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**Decision on the documentation to be enclosed with the application for the authorisation of a credit institution and the application for the authorisation to provide financial services**

**(Official Gazette 25/2018 and 139/2022 – unofficial consolidated version)**

Pursuant to Article 65, paragraph (8) of the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020 and 146/2020) and Article 43, paragraph (2), item (10) of the Act on the Croatian National Bank (Official Gazette 75/2008, 54/2013 and 47/2020), the Governor of the Croatian National Bank hereby issues the

**Decision on the documentation to be enclosed with the application for the authorisation of a credit institution and the application for the authorisation to provide financial services**

**I GENERAL PROVISIONS**

**Subject matter**

**Article 1**

This Decision regulates the documentation to be enclosed with the application for the authorisation of a credit institution and the application for the authorisation of a credit institution to provide financial services.

**Definitions**

**Article 2**

(1) The terms 'qualifying holding', 'credit institution', 'financial institution', 'parent undertaking', 'subsidiary', 'control' and 'persons responsible for the operation of a control function' shall have meanings as defined in the Credit Institutions Act.

(2) The terms used in this Decision shall have the following meaning:

- 1) 'Connected persons' means persons having close links as defined in Article 4, paragraph (1), item (38) of Regulation (EU) No 575/2013, marital and extramarital partners, persons linked by consanguinity in the direct line without restraint and in the collateral line up to the second degree and persons linked by affinity. For the purpose of this Decision, 'persons linked by affinity' means kinship created as a result of marriage, and not consanguinity, including:
  - parents, brothers and sisters of marital and extramarital partners;
  - children of marital and extramarital partners who are not the children of the person for whom connectedness is assessed; and
  - marital and extramarital partners of the children of the person for whom the assessment is made.
- 2) 'Acquirer' means any natural or legal person, including persons acting in concert, that intends to, individually or jointly, directly or indirectly, acquire or increase a qualifying holding in a credit institution.
- 3) 'Group' means:
  - 'group' as defined in Article 3, item (14) of the Credit Institutions Act; and
  - 'group of credit institutions' as defined in Article 17 of the Credit Institutions Act.
- 4) 'Politically exposed persons' means persons as defined in the regulation governing the prevention of money laundering and terrorist financing.

(3) For the purpose of this Decision, 'management board' shall include executive directors in undertakings that have established a board of directors instead of a management and supervisory board.

(4) The provisions of this Decision referring to legal persons shall apply to associations, foundations, funds, institutions, authorities and other entities which are not legal persons and are acquiring shares of a credit institution on their own behalf.

(5) For the purpose of this Decision, 'significant credit institution' means any credit institution designated as global systemically important institution (G-SII) or other systemically important institution (O-SII) and any credit institution whose four-year average assets reported in audited financial statements as at the last day of the preceding four business years on an individual basis exceed an amount equivalent to EUR 1 billion.

*Paragraph (5) has been amended pursuant to the provision of Article 1 of the Decision on amendments to the Decision on the documentation to be enclosed with the application for the authorisation of a credit institution and the application for the authorisation to provide financial services, Official Gazette 139/2022, which enters into force on the day of introduction of the euro as the official currency in the Republic of Croatia.*

## **II INFORMATION AND DOCUMENTS TO BE ENCLOSED WITH THE APPLICATION FOR THE AUTHORISATION OF A CREDIT INSTITUTION**

### **Application for authorisation Article 3**

(1) The application for authorisation shall be submitted on the form provided in Annex 1 to this Decision, accompanied by the documents and information specified herein.

(2) An application for authorisation shall be accompanied by:

- 1) applications for prior approval for the appointment of the chairperson and members of the management board and the supervisory board in accordance with the Decision on the assessment of the suitability of the chairperson of the management board, members of the management board, members of the supervisory board and key function holders in a credit institution (Official Gazette 20/2021 and 104/2022) and the documentation referred to in Article 39, paragraph (4) and Article 46, paragraph (4) of the Credit Institutions Act; and
- 2) where applicable, the application for approval to acquire a qualifying holding in a credit institution in accordance with the Decision on the approval to acquire a qualifying holding in a credit institution.

(3) The following information on the founder and the credit institution to be established and the following documents shall be enclosed with the application for authorisation:

- 1) programme of activities;
- 2) financial information;
- 3) business plan;
- 4) organisational structure and internal control system;
- 5) draft of internal bylaws;
- 6) information on the initial capital;
- 7) information on the management and supervisory board; and
- 8) information on the founders.

(4) If the Croatian National Bank already has at its disposal some of the information and documentation referred to in this Decision, such information and documentation need not be enclosed with the application, provided that the information is complete, true, accurate and up to date, which the applicant shall confirm in a written statement.

(5) The Croatian National Bank may request other documentation in addition to that prescribed herein as well as additional explanations, if this is necessary to verify whether all requirements for authorisation have been met.

(6) The applicant shall ensure that all information and documents enclosed with the application for authorisation is accurate, true and complete until the day the authorisation is issued. Should any event occur after the application is submitted which may affect the accuracy, truth and completeness of the documentation provided, the applicant shall deliver updated information and documentation to the Croatian National Bank.

