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DECISION ON THE MANNER OF OPENING TRANSACTION ACCOUNTS

(Official Gazette 3/2011, 35/2011, 50/2011, 89/2011, 101/2011 and 135/2011)

Pursuant to Article 58, paragraphs (3) and (4), Article 60, paragraph (3) and Article 62, paragraph (4) of the Payment System Act (Official Gazette 133/2009) and Article 43, paragraph 2, item 9 of the Croatian National Bank Act (Official Gazette 75/2008), the Governor of the Croatian National Bank hereby issues the

Decision on the manner of opening transaction accounts

I GENERAL PROVISIONS

Article 1

(1) This Decision governs the manner of opening transaction accounts and additional information in the register of transaction accounts with credit institutions.

(2) The credit institutions referred to in paragraph (1) of this Article shall include:

- 1) credit institutions having their registered office in the Republic of Croatia;
- 2) branches of credit institutions from another Member State having their registered office in the Republic of Croatia; and
- 3) branches of third-country credit institutions having their registered office in the Republic of Croatia.

(3) All provisions of this Decision applying to credit institutions shall also apply to the Croatian National Bank.

Article 2

A transaction account is:

- 1) a current account or a giro account opened and maintained by a credit institution on behalf of one or several payment service users and used for the execution of payment transactions; and
- 2) an account maintained by a credit institution for the purpose of executing payment transactions on its own behalf.

II MANNER OF OPENING TRANSACTION ACCOUNTS

Article 3

(1) A credit institution shall open the transaction account referred to in Article 2, item 1) of this Decision on the basis of a framework contract concluded with a payment

service user, governing the terms and conditions of opening and maintaining a transaction account or pursuant to regulations.

(2) When opening the transaction account referred to in paragraph (1) of this Article, a credit institution shall establish the identity of the payment service user and carry out other procedures in accordance with the regulation governing the prevention of money laundering and terrorist financing.

(3) When opening a transaction account, a credit institution shall obtain all data required to be provided for that transaction account pursuant to the regulation governing the content of the unified register of accounts in the Republic of Croatia.

Article 4

A transaction account opened in accordance with the structure laid down in this Decision may be used as a unique identifier in terms of the provisions of the Payment System Act.

Article 5

(1) A credit institution shall open a transaction account in accordance with the structure comprising seventeen numerical characters. The numerical characters to be used shall be Arabic numerals.

(2) The structure of the transaction account referred to in paragraph (1) of this Article shall consist of two parts, i.e.:

- 1) part one - a credit institution's account number; and
- 2) part two - the number of a transaction account with a credit institution.

Article 6

(1) Part one of a transaction account shall be the account number assigned by the Croatian National Bank.

(2) A credit institution's account number shall consist of seven numerical characters (n1, n2, n3, n4, n5, n6 and n7), of which:

- 1) the first six numerical characters (n1, n2, n3, n4, n5 and n6) shall represent the credit institution's unique code; and
- 2) the last numerical character (n7) shall be the check number calculated, for the sequence of the first six numerical characters (n1, n2, n3, n4, n5 and n6), pursuant to the Croatian standard HRN ISO/IEC 7064 MOD (11, 10).

(3) A credit institution's account number shall be entered in a sequence without spaces and special signs like hyphens, slashes, periods, etc.

Article 7

(1) Part two of a transaction account shall be the number of a transaction account with a credit institution.

(2) The transaction account number shall consist of ten numerical characters (n1, n2, n3, n4, n5, n6, n7, n8, n9 and n10).

(3) The first numerical character (n1) in the account number shall represent the transaction account holder, in particular:

1) the numerical character "1" - for a transaction account opened by a credit institution on behalf of a payment service user that, in terms of a framework contract or a regulation underlying the opening of the transaction account, acts within the scope of his/her business or other activity or freelance occupation, a public authority body, a government administration body, a unit of local self-government and a unit or regional self-government (hereinafter: a transaction account of a business entity), as well as for accounts maintained by a credit institution with itself for the purpose of executing payment transactions on its own behalf;

2) the numerical character "3" - for a transaction account opened by a credit institution on the basis of a framework contract with a natural person who, in terms of this contracts, acts outside the scope of his/her business activity or freelance occupation (hereinafter: a transaction account of a consumer).

(4) The second character (n2) in the transaction account number shall represent the account purpose.

(5) The account purpose codes for the transaction account of a business entity (the transaction account holder designations "1") shall be the following:

1) the numerical character "0" - for accounts maintained by the credit institution for the purpose of executing payment transactions on its own behalf;

2) the numerical characters "1", "3", "4" and "5" - for business purpose accounts;

3) the numerical character "7" - for specific-purpose accounts used to collect joint budget revenues;

4) the numerical character "8" - for budgetary accounts;

5) the numerical character "9" - for accounts opened on behalf of credit institutions or other payment service providers, through which the payment service providers execute payment transactions, or through which payment transactions executed on behalf of a payment service provider through a payment system are settled;

(6) The account purpose codes for the transaction account of a consumer (the transaction account holder designations "3") shall be the following:

1) the numerical character "1" - for a giro account;

2) the numerical character "2" - for a current account;

3) the numerical character "5" - for a specific-purpose account.

(7) The sequence of seven numerical characters (n3, n5, n6, n7, n8 and n9) in the transaction account number shall be the ordinal number of the transaction account determined by a credit institution.

