

**Unofficial amended text**  
**(Official Gazette 93/2003, 140/2005, 132/2006, 150/2008, 92/2009, 133/2009 - Payment System Act, 153/2009, 145/2010 and 76/2013)**

FOREIGN EXCHANGE ACT

TITLE I  
Basic Provisions

Subject matter of the Act  
Article 1

(1) This Act governs:

1. transactions between residents and non-residents in foreign means of payment and in kuna;
2. transactions between residents in foreign means of payment;
3. unilateral transfers of assets from and into the Republic of Croatia that cannot be considered transaction executions between residents and non-residents.

(2) Transactions referred to in paragraph 1 of this Article shall imply current and capital transactions and their execution by means of payments, collection or transfers.

Implementation of EU regulations  
Article 1.a

This Act regulates the implementation of the following EU regulations:

- Regulation (EC) No 1889/2005 of the European Parliament and of the Council of 26 October 2005 on controls of cash entering or leaving the Community (OJ L 309, 25. 11. 2005), hereinafter: Regulation (EC) No 1889/2005;
- COUNCIL REGULATION (EC) No 2182/2004 of 6 December 2004 concerning medals and tokens similar to euro coins (OJ L 373, 21. 12. 2004), hereinafter: Regulation (EC) No 2182/2004; and
- Council Regulation (EC) No 2183/2004 extending to the non-participating Member States the application of Regulation (EC) No 2182/2004 concerning medals and tokens similar to euro coins (OJ L 373, 21. 12. 2004), hereinafter: Regulation (EC) No 2183/2004.

*Under Article 1 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of entry of the Republic of Croatia to the European Union (1 July 2013), after Article 1 a new heading and an Article 1.a has been added.*

Residents and non-residents  
Article 2

(1) Under the terms of this Act, the term residents shall mean:

1. legal persons with a head office in the Republic of Croatia, except their foreign branches;
2. branches of foreign companies and sole traders enrolled in a register kept by a competent government authority or administration in the Republic of Croatia;
3. sole traders, craftsmen, and other natural persons with a head office or a place of residence in the Republic of Croatia who are self-employed and perform the economic activity of their registration (hereinafter: individual undertakings);
4. natural persons with a place of residence in the Republic of Croatia;
5. natural persons staying in the Republic of Croatia on the basis of a valid residence permit for a minimum period of 183 days, except diplomatic and consular representatives of foreign countries and their family members,

*Under Article 1 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, new text has been added to item 5.*

6. diplomatic, consular and other representative offices of the Republic of Croatia abroad financed by the budget and Croatians citizens employed in those representative offices, including their family members.

(2) All other persons not stated in paragraph 1 of this Article shall be considered non-residents.

#### Banks and Authorised Companies Article 3

(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.

*Under Article 1 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, paragraph (1) has been amended.*

(2) Authorised company shall imply a company licensed by the Croatian Securities Exchange Commission, which conducts securities transactions pursuant to provisions of the Capital Market Act.

#### Foreign Means of Payment Article 4

(1) Foreign means of payment, under the terms of this Act, shall comprise foreign exchange, foreign cash, checks, and other monetary instruments denominated and payable in foreign currency.

(2) Foreign exchange, under the terms of this Act, shall mean monetary claims from abroad.

(3) Foreign cash (banknotes and coins) shall mean monetary claims on the central bank or government of the country of issue.

(4) Checks and other monetary instruments denominated and payable in foreign currency shall mean monetary claims on their issuers.

## Securities and Derivative Financial Instruments Article 5

- (1) Securities shall mean securities defined in accordance with the Capital Market Act.
- (2) Derivative financial instruments, under the terms of this Act, shall comprise securities or agreements whose value changes in accordance with the changes in the value of financial instruments and any other legal arrangements from which they are derived.

*Under Article 2 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, paragraphs 2 and 3 have been deleted and the former paragraph 4 has become paragraph 2.*

## Domestic and Foreign Securities Article 6

- (1) Domestic securities, under the terms of this Act, shall be securities issued by a resident issuer and depository bills issued abroad on the basis of the underlying domestic security.
- (2) Securities not referred to in paragraph 1 of this Article shall imply foreign securities.

## Capital Transactions Article 7

- (1) Under the terms of this Act, capital transactions shall mean transactions concluded between residents and non-residents, as well as unilateral transfers of assets for the purpose of transferring capital, other than current payments and transfers referred to in Article 8 of this Act.
- (2) Capital transactions referred to in paragraph 1 of this Article shall comprise:
  1. direct investments;
  2. investments in real estate;
  3. securities transactions

*Under Article 3 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, item (3) has been partially amended.*

4. transactions with stakes in investment funds;
5. credit transactions;
6. deposit transactions;
7. payments related to insurance agreements;
8. unilateral transfers of assets:
  - a) personal transfers of assets;
  - b) physical transfers of assets.

*Under Article 3 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, in paragraph 2, item 4 has been deleted and the former items 5 to 9 have become items 4 to 8.*

(3) Capital transactions shall also comprise transactions involving the alienation of rights acquired through investments, or securities referred to in paragraph 2 of this Article, as well as the repatriation of assets or transfer of the balance of assets in liquidation or of the bankruptcy estate.

#### Current Transactions and Current Payments Article 8

(1) Current transactions are transactions concluded between residents and non-residents for a purpose other than a transfer of capital.

(2) Payments and transfers arising from current transactions shall comprise:

1. all payments due in connection with foreign goods and services trade and other current business, including services and short-term banking and credit facilities;
2. payments due as interest on loans and as net income from other investments;
3. payments of moderate amounts for amortization of loans, for depreciation of direct investments and distribution of profits based on ownership stakes;
4. transfers in connection with remittances from workers abroad, pensions, disability allowances, and other social benefits, taxes and dues, interstate cooperation, settlement of insurance claims, lottery gains, compensations for concessions, membership fees and fines (penalties) and moderate remittances for family living expenses.

#### Direct Investments Article 9

(1) Direct investments, under the terms of this Act, shall comprise all investments by residents abroad and all investments in the Republic of Croatia by non-residents, made with a purpose of establishing permanent economic relationships and gaining considerable control over the managing of a legal person.

(2) The following situations shall be identified as those whose purpose is to establish permanent economic relationships and to gain considerable control over the managing of a legal person:

1. the establishment of, or an increase in the initial capital of, a company fully owned by the investor, the establishment of a branch office or acquisition of an already existing company into full ownership of an investor or investment for the purpose of performing the activities of an individual undertaking;
2. investment into a new or an existing company, provided the investor acquires a minimum 10% stake in the initial capital of a company, or a minimum 10% voting rights, following fulfilment of conditions referred to in paragraph 1 of this Article;
3. loans with a minimum maturity of five years, granted for the purpose of establishing permanent economic relationships, provided such loans can be classified as subordinate or hybrid claims.

(3) Following the establishment of a direct ownership relationship between residents and non-residents in terms of paragraphs 1 and 2 of this Article, direct investment transactions shall also comprise:

1. reinvested profit or any direct investor's share in the profits of a company which is not distributed in the form of dividends or other forms of profit distribution;
  2. debt transactions between any direct investor and a company into which direct investment has already been made. This shall comprise debt securities, commercial loans, financial loans and other debtor-creditor relations. Investments by financial institutions involving debt transactions related to current operations shall not be considered direct investments; only those transactions, which are motivated by permanent interest in ownership status shall be considered direct investments.
- (4) The following shall not be considered direct investments: investments by investment funds, brokerage firms, pension funds, insurance companies, banks and other persons granted by the Croatian Securities Exchange Commission a status of an institutional investor, in accordance with a special law, and investments in financial assets made for the purpose of issuing depository bills.
- (5) The following shall exceptionally be considered direct investments: investment by a bank into another bank or other financial institution whose main activity is the provision of financial services and investment of an insurance company into another insurance company, provided such investments fulfil the conditions referred to in paragraph 2 of this Article.

#### Securities Transactions Article 10

- (1) Securities transactions, under the terms of this Act, shall comprise securities transactions in the capital and money markets and transactions with stakes in investment funds, which are not investment transactions in terms of Article 9 of this Act.
- (2) Securities transactions referred to in paragraph 1 of this Article shall comprise:
  1. issuance, listing, and the sale of domestic securities abroad;
  2. issuance, listing, and the sale of foreign securities in the Republic of Croatia;
  3. investments by residents into securities abroad;
  4. investments by non-residents into securities in the Republic of Croatia.
- (3) The listing of securities referred to in paragraph 2 of this Article means the beginning of trading in foreign securities in the Republic of Croatia or in domestic securities abroad in stock exchanges or regulated public markets.

#### Credit Transactions Article 11

- (1) Credit transactions, under the terms of this Act, shall comprise commercial and financial loans. Under the terms of this Act, credit transactions shall also include sureties and guarantees.
- (2) Commercial loans, under the terms of this Act, shall imply deferred payments, or advance payments for goods and services. Commercial loans shall also include bank funding for deferred and advance payments and transactions involving purchases of claims (*factoring and forfaiting*), provided the underlying transaction from which the claims arise can be characterized as a commercial loan.
- (3) Financial loans, under the terms of this Act, shall imply all loans except loans referred to in Article 9, paragraph 2, item 3 and paragraph 2 of this Article. Financial loans shall also comprise all forms of financing involving commercial transactions (trade in goods and

services) in which residents are not a contractual party to the transaction. Financial loans shall not comprise sureties and guarantees.

