

Pursuant to Article 88 of the Constitution of the Republic of Croatia, I hereby issue the

**DECISION
PROMULGATING THE ACT
ON INTERNATIONAL RESTRICTIVE MEASURES**

I hereby promulgate the Act on International Restrictive Measures, passed by the Croatian Parliament at its session on 21 November 2008.

Class: 011-01/08-01/149

Reg. No: 71-05-03/1-08-2

Zagreb, 27 November 2008

The President of the Republic of Croatia
Stjepan Mesić, m.p.

**ACT
ON INTERNATIONAL RESTRICTIVE MEASURES**

Article 1

This Act regulates the procedure of introduction, application and abolition of international restrictive measures that the Republic of Croatia introduces, applies and abolishes in line with international acts and decisions accepted within the framework of international organisations, with the objective of establishing and/or maintaining international peace and security, respecting human rights and fundamental freedoms, developing and strengthening democracy and state of law, and other objectives harmonised with international law.

Article 2

(1) Restrictive measures are:

- a) restrictions or obligations towards states, international organisations, natural and legal persons and other entities that may be comprised by international restrictive measures laid down in legal acts of the United Nations, the European Union or the European Community and other international organisations which are binding for the Republic of Croatia, and
- b) restrictions or obligations introduced by the Republic of Croatia in another manner, in line with international law or the law of the European Union.

(2) Restrictive measures may be as follows:

- a) severance of diplomatic relations,
- b) total or partial termination of economic relations,
- c) total or partial restriction of import, export, transit, provision of services, and of transport, mail and other communications,
- d) arms embargo,
- e) restriction upon entry into the country,
- f) restricted disposal of assets, and
- g) other measures in line with international law.

Article 3

(1) *Assets*, for the purposes of this Act, are all means, tangible or intangible, movable or immovable, as well as documents or instruments in any form, including the electronic and digital form, which prove the ownership or right to ownership of assets.

(2) *Funds*, for the purposes of this Act, are financial means and benefits of any kind, including the following:

- a) cash, cheques, financial claims, bills of exchange, remittances and other methods of payment,
- b) funds invested with liable persons referred to in Article 10 paragraph 1 of this Act,
- c) financial instruments determined by the law regulating the capital market, used for trading in public or private offerings, including shares, certificates, debt instruments, bonds, guarantees and derived financial instruments,
- d) other documents proving the right to financial means or other financial resources,
- e) interest rates, dividends and other funds-related income,
- f) claims, loans and letters of credit.

Article 4

- (1) The Government of the Republic of Croatia (hereinafter: the Government) shall issue a decision on the introduction of restrictive measures, prescribing the application of the restrictive measures on a case-by-case basis and determining the type of the restrictive measure, the manner of its application, the duration period and supervision of its application.
- (2) Restrictive measures shall be abolished by the Government's decision.
- (3) The decisions referred to in paragraphs 1 and 2 of this Article shall be published in the Official Gazette.

Article 5

- (1) The Government shall establish the Standing Coordination Group for Monitoring the Implementation of International Restrictive Measures to monitor and coordinate application of the restrictive measures referred to in this Act (hereinafter: Group). In the decision on establishing the Group, the Government shall regulate in detail the organisation, authorisations, methods and rules of procedure of the Group, which will be headed by a representative of the ministry in charge of foreign affairs (hereinafter: Ministry).
- (2) In order to be able to efficiently propose the monitoring and coordination of application of the restrictive measures under this Act, the Group may process data from the Database.