(7) When deciding on the application referred to in paragraph (1) of this Article, the Croatian National Bank and the European Central Bank shall carry out their tasks within the Single Supervisory Mechanism in accordance with Article 6 of Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013).

*Item (1) in paragraph (2) has been amended pursuant to the provision of Article 2 of the Decision on amendments to the Decision on the documentation to be enclosed with the application for the authorisation of a credit institution and the application for the authorisation to provide financial services, Official Gazette 139/2022, which enters into force on the day of introduction of the euro as the official currency in the Republic of Croatia.*

*Paragraph (7) has been added after paragraph (6) pursuant to the provision of Article 2 of the Decision on amendments to the Decision on the documentation to be enclosed with the application for the authorisation of a credit institution and the application for the authorisation to provide financial services, Official Gazette 139/2022, which enters into force on the day of introduction of the euro as the official currency in the Republic of Croatia.*

## **Basic information on the founder and the credit institution to be established**

### **Article 4**

(1) The following information and documentation on the founder and the credit institution to be established shall be enclosed with the application for authorisation:

- 1) name and contact details of the person to contact regarding the application for authorisation, and, where applicable, name and contact details of the professional adviser who performed tasks related to the establishment of the credit institution and the preparation of the application for authorisation;
- 2) information on the credit institution to be established and its founder:
  - a) firm name and, where applicable, information on any plans to change it, logo and any trading name that the credit institution plans to use;
  - b) legal form of the credit institution to be established and of the founder;
  - c) date of establishment and the country in which the founder or, where applicable, the credit institution to be established, was established;
  - d) the address of the credit institution's head office and of its principal place of business, where different from the address of the head office, as well as the same information for the credit institution's founder;

- e) contact details of the founder and the credit institution to be established, where different from the information referred to in item (1) of this paragraph;
  - f) name of court register or similar register and the number under which the founder is registered, and, if the credit institution is already registered in a court register or a similar register, the same information for the credit institution to be established;
  - g) personal identification number (OIB) of the founder, and, where applicable, of the credit institution to be established, or another identification number (if the founder or the credit institution is registered outside the Republic of Croatia);
  - h) the date of the accounting year end of the founder, and, where applicable, of the credit institution to be established;
  - i) the website address of the founder and of the credit institution to be established, where available;
- 3) the founder's deed of establishment of the credit institution in the form of notarial deed;
- 4) articles of association of the founder and of the credit institution to be established in the form of notarial deed;
- 5) information on the founder's history, and, where applicable, the history of the credit institution to be established and their subsidiaries, and, where applicable, the following information on the founder and the credit institution to be established:
- a) information on any authorisations, approvals and other licences to carry out activities in the financial sector issued to the founder or the credit institution to be established and their subsidiaries by a competent authority in any Member State or third country, including authorisations currently in force or those revoked, as well as refused and withdrawn applications and applications for authorisation pending for approval;
  - b) a statement on any significant current or past event or fact relating to the founder and, where applicable, to the credit institution being established or any of their subsidiaries, which may affect the decision on the authorisation, including the following:
    - 1) whether the founder or, where applicable, the credit institution to be established or any of their subsidiaries has ever been subject to a moratorium of indebtedness, a restructuring or reorganisation process affecting its creditors, including measures involving suspension of payments or suspension of enforcement or reduction of claims, division or winding up in accordance with Article 2 of Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001 on the reorganisation and winding up of credit institutions (OJ L 125, 5.5.2001) as last amended by Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (OJ L EU173, 12.6.2014) or bankruptcy and similar proceedings;
    - 2) whether the founder or, where applicable, the credit institution to be established or any of their subsidiaries has ever been the subject of a judgement with final force and effect imposing penalty in criminal or minor offence proceedings, or whether civil or any other court proceedings or arbitration resulted in a judgement with final force and effect against the founder or, where applicable, against the credit institution or any of their subsidiaries, and whether the founder, or, where applicable, the credit institution or any of their subsidiaries has ever been the subject of a judgement without final force and effect imposing minor offence sanctions under regulations governing the operation of credit institutions in their home country, including:
      - i. any judgements against the founder or, where applicable, against the credit institution to be established by which payments are imposed, or any judgements imposing payment in favour of the founder or, where applicable, the credit institution to be established, where such judgements have not been executed;
      - ii. any settlements reached with any legal or natural person, having regard to financial obligations arising from the settlements or to the circumstances in which they have been reached, in a subject matter which relates to the provision of banking or financial services;
      - iii. any penalties or other measures imposed due to fraud, economic mismanagement,

- abuse of authority in economic business operations, corruption, money laundering, terrorist financing or other financial crime or of failure to put into place adequate policies and procedures to prevent such events;
- iv. where applicable, any penalties imposed in criminal or minor offence proceedings or any other civil or administrative measure imposed by any competent supervisory authority in the country;
  - v. any penalties imposed in criminal or minor offence proceedings or any other civil or administrative measure imposed due to a breach of regulations or regulatory requirements relating to the provision of financial services or to consumer protection;
  - vi. any formal complaints made by clients or former clients of the credit institution which have been resolved in favour of the client by a competent non-judicial body;
  - vii. any penalties imposed in criminal or minor offence proceedings or any other measure imposed in civil, administrative or any other court proceedings due to the carrying out of unauthorised regulated activity; and
- c) whether the founder or, where applicable, the credit institution to be established or any of its subsidiaries is, as of the date of the application, involved in any criminal, civil or minor offence proceedings or any other proceedings referred to in the first two indents of paragraph (1), item (5)(b) of this Article.

