

# 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 FOREIGN EXCHANGE ACT

I hereby promulgate the Act on Amendments to the Foreign Exchange Act passed by the Croatian Parliament at its session on 15 December 2010.

Class: 011-01/10-01/159

No.: 71-05-03/1-10-2

Zagreb, 17 December 2010

The President of the Republic of Croatia  
**Ivo Josipović, m.p.**

## ACT

### ON AMENDMENTS TO THE FOREIGN EXCHANGE ACT

#### Article 1

Paragraph 1 of Article 3 of the Foreign Exchange Act (Official Gazette 96/03, 140/05, 132/06 and 153/09) is amended to read:

"(1) For the purposes of this Act, the term bank shall mean:

- a credit institution under the law governing the operation of credit institutions which is authorised by the Croatian National Bank to conduct operations governed by this Act,
- a branch of a third country credit institution authorised by the Croatian National Bank to establish a branch and authorised to conduct operations governed by this Act,
- a credit institution of a Member State that is authorised under the law governing the operation of credit institutions to conduct operations governed by this Act;
- the Croatian Bank for Reconstruction and Development."

## Article 2

In Article 15, after the words: "foreign means of payment", the words: "and transfers of foreign currency assets" are added.

## Article 3

The title above Article 34 is amended to read: "Payments and Collections in Domestic Cash, Foreign Cash and Checks".

Article 34 is amended to read:

"The Croatian National Bank shall prescribe the manner in which residents referred to in Article 2, paragraph 1, items 1, 2 and 3 of this Act can withdraw from and deposit foreign cash and checks in a bank account, the time limit until which they shall deposit the foreign cash and checks collected in a bank account and the conditions under which they may keep foreign cash and checks in vaults."

## Article 4

In Article 42, paragraph 4 is amended to read:

"(4) Residents referred to in Article 2, paragraph 1, items 4 and 5 of this Act and natural non-resident persons may also conduct foreign cash purchase and sale transactions and the sale of checks denominated in a foreign currency through authorized exchange offices."

## Article 5

In Article 46, paragraph 1 is amended to read:

"(1) Exchange transactions conducted by authorised exchange offices shall comprise the purchase of foreign cash and checks denominated in a foreign currency and the sale of foreign cash in exchange for kuna cash.

In paragraph 3, item 4, after the words: "legal person", the words "or executive director of a joint stock company that has a management board, procurator" are added, and the wording translated as "history of criminal offence" is replaced by the wording which bears no relevance to the English translation."

## Article 6

In Article 46.a, paragraph 1, item 4, the full stop after the word "certified" is replaced by a coma.

After item 4, item 5 is added which reads:

"5. data proving that the persons referred to in Article 46, paragraph 3, item 4 of this Act have not been convicted abroad for offences meeting the description of criminal offences referred to in Article 46, paragraph 3, item 4 of this Act, not older than three months."

In paragraph 3, the words "no criminal history status" are replaced by words which bear no relevance to the English translation.

After paragraph 3, paragraph 4 is added which reads:

"(4) Any application which is not accompanied by all the necessary documentation referred to in this Article of the Act shall be considered incomplete. The Croatian National Bank shall reject an incomplete application following expiry of the time limit referred to in Article 46.b, paragraph 2 of this Act."

#### Article 7

In Article 46.b, paragraph 1, item 3 is amended to read:

"3. if it is established that the applicant is a craftsman or a sole trader or, in case of a legal person, a member of the management board or executive director of a joint stock company that has a management board or procurator or any of the qualified owners referred to in Article 46.a, paragraph 1, item 2 and paragraph 2, item 2 of this Act, who has been convicted with finality of criminal offence against the values protected by international law, payment transactions and operations safety, document authenticity or of criminal offences as defined under this Act, during the period of five years following the verdict's finality, where the time spent serving the term of the sentence shall not be included in the calculation of this five-year period."

In item 4, the full stop after the word: "exchange office", is deleted and the word: "or" is added.

After item 4, item 5 is added which reads:

"5. if winding-up or bankruptcy proceedings have been initiated against the applicant."

#### Article 8

In Article 46.c, paragraph 1, item 5, the word "or" is deleted.

In item 6, after the word "programme", the comma is replaced by the word "or".

After item 6, item 7 is added which reads:

"7. if the authorised exchange office fails to submit the requested information and evidence to the Croatian National Bank referred to in Article 46.e, paragraph 3 of this Act, within the time limit set in the authorisation of minimum 30 days."

#### Article 9

In Article 46.d, item 2, after the words "on the date when a", the words "winding-up or" are added.

