

OG 141/2022 (6 December 2022), Act on Amendments to the Foreign Exchange Act

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 FOREIGN EXCHANGE ACT

I hereby promulgate the Act on Amendments to the Foreign Exchange Act passed by the Croatian Parliament at its session on 29 November 2022.

Class: 011-02/22-02/154

Ref.No. 71-10-01/1-22-2

Zagreb, 2 December 2022

The President
of the Republic of Croatia
Zoran Milanović, m. p.

ACT ON AMENDMENTS TO THE FOREIGN EXCHANGE ACT

Article 1

In the Foreign Exchange Act (Official Gazette 96/03, 140/05, 132/06, 150/08, 92/09, 133/09, 153/09, 145/10, 76/13 and 52/21), in Article 1, paragraph (1), item (1), the word “kuna” is replaced by the word “euro”.

Article 2

In Article 1.a, character “1” designating item (1) is deleted and after the words “(hereinafter: Regulation (EU) 2018/1672)”, the semicolon is replaced by a full stop.

Items (2) and (3) are deleted.

Article 3

Article 4 is amended to read:

“Foreign means of payment, for the purposes of this Act, shall mean foreign exchange, i.e., monetary claims in foreign currency on a payment service provider, foreign cash (banknotes and coins) and checks and bills of exchange denominated and payable in foreign currency.”.

Article 4

In Article 14, paragraph (4), the word “kuna” is replaced by the word “euro”.

Article 5

The title of Article 15 is amended to read: *“Payments, Collections and Transfers in Foreign Means of Payment between Residents and between Residents and Non-Residents”*.

Article 15 is amended to read:

“(1) There shall be no restrictions on payments and collections in foreign exchange, foreign cash and checks and transfers of foreign currency assets between residents and between residents and non-residents.

(2) Payments and collections in foreign cash between residents and between residents and non-residents in the Republic of Croatia shall comply with anti-money laundering and counter-terrorism and tax regulations.

(3) The provisions of the act governing fiscalization in cash transactions shall apply to the manner of and the time limits for depositing foreign cash in the account and to the maximum balance in the cash register in payments and collections in foreign cash referred to in paragraph (2) of this Article.”.

Article 6

Article 17 and its title are deleted.

Article 7

Article 34 and its title are deleted.

Article 8

Article 40.c and its title are deleted.

Article 9

In Article 44, the word “kuna” is replaced by the word “euro”.

Article 10

The title of Article 45 is amended to read: *“Exchange rate list of the Croatian National Bank”*.

Article 45 is amended to read:

“The provisions of the act governing the introduction of the euro as the official currency in the Republic of Croatia shall apply to the publication of the exchange rate list of the Croatian National Bank and to the use of the midpoint exchange rates of the Croatian National Bank for the euro in relation to other currencies.”.

Article 11

In Article 46, paragraph (1) the word “kuna” is replaced by the word “euro”.

In paragraph (3), item (1) is amended to read:

“1. it uses protected euro-based software certified by the Croatian National Bank,”.

Article 12

In Article 46.c, paragraph (1), item (4) is amended to read:

“4. if the authorised exchange office has been convicted on the basis of a final judgement of any of the gross misdemeanours referred to in Article 63, paragraph (1), item (4) of this Act, in case of a misdemeanour committed in relapse or if the value of foreign cash or euro cash that was the subject of the misdemeanour exceeds EUR 30,000.00,”.

Article 13

The title above Article 47, consisting of the words “CHAPTER V” and the title of CHAPTER V are deleted.

The titles of Articles 47 and 48 and Articles 47 and 48 are deleted.

Article 14

In Article 49, paragraphs (4) and (5) are amended to read:

“(4) The Croatian National Bank shall compile the Republic of Croatia statistics on the balance of payments, external debt stock and international investment position.

(5) For the purpose of controlling foreign exchange operations and compiling the Republic of Croatia statistics on the balance of payments, external debt stock and international investment position, residents shall submit to the Croatian National Bank data

on external operations and transactions in the manner and within the time limits prescribed by a special decision of the Croatian National Bank.”.

Article 15

In Article 55, the words “the Croatian National Bank and” are deleted.

Article 16

Article 56 is amended to read:

“(1) The supervisory bodies referred to in Article 55 of this Act and the Croatian National Bank shall exchange information needed by the supervisory body in the process of supervision or by the Croatian National Bank to compile the statistics referred to in Article 49, paragraph (4) of this Act.