### **Programme of activities**

#### **Article 5**

The application shall comprise a programme of activities which shall include:

- 1) a list of services referred to in Articles 7, 8 and 9 of the Credit Institutions Act which the credit institution intends to carry out and a draft of all internal bylaws and procedures prescribing the procedures, organisation of work and powers and responsibilities for each banking, core and additional service that the credit institution intends to provide;
- 2) statement declaring that the credit institution shall, immediately after obtaining authorisation, become a member of the deposit guarantee scheme at the Croatian Deposit Insurance Agency; and
- 3) information about the institutional protection scheme referred to in Article 113, paragraph (7) of Regulation (EU) 575/2013 that the credit institution has entered into or intends to enter into.

*In item (2) the words "the State Agency for Deposit Insurance and Bank Resolution" are replaced by the words "the Croatian Deposit Insurance Agency" pursuant to the provision of Article 3 of the Decision on amendments to the Decision on the documentation to be enclosed with the application for the authorisation of a credit institution and the application for the authorisation to provide financial services, Official Gazette 139/2022, which enters into force on the day of introduction of the euro as the official currency in the Republic of Croatia.*

### **Financial information**

#### **Article 6**

(1) The application for authorisation shall comprise forecasts of the credit institution's financial indicators on an individual basis or, where applicable, on a sub-consolidated and consolidated basis, on a base case and stress scenario basis, including:

- 1) forecast financial statements for at least the first three business years detailing the business lines for each service provided and, where applicable, for each country or geographical area in which

the credit institution intends to operate, including:

- a) forecast balance sheets;
  - b) forecast profit and loss accounts detailing fixed and variable costs and providing an indication of sensitivity to major indicators (volume, price, exposure, geographical distribution, etc.) with an explanation of the measures reducing the exposure to such risks;
  - c) forecast cash flow statements;
- 2) assumptions for the forecasts and the explanation of figures referred to in item (1) of this paragraph, in particular the assumptions underlying the base case and stress scenario basis;
  - 3) detailed calculation of capital requirements in accordance with Part Two of Regulation (EU) 575/2013 and the provisions of the Credit Institutions Act relating to capital buffers, liquidity requirements set out in Part Six of the aforementioned Regulation and leverage requirements set out in Part Seven of the aforementioned Regulation for the next three years;
  - 4) funding profile and diversification, including any source of financing and its conditions; and
  - 5) a summary of the internal liquidity adequacy on an individual basis and, where applicable, on a consolidated and sub-consolidated basis demonstrating that the credit institution's liquidity sources will be adequate to meet its individual liquidity requirements.

(2) The founder or, where applicable, the credit institution to be established shall deliver statutory audited financial statements on an individual basis and, where applicable, on a consolidated and sub-consolidated basis, for at least the last three financial years before the date the application for authorisation was submitted, indicating, in the case of statements prepared on a consolidated and sub-consolidated basis, the part of the statements referring to the founder or, where applicable, to the credit institution to be established, whereby the aforementioned financial statements shall include:

- 1) the balance sheet;
- 2) profit and loss account;
- 3) cash flow statements; and
- 4) annual reports and other documents that the credit institution is obligated to file with the competent authority or the court register or another relevant register or, where applicable, the auditor's report for the last three years.

(3) Forecasts of financial indicators shall also include the following information:

- 1) information on liabilities incurred and expected to be incurred prior to the commencement of the activities of the credit institution to be established along with the data on the lender, maturity and other terms of indebtedness, the use of funds and, where the lender is not a supervised financial institution, information is to be provided on the origin of the borrowed funds or on the funds expected to be borrowed by the credit institution to be established;
- 2) information on any rights of lien, guarantees and indemnities granted or expected to be granted by the credit institution to be established prior to the commencement of its activities; and
- 3) where available, information about the credit rating of the founder, or, where applicable, of the credit institution to be established and the group of which the credit institution to be established is to become a member.

(4) Where Articles 11(1), 11(3) and 14(1) of Regulation (EU) 575/2013 would require the credit institution to be established or its parent undertaking to comply with the provisions of Chapters 2 to 8 of the aforementioned Regulation, an analysis of the scope of consolidated supervision pursuant to consolidation requirements, including information on which group members will be included in the scope of consolidated supervision, and an analysis of the effect of any proposal for exemption or special treatment by the Croatian National Bank in accordance with Chapter 2, Section 1 of the aforementioned Regulation shall be enclosed.

