

Pursuant to Article 46, paragraph (7) of the Act Implementing Regulation (EU) 2023/1114 on Markets in Crypto-Assets (Official Gazette 85/2024) and Article 43, paragraph (2), item (10) of the Act on the Croatian National Bank (Official Gazette 75/2008, 54/2013 and 47/2020), the Governor of the Croatian National Bank hereby issues the

Decision

on the method of exercising supervision by the Croatian National Bank of the implementation of Regulation (EU) 2023/1114 on markets in crypto-assets and the Act implementing that Regulation

I GENERAL PROVISIONS

Subject matter

Article 1

(1) This Decision prescribes in detail the method of exercising supervision of the application of Title III (Asset-referenced tokens) and Title IV (E-money tokens) of Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 (Text with EEA relevance) (OJ L 150, 9.6.2023, hereinafter referred to as 'Regulation (EU) 2023/1114') and the Act Implementing Regulation (EU) 2024/1114 on Markets in Crypto-Assets (Official Gazette 85/2024, hereinafter referred to as 'Act Implementing Regulation (EU) 2023/1114').

(2) The terms used in this Decision shall have the same meaning as the terms defined in Regulation (EU) 2023/1114 and the Act Implementing Regulation (EU) 2024/1114, and the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020, 146/2020, 151/2022 and 145/2024) and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

Entities subject to the Decision

Article 2

The provisions of this Decision shall apply to entities supervised by the Croatian National Bank, as laid down in Article 7, paragraph (2) of the Act Implementing Regulation (EU) 2023/1114 in accordance with the division of competences referred to in Article 8 of that Act.

II METHOD OF EXERCISING SUPERVISION OF THE APPLICATION OF TITLE III OF REGULATION (EU) 2023/1114

Supervision of the application of the provisions governing the issuance of asset-referenced tokens

Article 3

(1) The Croatian National Bank shall exercise supervision of the operation of the entities referred to in Article 7, paragraph (2), item (1) of the Act Implementing Regulation (EU) 2023/1114, which are credit institutions, in the manner prescribed by the law governing the operation and supervision of credit institutions and regulations adopted under that law, unless otherwise prescribed by the Act Implementing Regulation (EU) 2023/1114.

(2) The Croatian National Bank shall exercise supervision of the operation of the entities referred to in Article 7, paragraph (2), item (1) of the Act Implementing Regulation (EU) 2023/1114, which are not credit institutions (hereinafter referred to as 'supervised entity'), in the manner prescribed in this Title of the Decision; as follows:

1. by ongoing supervision by means of analysing reports, information and documents; and

2. by carrying out on-site inspections.

(3) A supervised entity shall enable the Croatian National Bank to carry out an on-site inspection and shall ensure appropriate conditions for the smooth carrying out of the inspection.

(4) For the purposes of exercising supervision, the Croatian National Bank may:

1. require the delivery of reports, information and documents from management board members, supervisory board members, where the supervised entity has a supervisory board, other employees of the supervised entity, outsourcing service providers and other relevant persons of the supervised entity;

2. carry out a review of business books and all relevant business and any other documentation regardless of whether the documentation and business books are in a physical, digital or any other form;

3. for the purpose of collecting information, interview management board members, executive directors or members of the board of directors, supervisory board members, where the supervised entity has a supervisory board, other employees of the supervised entity, outsourcing service providers and other relevant persons of the supervised entity;

4. require all data and statements necessary to the Croatian National Bank for the purposes of supervision of the entities referred to in Article 46, paragraph (4) of the Act Implementing Regulation (EU) 2023/1114, including the principals and persons involved in the transmission of orders or carrying out other tasks when concluding transactions subject to supervision by the Croatian National Bank.

(5) The persons referred to in paragraph (4) of this Article shall deliver to the Croatian National Bank the required reports, information, documentation, data, opinions and statements within the time limit set by the Croatian National Bank, which may not be shorter than three working days.

(6) Supervision shall be exercised by employees of the Croatian National Bank, a certified auditor, an audit firm or other professionally qualified persons to whom the Croatian National Bank entrusts the performance of tasks related to supervision in accordance with the provisions of Article 46 of the Act Implementing Regulation (EU) 2023/1114.

(7) The persons referred to in paragraph (6) of this Article authorised by the Governor of the Croatian National Bank shall carry out on-site inspections, while ongoing supervision by means of analysing reports, information and documents shall be exercised by employees of the Croatian National Bank as persons authorised by virtue of their employment status.

Ongoing supervision by means of analysing reports, information and documents

Article 4

‘Ongoing supervision by means of analysing reports, information and documents’ means a review of the implementation of Regulation (EU) 2023/1114 and the Act Implementing Regulation (EU) 2023/1114 which is carried out by collecting and analysing reports, information and documents and data traffic records, including telephone records and records of data traffic through social media networks which the supervised entity delivers to the Croatian National Bank or which the Croatian National Bank collects from other sources, and by ongoing monitoring of the operation of the supervised entity.

On-site inspection

Article 5

(1) An on-site inspection means a review of the implementation of Regulation (EU) 2023/1114 and the Act Implementing Regulation (EU) 2023/1114 which is carried out at the premises of the supervised entity and, subsequently, for the purpose of further verification of data and documents related to supervision, at the premises of the Croatian National Bank.

(2) Before the beginning of an on-site inspection, a written notification shall be delivered to the supervised entity, which shall at a minimum contain the following:

1. the planned scope of the inspection;

2. the names and surnames of the persons authorised for the inspection;

3. the planned beginning date of the inspection;

4. the period during which the supervised entity needs to enable the carrying out of the inspection at the head office of the supervised entity and in other localities in which the supervised entity or another person with its authorisation carries out activities and operations subject to the supervision of the Croatian National Bank; and

5. documentation, data and conditions that the supervised entity is obligated to provide to the persons authorised for the inspection for the purpose of carrying out the on-site inspection.