(2) The exchange of information shall include the provision of notification of the irregularities established, which are important for the operation of the supervisory body or the compilation of statistics by the Croatian National Bank.

(3) The provision of information on the supervised person needed by the supervisory bodies referred to in paragraph (1) of this Article for supervisory purposes or by the Croatian National Bank for compiling the statistics referred to in Article 49, paragraph (4) of this Act shall not be considered disclosure of a secret as defined by special regulations.

(4) The supervisory bodies referred to in paragraph (1) of this Article and the Croatian National Bank shall define the content of each such notification and the manner in which such notifications are to be provided by means of an agreement on the exchange of information.”.

Article 17

The title of Article 58 is amended to read: “*Competence of the Ministry of Finance – Financial Inspectorate*”.

In Article 58, paragraph (1) is amended to read:

(1) The Ministry of Finance – Financial Inspectorate shall supervise foreign exchange transactions of banks, branches and representative offices of foreign banks.”.

Article 18

In Article 60, paragraph (1), in the introductory sentence, the words “of HRK 70,000.00 to HRK 1,000,000.00” are replaced by the words “of EUR 9,290.00 to EUR 132,720.00”.

In paragraph (2), the words “of HRK 35,000.00 to HRK 100,000.00” are replaced by the words “of EUR 4,640.00 to EUR 13,270.00”.

Article 19

In Article 61, paragraph (1) the words “of HRK 50,000.00 to HRK 1,000,000.00” are replaced by the words “of EUR 6,630.00 to EUR 132,720.00”.

In paragraph (2), the words “of HRK 20,000.00 to HRK 100,000.00” are replaced by the words “of EUR 2,650.00 to EUR 13,270.00”.

Article 20

In Article 62, paragraph (1), in the introductory sentence, the words “of HRK 50,000.00 to HRK 500,000.00” are replaced by the words “of EUR 6,630.00 to EUR 66,360.00”.

In paragraph (2), the words “of HRK 10,000.00 to HRK 50,000.00” are replaced by the words “of EUR 1,320.00 to EUR 6,630.00”.

In paragraph (4), the word “kuna” is replaced by the word “euro”.

Article 21

Article 63 is amended to read:

“(1) A fine of EUR 1,990.00 to EUR 26,540.00 shall be imposed for a misdemeanour on any legal or natural person who:

1. transfers funds abroad for the purpose of purchasing real estate abroad, without fulfilling the conditions laid down by this Act,
2. executes or collects a payment in foreign cash contrary to this Act,
3. fails to submit reports to the Croatian National Bank on transactions and balances in its accounts abroad and in the accounts of its branches abroad in the manner and within the time limits prescribed by the Croatian National Bank,
4. fails to comply with the conditions for and the manner of conducting currency exchange transactions, as prescribed by this Act and decisions of the Croatian National Bank,
5. purchases or sells foreign cash, lends or borrows foreign cash, acts as a mediator in foreign cash purchase, sale or lending contrary to this Act,
6. fails to submit to the Croatian National Bank within the prescribed time limits required reports on its external foreign exchange operations or activities it performs abroad, or does it in a way different from that prescribed for reporting, fails to provide the requested documentation and data to the Financial Inspectorate of the Republic of Croatia, or fails to keep business books on such operations in the prescribed manner,
7. fails to supply to the Croatian National Bank within the prescribed time limit the notification and the documentation referred to in Article 46.e of this Act,
8. conducts exchange transactions as an authorised exchange office without that activity being registered in the court register or the register of crafts and trades.

(2) A responsible person of the legal person shall be fined between EUR 390.00 and EUR 2,650.00 for the misdemeanour referred to in paragraph (1) of this Article.

(3) In cases of gross misdemeanours referred to in paragraph (1) of this Article, where the value of the subject of misdemeanour exceeds EUR 15,000.00, or where the misdemeanour is committed in relapse, or is committed in an especially dangerous way, the legal or natural person and the responsible person in a legal person shall be fined for such misdemeanours EUR 3,980.00 to EUR 53,080.00.

(4) Foreign cash and euro cash, as the subject of the misdemeanour referred to in paragraph (1) of this Article or foreign cash or euro cash as the subject of a payment transaction resulting from a misdemeanour, shall be seized in misdemeanour proceedings on the basis of a ruling on misdemeanour.