## **Business plan Article 7**

The business plan of a credit institution shall be prepared for at least the first three business years, and shall include, on a base case and a stress scenario basis, information on planned activities and the organisation of the credit institution, including the following:

- 1) detailed information about the geographical distribution and services to be provided by the credit institution through its branches and subsidiaries in the Republic of Croatia and in other Member states and third countries, including, where applicable, information of the intention of the parent credit or financial institution to directly provide services in another Member State and any future expansion plans;
- 2) an overview and detailed explanation of the ongoing viability of the business model;
- 3) an overview of target markets, client segmentation, products and services and distribution channels;
- 4) an overview of all business and regulatory risk factors, including the risk of money laundering and terrorist financing, and an explanation how these will be monitored and controlled;
- 5) an implementation plan covering the period until the credit institution is fully operational; and
- 6) an overview of the credit institution's strategy, including strategic goals and advantages, reasons for the credit institution's establishment and decision to carry on the business for which it seeks authorisation.

## **Organisational structure and internal control system Article 8**

(1) Information on the credit institution's organisational structure and control functions shall include the organisational chart and the following information and documents:

- 1) rules of procedure of the management and the supervisory board;
- 2) a detailed description of the human and technical resources allocated to each business activity, including IT, commercial, legal, internal control and compliance functions;
- 3) a detailed description of the interplay between the credit institution's various functions or organisational units; and
- 4) the data on all payment, clearing and settlement systems of which the credit institution intends to be a member during the first year of operations.

(2) Information on the credit institution's internal control system shall include the following:

- 1) an overview and a detailed description of the internal organisation (including devoted budgetary and human resources) and of the compliance function, risk management function and internal audit function, including a description of budgetary and human resources and an explanation of how the credit institution intends to meet regulatory and prudential requirements, including anti-money laundering and counter-terrorist financing requirements;
- 2) the names and curricula vitae of the persons responsible for the control functions referred to in item (1) of this paragraph;
- 3) a description of the compliance, internal control and risk control systems, their internal procedures and reporting lines to the management and the supervisory board;
- 4) drafts of internal policies and procedures for all services that the credit institution intends to provide, including the following:
  - a) the policy enabling the employees of the credit institution to report any possible breach of regulations committed by responsible persons or other employees of the credit institution in

- accordance with Article 359, paragraph (1) of the Credit Institutions Act;
- b) conflict of interest policy;
  - c) complaints handling policy;
  - d) market abuse policy;
  - e) the policy promoting the diversity of the management and the supervisory board;
  - f) the remuneration policy for staff members whose professional activities have a material impact upon the credit institution's risk profile – identified staff;
- 5) an outline of the systems and policies for managing the risks of money laundering and terrorist financing, including an overview of the key procedures that have been put in place to prevent the use of the credit institution to commit other offences.

(3) The application shall include a description of the internal audit resources and an outline of the methodology and internal audit plan for the next three years from authorisation, including the audit of externalised services.

(4) The application shall set out the name, address and contact details of the appointed external auditor.

### **Drafts of internal bylaws** **Article 9**

(1) The application for authorisation shall include the drafts of the credit institution's internal bylaws, in particular:

- 1) the risk management framework (strategy for identifying and managing risks, including money laundering and terrorist financing risks, including a risk tolerance and appetite statement and measures to align the assessed risk with the risk appetite);
- 2) liquidity risk management policy;
- 3) funding concentration and diversification policy;
- 4) collateral management policy;
- 5) credit and lending policy;
- 6) concentration risk policy;
- 7) policy for determining expected credit losses, balance sheet and off-balance sheet item impairments and other provisions;
- 8) trading book policy;
- 9) deposit policy;
- 10) profit distribution policy;
- 11) internal audit policy;
- 12) product management policy;
- 13) consumer protection policy;
- 14) business continuity plan and policy, including plans ensuring the availability of key staff in business continuity situations; and
- 15) a description of the process for developing a recovery plan.

(2) The application for authorisation shall include the following information on the intended outsourcing of the credit institution's operations:

- 1) information about the external and intra-group outsourcing to support the credit institution's operations or control functions, including the information about service providers, their links to the credit institution, location, rationale for outsourcing, human resources and the internal control system for managing the outsourcing as well as business continuity plans in case the outsourced service provider cannot provide continuity of service and functions related to outsourced activities retained in the credit institution;
- 2) an outline of the manner of oversight of each material activity planned for outsourcing by the

- credit institution;
- 3) copies of all outsourcing agreements and preliminary agreements; and
  - 4) a description of the credit institution's information technology (hereinafter referred to as 'IT'), including the system to be used, hosting arrangements, the organisation of the IT function including its structure, strategy, governance, security policies and procedures and any systems and controls to be put in place in respect of the provision of online services.

### **Information on the initial capital**

#### **Article 10**

(1) The application for authorisation shall set out evidence of the issued capital, paid-up capital and capital which is not yet paid up as well as evidence on the availability of funds for the credit institution's initial capital, including:

- 1) the credit institution's certificate on allocated funds in a special-purpose account opened for the purpose of payment of the initial capital of the credit institution to be established; and
- 2) where the initial capital had not been paid up in full at the time the application was submitted, the application shall include the plan for ensuring that the initial capital is paid up in full before the authorisation for the credit institution's operation is issued.