*Under Article 4 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, new text has been added to paragraph 3.*

(4) Credit transactions referred to in Article 9, paragraph 2, item 3 of this Act and all credit transactions referred to in this Article, except deferred and advance payments up to 12 months, based on a commercial transaction, shall be concluded in a written form. Bank loan agreements shall always be concluded in a written form.

#### Deposit Transactions Article 12

(1) Deposit transactions referred to in Article 7, paragraph 2, item 7 of this Act shall mean transactions based on deposit agreements concluded between non-residents and a bank and between residents and a non-resident financial institution.

(2) Under the terms of this Act, deposit transactions shall also include current account agreements.

#### Payments Based on Insurance Agreements Article 13

Payments based on insurance agreements shall include premium payments and payments of insured amounts on the basis of insurance agreements between a non-resident insurance company and a resident as a beneficiary and a resident insurance company and a non-resident as a beneficiary.

#### Unilateral Transfers of Assets Article 14

(1) Unilateral transfers of assets shall mean those transfers of assets from the Republic of Croatia abroad or from abroad to the Republic of Croatia which cannot be characterized as transaction executions between residents and non-residents and which may take the form of personal and physical transfers of assets.

(2) Personal transfers of assets shall be transfers of assets from the Republic of Croatia and into the Republic of Croatia on the basis of gifts and grants, fixed income, inheritance, settlement of immigrants' debts in parent country, transfer of immigrants' assets abroad and income of non-resident persons employed in the Republic of Croatia.

(3) Deleted.

*Under Article 4, paragraph 2 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, on 1 January 2010 paragraph 3 was deleted.*

(4) Physical transfers, under the terms of this Act, shall mean any transfer of domestic cash, foreign cash, checks and materialized securities from and into the Republic of Croatia.

Payments and Collections in Foreign Means of Payment  
Article 15

Payments and collections in foreign means of payment and transfers of foreign currency assets between residents and between residents and non-residents in the Republic of Croatia shall be allowed in cases prescribed by law or a decision of the Croatian National Bank.

*Under Article 2 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, new text has been added to Article 15.*

Foreign Exchange Accounts and  
Foreign Exchange Savings Deposits Accounts of Residents  
Article 16

(1) Residents may keep foreign exchange in foreign exchange accounts or in foreign exchange savings deposits accounts in banks in the Republic of Croatia. The Croatian National bank shall stipulate the conditions for and the manner of opening and maintaining foreign exchange accounts and foreign exchange savings deposits accounts.

(2) Any bank opening a foreign exchange account and taking a foreign exchange savings deposit shall be obliged to establish the identity of the relevant resident.

(3) Banks shall be obliged to keep data on foreign exchange account holders and holders of foreign exchange savings deposits accounts referred to in paragraph 1 of this Article, for five years following the closing of the account.

(4) The amount of interest and the way it is calculated and paid and the currency in which the interest and the principal are to be paid shall be laid down in an agreement concluded between the bank and the resident.

*Under Article 16 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, Article 16 shall cease to be valid as of 1 January 2012.*

Loans in Foreign Means of Payment Between Residents  
Article 17

(1) Loans in foreign means of payment may be granted to residents by banks. The loans thus granted may be repaid in foreign currency.

(2) Other residents shall not grant each other loans in foreign means of payment.

Transactions with Derivative Financial Instruments  
Article 18

(1) The provisions of this Act relating to transactions that serve as a basis for transactions with derivative financial instruments shall apply to transactions with derivative financial instruments.

(2) Deleted.

(3) Deleted.

*Under Article 4, paragraph 2 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, on 1 January 2010, paragraphs 2 and 3 were deleted.*

CHAPTER II  
Capital Transactions  
II.1 Direct Investments

Direct Investments by Non-Residents and Residents  
Article 19

- (1) Direct investments by non-residents in the Republic of Croatia shall be unrestricted, unless otherwise provided by special laws.
- (2) Direct investment abroad by residents shall be unrestricted.

Protection of Direct Investments  
Article 20

- (1) Transfer abroad of profits made by any non-resident through direct investment shall be unrestricted, provided that all profit tax relating to the amount to be transferred abroad has been paid in the Republic of Croatia.
- (2) Transfer abroad of the balance of assets in liquidation or of the bankruptcy estate shall be unrestricted, provided that all tax and other legally prescribed obligations relating to such business have been met in the Republic of Croatia.

II.2 Investment in Real Estate  
Article 21

Any resident shall be allowed to transfer funds abroad for the purpose of acquiring ownership of real estate abroad provided all legally prescribed obligations have been settled.

II. 3 Securities Transactions  
Article 22

Securities transactions shall be conducted in accordance with the regulations governing the securities market.

*Under Article 5 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, the title of section II.3 has been amended.*



*Under Article 5 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, Article 22 has been amended and its title deleted.*

#### Article 23

Deleted.

*Under Article 6 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, Article 23 and its title have been deleted.*

#### Article 24

Deleted.

*Under Article 7 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, Article 24 and its title have been deleted.*

#### Article 25

Deleted.

*Under Article 8 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, Article 25 and its title have been deleted.*

#### Article 26

Deleted.

*Under Article 9 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, Article 26 and its title have been deleted.*

### II. 4 Transactions Involving Stakes in Investment Funds

#### Article 27

Transactions involving stakes in investment funds shall be conducted in accordance with the regulations governing investment funds operations.

*Under Article 10 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, Article 27 and its title have been amended.*

### II. 5 Credit Transactions

## Article 28

(1) Banks may conduct credit transactions with non-residents in their own name and for their own account, in their own name and for the client's account and in the client's name and for the client's account.

(2) Resident legal persons or individual undertakings, pursuant to this Act, may conduct credit transactions with non-residents in their own name and for their own account and in their own name and for the client's account.

(3) Other residents may conduct credit transactions with non-residents in their own name and for their own account.

(4) Deleted.

*Under Article 4, paragraph 2 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, on 1 January 2011, paragraph 4 was deleted.*

*Under Article 16 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, paragraph 4 has been deleted.*

(5) When granting loans and issuing guarantees and sureties on behalf of non-residents, residents shall provide those instruments of collateral which are required to ensure a security of the credit transaction, guarantee and surety offered.

(6) Deleted.

*Under Article 1 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, paragraph 6 has been amended.*

*Under Article 4, paragraph 2 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, on 1 July 2010, paragraph 6 was deleted.*

*Under Article 11 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, the section title above Article 28 has been amended.*

## II. 6 Deposit Transactions Article 29

Deleted.

*Under Article 12 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, the section title above Article 29 has been amended.*

*Under Article 4, paragraph 2 of the Regulation on amendments to the Foreign Exchange Act,*

*Official Gazette 153/2009, which entered into force on 31 December 2009, on 1 January 2011, Article 29 was deleted.*

*Under Article 16 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, Article 29 has been deleted.*

## Deposit Transactions of Non-Residents Article 30

- (1) Non-residents may open foreign exchange and kuna accounts in banks.
- (2) Any bank opening an account shall establish the identity of the non-resident.
- (3) Data on account owners referred to in paragraph 1 of this Article shall be kept by the bank for five years following the closing of the account.
- (4) The Croatian National Bank shall prescribe the conditions and the manner governing the opening and managing of the accounts.

(5) Deleted.

*Under Article 13 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, paragraph 5 has been deleted.*

*Under Article 16 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, Article 30 shall cease to be valid on 1 January 2012.*

## II. 7 Payments on the Basis of Insurance Agreements Article 31

Payments based on insurance agreements shall be unrestricted, provided the agreement is concluded in accordance with the regulations governing insurance.

*Under Article 14 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, the section title above Article 31 has been amended.*

## CHAPTER III Payments, Collections and Transfers III. 1 General Provisions

### External Payments Article 32

Deleted.

*Under Article 16 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, Article 32 has been deleted.*

Time Limits for the Execution of External Payment Orders  
Article 33

Deleted.

*Under Article 16 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, Article 33 has been deleted.*

Payments and Collections in Domestic Cash, Foreign Cash and Checks  
Article 34

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.

*Under Article 15 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, paragraph 2 has been amended.*

*Under Article 1 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 92/2009, which entered into force on 29 July 2009, on 1 January 2010, paragraph 1 was deleted.*

*Under Article 2 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, Article 34 was amended.*

*Under Article 3 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, Article 34 and the title above it have been amended.*

III. 2 Payments and Transfers Based on Capital Transactions  
Article 35

(1) Payments and transfers in connection with capital transactions shall be unrestricted provided each such transaction is entered into in accordance with this Act and all tax obligations arising from such a transaction have been settled in the Republic of Croatia.

(2) By way of derogation from the provisions of paragraph 1 of this Article, each transfer abroad of profits earned by non-residents through direct investments in the Republic of Croatia shall be subject to the application of Article 20, paragraph 1 of this Act.

(3) Deleted.

*Under Article 16 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, Article 35 has been amended.*

*Under Article 35 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, on 1 January 2008, paragraph 3 was deleted.*

### III.3 Unilateral Transfers of Assets – Physical Transfers of Assets Article 36

Deleted.

*Under Article 17 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, new text has been added to paragraph 2.*

*Under Article 4, paragraph 2 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, on 1 January 2010, Article 36 was deleted.*

### Article 37

Deleted.