(5) By way of exception, in cases involving minor misdemeanours as determined by this Act, where there are special extenuating circumstances, the body in charge of misdemeanour proceedings may decide that the foreign cash and euro cash referred to in paragraph (1) of this Article shall not be seized or shall be seized only in part.”.

Article 22

Article 64 is amended to read:

“(1) A fine of EUR 4,640.00 to EUR 66,360.00 shall be imposed for a misdemeanour on a bank that:

1. concludes a loan agreement abroad for the account of others when it is not authorised to provide services involving external credit transactions;
2. conducts any foreign exchange operation without authorization or oversteps the authority granted to it by virtue of the authorisation obtained from the Croatian National Bank;
3. concludes an agreement on exchange transactions with a person that does not fulfil the conditions prescribed by this Act;

4. concludes an agreement with an authorized exchange office that does not contain the elements prescribed as obligatory by a decision of the Croatian National Bank;

5. fails to submit a report to the Croatian National Bank, where this is prescribed by this Act, or fails to supply data to the Financial Inspectorate of the Republic of Croatia within the prescribed time limits or in the prescribed manner;

6. conducts external payment transactions or manages foreign exchange accounts contrary to regulations of the Croatian National Bank.

(2) A responsible person in the bank shall be fined EUR 260.00 to EUR 4,640.00 for the misdemeanour referred to in paragraph (1) of this Article.”

Article 23

In Article 69, paragraph (1) the words “of HRK 40,000.00 to HRK 400,000.00” are replaced by the words “of EUR 5,300.00 to EUR 53,080.00”.

In paragraph (2), the words “of HRK 25,000.00 to HRK 250,000.00” are replaced by the words “of EUR 3,310.00 to EUR 33,180.00”.

In paragraph (3), the words “of HRK 5,000.00 to HRK 100,000.00” are replaced by the words “of EUR 660.00 to EUR 13,270.00”.

In paragraph (4), the words “of HRK 3,000.00 to HRK 100,000.00” are replaced by the words “of EUR 390.00 to EUR 13,270.00”.

Article 24

In Article 69.a, the words “of HRK 5,000.00 to HRK 100,000.00” are replaced by the words “of EUR 660.00 to EUR 13,270.00”.

Article 25

In Article 69.b, the words “of HRK 5,000.00 to HRK 100,000.00” are replaced by the words “of EUR 660.00 to EUR 13,270.00”.

Article 26

In Article 69.c, paragraph (1), item (1), the words “up to HRK 2,000,000.00” are replaced by the words “up to EUR 265,440.00”.

In item (2), the words “up to HRK 1,000,000.00” are replaced by the words “up to EUR 132,720.00”.

In item (3), the words “up to HRK 1,000,000.00” are replaced by the words “up to EUR 132,720.00”.

In paragraph (2), the words “up to HRK 200,000.00” are replaced by the words “up to EUR 26,540.00”.

Article 27

In Article 70, paragraph (1), the word “kuna” is replaced by the word “euro”.

TRANSITIONAL AND FINAL PROVISIONS

Article 28

(1) The authorised exchange office shall deliver to the Croatian National Bank within three months of the day of entry into force of this Act a copy of the agreement on the purchase of the software referred to in Article 11, paragraph (2) of this Act.

(2) If the authorised exchange office fails to deliver to the Croatian National Bank within the time limit referred to in paragraph (1) of this Article a copy of the agreement on the purchase of the software referred to in Article 11, paragraph (2) of this Act, the authorisation

to conduct exchange transactions issued to it by the Croatian National Bank shall cease to have effect with the expiry of the time limit referred to in paragraph (1) of this Article.

Article 29

(1) As of the date of entry into force of this Act, the Decision on the manner in which residents may withdraw and deposit foreign cash and checks from/in a bank account (Official Gazette 48/10) and the Decision on payments and collections in foreign means of payment in the country (Official Gazette 111/05, 16/15 and 108/22) shall cease to have effect.

(2) As of the date of entry into force of this Act, the approvals for keeping foreign cash in cash registers issued by the Croatian National Bank in 2022 based on the Decision on the manner in which residents may withdraw and deposit foreign cash and checks from/in a bank account (Official Gazette 48/10) shall cease to have effect.

Article 30

This Act shall be published in the Official Gazette and shall enter into force on the day of introduction of the euro as the official currency in the Republic of Croatia.

Class: 022-02/22-01/156

Zagreb, 29 November 2022

CROATIAN PARLIAMENT

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