

Pursuant to Article 40, paragraph 3 of the Foreign Exchange Act (Official Gazette 96/2003, 140/2005 and 132/2006) and Article 38, paragraph 3, under 1) of the Croatian National Bank Act (Official Gazette 36/2001 and 135/2006), the Council of the Croatian National Bank, at its session held on 14 February 2007, adopted the following

Decision on Procedures for Handling Foreign Cash Suspected of Being Counterfeit

I General Provisions

Article 1

This Decision shall prescribe the procedures for handling foreign cash suspected of being counterfeit and shall determine the obligated entities, the relationship between the obligated entities and their customers, as well as the relationship between the obligated entities and the Centre.

II Definition of Terms

Article 2

For the purpose of this Decision:

- a) "foreign cash suspected of being counterfeit" shall imply banknotes and coins the appearance of which is similar to the genuine foreign banknotes and coins, but which are suspected of being produced and altered for the purpose of fraud
- b) "obligated entity" shall imply a bank, authorised currency exchange office and other residents engaged in a business activity of sorting foreign cash and its distribution among the public
- c) "customer" shall imply a resident or non-resident presenting foreign cash to the obligated entity, which is suspected by the latter of being counterfeit
- d) "Centre" shall imply the Ministry of the Interior – Crime Analysis Centre "Ivan Vučetić", which is competent for analysing foreign cash.

III Procedures to Be Followed by Obligated Entities

Article 3

(1) The obligated entity shall, with no delay, withdraw from circulation the foreign cash suspected of being counterfeit and shall immediately inform the police to take it over or shall forward it to the Centre.

(2) The obligated entity shall issue a receipt for foreign cash detention, referred to in paragraph 1 of this Article, to the customer and shall attempt to detain the customer until the arrival of the police, to whom the foreign cash shall be handed over.

(3) If it has been proved that foreign cash is not counterfeit, the obligated entity or the police shall immediately upon the receipt of cash by the Centre notify the customer thereof and shall invite him/her to take over the retained foreign cash.

IV Procedures to Be Followed by the Centre

Article 4

(1) The Centre shall deliver to the obligated entity and/or to the police the outcome of the analysis of the received suspect samples of foreign cash, as soon the analysis has been completed.

(2) The Centre shall forward to the Croatian National Bank the outcome of the analysis of the suspect samples of foreign cash which proved to be counterfeit, as soon as the analysis has been completed.

(3) The counterfeits shall be stored at the Centre and shall be forwarded to the judicial and law enforcement authorities, as appropriate.

(4) If the outcome of the analysis has shown that foreign cash is not counterfeit, the Centre shall, with no delay, restore the cash to the obligated entity or to the police, which will be handed over to the authorised person of the obligated entity or of the police at the Centre.

Article 5

The Croatian National Bank and the obligated entities shall co-operate with the competent domestic and foreign institutions in the exchange of information concerning the counterfeiting prevention and fighting against putting counterfeit foreign cash into circulation.

Article 6

The Croatian National Bank, i.e. the Centre, shall place at the obligated entities' disposal the information on counterfeit foreign cash having occurred.

V Transitional and Final Provisions

Article 7

This Decision shall enter into force on the eighth day from its publication in the Official Gazette.

Decision No. 702/2007
Zagreb, 14 February 2007

CROATIAN NATIONAL BANK
COUNCIL CHAIRMAN
GOVERNOR
Dr Željko Rohatinski