



HRVATSKA NARODNA BANKA

## Role

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The Croatian National Bank is the central bank of the Republic of Croatia whose primary objective is to maintain price stability.

The Croatian National Bank (CNB) is the central bank of the Republic of Croatia and an integral part of the Eurosystem and the European System of Central Banks. The primary objective of the CNB is maintaining price stability and the stability of the financial system as a whole.

From 1 January 2023, the CNB is part of the Eurosystem and it participates in the definition and implementation of monetary policy of the European Union. It also conducts foreign exchange operations as set out in Article 219 of the Treaty on the Functioning of the European Union and ensures the smooth operation of payment systems. In addition, the CNB manages foreign reserves and the financial assets of the CNB, issues and withdraws authorisations and approvals and adopts other decisions in accordance with the laws governing the operation of credit institutions and the operation of credit unions, payment service providers, electronic money issuers and payment systems, payment operations, the issuance of electronic money as well as foreign exchange operations and the operation of authorised exchange offices. The CNB exercises supervision and oversight of credit institutions and the operation of credit unions, payment service providers, electronic money issuers and payment systems, payment operations and the issuance of electronic money. The CNB performs the tasks of supervision and resolution of credit institutions within the Single Supervisory Mechanism (SSM) and the Single Resolution Mechanism (SRM).

In addition, the CNB opens accounts for and accepts deposits from credit institutions, executes payment transactions across these accounts and grants loans to credit institutions, collects and processes statistical data and regulates and improves the payment system and ensures its smooth operation. For the Republic of Croatia, the CNB acts as fiscal agent and performs other operations, as provided by law. The CNB also adopts subordinate legislation on the operations within its competence, implements macroprudential policy for the purpose of contributing to maintaining the stability of the financial system as a whole and performs other operations as provided by other regulations. Finally, the CNB may issue euro banknotes within the limits approved by the ECB and in accordance with the provisions of the Statute of the ESCB and of the ECB and the provisions of the Treaty on the Functioning of the European Union. The CNB may also issue euro coins subject to the approval of the ECB of the volume of the issue.

The CNB is autonomous and independent in achieving its objective and carrying out its tasks. The CNB reports on its work to the Croatian Parliament.

### **Independence of the CNB**

The independence of the central bank is a key precondition for a successful and credible implementation of monetary policy and for the achievement of the main objective of the central bank – maintenance of price stability.

The independence of the CNB is in accordance with Article 130 of the Treaty on European Union, which

guarantees the independence of national central banks of the European Union. There are several aspects of central bank independence: functional, institutional, personal and financial. Functional independence implies a clearly defined objective and autonomy in the choice of measures and instruments for its realisation. Institutional independence means that central bank decisions are independent from the influence of other institutions. Personal independence guarantees the protection of CNB officials from external pressures, excludes conflicts of interest and precisely defines the conditions for the appointment and removal from office of the Governor and other members of the CNB Council. Financial independence implies the possibility for the CNB to autonomously obtain funds for the purpose of executing its mandate, with the income and expense determined by the monetary policy stance.

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