#### Article 10

In Article 46.e, paragraph 3 is added which reads:

"(3) The authorised exchange office referred to in Article 46, paragraph 2 of this Act shall supply to the Croatian National Bank on request the information and evidence on the fulfilment of the conditions referred to in Article 46, paragraph 3 of this Act."

#### Article 11

Article 51 is amended to read:

"(1) The Croatian National Bank shall prescribe the manner of reporting and collecting data on direct and other equity investments.

(2) Residents shall report to the Croatian National Bank on direct and other equity investments, in the manner and within the time limits determined by a decision of the Croatian National Bank."

#### Article 12

Article 52 is amended to read:

"(1) The Croatian National Bank shall prescribe the manner of reporting and collecting data on securities transactions.

(2) Residents shall report to the Croatian National Bank on securities transactions, in the manner and within the time limits determined by a decision of the Croatian National Bank."

#### Article 13

In Article 53, paragraph 1, after the words "prescribed by", the words "a decision of" are added.

#### Article 14

In Article 57, paragraph 2, the words "foreign exchange inspectors" are replaced by the words "authorised person of the Financial Inspectorate".

#### Article 15

In Article 63, item 1 of paragraph 1 is deleted.

Item 14 is amended to read:

"14. who fails to act in accordance with a decision of the Croatian National Bank enacted pursuant to Article 34 of this Act,".

In item 22, the full stop after the word "bank" is replaced by a comma.

After item 22, item 23 is added which reads:

»23. if conducting exchange transactions as an authorised exchange office and that activity is not registered in the court register or the register of crafts and trades."

## Article 16

Article 78 is amended to read:

"(1) As of 1 January 2011, Article 28, paragraph 4, Article 29, Article 39 and Article 63, paragraph 1, item 8.a and 11 of this Act and the Decision on the conditions for issuing approvals for opening foreign exchange accounts abroad (Official Gazette 111/03, 189/04 and 124/06) shall cease to be valid.

(2) As of 1 January 2011, Article 32, Article 33, Article 63, paragraph 1, item 13 and Article 64, paragraph 1, item 6 of this Act as well as the below listed subordinate legislation shall cease to be valid:

– Decision governing the conditions for and the manner of performing external payment operations (Official Gazette 88/05, 18/06 and 132/07),

– Instructions for the implementation of the Decision governing the conditions for and the manner of performing external payment operations (Official Gazette 136/05, 143/05, 37/06, 134/07 and 4/08),

– Instructions for the use of lettered abbreviations and numerical denotations of countries and states and monetary units in non-domestic payment transactions (Official Gazette 75/07, 77/07, 112/07, 95/08, 28/09, 45/09 and 67/09),

– Instructions for the use of collection and payment basis codes in external payment operations (Official Gazette 136/05 and 24/06), and

– Decision on collecting data on external payment operations (Official Gazette 136/05 and 24/06).

(3) As of 1 January 2012, Article 16, Article 30, and Article 64, paragraph 1, item 11 of this Act and the following subordinate legislation shall cease to be valid:

– Decision governing the opening and managing of foreign exchange accounts and foreign exchange savings deposit accounts of residents with a bank (Official Gazette 111/03, 138/03, 176/04 and 122/05), and

– Decision governing the conditions for and the manner of opening and managing non-resident bank accounts (Official Gazette 124/06, 131/06 and 74/07).

(4) As of the date of accession of the Republic of Croatia to the European Union, Article 47, paragraph 4 of this Act shall cease to be valid."

## *Transitional and final provisions*

## Article 17

As of the date of entry into force of this Act, the authorisation for the conduct of exchange transactions issued to an authorised exchange office undergoing a winding-up procedure on the day of entry into force of this Act, shall cease to be valid.

#### Article 18

In the entire text of the Foreign Exchange Act (Official Gazette 96/03, 140/05, 132/06 and 153/09), the words "Foreign Exchange Inspectorate" are replaced by the words "Financial Inspectorate", the words "Croatian Securities Exchange Commission" are replaced by the words "Croatian Financial Services Supervisory Agency", the words "Central Depository Agency" are replaced by the words "Central Depository & Clearing Company" and the words "Securities Market Act" are replaced by the words "Capital Market Act" in an appropriate grammatical case.

#### *Entry into force*

#### Article 19

This Act shall be published in the "Official Gazette" and shall enter into force on 1 January 2011.

Class: 440-01/10-01/01  
Zagreb, 15 December 2010

THE CROATIAN PARLIAMENT  
The President of the Croatian Parliament  
**Luka Bebić, m.p.**