(8) The last numerical character (n10) in the transaction account number shall be the check number calculated, for the sequence of the first nine numerical characters (n1, n2, n3, n4, n5, n6, n7, n8 and n9) in the transaction account number, pursuant to the Croatian standard HRN ISO/IEC 7064 MOD (11, 10).

(9) The transaction account number shall be entered in a sequence without spaces and special signs like hyphens, slashes, dots, etc.

Article 8

(1) A credit institution shall, for the transaction account referred to in Article 7, paragraph (5), items 2) and 5) and paragraph (6) of this Decision, apart from the data required under the Payment System Act, keep the following information in the register of transaction accounts:

- 1) whether the transaction account has been opened on behalf of one or several payment service users;
- 2) whether the transaction account has been opened on behalf of a resident and/or a non-resident payment service user;
- 3) the country code of the country in which a non-resident payment service user on whose behalf the transaction account has been opened in accordance with the State and Country Code List given in Annex 1 to this Decision;
- 4) a three-letter code of the currency (monetary unit) in which funds are recorded in the transaction account in accordance with the framework contract, pursuant to the List of Currencies and Currency Codes given in Annex 2 to this Decision, or the information that funds can be recorded in that account in several different currencies (a multi-currency account).

(2) A credit institution shall, for the transaction accounts referred to in Article 7, paragraph (5), items 1), 3) and 4) of this Decision, keep the data referred to in paragraph (1), item 4) of this Article in the register of transaction accounts.

III IBAN

Article 9

Transaction accounts used for the execution of international and cross-border payment transactions shall be opened in accordance with the IBAN (International Bank Account Number) structure which complies with ISO 13616, where the BBAN (Basic Bank

Account Number) represents the number of a transaction account opened in accordance with Article 5 of this Decision.

Article 10

(1) A credit institution shall notify the payment service user on whose behalf a transaction account has been opened of the IBAN structure of his/her transaction account and of its BIC.

(2) The BIC (Business Identifier Code) referred to in paragraph (1) of this Article shall be the unique business identifier of a credit institution, determined in accordance with ISO 9362.

Article 11

(1) When a payee's account set out in an order initiating a cross-border or international payment transaction complies with the international standard of the IBAN structure referred to in Article 9, paragraph (1) of this Decision, a credit institution shall verify the correctness of the structure and accuracy of the check numbers in the IBAN structure of the payee indicated in the payment order.

(2) The IBAN structure of a transaction account in an electronic payment order may contain no empty fields or other characters.

(3) In a paper-based payment order, the IBAN structure of a transaction account shall be entered in the way that each of the four characters is delimited by an empty field.

IV MERGERS AND ACQUISITIONS OF CREDIT INSTITUTIONS

Article 12

(1) In the case of a merger of two or more credit institutions, the transaction accounts opened by the merged credit institutions on behalf of payment service users may be used for no longer than a year from the completion of the merger.

(2) In the case of an acquisition of one credit institution by another, the transaction accounts opened by the acquired credit institution can be used for no longer than a year from the completion of the acquisition.

V TRANSITIONAL AND FINAL PROVISIONS

Article 13

(1) As of 1 June 2012, credit institutions may also allow the use of the IBAN structure of transaction accounts for the execution of national payment transactions, and may open new transaction accounts pursuant to Article 9 of this Decision in accordance with the IBAN structure also for the execution of national payment transactions.

(2) From the moment when a credit institution, in accordance with paragraph (1) of this Article, allows the use of the IBAN structure of a transaction account opened pursuant to Article 5 of this Decision also for the execution of national payment transactions, this transaction account shall be deemed to be opened pursuant to Article 9 of this Decision in accordance with the IBAN structure.

(3) As of 1 June 2013, the IBAN structure of transaction accounts shall be used for the execution of all payment transactions, and credit institutions shall open transaction accounts pursuant to Article 9 of this Decision in accordance with the IBAN structure.

(4) If a payee's credit institution executes a payment transaction in which the payee's transaction account is indicated pursuant to Article 5 of this Decision, and the credit institution has allowed the use of the IBAN structure for that transaction account pursuant to paragraph (1) of this Article, the payee's credit institution shall process that payment transaction as if the payee's transaction account were indicated in accordance with the IBAN structure.

(5) A credit institution shall receive payment orders in which a payee's transaction account is indicated in accordance with Article 5 of this Decision, communicate the information on the transaction account thus opened to the payee's credit institution, and shall carry out the processing pursuant to paragraph (4) of this Article until 1 June 2014.

(6) Credit institutions shall inform payment service users, in a timely and appropriate manner, about the use of the IBAN structure of transaction accounts in accordance with the provisions of this Decision.

(7) Credit institutions shall bring the structure of transaction accounts opened on behalf of non-residents into line with the provisions of this Decision no later than 31 May 2013.

Article 14

As of the date of entry into force of this Decision, the Decision on the Structure of an Account with a Bank, Bank Account Number, Terms and Methods of Opening an Account with a Bank and the Content of the Register of Business Entities' Accounts

with a Bank (Official Gazette 150/2002, 115/2003, 162/2004, 189/2004 and 141/2009) and the Decision on the Structure and Use of the International Bank Account Number (IBAN) (Official Gazette 162/2004) shall cease to have effect.

Article 15

This Decision shall enter into force on the date of its publication in the Official Gazette, with the exception of Article 1, paragraph (2), item 2) that shall enter into force on the date of accession of the Republic of Croatia to the European Union.

No.: 1-020/01-11/ŽR
Zagreb, 3 January 2011

Croatian National Bank
Governor
Željko Rohatinski