*Under Article 18 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, in paragraph 2, a part of the text has been deleted.*

*Under Article 4, paragraph 2 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, on 1 January 2010, Article 37 was deleted.*

### Article 38

Deleted.

*Under Article 4, paragraph 2 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, on 1 January 2010, Article 38 was deleted.*

### Special Provision Article 39

Deleted.

*Under Article 19 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, Article 39 has been amended.*

*Under Article 16 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, Article 39 has been deleted.*

Cash Entering or Leaving the European Union  
Article 40

(1) Natural persons entering or leaving the European Union through the Republic of Croatia, carrying cash of a value of EUR 10,000.00 or more shall be obliged, in accordance with Article 3, paragraph (1) of the Regulation (EC) No 1889/2005, to declare to the Ministry of Finance - Customs Administration the details referred to in Article 3, paragraph (2) of that Regulation in writing on a declaration form available in customs offices at the border crossings and published on the websites of the Ministry of Finance - Customs Administration and of the Financial Inspectorate.

(2) For the purposes of this Article, the term "cash" has the meaning identical to that defined in the Regulation (EC) No 1889/2005.

*Under Article 20 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, the section title above Article 40 has been amended and paragraph 3 has been added.*

*Under Article 2 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), the heading of Article 40 and Article 40 have been amended.*

Medals and Tokens Similar to Euro Coins  
Article 40.a

(1) Natural and legal persons producing, selling or importing for sale or for other commercial purposes, or distributing for these purposes, medals and tokens in the Republic of Croatia shall be obliged, pursuant to the Regulation (EC) No 2183/2004, to comply with the Regulation (EC) No 2182/2004.

(2) Any person who in any way comes into possession of a medal or token suspected of being contrary to the Regulation (EC) No 2182/2004 shall notify the Croatian National Bank thereof.

(3) The Croatian National Bank shall forward the medals and tokens received or possessed in any other way to the European Commission for opinion on whether they are contrary to the Regulation (EC) No 2182/2004.

(4) The Croatian National Bank shall submit the opinion of the European Commission regarding the non-compliance of the medals and tokens with the Regulation (EC) No 2182/2004 to the natural and legal persons referred to in paragraph (1) of this Article.

(5) The natural and legal persons referred to in paragraph (1) of this Article that have received the opinion referred to in paragraph (4) of this Article shall, without delay,

withdraw from circulation and destroy the medals and tokens found to be contrary to the Regulation (EC) No 2182/2004 according to that opinion, and shall notify the Croatian National Bank thereof.

*Under Article 21 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, Article 40.a and the heading thereof have been added.*

*Under Article 3 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), the heading of Article 40.a and Article 40.a have been amended.*

#### Fictitious Agreements Article 41

No resident shall settle false claims or issue orders for payments to non-residents on the basis of fictitious agreements or invoices, or conclude agreements not based on actual prices.

#### CHAPTER IV Foreign Exchange Market and the Exchange Rate Foreign Exchange Market Article 42

(1) Foreign exchange market, under the terms of this Act, shall comprise all foreign exchange purchase and sale transactions.

(2) Banks shall conclude foreign exchange purchase and sale transactions in their own name and for their own account and in their own name and for the client's account, and other persons in their own name and for their own account.

(3) Any purchase or sale of foreign means of payment in the Republic of Croatia by residents and non-residents shall be conducted in banks. The Ministry of Finance may also conduct its foreign exchange purchase and sale transactions in the Croatian National Bank.

*Under Article 22 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, the first sentence of paragraph 3 has been amended.*

(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 authorised exchange offices.

*Under Article 4 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, paragraph 4 has been amended.*

(5) Unless listed in paragraph 4 of this Article, residents and non-residents shall not be

allowed to conduct their foreign exchange purchase and sales transactions through authorised exchange offices.

(6) Deleted.

*Under Article 22 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, paragraph 6 has been added.*

*Under Article 4, paragraph 2 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, on 1 January 2010, paragraph 6 has been deleted.*

Purchase and Sale of Foreign Exchange  
Through Spot and Forward Transactions  
Article 43

(1) Participants in the foreign exchange market may purchase and sell foreign exchange through spot and forward transactions.

(2) Forward foreign exchange purchase and sale transactions, under the terms of this Act, shall mean any purchase or sale transaction with a maturity of not less than two working days from the date of agreement.

Exchange Rate Determination  
Article 44

The exchange rate of foreign currencies against the kuna shall be freely determined on the foreign exchange market, on the basis of supply and demand.

Publication and Application of the Mean Exchange Rate  
of the Croatian National Bank  
Article 45

(1) The Croatian National Bank shall determine every working day the value of the kuna against other currencies on the basis of foreign exchange purchase and sale transactions and the exchange rates of foreign currencies in the foreign exchange market. The exchange rate thus determined shall be made public by the Croatian National Bank.

(2) The Croatian National Bank shall prescribe the manner and the time limits in which the banks and the authorised exchange offices shall submit data on foreign exchange purchase and sale transactions in the foreign exchange market.

(3) The mean exchange rate of the Croatian National Bank for foreign means of payment shall be used in statements of foreign assets and liabilities and for statistical purposes.

*Under Article 4 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the*



*European Union (1 July 2013), paragraph (4) has been deleted.*

Authorised Exchange Offices  
Article 46

(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.

*Under Article 23 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, new text has been added to paragraph 1.*

*Under Article 5 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, paragraph 1 has been amended.*

(2) Authorised exchange offices shall be resident craftsmen, sole traders and legal persons with an authorisation from the Croatian National Bank to conduct exchange transactions.

*Under Article 1 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 140/2005, which entered into force on 6 December 2005, paragraph 2 has been amended.*

*Under Article 23 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, paragraph 2 has been amended and new paragraphs 3 and 4 have been added.*

(3) The authorised exchange office referred to in paragraph 2 of this Article may conduct exchange transactions provided it meets the following conditions:

1. it uses protected software certified by the Croatian National Bank,
2. it has entered into an agreement with a bank on the conduct of exchange transactions,
3. it has its exchange activity enrolled in the court register or register of trades and crafts, and
4. an authorised exchange office that is a craftsman or a sole trader and, in the case of an exchange office that is a legal person, a member of the management board or executive director of a joint stock company that has a management board, a procurator, or any of the qualified owners of the authorised exchange office referred to in Article 46a, paragraph (1), item 2 and paragraph 2, item 2 of this Act, has not been convicted with finality of any of the following criminal offences in the Republic of Croatia:
  - the offences referred to in Article 279 (concealment of illegally obtained money) of the Criminal Code (Official Gazette 110/97, 27/98 and 50/00 - Decision of the Constitutional Court of the RC, 51/01, 111/03 and 190/03 - Decision of the Constitutional Court of the RC, 105/04, 84/05, 71/06 and 110/07);
  - the offences referred to in Article 173 (drug abuse), Article 175 (human trafficking and slavery), Article 187.a (preparation of criminal offenses against the values protected by international law), Article 223 (violation of

confidentiality, integrity and availability of computer data, programmes or systems), Article 223.a (computer forgery), Article 224.a (computer fraud), Article 274 (counterfeit of money), Article 275 (counterfeit of securities), Article 276 (counterfeit of value tokens), Article 277 (the production, procurement, possession, sale or making available of counterfeiting devices), Article 278 (counterfeit of labels for goods, measures and weights), Article 279 (money laundering), Article 286 (evasion of taxes and other levies), Article 287 (violation of the obligation to keep trading and business books), Article 291 (unconscionable business conduct), Article 292 (abuse of authority in business dealings), Article 293 (fraud in business dealings), Article 294.a (accepting a bribe in business dealings), Article 294.b (giving a bribe in business dealings), Article 311 (falsification of documents), Article 312 (falsification of official documents), Article 313 (special cases of falsification), Article 314 (the production, procurement, possession, sale or making available of document falsification devices) and Article 315 (certification of untrue content) of the Criminal Code (Official Gazette 110/97, 27/98 and 50/00 - Decision of the Constitutional Court of the RC, 129/00, 51/01, 111/03 and 190/03 - Decision of the Constitutional Court of the RC, 105/04, 84/05, 71/06, 110/07, 152/08, 57/11 and 77/11 - Decision of the Constitutional Court of the RC.

- the offences referred to in Article 98 (terrorist financing), Article 105 (slavery), Article 106 (human trafficking), Article 190 (unauthorised production and trafficking of drugs), Article 191 (allowing drug use), Article 246 (abuse of trust in business dealings), Article 247 (fraud in business dealings), Article 248 (violation of the obligation to keep trading and business books), Article 252 (accepting a bribe in business transactions), Article 253 (giving a bribe in business transactions), Article 256 (evasion of taxes or duties), Article 258 (subsidy fraud), Article 265 (money laundering), Article 274 (counterfeit of money), Article 275 (counterfeit of securities), Article 276 (counterfeit of value tokens), Article 277 (counterfeit of labels for goods, measures and weights), Article 278 (falsification of documents), Article 279 (falsification of official or business documents), Article 281 (certification of untrue content), Article 283 (the production, procurement, possession, sale or making available of counterfeiting devices), or any of the offences against computer systems, programmes and data (Title XXV) referred to in the Criminal Code; or
- any of the offences prescribed by this Act,

or abroad, for offences meeting the description of criminal offences referred to in indents 1, 2, 3 and 4 of this item, and, where it has been convicted with finality of any of these offences, at least five years have elapsed since the verdict's finality, where the time spent serving the term shall not be included in this five-year period.