(2) The application for authorisation shall contain a description of available funding sources and, where available, evidence of the availability of those funds, including:

- 1) a list of private funds, including their availability and source;
- 2) a description of access to financial markets, including details of financial instruments issued or to be issued;
- 3) copies of any agreements or contracts entered into in respect of the initial capital, including details on the borrowed funds or funds to be borrowed, information on the use of funds and the lender and, where the lender is not a supervised credit or financial institution, information on the origin of the borrowed funds or funds to be borrowed; and
- 4) the firm name and the head office of the payment service provider used to transfer the funds for the initial capital of the credit institution to be established.

(3) The application for authorisation shall contain a description of the amount, type and distribution of internal capital that is considered adequate to cover all types and levels of the risks to which the credit institution will or might be exposed to and an analysis, including projections, showing that the capital resources will be sufficient to meet the own funds requirements at authorisation and through severe, but plausible stress over the first three years of operation. The stress scenario and methodology shall take into account the scenario and methodology used in the most recent annual supervisory stress test carried out by the Croatian National Bank. This information shall be provided for the credit institution on an individual basis as well as on a consolidated basis if the credit institution will become a member of a group subject to consolidation.

### **Information on the management and the supervisory board of the credit institution**

#### **Article 11**

(1) The application for authorisation of the credit institution shall include the requirements prescribed in the Decision on the assessment of suitability.

(2) The provisions of the Decision on the assessment of suitability shall apply mutatis mutandis to the procedure of granting prior approval to the appointment of the chairperson and members of the

management board and members of the supervisory board of the credit institution.

(3) The application for granting prior approval for the appointment of the chairperson and members of the management board shall contain a description of powers and responsibilities for all members of the management board.

### **Information on the founders of the credit institution** **Article 12**

(1) The application for authorisation of a credit institution shall include the applications of each natural and legal person that will, in case of authorisation, have a qualifying holding in the credit institution, as well as the documentation prescribed in the Decision on the approval to acquire a qualifying holding in a credit institution.

(2) The application for authorisation shall contain a chart setting out the shareholder structure of the credit institution including the breakdown of the capital and the voting rights, as well as a list of names of all legal and natural persons that will have qualifying holdings in the credit institution after its establishment, indicating in respect of each such person:

- 1) the number and type of shares or other holdings subscribed or to be subscribed;
- 2) the nominal value of shares;
- 3) any premium paid or to be paid;
- 4) any rights of lien over shares, including the information about the secured parties; and
- 5) a statement by the founder aimed at ensuring that the credit institution will comply with prudential requirements.

(3) Where no founder will be the acquirer following the establishment of the credit institution, the application shall set out a list of twenty largest shareholders of the credit institution, or, if the credit institution has fewer than twenty founders, a list of all shareholders, including the information referred to in paragraph (2) of this Article, and information on whether any such shareholder is subject to supervision or oversight by a competent authority.

(4) For each shareholder included in the list of largest shareholders referred to in paragraph (3) of this Article, the Questionnaire for legal persons acquiring a qualifying holding in a credit institution or the Questionnaire for natural persons acquiring a qualifying holding in a credit institution or connected with an acquirer of a qualifying holding in a credit institution (Appendices 2 and 3 of the Decision on the approval to acquire a qualifying holding in a credit institution).

(5) Where the founder or one of the founders of the credit institution is a trust or a similar legal entity that already exists or will result from the subscription to the credit institution's initial capital, the following shall be enclosed with the application in addition to the documentation prescribed in this Decision:

- 1) a list of all trustees who will manage trust assets under the terms of the trust's articles of association and of all persons who are beneficiaries or founders of the trust and, where applicable, their respective shares in the distribution of income generated by the trust property;
- 2) a certified copy of any document establishing and governing the trust; and
- 3) a description of the main legal features of the relevant trust and its functioning.

(6) Where a person who is or will be an acquirer is a member of an entity which is not a legal person and their participation constitutes as an asset of that entity, the application shall set out the following information:

- 1) the identity of all members of the entity, together with the completed Questionnaire for natural

persons acquiring a qualifying holding in a credit institution or the Questionnaire for legal persons acquiring a qualifying holding in a credit institution for each member (depending on whether they are a natural or a legal person); and

- 2) a certified copy of the articles of association or an agreement governing the entity.

*In paragraph (6) the words "and their participation is treated as an asset" are replaced by the words "and their participation constitutes an asset" pursuant to the provision of Article 4 of the Decision on amendments to the Decision on the documentation to be enclosed with the application for the authorisation of a credit institution and the application for the authorisation to provide financial services, Official Gazette 139/2022, which enters into force on the day of introduction of the euro as the official currency in the Republic of Croatia.*

### **III INFORMATION TO BE ENCLOSED WITH THE APPLICATION FOR AUTHORISATION TO PROVIDE FINANCIAL SERVICES**

#### **Article 13**

The application for authorisation to provide financial services submitted by an authorised credit institution shall be submitted on the form provided in Appendix 2 of this Decision, along with the following documentation and information:

- 1) draft amendments to the Articles of Association;
- 2) a description of actions taken by the credit institution with regard to the introduction of new financial services;
- 3) drafts of all internal bylaws and procedures prescribing the procedures, organisation of work and powers and responsibilities for each financial service that the credit institution intends to provide;
- 4) the cost of introducing new financial services;
- 5) approval or another relevant document by the Croatian Financial Services Supervisory Agency or another authority competent for supervising the provision of individual financial services where so required by the regulations governing the provision of individual financial services;
- 6) rationale for the introduction of new financial services;
- 7) description of the estimated impact of new financial services on the credit institution's operation;
- 8) description of the changes in the organisation and job classification, where necessary for the introduction of new financial services;
- 9) the credit institution's business strategy;
- 10) business plan with the description of the estimated impact of new services on the credit institution's operation and forecast balance sheets and profit and loss accounts for the next three business years;
- 11) information on any changes in the credit institution's tangible assets related to the introduction of new financial services; and
- 12) information on any changes in the credit institution's IT necessary to introduce new financial services.

