

Cooperation with institutions in the Republic of Croatia

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In order to preserve financial stability and exercise effective supervision of entities within their competence, the Croatian National Bank and HANFA cooperate closely. When necessary, the Ministry of Finance is also actively involved, in particular regarding cooperation in crisis situations.

In order to preserve financial stability and exercise effective supervision of entities within their competence, the Croatian National Bank and HANFA signed the latest cooperation agreement in summer 2012. They also signed the Protocol on the exchange of information in early 2008.

The memorandum of understanding on financial crisis management was signed by the CNB, HANFA and the Ministry of Finance in November 2009 in order to establish stronger cooperation in potential crisis situations among institutions in the Republic of Croatia.

The Financial Stability Council

The [Financial Stability Council](#) was established with a view to improving coordination among various institutions competent for financial stability as well as the design and implementation of macroprudential policy. The Financial Stability Council consists of representatives of key institutions competent for the maintenance of financial stability in the Republic of Croatia.

The Financial Stability Council (Council) was established in late 2013 on the basis of the [Act on the Financial Stability Council](#).

The most important tasks of the Council are as follows: to participate in the design of macroprudential policy, to analyse systemic risks, to ensure coordination between the competent authorities and to take actions related to the fulfilment of the requirements specified in warnings and recommendations of the European Systemic Risk Board (ESRB). The most important power of the Council concerns the issuance of warnings and recommendations to the competent authorities, other government administration bodies and legal persons with public authorities in the Republic of Croatia. The purpose of warnings is to draw attention to systemic risks that may threaten financial stability, while recommendations indicate the need to introduce new or amend existing measures and instruments to be taken with the objective of safeguarding financial stability.

The Council consists of representatives of key institutions for the safeguarding of financial stability in the Republic of Croatia, namely the Croatian National Bank (CNB), the [Croatian Financial Services Supervisory Agency](#) (HANFA), the [Ministry of Finance](#) of the Republic of Croatia and the [Croatian Deposit Insurance Agency](#) (CDIA).

The Council accomplished its most important tasks in the first years of its operation. They are as follows: participation in the design of the macroprudential policy, identification, assessment and evaluation of systemic risk, activities related to the fulfilment of requirements specified in warnings and recommendations of the European Systemic Risk Board (ESRB), ensuring co-operation and exchange of information among competent authorities, alignment of methodology for the identification of systemically important institutions or structures, participation in activities connected to recovery or resolution of credit

and non-banking financial institutions and participation in the design of the deposit insurance system.

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