*Under Article 1 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 140/2005, which entered into force on 6 December 2005, in paragraph 3 new text has been added.*

*Under Article 5 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, new text has been added to item 4 and a part of the text in item 4 has been amended.*

*Under Article 5 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), in Article 46, paragraph (3) item (4) has been amended.*

(4) A qualified owner, within the meaning of this Act, shall be a natural or a legal person directly holding a minimum 25% stake or 25% shares or other rights on the basis of which it partakes in the management of a legal person.

(5) The Croatian National Bank shall prescribe the conditions for exchange transactions and the manner in which they are to be conducted.

#### Application for the Issue of the Authorisation to Conduct Exchange Transactions Article 46.a

(1) An application for the issue of the authorisation to conduct exchange transactions shall be accompanied by:

1. the original or a certified copy not older than 30 days from the date of application of the certificate from the register of companies or the register of crafts,

*Under Article 24 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, new text has been added to item 1.*

2. a list of qualified owners for the applicant – a legal person, stating their full names and places of residence and the number and the place of issue of their personal identification documents or company name and address of the registered office as well as their individual, percentage shares in the equity capital of the applicant,

*Under Article 24 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, item 2 has been amended.*

3. an agreement or preliminary agreement on exchange transactions concluded with a bank,

*Under Article 24 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, new text has been added to item 3.*

4. an agreement or preliminary agreement on the purchase of a protected computer programme for exchange transactions concluded with the producer whose programme has been certified by the Croatian National Bank and a certificate of authenticity by which the producer of the protected computer programme attests that the programme in question has been certified,

*Under Article 24 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, in item 4 a part of the text has been amended and a part deleted.*

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.

*Under Article 24 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, item 5 has been deleted.*

*Under Article 6 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, a comma has been added in item 4 and item 5 has been added.*

(2) Where the qualified owner of the applicant is a legal person, the applicant shall supply, in addition to the documentation referred to in paragraph 1 of this Article, the following documentation for each such qualified owner:

1. the original or a certified copy of an excerpt from the court register, not older than 30 days from the date of application,
2. a list of its qualified owners who are natural persons, stating their full names and places of residence and the number and the place of issue of their personal identification documents, as well as their individual, percentage shares in the equity capital.

*Under Article 24 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, paragraph 2 has been amended.*

(3) The Croatian National Bank shall obtain data on no-criminal history status referred to in Article 46, paragraph 3, item 4 of this Act, upon a justified request, from the criminal history records.

*Under Article 24 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, paragraph 3 has been added.*

(4) Any application which is not accompanied by all the necessary documentation referred to in this Article of the Act shall be considered incomplete.

*Under Article 2 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 140/2005, which entered into force on 6 December 2005, Article 46.a and a title above it have been added.*

*Under Article 6 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, a part of the text in paragraph 3 has been amended and paragraph 4 added.*

*Under Article 6 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), in Article 46.a, paragraph (4) has been amended.*

Deciding on the Application for the Issue of the Authorisation  
to Conduct Exchange Transactions

## Article 46.b

(1) The Croatian National bank shall refuse the application for the issue of the authorisation to conduct exchange transactions:

1. if it establishes that the applicant has not concluded an agreement or a preliminary agreement for the purchase of protected computer programme for the conduct of exchange transactions certified by the Croatian National Bank and for which the Croatian National Bank has issued a certificate of authenticity for the protected software which is the subject of the agreement or a preliminary agreement, or
2. if it establishes that the applicant has not concluded an agreement or a preliminary agreement with a contractual bank,
3. if it establishes that the applicant that is a craftsman or a sole trader and, in the case of an applicant that is a legal person, a member of the management board or executive director of a joint stock company that has a management board, a procurator, or any of the qualified owners of the applicant referred to in Article 46.a, paragraph (1), item 2 and paragraph (2), item (2) of this Act, does not meet the conditions referred to in Article 46, paragraph (3), item (4) of this Act,
4. if it follows from other available data that business activities or operations or conduct of the person referred to in item 3 of this paragraph might threaten the legitimate business operations of the authorised exchange office, or
5. if winding-up or bankruptcy proceedings have been initiated against the applicant.

*Under Article 25 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, paragraph 1 has been deleted and in the former paragraph 2 which has become paragraph 1, items 1, 2, 3 and 4 have been amended and the former paragraphs 3 and 4 have become paragraphs 2 and 3.*

*Under Article 7 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, item 3 has been amended, a new text has been added to item 4 and item 5 has been added.*

*Under Article 7 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), in Article 46.b, paragraph (1) item (3) has been amended.*

(2) The Croatian National Bank shall decide on the application no later than 60 days from the receipt of a valid application for the issue of the authorisation to conduct exchange transactions.

*Under Article 7 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), in Article 46.b, paragraph (2) has been amended.*

(3) A resident shall submit an application for the enrolment of exchange office operations in the register of companies or the register of crafts after receiving the authorisation to conduct exchange transactions.

*Under Article 2 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 140/2005, which entered into force on 6 December 2005, Article 46.b and a title above it have been added.*

Grounds for the Revocation of the Authorisation to Conduct Exchange Transactions  
Article 46.c

(1) The Croatian National Bank shall revoke the authorisation to conduct exchange transactions:

1. if the authorised exchange office does not begin conducting exchange transactions within 180 days from the date of authorisation,
2. if the authorisation has been obtained on the basis of false documentation or information,
3. if, after being granted authorisation, the authorised exchange office conducts exchange transactions without fulfilling the conditions referred to in Article 46, paragraph 3, items 1, 2 and 4,
4. if the authorised exchange office has been convicted on the basis of a final judgement for any of the major offences referred to in Article 63, paragraph 1, item 16 of this Act, in case of an offence committed in relapse or if the value of foreign cash or kuna cash that was the subject of the offence exceeds HRK 200,000.00,
5. if the authorised exchange office does not allow the person authorised by the Foreign Exchange Inspectorate to conduct supervision,
6. if the authorised exchange office, which has obtained the authorisation on the basis of a preliminary agreement on exchange transactions concluded with a bank or on the basis of a preliminary agreement on the purchase of a protected computer programme for exchange transactions, within the time limit set in the authorisation of the Croatian National Bank, does not submit the agreement on exchange transactions concluded with a bank or a certificate of the producer of the protected computer programme attesting the authenticity of the purchased and installed programme, or
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.

*Under Article 26 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, item 2 has been deleted and the former item 3 has become item 2, the former item 4 has been amended and has become item 3 and a new item 4 has been added.*

*Under Article 8 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, a part of the text in item 5 has been deleted, item 6 has been amended and item 7 has been added.*

(2) No appeal can be made against a decision withdrawing authorisation for the conduct of exchange transactions, but an administrative dispute may be initiated.

(3) Each authorised exchange office whose authorisation for the conduct of exchange transactions has been withdrawn by the Croatian National Bank shall be removed from the court register or the register of trades and crafts on the basis of a decision issued by the Croatian National Bank.

(4) The authorised exchange office that has had its authorisation for the conduct of exchange transactions withdrawn shall not be allowed to apply for a new authorisation for the conduct

of the same activity, before expiry of a one-year period from the date when the decision on the withdrawal of authorisation has been served.

*Under Article 2 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 140/2005, which entered into force on 6 December 2005, Article 46.c and a title above it have been added.*

*Under Article 26 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, paragraphs 2, 3, and 4 have been added.*

#### Cessation of Validity of the Authorisation to Conduct Exchange Transactions" Article 46.d

Authorisation to conduct exchange transactions shall cease to be valid:

1. on the date when the decision on withdrawal of authorisation to conduct exchange transactions is served;
2. on the date when a winding-up or bankruptcy proceeding is initiated against the authorised exchange office,
3. upon removal of the authorised exchange office from the court register or the register of trades and crafts.

*Under Article 27 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, Article 46.d and a title above it have been added.*

*Under Article 9 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, new text has been added to item 2.*

#### Notification of Changes Article 46.e

(1) Each authorised exchange office shall notify the Croatian National Bank about all changes in the court register or the register of trades and crafts within 8 days from the date of change being entered into the register as well as about changes in qualified owners referred to in Article 46.a, paragraph 1, item 2 and paragraph 2, item 2 of this Act within 8 days from the date of change.

(2) In addition to the notification referred to in paragraph 1 of this Article, the authorised exchange office shall supply an excerpt from the court register or the register of trades and crafts for the applicant and a list of new qualified owners as well as other documentation pertaining to the new qualified owners pursuant to Article 46.a, paragraph 1, item 2 and paragraph 2 of this Act.

(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.

*Under Article 27 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, Article 46.e and a title above it*

*have been added.*

*Under Article 10 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, paragraph 3 has been added.*

CHAPTER V  
Safety Provisions  
Preconditions for Taking Safety Measures  
Article 47

- (1) Where capital movements cause or threaten to cause serious difficulties in the implementation of monetary or foreign exchange policies, the Croatian National Bank may issue a special decision prescribing safety measures.
- (2) The safety measures may be implemented by the Croatian National Bank or the Government of the Republic of Croatia, provided they are necessary for the execution of sanctions imposed by the United Nations or other international organizations of which the Republic of Croatia is a member.
- (3) Safety measures referred to in paragraph 1 of this Article may be prescribed for a maximum period of six months.
- (4) By way of exception, the Croatian National Bank may extend the period referred to in paragraph 3 of this Article, subject to approval of the Croatian Parliament.