## IV TRANSITIONAL AND FINAL PROVISIONS

### Entry into force and application

#### Article 14

(1) The procedures initiated prior to the entering into force of this Decision shall be completed in accordance with the provisions of the regulations which were in effect before the entering into force of this Decision.

(2) This Decision shall enter into force on the eighth day after the day of its publication in the Official Gazette.

Decision on amendments to the Decision on the documentation to be enclosed with the application for the authorisation of a credit institution and the application for the authorisation to provide financial services

(Official Gazette 139/2022)

#### Article 6

This Decision shall be published in the Official Gazette and shall enter into force on the day of introduction of the euro as the official currency in the Republic of Croatia.

Appendix 1

Place and date: \_\_\_\_\_

Ref. no.: \_\_\_\_\_

**APPLICATION FOR AUTHORISATION OF A CREDIT INSTITUTION**

Name and surname/firm name of the applicant: \_\_\_\_\_

Address of domicile/head office of the applicant: \_\_\_\_\_

Name and surname of the person authorised to represent the applicant (where the applicant is a legal person): \_\_\_\_\_

We hereby submit the application for authorisation of a credit institution in accordance with the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020 and 146/2020).

We certify that the information provided herein is true, accurate, complete and not misleading. Unless specifically stated otherwise in a particular document, the information refers to the date of this application. Where certain information refers to a future date, this is specifically set out in the application and the applicant hereby undertakes to notify the Croatian National Bank in writing should any such information prove to be not true, accurate and complete or misleading.

Signature of the applicant

Name and surname

Function

<b>1. Information on the credit institution</b>	
<b>1.1. Contact persons for the purposes of the application</b>	
Name and surname	
Function	
Telephone	
Mobile phone	
Fax	
E-mail	
Advisor used by the applicant for the purposes of the credit institution's establishment (where applicable)	
Name and surname	
Function	
Telephone	
Mobile phone	
Fax	
E-mail	
<b>1.2. Information on the credit institution to be established and the founder</b>	
Firm name of the credit institution to be established and any trading name to be used	
Proposed plans (if any) to change the firm name and an explanation for the proposed changes	
Logo	
Legal form of the credit institution to be established and of the founder	
Date of establishment and the country in which the founder or, where applicable, the credit institution to be established was founded	
Head office of the credit institution and, where different, the credit institution's principal place of business and the head office of the founder	
Contact details of the founder, if different from the details provided under 1.1 (telephone, mobile phone, fax, e-mail)	

Name of court register or similar register and the number under which the founder is registered, and, if the credit institution is already registered in a court register or a similar register, the same information for the credit institution to be established	
Personal identification number (OIB) of the founder, and, where applicable, of the credit institution to be established	
Date of the accounting year end of the founder, and, where applicable, of the credit institution to be established	
Website address of the founder and of the credit institution to be established, where available	
<b>1.3. Constitutional documents</b>	
Annex under which the credit institution's deed of establishment is provided in the form of notarial deed	
Annex under which the Articles of Association of the founder and of the credit institution to be established is provided in the form of notarial deed	
<b>1.4. History of the founder and, where applicable, of the credit institution to be established and its subsidiaries</b>	
Has the credit institution to be established previously carried out commercial or other activities?	
Information on any authorisations, approvals and other permissions to carry out activities in the financial sector issued to the founder or the credit institution to be established and their subsidiaries in any Member State or third country, as laid down in Article 4, paragraph (1), item (5)(a) of this Decision	

Statement on significant events relating to the founder or, where applicable, to the credit institution or its subsidiaries, which may be reasonably considered to be relevant to the authorisation, including each of the matters set out in Article 4, paragraph (1), item (5) (b) of this Decision	
Detailed information on any events set out in the aforementioned statement, including the name and address of the relevant court or authority, date of judgement, the amount involved, the outcome and an explanation of the circumstances	
<b>2. Programme of activities</b>	
<b>2.1. Activity</b>	
Annex under which the following may be found: a list of the services that the credit institution intends to provide; drafts of all internal bylaws and procedures used, the organisation of work and responsibility for each new service the credit institution intends to introduce	
<b>2.2. Deposit insurance</b>	
Confirmation that, before or upon authorisation, the applicant credit institution shall become a member of a deposit insurance scheme with the Croatian Deposit Insurance Agency	
<b>2.3. Institutional protection scheme</b>	
Name of institutional protection scheme, as defined in Regulation (EU) 575/2013 that the credit institution has entered into or proposes to enter into	
<b>3. Financial information</b>	
<b>3.1. Forecast financial indicators</b>	