(3) A notification of an on-site inspection may be supplemented and/or amended, of which the supervised entity shall be notified in writing and without delay.

(4) A notification of an on-site inspection shall be delivered to the supervised entity no later than eight working days before the beginning of the on-site inspection.

(5) By way of derogation from paragraph (4) of this Article, a notification of an on-site inspection may be delivered to the supervised entity immediately before the beginning of the on-site inspection in specific and duly justified cases.

Completion of an on-site inspection

Article 6

(1) Following an on-site inspection, a report on on-site inspection findings shall be prepared, regardless of whether any breaches of Regulation (EU) 2023/1114, misdemeanours specified in the Act Implementing Regulation (EU) 2023/1114 and/or irregularities in the supervised entity's operation have been identified in the course of the inspection.

(2) Before delivery of a report on on-site inspection findings, a closing meeting with members of the management board and other persons of the supervised entity designated by members of the management board shall be held, at which the supervised entity shall be informed about the inspection findings.

(3) The day of the closing meeting shall be the date of completion of the on-site inspection.

(4) The report on on-site inspection findings shall be prepared within 60 working days of the closing meeting.

(5) Following supervision carried out by means of analysing reports, information and documents, a report on inspection findings shall be prepared only where breaches of Regulation (EU) 2023/1114, misdemeanours specified in the Act Implementing Regulation (EU) 2023/1114 and/or irregularities in the supervised entity's operation have been identified in the course of the inspection.

(6) Following receipt of the report on inspection findings, the supervised entity shall without delay deliver a copy of the report to the internal auditor and the supervisory board, if any.

(7) In the report on inspection findings, the Croatian National Bank shall specify relevant data on the inspection, the details of established facts and, where breaches of Regulation (EU) 2023/1114 or the Act Implementing Regulation (EU) 2023/1114 have been identified in the course of the inspection, those breaches and facts that indicate those breaches, which shall be listed in a separate chapter of the report.

(8) Where, based on the documentation collected in the course of the inspection, it is possible to identify persons responsible for the identified illegalities and where there are no legal or material impediments to identification of responsible persons, the Croatian National Bank shall also specify responsible persons in the chapter of the report listing the identified breaches.

(9) Where a responsible person has been specified in the report and where, in the opinion of the supervised entity, a person other than the person identified in the report is responsible, the supervised entity shall enclose evidence supporting that claim together with a statement on the responsibility of the other person.

Opinion on the report

Article 7

(1) The supervised entity may deliver an opinion on the report on inspection findings within a time limit set by the Croatian National Bank, which may not be longer than 15 working days of receipt of the report.

(2) In the opinion, the supervised entity may express its disagreement with inspection findings and deliver evidence supporting its claims.

(3) Where the Croatian National Bank establishes that disagreements with inspection findings expressed in the opinion of the supervised entity referred to in paragraph (2) are justified, it shall prepare an appendix to the report, amending and/or supplementing the report.

(4) An appendix to the report referred to in paragraph (3) of this Article shall be prepared and delivered to the supervised entity within 20 working days of receipt of the opinion on the report.

(5) Where the Croatian National Bank establishes that disagreements expressed in the opinion of the supervised entity referred to in paragraph (2) of this Article are not justified and/or that evidence delivered is insufficient to amend the inspection findings, it shall notify the supervised entity within 20 working days of receipt of the opinion that the delivered report shall not be amended.

III METHOD OF EXERCISING SUPERVISION OF THE APPLICATION OF TITLE IV OF REGULATION (EU) 2023/1114

Supervision of the application of the provisions governing the issuance of e-money tokens Article 8

The Croatian National Bank shall exercise supervision of the operation of the entities referred to in Article 7, paragraph (2), item (2) of the Act Implementing Regulation (EU) 2023/1114 in the manner in which it supervises the application of the provisions governing the issuance of electronic money, unless otherwise prescribed by the Act Implementing Regulation (EU) 2023/1114.

IV ISSUANCE OF RECOMMENDATIONS AND CIRCULAR LETTERS

Letter of recommendations Article 9

(1) The Croatian National Bank may issue a letter of recommendations if, in the course of the inspection, it identifies irregularities in the operation of the supervised entity referred to in Article 7, paragraph (2) of the Act Implementing Regulation (EU) 2023/1114 the nature and scale of which do not have a significant impact and effects on compliance of the supervised entity with Regulation (EU) 2023/1114 and the Act Implementing Regulation (EU) 2023/1114.

(2) A letter of recommendations may include an expectation that the supervised entity will address the identified irregularities within the set time limits and the frequency of reporting to the Croatian National Bank on the actions and activities taken to eliminate the identified irregularities.

(3) A letter of recommendations shall be delivered to the supervised entity within 60 working days of the day when the Croatian National Bank identified irregularities in the operation of the supervised entity.

(4) Following receipt of the letter of recommendations, the supervised entity shall without delay notify the internal auditor and the supervisory board, if any, of the content of the letter.

Issuance of circular letters and opinions Article 10

(1) The Croatian National Bank may issue a circular letter or an opinion addressed to all or individual supervised entities referred to in Article 7, paragraph (2) of the Act Implementing Regulation (EU) 2023/1114 where it identifies deficiencies or weaknesses in the operation or deviations from good business practices in most or all supervised entities.

(2) The Croatian National Bank may publish on its website a circular letter or an opinion referred to in paragraph (1) of this Article.

Entry into force
Article 11

This Decision shall enter into force on the eighth day after the day of its publication in the Official Gazette.

No.: 254-091/07-25/BV
Zagreb, 2 July 2025

Boris Vujčić

Governor