*Under Article 4, paragraph (3) of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, paragraph 4 will cease to have effect on the date of accession of the Republic of Croatia to the European Union.*

*Under Article 16 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, paragraph 4 will cease to have effect on the date of accession of the Republic of Croatia to the European Union.*

- (5) The Government of the Republic of Croatia and the Croatian Financial Services Supervisory Agency shall be notified of any safety measures, prior to their implementation.

Safety Measures  
Article 48

Safety measures of the Croatian National Bank referred to in Article 47 of this Act may comprise:

1. measures restricting the rights of residents to use funds in their accounts abroad or in their foreign exchange accounts in the Republic of Croatia;
2. measures obliging the banks to sell to the Croatian National Bank any foreign exchange derived from the exchange transactions of banks and authorized exchange offices;
3. measures restricting credit transactions between residents and non-residents;
4. measures restricting payment and collection transactions involving foreign claims and liabilities;



5. measures restricting the transfer of securities, foreign cash and gold into and from the Republic of Croatia;
6. measures restricting securities and gold transactions between residents and non-residents;
7. measures restricting the issuing of guarantees or sureties, offering of pledges or other instruments of collateral for the account of non-resident.

## CHAPTER VI

### Business Books and Reporting

#### VI.1 General Provisions Governing Reporting on External Operations

##### Reporting Obligation

##### Article 49

(1) Residents shall, in accordance with the provisions of this Act and subordinate legislation, inform the Croatian National Bank about all cross-border transactions they have entered into. Banks, authorised companies, the Central Depository Agency, public notaries and bodies of customs administration shall also inform the Croatian National Bank about any cross-border third-person transactions of which they learn in the course of conduct of their business, pursuant to the provisions of this Act and subordinate legislation.

*Under Article 28 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, paragraph 1 has been amended.*

(2) Residents covered by the reporting obligation shall allow the Croatian National Bank and the Ministry of Finance – Foreign Exchange Inspectorate, and the Customs Administration, to examine their business books and other business documentation, for the purpose of data verification.

(3) The Croatian National Bank shall define in detail the conditions, the substance, the manner and the procedure of reporting.

(4) The Croatian National Bank shall make balance of payments projections for the Republic of Croatia.

(5) For the purpose of controlling foreign exchange operations and monitoring the outturn of the projected balance of payments of the Republic of Croatia, 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.

*Under Article 3 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 140/2005, which entered into force on 6 December 2005, new text has been added to item 5.*

(6) Residents covered by the obligation to report to the Croatian National Bank on capital transactions with non-residents shall, at the request of the Ministry of Finance – Foreign Exchange Inspectorate, submit data on actual owners of a non-resident with which they conclude transactions if the non-resident in question is an off-shore undertaking.

*Under Article 3 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 140/2005, which entered into force on 6 December 2005, a new paragraph 6 has been added.*

#### VI.2 Control Book

##### Article 50

(1) The residents referred to in Article 2, paragraph (1), items (1), (2) and (3) of this Act, except banks, shall keep control books on all payments and collections arising from external capital transactions, irrespective of whether the data entered in that book should also be entered in other books and records which such residents are obliged to keep pursuant to other regulations.

(2) The control book shall be made available to foreign exchange control officials immediately and no later than on the next working day.

(3) The Minister of Finance shall prescribe, in a decree, the content and manner of keeping control books.

*Under Article 8 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), Article 50 has been amended.*

#### VI.3 Reporting on Direct and Other Equity Investment Article 51

(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.

*Under Article 11 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, Article 51 has been amended.*

#### VI.4 Reporting on Securities Transactions Article 52

(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.

*Under Article 12 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, Article 52 has been amended.*

#### VI.5 Reporting on Credit Transactions Article 53

(1) Residents shall report to the Croatian National Bank on any credit transactions with non-residents in the manner and within the time limits prescribed by a decision of the Croatian National Bank.

*Under Article 13 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, new text has been added to paragraph 1.*

(2) For reporting purposes, the Croatian National Bank may stipulate that credit transactions also comprise certain other transactions between residents and non-residents, the economic purpose of which equals that of a credit transaction.

#### VI.6 Reporting on Deposit Transactions Article 54

Residents shall report to the Croatian National Bank on the transactions and balances in their accounts abroad and in the accounts of their branches abroad in the manner and within the time limits laid down in a decision by the Croatian National Bank.

### CHAPTER VII Supervision VII.1 General Provisions Supervisory Bodies Article 55

Supervision over transactions pursuant to this Act shall be exercised by the Croatian National Bank and the Ministry of Finance – Foreign Exchange Inspectorate and Customs Administration (hereinafter: supervisory bodies).

#### Exchange of Information Between Supervisory Bodies Article 56

(1) Supervisory bodies shall exchange information needed in the process of supervision and inform each other about any irregularities established in the course of supervision, provided such findings are relevant for the work of the other supervisory body.

(2) The submission of data on a supervised person, which are required in supervisory procedures, shall not be considered a violation of the obligation to keep a business secret.

*Under Article 4 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 140/2005, which entered into force on 6 December 2005, paragraph 2 has been added.*

(3) Supervisory bodies shall define the content of the exchange of information and the manner in which such an exchange of information is to take place by means of an agreement on the exchange of information or by means of other enactments.

## VII.2 Real Competence

### Competence of the Ministry of Finance – Foreign Exchange Inspectorate

#### Article 57

- (1) The Ministry of Finance – Foreign Exchange Inspectorate shall supervise the application and the implementation of this Act and the operations of residents and non-residents performing their business or other activity in the territory of the Republic of Croatia.
- (2) Residents and non-residents referred to in paragraph 1 of this Article shall allow authorised person of the Financial Inspectorate unrestricted supervision and control of their business operations and shall make available or send to them, on request, all required documentation and data on the business activity the resident is exercising abroad.

*Under Article 14 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, a part of the text of paragraph 2 has been amended.*

### Competence of the Ministry of Finance – Foreign Exchange Inspectorate and the Croatian National Bank

#### Article 58

- (1) The Ministry of Finance – Foreign Exchange Inspectorate and the Croatian National Bank shall supervise foreign exchange transactions of banks, branches and representative offices of foreign banks.
- (2) The Ministry of Finance – Foreign Exchange Inspectorate shall supervise the work of authorized exchange offices.

### Competence of the Ministry of Finance – Customs Administration

#### Article 59

- (1) The Ministry of Finance – Customs Administration shall, in accordance with the Regulation (EC) No 1889/2005 exercise supervision in terms of Article 40 of this Act over the denominations and amounts of the cash brought into and taken out of the European Union through the Republic of Croatia by natural persons in passenger traffic.
- (2) The Ministry of Finance – Customs Administration shall exercise supervision over the denominations and the amounts of foreign cash, domestic cash and securities brought into or taken out of the European Union through the Republic of Croatia by residents and non-residents in passenger, goods and postal traffic.

*Under Article 9 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), Article 59 has been amended.*

CHAPTER VIII  
Penal Provisions  
VIII.1 Misdemeanours  
Article 60

(1) A fine of HRK 70,000.00 to HRK 1,000.00 shall be imposed for misdemeanour on any legal or any natural person who:

1. settles a false external claim or issues an external payment order to a bank based on a fictitious agreement or invoice;
2. concludes an agreement with a legal or a natural person abroad on the import or export of goods or services that does not state the actual prices.

(2) A fine of HRK 35,000.00 to HRK 100,000.00 shall be imposed for misdemeanours referred to in paragraph 1 of this Article on any management board member, any person authorized to manage funds in a legal person's account or other responsible person in a legal person.

Article 61

(1) A fine of HRK 50,000.00 to HRK 1,000,000.00 shall be imposed for misdemeanour on banks or other legal persons which, when concluding loan agreements, issuing guarantees or sureties in favour of non-residents, fail to secure instruments of collateral or secure such instruments of collateral whose value is evidently disproportionate with the cost of the loan or the highest amount of the issued guarantee.

(2) A fine of HRK 20,000.00 to HRK 100,000.00 shall be imposed on any management board member or other responsible person committing misdemeanours referred to in paragraph 1 of this Article.

(3) In the event of agreements referred to in paragraph 1 of this Article, concluded with non-residents who, on account of their creditworthiness, may with certainty be expected to repay the loan on time and in full, the persons committing the misdemeanour may be granted a remission of the fine.

*Under Article 10 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), in Article 61, paragraph (3) a part of the text has been deleted.*

(4) In the event of agreements referred to in paragraph 1 of this Article, concluded with non-residents who have duly paid all their due debts towards the bank, the person committing the misdemeanour shall be granted a remission of the fine.

Article 62

(1) A fine of HRK 50,000.00 to HRK 500,000.00 shall be imposed for misdemeanour on any legal or natural person who:

1. conducts exchange transactions without authorisation from the Croatian National Bank or without an agreement with a bank or fails to use certified computer programs in exchange transactions,

*Under Article 5 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 140/2005, which entered into force on 6 December 2005, new text has been added to item 1.*

*Under Article 29 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, a part of the text of item 1 has been amended.*

2. fails to allow a person authorized by the Foreign Exchange Inspectorate to exercise supervision or prevents such a person from carrying out its official duty.

(2) A responsible person in a legal person committing misdemeanours referred to in paragraph 1 of this Article, shall be fined HRK 10,000.00 to HRK 50,000.00 for such a misdemeanour.