<p>Annex under which forecast financial indicators of the credit institution are provided on an individual and on a consolidated and sub- consolidated basis in accordance with Article 6, paragraph (1) of the Decision</p>	
<p><b>3.2. Financial statements</b></p>	
<p>Annex under which the prescribed financial statements of the credit institution are provided on an individual and on a consolidated and sub-consolidated basis in accordance with Article 6, paragraph (2) of the Decision</p>	
<p><b>3.3. Information on indebtedness</b></p>	
<p>Annex under which the information on the current and future liabilities expected prior to the commencement of the operation of the credit institution to be established are provided in accordance with Article 6, paragraph (3), item (1) of the Decision</p>	
<p><b>3.4. Information on lien, guarantees and indemnities</b></p>	
<p>Annex under which the information on any rights of lien, guarantees and indemnities granted or expected to be granted by the credit institution to be established is provided in accordance with Article 6, paragraph (3), item (2) of the Decision</p>	
<p><b>3.5. Credit rating</b></p>	
<p>Where available, the credit rating of the founder and, where applicable, of the credit institution to be established and of the group of which the credit institution to be established is to become a member in accordance with Article 6, paragraph (3), item (3) of the Decision</p>	
<p><b>3.6. Consolidated supervision</b></p>	

Annex under which the analysis of the scope of consolidated supervision is provided in accordance with Article 6, paragraph (4) of the Decision	
<b>3.7. Drafts of internal bylaws</b>	
Annex under which the risk management framework is provided in accordance with Article 9, paragraph (1), item (1) of the Decision	
Annex under which the liquidity risk management policy is provided	
Annex under which the funding concentration and diversification policy is provided	
Annex under which the collateral management policy is provided	
Annex under which the deposit policy is provided	
Annex under which the credit policy is provided	
Annex under which the concentration risk management policy is provided	
Annex under which the policy for determining credit losses, balance sheet and off-balance sheet item impairments and other provisions is provided	
Annex under which the profit distribution policy is provided	
Annex under which the trading book policy is provided	
<b>3.8. Recovery plan</b>	
Annex under which the description of the process for developing a recovery plan is provided in accordance with Article 9, paragraph (1), item (15) of the Decision	
<b>4. Business plan, organisational structure and internal control system</b>	
<b>4.1. Business plan</b>	

Annex under which the programme of operations is provided in accordance with Article 7 of the Decision	
<b>4.2. Organisational structure and internal control system</b>	
Annex under which the internal organisation and the internal control system are described in accordance with Article 8, paragraphs (1) and (2) of the Decision	
<b>4.3. Internal control system</b>	
Annex under which the overview of the internal organisation of the compliance, risk control and internal audit functions is provided in accordance with Article 8, paragraph (2) of the Decision	
Annex under which the outline of the policy is provided enabling the credit institution's employees to report any possible breach of regulations committed by responsible persons or other employees of the credit institution in accordance with Article 359, paragraph (1) of the Credit Institutions Act	
Annex under which the outline of the conflict of interest policy and procedures is provided	
Annex under which the outline of the complaints handling policy and procedures is provided	
Annex under which the outline of the market abuse policy and procedures is provided	
Annex under which the outline of the policy and procedures promoting diversity in the management and supervisory board is provided	

Annex under which the outline of the identified staff remuneration policy is provided	
Annex under which the outline of the systems and policies for assessing and managing the risks of money laundering and terrorist financing is provided, including an overview of the key procedures in place for countering the risks of using the credit institution to commit other financial crimes	
<b>4.4. Internal audit resources and plan</b>	
Annex under which the description of the internal audit resources and an outline of the methodology and internal audit plan for the first three years following authorisation are provided, including the audit of externalised activities	
<b>4.5. Internal control function policies</b>	
Annex under which the internal audit policy is provided	
Annex under which the product management policy is provided	
Annex under which the consumer protection policy is provided	
Annex under which the business continuity plan and policy are provided, including plans ensuring the availability of key staff in business continuity situations	
<b>4.6. Credit institution structure</b>	

Annex under which the outline of external and intra-group outsourcing to support the credit institution's operations or internal control activities is provided, including the information on the provider of outsourced services, any links to the credit institution, location, rationale for outsourcing, human resources, the internal control system for managing the outsourcing and contingency plans in the event that the outsourced service provider cannot ensure continuity of service and retained functions regarding outsourced activities	
Outline of the manner of oversight over each outsourced activity material to the credit institution	
Copies of all agreements, drafts of agreements and preliminary agreements related to outsourcing	
Description of the credit institution's IT, including the systems to be used, hosting arrangements, organisation of the IT function including its structure, strategy, governance, security policies and procedures and systems and controls to be put in place in respect of the provision of online services	
<b>4.7. Auditor of the credit institution</b>	
Name and surname	
Address	
Contact person (in the audit firm)	
Telephone number	
E-mail	
<b>5. Initial capital of the credit institution</b>	
<b>5.1. Initial capital and own funds</b>	

