

Pursuant to Article 161, paragraph (1), item (10) of the Credit Institutions Act (Official Gazette 117/2008, 74/2009 and 153/2009) and Article 43, paragraph (2), item (9) of the Act on the Croatian National Bank (Official Gazette 75/2008), the Governor of the Croatian National Bank hereby issues the

Decision on amendments to the Decision on the obligation to make provisions for litigations conducted against a credit institution

Article 1

In the Decision on the obligation to make provisions for litigations conducted against a credit institution (Official Gazette 1/2009 and 75/2009), in Article 6, paragraph (2), the words "referred to in Article 8, paragraph (3) of this Decision" are replaced by the words "referred to in Article 8, paragraph (5) of this Decision".

Article 2

In Article 8, after paragraph (1), new paragraphs (2) and (3) are added which read:

"(2) Exceptionally, a credit institution need not make provisions for litigation referred to in paragraph (1) of this Article when it is obvious that this is a case of sham litigation."

(3) A credit institution shall, within 30 days of becoming aware that litigation referred to in paragraph (2) is initiated, notify the Croatian National bank thereof and supply a relevant explanation."

The former paragraphs (2) and (3) become paragraphs (4) and (5).

In the former paragraph (4), which becomes paragraph (6), the words "in accordance with paragraph (3) of this Article" are replaced by the words "in accordance with paragraph (5) of this Article".

The former paragraph (5) is deleted.

Article 3

In Article 12, paragraph (2), item (5) is amended to read:

"5) the total number and amount of contingent liabilities in relation to which the counterparty has not as yet initiated litigation proceedings but the credit institution is aware that the counterparty will initiate litigation proceedings for the purpose of their fulfilment."

Article 4

A credit institution shall, within 30 days of entry into force of this Decision, notify the Croatian National Bank of all litigations referred to in Article 8, paragraph (1) of the Decision on the obligation to make provisions for litigations conducted against a credit institution (Official Gazette 1/2009 and 75/2009) for which it deems that are obviously cases of sham litigation and had been initiated prior to the entry into force of this Decision. The notification shall be accompanied by a relevant explanation.

Article 5

This Decision shall be published in the Official Gazette and shall enter into force on 31 March 2010.

No.:10-020/01-10/ŽR
Zagreb, 4 January 2010

Croatian National Bank
Governor
Željko Rohatinski