(3) For misdemeanours referred to in paragraph 1 of this Article, the body in charge of misdemeanour proceedings, may, in addition to a financial fine, impose on the person committing the misdemeanour, a preventive measure involving a ban on this person's right to conduct exchange transactions or other activities for a period of three months to one year, except for payments and transfers referred to in Article 8 of this Act.

(4) Foreign cash and domestic cash, as the subjects of misdemeanours referred to in paragraph 1, item 1 of this Article shall, on the basis of a ruling on misdemeanour, be seized in favour of the Government Budget of the Republic of Croatia.

#### Article 63

(1) A fine of HRK 15,000.00 to HRK 200,000.00 shall be imposed for misdemeanour on any legal or natural person who:

1. deleted.

2. transfers funds abroad for the purpose of purchasing real estate abroad, without fulfilling the conditions lay down by this Act,

3. executes or collects any payments in foreign means of payment in transactions with residents or non-residents in the Republic of Croatia, contrary to this Act or a decision issued by the Croatian National Bank,

4. deleted.

5. deleted.

6. deleted.

7. deleted.

8. enters into a loan agreement with a non-resident in the name and for the account of another person, contrary to the provisions of this Act,

8a. deleted.

9. deleted.

10. deleted.

11. deleted

12. fails to submit reports to the Croatian National Bank on transactions and balances in its accounts abroad and in accounts of its branches abroad in the manner and within the time limits prescribed by the Croatian National Bank;

13. deleted.

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

15. deleted.

16. fails to comply with the conditions and the manner governing transactions of authorized exchange offices, as prescribed by the Croatian National Bank,

17. purchases or sells foreign cash, lends or borrows foreign cash, acts as a mediator in the purchase, sale or foreign cash lending contrary to this Act,

18. 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 Foreign Exchange Inspectorate, or fails to keep business books on its operations in the prescribed manner;

*Under Article 6 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 140/2005, which entered into force on 6 December 2005, new text has been added to item 18.*

19. fails to comply with the measures for the protection of monetary of foreign exchange system prescribed by the Croatian National Bank,

20. fails to supply to the Croatian National Bank within the prescribed time limits the notification and the documentation referred to in Article 46.e of this Act,

21. engages in the production, sale, importation for sale or for other commercial purposes, or distribution for these purposes, of medals and tokens similar to euro coins contrary to Articles 2, 3 and 4 of the Regulation (EC) No 2182/2004 applied on the basis of the Regulation (EC) No 2183/2004,

22. fails to withdraw from circulation and destroy without delay the medals and tokens which have been found, according to the opinion referred to in Article 40a, paragraph (4) of this Act, to be contrary to the Regulation (EC) No 2182/2004 applied on the basis of the Regulation (EC) No 2183/2004,

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

*Under Article 30 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, items 4, 5, 6 and 7 have been deleted, item 8 has been amended and items 8.a, 20, 21, and 22 have been added.*

*Under Article 3 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, items 10 and 14 have been amended.*

*Under Article 4, paragraph 2 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, on 1 January 2010, items 9 and 15 were deleted.*

*Under Article 4, paragraph 2 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, on 1 July 2010, item 10 was deleted.*

*Under Article 4, paragraph 2 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, on 1 January 2011, items 8.a and 11 were deleted.*

*Under Article 15 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, item 1 has been deleted, items 14 and 22 have been amended and item 23 has been added.*

*Under Article 16 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, items 8.a, 11 and 13 have been deleted.*

*Under Article 11 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), in Article 63, paragraph (1) items (21) and (22) have been amended.*

(2) A responsible person in a legal person shall also be fined HRK 3,000.00 to HRK 20,000.00 for misdemeanours 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 HRK 100,000.00, 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 HRK 30,000.00 to HRK 400,000.00.

(4) Foreign or domestic cash, as the subjects of misdemeanours referred to in paragraph 1 of this Article or foreign cash or domestic 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 and domestic cash referred to in paragraph 1 of this Article shall not be seized or shall be seized only in part.

#### Article 64

(1) A fine of HRK 35,000.00 to HRK 500,000.00 shall be imposed for misdemeanour on a bank which:

1. deleted.
2. concludes a loan agreement abroad for a client's account when it is not licensed to provide services involving external credit transactions;
3. conducts any foreign exchange operation without authorization or oversteps the authority granted to it by virtue of a license obtained from the Croatian National Bank;
4. executes a client's order, thus enabling the client to manage foreign means of payments in the country or abroad, or the kuna abroad, contrary to this Act; where the bank knows or should have known that a free use of foreign means of payment or the kuna is contrary to this Act;
5. deleted.
6. deleted.



7. concludes an agreement on exchange transactions with a person that does not fulfil the conditions prescribed by this Act;
8. concludes an agreement with an authorized exchange office which does not contain the elements prescribed as obligatory by a decision of the Croatian National Bank;
9. fails to submit a report to the Croatian National Bank, where this is prescribed by this Act, or fails to supply data to the Foreign Exchange Inspectorate within the prescribed time limits or in the prescribed manner;
10. conducts external payment transactions or manages foreign exchange accounts contrary to regulations of the Croatian National Bank;
11. fails to establish the identity of any resident or non-resident opening a foreign exchange account or a foreign exchange savings deposit account, or of any non-resident opening a kuna account, or fails to keep data on account holders for a period of five years following the closing of the account.

*Under Article 31 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, items 1 and 5 have been deleted.*

*Under Article 16 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, item 6 has ceased to be valid.*

*Under Article 16 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, item 11 will cease to be valid from 1 January 2012.*

(2) A responsible person in the bank shall be fined HRK 2,000.00 to HRK 35,000.00 for misdemeanours referred to in paragraph 1 of this Article.

#### Article 65

Deleted.

*Under Article 32 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, Article 65 has been deleted.*

#### Article 66

Deleted.

*Under Article 33 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, Article 66 has been deleted.*

#### Article 67

Deleted.

*Under Article 34 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, Article 67 has been deleted.*

#### Article 68

Deleted.

*Under Article 4, paragraph 2 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, on 1 January 2010, Article 68 was deleted.*

#### Article 69

(1) A fine of HRK 5,000.00 to HRK 50,000.00 shall be imposed for misdemeanour on any natural person entering or leaving the European Union through the Republic of Croatia who attempts to take, or takes over the state borders, without declaring it to the Ministry of Finance - Customs Administration in writing on a declaration form, cash in terms of Article 40 of this Act, in the amount of EUR 10,000.00 or more (Article 40 of this Act and Article 3 of the Regulation (EC) No 1889/2005).

(2) Cash in terms of Article 40 of this Act, as the subjects of the misdemeanours referred to in paragraph 1 of this Article, shall be seized on the basis of a misdemeanour ruling in favour of the Government Budget of the Republic of Croatia.

(3) Cash in terms of Article 40 of this Act, as the subjects of misdemeanours, may be seized even if it is not the property of the perpetrator.

(4) By way of exception, in specially warranted cases under particularly extenuating circumstances, the body in charge of misdemeanour proceedings may decide that the cash in terms of Article 40 of this Act, as the subjects of the misdemeanours referred to in paragraph 1 of this Article, are not to be seized or to be seized only in part.

*Under Article 12 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), Article 69 has been amended.*

#### Article 70

When performing foreign exchange control, the Foreign Exchange Inspectorate and the customs authority, shall temporarily seize the domestic and foreign cash or cash in terms of Article 40 of this Act and the documentation and other objects which are used to commit the misdemeanour, which result from the misdemeanour or which may be used as evidence in misdemeanour proceedings, in accordance with the regulations governing such misdemeanour proceedings and they shall issue a receipt for any domestic or foreign cash, documentation or other objects seized. The domestic and foreign cash shall be paid immediately into special accounts with the Foreign Exchange Inspectorate of the Ministry of Finance.

*Under Article 13 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), new text has been added to Article 70.*

#### Article 71

Persons authorized by the Foreign Exchange Inspectorate may impose a temporary restriction or a ban on certain activities of legal or natural persons even before the initiation of misdemeanour proceedings, by sealing work equipment or business premises, if there is reasonable doubt that the misdemeanour referred to in Article 62, paragraph 1 of this Act has been committed.

#### Article 72

When a natural person is designated as the person committing certain misdemeanours, the persons committing such misdemeanours may be citizens in the capacity of natural persons, sole traders, craftsmen and other self-employed natural persons performing the activity of their registration, unless it follows from the elements of a specific act or a specific regulation that the person committing the misdemeanour may only be one of those persons.

#### Article 73

Deleted.

*Under Article 14 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), Article 73 has been deleted.*

#### Article 74

- (1) The Foreign Exchange Inspectorate of the Republic of Croatia shall conduct misdemeanour proceedings of the first instance.
- (2) An appeal may be filed with the High Magistrate Court of the Republic of Croatia against the ruling of the Foreign Exchange Inspectorate of the Republic of Croatia.

### VIII.2 Criminal Offences

#### Article 75

Persons engaging in illicit purchase, sale, borrowing or lending of foreign cash, in the mediation in the purchase, sale or lending of foreign cash, or engaging in illicit exchange transactions without authorisation from the Croatian National Bank and without an agreement

with a bank, shall be punished with a prison sentence of up to five years or with a fine of up to one hundred and fifty daily amounts.