Article 6

- (1) With the aim of efficient application of restrictive measures and international data exchange, the Government shall pass a decision on establishing the Database on restrictive measures, natural and legal persons and other entities to whom the restrictive measures apply (hereinafter: Database), prescribing the method of keeping and maintaining the Database and processing the data.
- (2) The Database shall be established, kept and maintained by the Ministry.
- (3) The Database of natural persons shall contain the following information: person's name and surname, date and place of birth, place of permanent residence or temporary residence, nationality, type and number of identity papers, registration number or personal identification number (after its determination and assignment), data on the assets, proprietary rights and obligations of the person in the territory of the Republic of Croatia, date of commencement and date of termination of a specific restrictive measure, restrictive measures which have been taken, and data on reasonable suspicion regarding violation or attempted violation of a restrictive measure.
- (4) The Database of legal persons and other entities shall contain the following information: legal person's name and head office, name and surname of its authorised representative, registration number (*MBS*), tax number (*MB*) or personal identification number (after its determination and assignment), data on the assets, proprietary rights and obligations of the person in the territory of the Republic of Croatia, date of commencement and of termination of a specific restrictive measure, restrictive measures which have been taken, and data on reasonable suspicion regarding violation or attempted violation of a restrictive measure.
- (5) The data referred to in paragraphs 3 and 4 of this Article shall be kept for five years after the abolishment of a restrictive measure. Upon the expiry of this deadline, the data shall be erased or destroyed in line with regulations regulating personal data protection and regulations regulating data secrecy, or they shall be filed pursuant to regulations regulating safety of filed documents.
- (6) The Ministry may deliver the data from the Database to the international organisations referred to in Article 2 paragraph 1 of this Act, at their request.

Article 7

- (1) Natural and legal persons and other entities shall be entitled to insight into the data from the Database referring to them, in line with regulations regulating data secrecy protection and personal data protection.
- (2) Within three months from the day of publication of the notification on abolishment of restrictive measures in the Official Gazette, natural persons shall be informed about their right to insight into the data which were collected unbeknownst to them and which have not been erased from the Database.

Article 8

- (1) In the procedure of deciding upon petitions submitted by persons pursuant to regulations passed on the basis of this Act, provisions of the Act on General Administrative Proceedings shall apply.
- (2) The petitions referred to in paragraph 1 of this Article shall be decided upon by the ministry competent for the area to which the petitions refer.

(3) The Ministry deciding on the petitions referred to in paragraph 1 of this Article may, prior to making the decision, request the Group's opinion regarding the petition.

Article 9

(1) For damage caused as the result of application of this Act, it shall not be possible to claim compensation from the Republic of Croatia or the persons applying restrictive measures.

(2) As an exception, the provision of paragraph 1 of this Article shall not apply if the damage was caused on purpose or by gross negligence.

Article 10

(1) Natural and legal persons and other entities shall be obliged to act in line with this Act, to ensure direct application of restrictive measures within their scope of activities, and to notify the Ministry thereof.

(2) The natural and legal persons and other entities referred to in paragraph 1 of this Act, as well as state administration bodies, shall submit to the Ministry, at its request, the data referred to in Article 6 paragraphs 3 and 4 of this Act, which are at their disposal.

Article 11

(1) Restricted disposal of assets shall be implemented by applying the following measures for freezing the assets:

a) freezing of all the assets owned, held or belonging in any other way to the entity to whom the measures are applied, or controlled or supervised by that entity,

b) making the assets unavailable, directly or indirectly, to the entity to whom the measures are applied,

c) prohibition of all actions whose direct or indirect aim is to consciously avoid the measures referred to in items a) and b) of this paragraph.

(2) The provision of paragraph 1 item b) of this Article shall not refer to inflow to frozen accounts based on interest rates or other income of those accounts, provided that the provision of paragraph 1 item a) of this Article still applies to all such interest rates or income.

(3) The provision of paragraph 1 item b) of this Article shall not prevent inflow of funds transferred by third persons to the frozen account of the entity to which restrictive measures apply, provided that all such inflows to the account are also frozen.

Article 12

(1) By way of derogation from the provisions of Article 11 paragraph 1 of this Act, the court may allow the frozen assets to be released or the funds in question made available if it has been established that they are necessary for covering the basic costs of living, rent, lease or mortgage on a house of flat, medicines and treatment, taxes and insurance, or costs of public utility services.

