant to item 2 of this Article in their full amount via cash centres.

PROCEDURES FOR HANDLING COUNTERFEIT AND SUSPECT BANKNOTES AND COINS

Article 7

Banks and other institutions engaged in financial operations and handling banknotes and coins shall be obliged to withdraw from circulation all banknotes and coins which they know or have sufficient reason to believe are counterfeit.

Article 8

(1) In the event that a counterfeit or suspect banknote or coin is spotted while receiving payments at a bank or at other institutions engaged in financial operations, the bank and other institutions engaged in financial operations shall be obliged to detain such a banknote or coin and immediately notify the police thereof.

(2) The applicant shall be issued a receipt for detention of the suspect banknote or coin and he/she shall be detained if possible until the arrival of the police.

(3) Having presented a suspect banknote or coin to the police, banks or other institutions engaged in financial operations shall immediately submit the suspect banknote or coin to the Croatian National Bank for authentication.

Article 9

The Croatian National Bank shall upon completing the procedure send the results of the expert evaluation of the suspect banknote or coin to the sender, and it shall inform of the counterfeit, if any, all banks and other institutions engaged in financial operations.

REPRODUCTION

Article 10

(1) The Croatian National Bank shall own the copyright of the banknotes it has issued.

(2) The Croatian National Bank shall authorise the reproduction of the banknotes it has issued in the following instances:

a) for photographs, drawings, pictures, films and, in general, for any work where the

banknote or its reproduction is not of central importance and which does not contain an enlarged version of the banknote design;

b) for the reproduction of the banknotes referred to in item 1 of this Article, whose length and width have been increased by over 125% or decreased by less than 75%, notwithstanding the material used for the reproduction.

(3) The Croatian National Bank shall authorise any other manner of reproduction.

(4) The Croatian National Bank may revoke the authorisation for the reproduction subject to the rules referred to in items 2 and 3 of this Article in case of the infringement of inalienable moral rights of the author of the banknote design.

TRANSITIONAL PROVISIONS

Article 11

(1) As of the date of application of this Decision, the Decision on the Replacement of Worn Out and Damaged Kuna Banknotes and Damaged Kuna and Lipa Coins (Official Gazette 37/1994) shall cease to have effect.

(2) This Decision shall enter into force on the eighth day following its publication in the Official Gazette and shall apply as of 1 April 2002.

Decision No. 42-020/02-02/ŽR
Zagreb, 28 February 2002

Croatian National Bank Governor
Dr Željko Rohatinski, m.p.