

Decision
on payments and collections in foreign means of payment in the country

(Official Gazette 111/2005 and 16/2015)

– unofficial consolidated version –

General provisions

I

This Decision regulates allowed payment and collection transactions in foreign means of payment and transfers of foreign exchange between residents and between residents and non-residents in the Republic of Croatia.

Under item (I) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (I) has been amended.

II

Transfers of foreign exchange from a foreign exchange account of a resident natural person as the holder of the account to the account of a resident natural person as the legitimate representative or custodian of the holder of the account shall be allowed.

III

Donations in foreign means of payment for scientific, cultural and humanitarian purposes between residents shall be allowed.

Payments and collections between residents

IV

(1) Payments and collections in foreign means of payment between residents shall be allowed in the following cases:

- a) purchase and sale of goods in a D type customs warehouse and in separate points of sale of a customs, excise or tax warehouse;

Under item (II), paragraph (1) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (IV), paragraph (1), subitem (a) has been amended.

b) for disbursement and coverage of business trip expenses in another country and other associated costs, including field allowances;

Under item (VII) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (IV), paragraph (1), subitem (b) has been amended.

c) agency transactions in international transport and tourist agency services, between an agent and another resident natural person, for a service provided by a non-resident.

(2) Payments and collections in foreign exchange between residents shall be allowed in the following cases:

a) purchase and sale in the primary market of the Croatian National Bank bills and securities issued by the Republic of Croatia denominated in foreign currency;

b) purchase and sale of securities listed or issued in another country, for payments and collections between an investor and an authorized company and between authorized companies, except securities issued in another country but listed in the Republic of Croatia;

Under item (VII) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (IV), paragraph (2), subitem (b) has been amended.

c) disbursement of salaries to resident employees temporarily employed in another country (employees working on construction sites in another country, in representative offices, sailors, consuls, diplomats, etc.);

Under item (VII) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (IV), paragraph (2), subitem (c) has been amended.

d) purchase and sale of goods and services between free zone users, and purchase and sale of goods and services between free zone users and residents outside the zone, where the goods or services in question are intended for trade with non-residents and if the goods leave the Republic of Croatia or where the goods or services in question are foreign;

Under item (II), paragraph (2) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (IV), paragraph (2), subitem (d) has been amended.

e) investment projects carried out in another country, for payments and collections between the contractor and the subcontractors;

Under item (VII) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (IV), paragraph (2), subitem (e) has been amended.

f) agency transactions in international transport and tourist agency services, between an agent and another resident, for a service provided or received by a non-resident;

g) current transactions in trade with non-residents, between an agent and another resident or for the payment or collection of goods and services, if the goods cross the state border of the Republic of Croatia;

Under item (II), paragraph (3) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (IV), paragraph (2), subitem (g) has been amended.

h) inward processing procedure involving finishing, working and processing, including the materials used, as services provided by a resident to a holder of the inward processing procedure;

i) clearing in connection with payments or cash withdrawals made by a resident in another country with domestically issued payment cards, or payments or cash withdrawals made by a non-resident in the Republic of Croatia with payment cards issued in another country;

Under item (VII) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (IV), paragraph (2), subitem (i) has been amended.

j) for payments and collections between a branch of a foreign founder and another resident provided such payments and collections are made in fulfilment of a contractual obligation between such other resident and the foreign founder of the branch;

Under item (II), paragraph (4) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (IV), paragraph (2), subitem (j) has been amended.

k) for the issuance and purchase of units in investment funds established in the Republic of Croatia.

Under item (II), paragraph (5) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which

entered into force on 19 February 2015, item (IV), paragraph (2) has been amended with a new subitem (k).

Payments and collections between resident insurance companies and residents

V

(1) Payments and collections of insurance premiums and payments of damages in foreign exchange shall be allowed between a resident insurance company and a resident – natural person residing in another country on the basis of a valid residence permit.

(2) When concluding a reinsurance contract between a resident insurance or reinsurance company and a non-resident reinsurance company, the collection of premiums and payment of damages in foreign exchange shall be allowed between the following residents:

- a) insurance companies and policyholders or insurance beneficiaries;
- b) insurance and reinsurance companies, based on reinsurance contracts;
- c) in case of co-insurance, two or more resident insurance or reinsurance companies.

Under item (III) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (V) has been amended.

Payments and collections in connection with current transactions between residents and non-residents

VI

(1) Payments and collections in foreign means of payment in connection with current transactions between residents and non-residents shall be allowed in case of trade in services.

(2) Payments and collections in foreign exchange in connection with current transactions between residents and non-residents shall be allowed in case of trade in goods.

(3) Payments and collections in foreign cash and checks denominated in foreign currency in connection with current transactions between residents and non-residents shall be allowed in case of trade in goods if the goods cross the state border of the Republic of Croatia.

Under item (IV) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (VI) has been amended.

Payments and collections in connection with capital transactions between residents and non-residents

VII

(1) Payments and collections in foreign exchange between residents and non-residents in connection with capital transactions shall be allowed, except in the following cases:

- a) purchase and sale of real estate in the Republic of Croatia and stakes in companies headquartered in the Republic of Croatia;
- b) purchase and sale of securities listed or issued in the Republic of Croatia, irrespective of their denomination in kuna or in foreign exchange, except securities issued in the Republic of Croatia which are listed in another country.

Under item (V), paragraph (1) and item (VII) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (VII), paragraph (1) has been amended.

(2) The prohibition referred to in subitem (b) above shall not apply to any purchase or sale transactions in the primary market of securities issued by the Republic of Croatia denominated in foreign currency.

Under item (V), paragraph (2) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (VII), paragraph (2), has been amended.

Payments and collections in connection with cession, assignment and debt assumption

VIII

Payments and collections in foreign exchange between residents and residents and non-residents which arise from forms of payment settlement such as cession, assignation and debt assumption as well as from other forms of mutual settlement of claims and liabilities with at least one of the participants being a non-resident, shall be allowed, unless such type of payment or collection might have the effect of loans not allowed under Article 17, paragraph (2) of the Foreign Exchange Act or unless such forms of

payment settlement relate to claims or debts under capital transactions referred to in item (VII), paragraph (1), subitems (a) and (b) of this Decision.

Under item (VI) of the Decision on amendments to the Decision on payments and collections in foreign means of payment in the country (Official Gazette 16/2015), which entered into force on 19 February 2015, item (VIII) has been amended.

Transition and final provisions

IX

As of the day of entering into force of this Decision, the Decision on payments and collections in foreign means of payment in the country (Official Gazette 146/2003 and 195/2003) shall cease to have effect.

X

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

Transitional and final provisions

(Decision on amendments to the Decision on payments and collections in foreign means of payment in the country, Official Gazette 16/2015, entered into force on 19 February 2015)

VIII

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