

Pursuant to Article 39, paragraph 2 under i) of the Law on the Croatian National Bank (official gazette, *Narodne novine*, No. 36/2001) and article 44, paragraph 1, item 11 of the National Payment System Law (official gazette *Narodne novine*, No. 117/2001) the governor of the Croatian National Bank has issued the following

DECISION

on the Methods for Treating the Funds in Business Entities' Foreign Currency Accounts in Accordance with the National Payment System Law

Article 1

This Decision shall regulate the treatment of funds in business entities' foreign currency accounts held with banks in accordance with article 29, paragraph 4, and article 48 of the National Payment System Law (official gazette *Narodne novine*, No. 117/2001).

Article 2

Funds in payer's foreign currency accounts in terms of article 29, paragraph 4 of the National Payment System Law shall imply all funds in regular foreign currency accounts and specific foreign currency accounts opened with a bank, unless otherwise stipulated by law or other regulations adopted pursuant to law.

Notwithstanding paragraph 1 of this article, funds in the public notary deposit accounts, funds in escrow accounts, as well as funds in the accounts for payments abroad shall not be considered payer's funds in foreign currency accounts in terms of article 29, paragraph 4 of the National Payment System Law.

Article 3

Foreign currency accounts of a business entity, in terms of article 48, paragraph 1 of the National Payment System Law, shall imply regular foreign currency accounts and specific foreign currency accounts opened with a bank, in which business entities keep their funds, exclusive of foreign currency accounts referred to in article 2, paragraph 2 of this Decision.

Article 4

A business entity whose foreign currency account was opened before April 1, 2002 may not dispose of the funds in the foreign currency accounts referred to in article 3 of this Decision, and a bank must not execute its payment order unless this business entity also has a kuna account for regular operations opened with that bank.

A bank may execute a payment order to transfer the funds from foreign currency accounts referred to in article 3 of this Decision to the kuna or foreign currency account of a business entity referred to in paragraph 1 of this article, with the bank in which it keeps its kuna account for regular operations. Following the transfer of funds, the bank shall close the foreign currency account of a business entity. The bank shall immediately notify the business entity thereof, or within eight days at the latest.

The business entity referred to in paragraph 1 of this article shall be obliged to execute the transfer of funds in accordance with paragraph 2 of this Article no later than October 31, 2002.

If business entities referred to in paragraph 1 of this article fail to act in compliance with paragraph 3 of this article, a bank will offer them to open a regular kuna account by November 8, 2002. Should a business entity fail to open the regular account within the prescribed term, a bank shall purchase the business entity's funds from its foreign currency accounts referred to in article 3 of this Decision and transfer the kuna equivalent to the main kuna account of this business entity by November 15, 2002 at the latest. The bank shall close business entities' foreign currency accounts following the transfer of funds and shall notify them immediately thereof, or within eight days at the latest.

Article 5

This Decision shall enter into force on the eight day following its publication in the official gazette *Narodne novine*.

Decision No. 131-020/07-02/ŽR

Zagreb, July 04, 2002

CROATIAN NATIONAL BANK

GOVERNOR

Željko Rohatinski, Ph.D.