*Under Article 7 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 140/2005, which entered into force on 6 December 2005, new text has been added to Article 75.*

*Under Article 15 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), a part of the text in Article 75 has been amended.*

## Article 76

Responsible persons which, by concluding agreements, arranging for transactions, or in any other way purchasing, selling or lending foreign cash, or mediating in the purchase, the sale or lending of foreign cash for a legal person contrary to this Act, or arranging for exchange transactions in a legal person without authorisation from the Croatian national Bank or an agreement with a bank, shall be punished with a prison sentence of up to five years or with a fine of up to one hundred and fifty daily amounts.

*Under Article 8 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 140/2005, which entered into force on 6 December 2005, new text has been added to Article 76.*

*Under Article 16 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union (1 July 2013), a part of the text in Article 76 has been amended.*

## CHAPTER IX

### Transitional and Final Provisions

#### Time Limits for the Adoption of Subordinate Legislation

##### Article 77

The Ministry of Finance and the Croatian National Bank shall adopt subordinate legislation pursuant to this Act within 90 days after its coming into effect.

#### Time Limits for Lifting Restrictions on Certain Capital Transactions

##### Article 78

(1) As of 1 January 2011, Article 28, paragraph 4, Article 29, Article 39 and Article 63, paragraph 1, items 8.a and 11 of this Act and the Decision on the conditions for issuing approvals for opening foreign exchange accounts abroad (Official Gazette 111/2003, 189/2004 and 124/2006) shall cease to be valid.

*Under Article 35 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006, paragraph 1 has been amended.*

(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 88/2005, 18/2006 and 132/2007),
- Instructions for the implementation of the Decision governing the conditions for and the manner of performing external payment operations (Official Gazette 136/2005, 143/2005, 37/2006, 134/2007 and 4/2008),
- Instructions for the use of lettered abbreviations and numerical denotations of countries and states and monetary units in non-domestic payment transactions (Official Gazette 75/2007, 77/2007, 112/2007, 95/2008, 28/2009, 45/2009 and 67/2009),
- Instructions for the use of collection and payment basis codes in external payment operations (Official Gazette 136/2005 and 24/2006), and
- Decision on collecting data on external payment operations (Official Gazette 136/2005 and 24/2006).

(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 111/2003, 138/2003, 176/2004 and 122/2005), and
- Decision governing the conditions for and the manner of opening and managing non-resident bank accounts (Official Gazette 124/2006, 131/2006 and 74/2007).

(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.

*Under Article 1 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 150/2008, which entered into force on 22 December 2008, a part of the text in paragraph 1 has been deleted, items 2 and 3 have been added and the former paragraph 2 has become paragraph 4.*

*Under Article 1 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 92/2009, which entered into force on 29 July 2008, paragraphs 2, 3 and 4 have been amended.*

*Under Article 4, paragraph 1 of the Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009, a part of the text has been deleted from paragraph 1, paragraphs 2, 3, and 4 have been added and the former paragraph 2 which has become paragraph 5 has been amended.*

*Under Article 16 of the Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011, Article 78 has been amended.*

<b>Transitional and Final Provisions</b>
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*(Amendments to the Foreign Exchange Act, Official Gazette 145/2010)*

**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. **It shall apply as of 1 January 2011.**

**Article 18**

In the entire text of the Foreign Exchange Act (Official Gazette 96/2003, 140/2005, 132/2006 and 153/2009), 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.

Laws and Subordinate Legislation that shall be Superseded following the Adoption of this Act  
and Subordinate Legislation that shall Remain in Effect  
until New Subordinate Legislation is Enacted

**Article 79**

(1) On the date of coming into effect of this Act (**Official Gazette 96/2003**), the Foreign Exchange System, Foreign Exchange Operations and Gold Transactions Act (Official Gazette 91A/1993, 36/1998 and 32/2001), the External Credit Transactions Act (Official Gazette 43/1996), the Decree on Establishing a Deadline Referred to in Article 3, Paragraph 1 of the External Credit Transactions Act (Official Gazette 62/2001) and the subordinate legislation enacted on the basis of these acts, shall cease to be valid, with the exception of:

a) subordinate legislation enacted on the basis of the Foreign Exchange System, Foreign Exchange Operations and Gold Transactions Act (Official Gazette 91A/1993, 36/1998 and 32/01), in the segment not contrary to this Act, which comprises:

- Decision on Collecting Data on Foreign Direct and Portfolio Investments (Official Gazette 4/1997);
- Decision on Collecting Data on International Transactions Related to Communications Services (Official Gazette 62/2001);
- Decision on Collecting Data on International Transactions Related to Insurance (Official Gazette 62/2001);
- Decision on the Method of Performing Exchange Transactions (Official Gazette 44/2001);
- Decision on the Method of and Deadlines for Submitting Reports on the Purchase and Sale of Foreign Exchange in the Foreign Exchange Market (Official Gazette 57/2001);
- Decision on the Conditions Under Which Foreign Legal Persons May Be Given Approvals for Depositing Foreign Cash in Foreign Exchange Accounts (Official Gazette 107/1993);

- Decision on the Conditions Under Which Foreign Persons May Acquire Claims in the Currency of the Republic of Croatia (Official Gazette 114/1993 and 14/1996);
- Decision on Conditions for Obtaining an Authorization to Settle Claims Abroad in Foreign Cash (Official Gazette 107/1993, 116/1993, 97/1994, 2/1995 and 87/1901);
- Decision on the Conditions Under Which Claims from Abroad May Be Settled in Non-Transferable Currencies (Official Gazette 115/1993);
- Decision on the General Conditions for Giving Approvals to Domestic Persons to Keep Foreign Exchange in Accounts Abroad (Official Gazette 17/2002 and 10/2003);
- Decree on Keeping a Control Book on Each Foreign Trade Transaction and External Credit Transaction (Official Gazette 112/1993);
- Decision on the Method of Performing External Payments Operations (Official Gazette 99/1993, 97/1994, 2/1996 and 7/1996);
- Decision on the Necessary Documentation to be Submitted by Foreign Legal Persons to Banks Authorized for External Payments Operations, in Which They Are Opening a Domestic or a Foreign Currency Account (Official Gazette 38/1999);
- Decision on Withdrawing Foreign Cash from Foreign Exchange Accounts of Foreign Legal Persons (Official Gazette 28/1997);
- Decision on Taking Into and Out of the Country Domestic Cash in International Passenger Traffic (Official Gazette 44/1994 and 88/1998);
- Decision on the Amount of Foreign Exchange that Domestic Natural Persons May Take Out of the Republic of Croatia in International Passenger Traffic (Official Gazette 99/1993);
- Decision on the Conditions Under Which Domestic Natural Persons May Take Checks and Other Securities Denominated in Foreign Currency Out of the Republic of Croatia in International Passenger Traffic (Official Gazette 107/1993);
- Decision on the Conditions Under Which Domestic and Foreign Currency, Checks and Other Securities May Be Taken Into and Out of the Republic of Croatia in Postal and Other Type of Parcels (Official Gazette 99/1993, 107/1993, and 50/1994);
- Decision on Collecting Data on International Transport Services (Official Gazette 80/1998);
- Instructions on the Method and the Procedure of Reporting on the Balance of Claims from Abroad (Official Gazette 53/1999) except items V, VI, VIII and XI of the Instruction which cease to be valid;

b) subordinate legislation enacted on the basis of the External Credit Transactions Act (Official Gazette 43/1996) which comprises:

- Decision on the Registration of External Credit Transactions (Official Gazette 132/1999);
- Decision on the Changes in the KZ2 and KO2 Forms (Official Gazette 147/1999) which shall remain in effect until subordinate legislation referred to in Article 77 of this Act is enacted.

(2) As of the date of coming into effect of this Act, Article 41, Article 64 and Article 73, paragraph 2 of the Trade Act (Official Gazette 11/1996, 75/1999, 76/1999, 62/2001, 109/2001 and 49/2003 - amended text), and subordinate legislation enacted pursuant to Article 41 of the Trade Act (Decision on External Compensation Transactions, Official Gazette 54/1997) shall cease to be valid.

**TRANSITIONAL AND FINAL PROVISIONS**  
**(Act on Amendments to the Foreign Exchange Act, Official Gazette 140/2005, which entered into force on 6 December 2005)**

*Time Limit for the Adjustment of Authorised Exchange Offices*  
Article 9

(1) Authorised exchange offices referred to in Article 46, paragraph 2 of the Foreign Exchange Act (Official Gazette 96/2003) that are on the day of entry into force of this Act registered to conduct exchange transactions and that conduct exchange transactions on the basis of an agreement concluded with a bank shall adjust their operations to the provisions of this Act within a year from its entry into force.

(2) Authorised exchange offices referred to in paragraph 1 of this Article that fail to adjust their operations to the provisions of this Act within the prescribed time limit shall be removed from the register of companies or the register of crafts on the basis of a decision of the Croatian National Bank.

*Entry into Force of This Act*  
Article 10

This Act shall enter into force on the eighth day following its publication in the Official Gazette.

**TRANSITIONAL AND FINAL PROVISIONS**  
**(Act on Amendments to the Foreign Exchange Act, Official Gazette 132/2006, which entered into force on 14 December 2006)**

*Time Limits for the Adjustment of the Authorised Exchange Offices*  
Article 36

(1) Authorised exchange offices which have been issued authorisations for the conduct of exchange transactions prior to the entry into force of this Act, shall supply the documentation to the Croatian National Bank in accordance with Article 24 of this Act within 90 days from the date of entry into force of this Act.