(2) By way of derogation from the provisions of Article 11 paragraph 1 of this Act, the court may allow the frozen assets to be released or made available if it has been established that the assets are:

a) intended exclusively for payment of fees for regular maintenance of the frozen assets,

b) necessary due to extraordinary expenses, such as expenses related to childbirth, death in the family or a similar event.

(3) When deciding pursuant to paragraphs 1 and 2 of this Article, the court may determine conditions under which the release or the making available of assets will be approved.

(4) The competent court shall inform the Ministry about the approval referred to in this Article eight days after the issuance of the approval at the latest.

(5) The Ministry shall inform competent bodies of international organisations which apply the same restrictive measures towards the same entities about each approval decided upon pursuant to this Article.

Article 13

Supervision of implementation of this Act and regulations passed on the basis thereof shall be carried out by competent state administration bodies and holders of public authorities competent for the area to which the restrictive measures refer.

Article 14

In case of suspicion that violation or attempted violation of restrictive measures contains elements of a criminal act or any other punishable act, data kept in the Database referred to in Article 6 paragraph 2 of this

Act shall be delivered to state bodies competent for detection of misdemeanours or crimes and for initiating proceedings.

Article 15

- (1) Any person not acting in accordance with the Government's decision determining the restrictive measures referred to in Article 2 paragraph 2 items c) and d) of this Act shall be punished by a fine or prison sentence lasting from six months to five years.
- (2) Any person not acting in accordance with the Government's decision determining the restrictive measures referred to in Article 2 paragraph 2 items a), b), e) and f) of this Act shall be punished by a fine or prison sentence lasting up to three years.
- (3) Any person committing the criminal act referred to in paragraphs 1 and 2 of this Article by negligence shall be punished by a fine or prison sentence lasting up to six months.
- (4) For the attempted crime referred to in paragraph 2 of this Article, the perpetrator shall be punished.

Article 16

- (1) Legal persons that do not notify the Ministry in line with the provision of Article 10 paragraph 1 of this Act or that do not submit data to the Ministry in line with the provision of Article 10 paragraph 2 of this Article shall be fined for a misdemeanour in the amount from HRK 150,000 to 1,000,000.
- (2) A member of the management board or another responsible person in the legal person shall be fined for the misdemeanour referred to in paragraph 1 of this Article in the amount from HRK 15,000 to 50,000.
- (3) Natural persons shall be fined for the misdemeanour referred to in paragraph 1 of this Article in the amount from HRK 15,000 to 50,000.
- (4) Self-employed natural persons who have committed the misdemeanour referred to in paragraph 1 of this Article while performing his/her activities shall be fined in the amount from HRK 50,000 to 500,000.

Article 17

- (1) The Government shall issue a decision on establishing the Group referred to in Article 5 paragraph 1 of this Act within six months from the entry into force thereof.
- (2) The Inter-Ministerial Group for Monitoring the Implementation of International Restrictive Measures, established by the Decision of the Government of the Republic of Croatia of 24 February 2005 (Class: 022-03/05-02/12, Reg. No: 5030102-05-1), amended by the Government's Decision of 14 September 2006 (Class: 022-03/06-02/32, Reg. No: 5030106-06-1) shall, upon the entry into force of this Act, continue working until the decision referred to in paragraph 1 of this Article has been issued.

Article 18

Restrictive measures adopted on the basis of the Act on International Restrictive Measures (Official Gazette 178/04) shall remain in force until the passing of a decision on their abolishment in line with the provisions of Article 4 paragraph 2 of this Act.

Article 19

On the date of the entry into force of this Act, the Act on International Restrictive Measures (Official Gazette 178/04) shall cease to have effect.

Article 20

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

Class: 018-02/08-01/02
Zagreb, 21 November 2008

THE CROATIAN PARLIAMENT
The President of the Croatian Parliament
Luka Bebić, m.p.