



HNB

EUROSUSTAV

**Decision implementing the part of Regulation (EU) No 575/2013
pertaining to credit institutions' qualifying holdings outside the financial sector and limits on
credit institutions' holdings of tangible assets**

(Official Gazette 22/2019 and 150/2024 – unofficial consolidated version)

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I GENERAL PROVISIONS

Subject matter

Article 1

For the purpose of implementing Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013), as last amended by Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (Text with EEA relevance) (OJ L 1623, 19.6.2024, hereinafter referred to as 'Regulation (EU) No 575/2013'), this Decision governs in detail:

- 1) the procedures to be followed by credit institutions in case of exceeding the limits on qualifying holdings outside the financial sector referred to in Article 89, paragraphs (1) and (2) of Regulation (EU) No 575/2013; and
- 2) the method of assessing and including individual holdings in the calculation of limits on holdings of tangible assets, and the method of calculating limits on holdings.

Under Article 1 of the Decision on amendments to the Decision implementing the part of Regulation (EU) No 575/2013 pertaining to credit institutions' qualifying holdings outside the financial sector and limits on credit institutions' holdings of tangible assets, Official Gazette 150/2024, which entered into force on 1 January 2025, the introductory sentence in Article 1 has been amended.

Legal persons subject to the application of the Decision

Article 2

The provisions of this Decision shall apply to credit institutions with head offices in the Republic of Croatia that have been authorised in accordance with the Credit Institutions Act and to branches of third-country credit institutions authorised by the Croatian National Bank to establish a branch of a third-country credit institution.

Under Article 2 of the Decision on amendments to the Decision implementing the part of Regulation (EU) No 575/2013 pertaining to credit institutions' qualifying holdings outside the financial sector and limits on credit institutions' holdings of tangible assets, Official Gazette 150/2024, which entered into force on 1 January 2025, Article 2 has been amended.

II HOLDING OF QUALIFYING HOLDINGS OUTSIDE THE FINANCIAL SECTOR

Holding of qualifying holdings outside the financial sector

Article 3

A credit institution shall apply the provision of Article 89, paragraph (3), item (a) of Regulation (EU) No 575/2013 where the amounts of its qualifying holdings in undertakings referred to in Article 89, paragraph (1) of Regulation (EU) No 575/2013 exceed the limits prescribed in Article 89, paragraphs (1) and (2) of that Regulation.

Under Article 3 of the Decision on amendments to the Decision implementing the part of Regulation (EU) No 575/2013 pertaining to credit institutions' qualifying holdings outside the financial sector and limits on credit institutions' holdings of tangible assets, Official Gazette 150/2024, which entered into force on 1 January 2025, Article 3 has been amended.

III CREDIT INSTITUTIONS' HOLDINGS OF TANGIBLE ASSETS

Holdings of tangible assets

Article 4

(1) For the purposes of calculating the limits on credit institutions' holdings of tangible assets referred to in Article 148, paragraph (1) of the Credit Institutions Act, a credit institution's tangible assets shall include the following tangible assets or the right to use tangible assets with useful life of more than one year:

- 1) tangible assets within the scope of International Accounting Standard 16 *Property, Plant and Equipment*;
- 2) tangible assets within the scope of International Financial Reporting Standard 5 *Non-current Assets Held for Sale and Discontinued Operations*;
- 3) tangible assets or the right to use tangible assets within the scope of International Financial Reporting Standard 16 *Leases* (hereinafter referred to as 'IFRS 16');
- 4) tangible assets used by a credit institution on the basis of agreements on the right of use, rental agreements or lease contracts, outside the scope of IFRS 16;
- 5) tangible assets within the scope of International Accounting Standard 40 *Investment Property*;
- 6) other tangible assets recognised and measured outside the scope of the international accounting standards referred to in items (1), (2), (3) and (5) of this paragraph; and
- 7) subsequent costs of reconstruction, remodelling and restoration of the tangible assets referred to in this paragraph, thus extending the useful life and increasing capacity or quality of tangible assets, if such subsequent costs are recorded as tangible assets.

(2) Holdings for the purpose of acquiring the right to use the tangible assets referred to in paragraph (1), item (4) of this Article shall imply any prepayments, rents or lease payments under agreements on the right of use, rental agreements or lease contracts.

(3) The tangible assets referred to in this Article shall be included in the calculation of the limits on credit institutions' holdings of tangible assets referred to in Article 148, paragraph (1) of the Credit Institutions Act in the amount recognised and accounted for in bookkeeping records of credit institutions in accordance with the provisions of international accounting standards adopted under Commission Regulation (EU) 2023/1803 of 13 August 2023 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (Text with EEA relevance) (OJ L 237, 26.9.2023).

Under Article 4 of the Decision on amendments to the Decision implementing the part of Regulation (EU) No 575/2013 pertaining to credit institutions' qualifying holdings outside the financial sector and limits on credit institutions' holdings of tangible assets, Official Gazette 150/2024, which entered into force on 1 January 2025, in Article 4, item (2) in paragraph (1) has been amended, with no relevance to the English translation, and paragraph (3) has been amended.

IV TRANSITIONAL AND FINAL PROVISIONS

Article 5

On the date of the entry into force of this Decision, the Decision implementing the part of Regulation (EU) No 575/2013 pertaining to credit institutions' qualifying holdings outside the financial sector and limits on credit institutions' holdings of tangible assets (Official Gazette 41A/2014 and 51/2015) shall cease to have effect.

Entry into force

Article 6

This Decision shall enter into force on 30 June 2019.

**Decision on amendments to the Decision implementing the part of Regulation (EU) No 575/2013
pertaining to credit institutions' qualifying holdings outside the financial sector and limits on
credit institutions' holdings of tangible assets
(Official Gazette 150/2024)**

Article 5

This Decision shall be published in the Official Gazette and shall enter into force on 1 January 2025.