(2) The Croatian National Bank shall withdraw its authorisation for the conduct of exchange transactions from each authorised exchange office which fails to act in accordance with the time limits and the procedures determined in paragraph 1 of this Article.

(3) The Croatian National Bank shall withdraw its authorisation for the conduct of exchange transactions from the authorised exchange office referred to in paragraph 1 of this Article, if it establishes on the basis of criminal records data and other sources that the conditions referred to in Article 25 of this Act have been met.

(4) Proceedings initiated prior to the entry into force of this Act shall be completed in accordance with the provisions of this Act.

(5) In proceedings referred to in paragraph 4 of this Act, the Croatian National Bank shall decide on each application within 180 days from the date of entry into force of this Act.

(6) Authorised exchange offices referred to in Article 46, paragraph 2 of the Foreign Exchange Act (Official Gazette 96/2003) registered, as on the date of entry into force of the Act on Amendments to the Foreign Exchange Act (Official Gazette 140/2005) for the conduct of exchange transactions and conducting exchange transactions on the basis of an agreement



with a bank, which have not applied for an authorisation to conduct exchange transactions until the date of entry into force of this Act, shall apply for an authorisation to conduct exchange transactions pursuant to the provisions of Article 46.a of the Foreign Exchange Act (Official Gazette 140/2005) and amendments referred to in Article 24 of this Act within 30 days from the date of entry into effect of this Act.

(7) Where the authorised exchange office referred to in paragraph 6 of this Act fails to apply for an authorisation to conduct exchange transactions within the time limits and in accordance with the procedure laid out in paragraph 6 of this Article, the business of the conduct of exchange transactions shall be deleted from the court register or the register of trades and crafts, based on a decision by the Croatian National Bank.

Entry into Force of this Act  
Article 37

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

**TRANSITIONAL AND FINAL PROVISIONS**  
**(Regulation on amendments to the Foreign Exchange Act, Official Gazette 150/2008,**  
**which entered into force on 22 December 2008)**

Article 1

In the Foreign Exchange Act (Official Gazette 96/2003, 140/2005 and 132/2006), in Article 78, paragraph (1), after the words "Article 35, paragraph (3) of this Act" a full stop is inserted and the rest of the sentence is deleted.

After paragraph (1), paragraphs (2) and (3) are added, which read:

"(2) Article 28, paragraph (6) and Article 63, paragraph (1), item (10) of this Act shall cease to have effect on 1 August 2009.

(3) Article 14, paragraph (3), Article 18, paragraphs (2) and (3), Article 28, paragraph (4), Article 29, Article 34, paragraph (1), Article 36, Article 37, Article 38, Article 42, paragraph (6), Article 63, paragraph (1), items (8a), (9), (11) and (15) and Article 68 of this Act shall cease to have effect on 1 January 2010."

The former paragraph (2) becomes paragraph (4).

Article 2

This Regulation shall enter into force on the day of its publication in the Official Gazette.

**TRANSITIONAL AND FINAL PROVISIONS**  
**(Regulation on amendments to the Foreign Exchange Act, Official Gazette 92/2009,**  
**which entered into force on 29 July 2009)**

Article 1

In the Foreign Exchange Act (Official Gazette 96/2003, 140/2005, 132/2006 and 150/2008), in Article 78, paragraphs (2), (3) and (4) are amended to read:

"(2) Article 14, paragraph (3), Article 18, paragraphs (2) and (3), Article 28, paragraph (4), Article 29, Article 34, paragraph (1), Article 36, Article 37, Article 38, Article 42, paragraph

(6), Article 63, paragraph (1), items (8a), (9), (11) and (15) and Article 68 of this Act shall cease to have effect on 1 January 2010.

(3) Article 28, paragraph (6) and Article 63, paragraph (1), item (10) of this Act shall cease to have effect on 1 February 2010.

(4) Article 47, paragraph (4) of this Act shall cease to have effect on the date of accession of the Republic of Croatia to the European Union."

#### Article 2

The Regulation on Amendments to the Foreign Exchange Act (Official Gazette 150/2008) shall cease to have effect by virtue of the entry into force of this Regulation.

#### Article 3

This Regulation shall enter into force on the day of its publication in the Official Gazette.

### **TRANSITIONAL AND FINAL PROVISIONS**

**(Payment System Act, Official Gazette 133/2009, which entered into force on 1 January 2011)**

*Cessation of effect of some provisions of the Foreign Exchange Act and regulations adopted under that Act*

#### Article 159

(1) Article 32, Article 33, Article 63, paragraph (1), item (13) and Article 64, paragraph (1) item (6) of the Foreign Exchange Act (Official Gazette 96/2003, 140/2005, 132/2006, 150/2008 and 92/2009) and the following subordinate legislation shall cease to have effect on the date of entry into force of this Act:

1) the Decision Governing the Conditions for and the Manner of Performing External Payment Operations (Official Gazette 88/2005, 18/2006 and 132/2007) and the Instructions Adopted under this Decision; and

2) the Decision on Collecting Data on External Payment Operations (Official Gazette 136/2005 and 24/2006).

(2) The Decision on the Generation and Use of International Bank Account Number (IBAN) (Official Gazette 162/2004) shall apply *mutatis mutandis* until the entry into force of the subordinate legislation referred to in Article 157 of this Act.

### **TRANSITIONAL AND FINAL PROVISIONS**

**(Regulation on amendments to the Foreign Exchange Act, Official Gazette 153/2009, which entered into force on 31 December 2009)**

#### Article 4

In Article 78, paragraph (1), after the words "Article 35, paragraph (3) of this Act" a full stop is inserted and the rest of the sentence is deleted.

After paragraph (1), new paragraphs (2), (3) and (4) are added, which read:

"(2) Article 14, paragraph (3), Article 18, paragraphs (2) and (3), Article 36, Article 37, Article 38, Article 42, paragraph (6), Article 63, paragraph (1), items (9) and (15) and Article 68 of this Act and

– the Decision on the conditions for issuing approvals for personal transfers abroad of assets relating to gifts and grants (Official Gazette 111/2003 and 149/2003),

– the Decision governing the taking in and out of the country cash, checks and materialised securities (Official Gazette 111/2003, 69/2006 and 82/2006), and

– the Decision on the manner and conditions under which residents may execute or receive payments arising from transactions with non-residents in domestic cash, foreign cash and checks (Official Gazette 54/2006 and 132/2007), with the exception of the provisions referred to in item II, item III, paragraphs (3) and (4), item IV, paragraph (1), item V, item VII, paragraphs (2) to (4), item VIII, item X, item XII and item XIII which shall apply until the entry into force of the subordinate legislation referred to in Article 34 of this Act, shall cease to have effect on 1 January 2010.

(3) Article 28, paragraph (6) and Article 63, paragraph (1), item (10) of this Act shall cease to have effect on 1 July 2010.

(4) Article 28, paragraph (4), Article 29, Article 63, paragraph (1), items (8a) and (11) of this Act and the Decision on the conditions for issuing approvals for opening foreign exchange accounts abroad (Official Gazette 111/2003, 189/2004 and 124/2006) shall cease to have effect on 1 January 2011."

The former paragraph (2) becomes paragraph (5) and is amended to read:

"(5) Article 47, paragraph (4) of this Act shall cease to have effect on the date of accession of the Republic of Croatia to the European Union."

#### Article 5

The Regulation on Amendments to the Foreign Exchange Act (Official Gazette 92/2009) shall cease to have effect by virtue of the entry into force of this Regulation.

#### Article 6

This Regulation shall be published in the Official Gazette and shall enter into force on 31 December 2009.

### **TRANSITIONAL AND FINAL PROVISIONS**

**(Act on Amendments to the Foreign Exchange Act, Official Gazette 145/2010, which entered into force on 1 January 2011)**

#### 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 96/2003, 140/2005, 132/2006 and 153/2009), 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.

**TRANSITIONAL AND FINAL PROVISIONS**

**(Act on Amendments to the Foreign Exchange Act, Official Gazette 76/2013, which entered into force on the date of accession of the Republic of Croatia to the European Union)**

Article 17

(1) As of the date of entry into force of this Act, the Decision on Medals and Tokens Similar to Euro Coins (Official Gazette 132/07 and 34/10) shall cease to have effect.

(2) The Decision on procedures for handling foreign cash suspected of being counterfeit (Official Gazette 21/07 and 34/10) shall remain in effect after entry into force of this Act, pending the adoption of a relevant bylaw based on a special law, and shall apply to all foreign cash except that denominated in euro.

(3) The Minister of Finance shall, within 90 days from the date of entry into force of this Act, issue a decree pursuant to Article 8 of this Act.

(4) The Decree on Keeping a Control Book on External Current and Capital Transactions (Official Gazette 145/03) shall apply accordingly until the entry into force of the decree referred to in paragraph (3) of this Article.

Article 18

(1) Any procedures for the issue and withdrawal of the authorisation to conduct exchange transactions not completed by the entry into force of this Act shall be subject to Articles 5 and 7 of this Act.

(2) The Croatian National Bank shall withdraw the authorisation to conduct exchange transactions from an authorised exchange office if it establishes, on the basis of the criminal records data and other sources, that the conditions referred to in Article 5 of this Act have not been met.

#### Article 19

This Act shall be published in the Official Gazette and shall enter into force on the date of accession of the Republic of Croatia to the European Union.