Annex under which the evidence of the credit institution's subscribed capital, paid-up capital and capital which is not yet paid up in accordance with Article 10, paragraph (1), item (1) of the Decision	
Description of private funds, including their availability and source	
Where the initial capital has not been paid up in full at the date of the application, description of the envisaged plan ensuring that the initial capital is paid up in full before authorisation in accordance with Article 10, paragraph (1), item (2) of the Decision	
<b>5.2. Available funding sources for the initial capital</b>	
Explanation of funding sources and annex under which the evidence of the availability of those funding sources may be found in accordance with Article 10, paragraph (2) of the Decision	
<b>5.3. Amounts, types and distribution of internal capital</b>	
Annex under which the description of the amount, type and distribution of internal capital considered adequate to cover the nature and level of the risks to which the credit institution will or might be exposed and an analysis, including projections, showing that the capital resources will be sufficient to meet the capital requirements at authorisation and through severe, but plausible stress over the first three years of operation in accordance with Article 10, paragraph (3) of the Decision	
<b>6. Management of the credit institution</b>	
<b>6.1. Members of the management and supervisory board (to be completed separately for each individual)</b>	
Name and surname (where different, name and surname at birth)	

Sex	
Place of birth (and country)	
Address	
Telephone number	
Mobile phone number	
E-mail	
Citizenship	
Personal identification number or another identification number	
Details of the function to be held by the person in the credit institution, planned start date, duration of mandate, and a description of the person's key duties and responsibilities	
Annex under which the Questionnaire for a candidate for the chairperson or a member of the management board or a member of the supervisory board of a credit institution can be found	
<b>6.2. Other information about the management and supervisory board</b>	
Description of all envisaged boards with a list of members and duties	
Annex under which the assessments of the collective suitability of the management and supervisory board are provided, including relevant body minutes or the suitability assessment report	
Description of how diversity of qualities and competences was taken into account when selecting the members of the management and supervisory board	
<b>6.3. Heads of control functions (to be completed separately for each individual)</b>	
Name and surname (where different, name and surname at birth)	
Sex	
Place of birth (and country)	
Address	

Telephone number	
Mobile phone number	
E-mail	
Citizenship	
Personal identification number or another identification number	
Details of the function to be held by the person in the credit institution, planned start date, duration of mandate, and a description of the person's key duties and responsibilities	
Annex under which the curricula vitae of persons responsible for control functions may be found	
<b>6.4. Responsibilities and powers envisaged for members of the management board</b>	
Description of responsibilities and powers conferred upon members of the management board	
Description of responsibilities and powers of heads of control functions and accounting (for significant credit institutions)	
<b>7. Shareholders and holders of qualifying holdings</b>	
<b>7.1. General information</b>	
Annex under which the application for approval to acquire a qualifying holding is provided on the form of the Application (Appendix 1), as laid down in the Decision on the approval to acquire a qualifying holding in a credit institution	
<b>7.2. Information in relation to natural persons acquiring a qualifying holding</b>	
Annex under which the Questionnaire for natural persons acquiring a qualifying holding in a credit institution or connected with an acquirer of a qualifying holding in a credit institution, as laid down in the Decision on the approval to acquire a qualifying holding in a credit institution, is provided	

<b>7.3. Information in relation to legal persons or entities that are not legal persons acquiring shares of a credit institution in their own name</b>	
Annex under which the Questionnaire for legal persons acquiring a qualifying holding in a credit institution, as laid down in the Decision on the approval to acquire a qualifying holding in a credit institution, is provided	
<b>7.4. Trusts and similar entities</b>	
Annex under which the following information on the trust is provided: a) a list of all founders or trustees of the trust that will manage the trust's assets b) a list of persons that are the end beneficiaries of the trust and, where applicable, their shares in the distribution of the income generated by the trust's assets c) certified copy of the documents establishing or governing the trust d) a description of the trust's legal framework and of its functioning	
<b>7.5. Members of an entity which is not a legal person</b>	

<p>The following needs to be provided for each natural and legal person that are members of an entity which is not a legal person and which is the founder or intends to become a holder of a qualifying holding in a credit institution:</p> <p>a) annex under which the Questionnaire for natural persons acquiring a qualifying holding in a credit institution or connected with an acquirer of a qualifying holding in a credit institution is provided, or for legal persons, in which the Questionnaire for legal persons acquiring a qualifying holding, as laid down in the Decision on the approval to acquire a qualifying holding in a credit institution, is provided</p> <p>b) a certified copy of the articles of association or of the agreement governing the entity</p>	
<p><b>8. Information on shareholders/founders</b></p>	
<p><b>8.1. Shareholder structure</b></p>	
<p>Annex under which a chart setting out the shareholder structure of the credit institution to be established is provided, including the breakdown of the capital and voting rights</p>	
<p><b>8.2. List of names of all legal and natural persons with details</b></p>	

<p>Annex under which the names of all legal and natural persons is provided, including the following details:</p> <ol style="list-style-type: none"> <li>1. the number and type of shares subscribed or to be subscribed</li> <li>2. the nominal value of shares</li> <li>3. premium paid or to be paid</li> <li>4. lien on shares with the identity of the secured parties</li> <li>5. statements by shareholders that will have influence over the governance of the credit institution ensuring that the credit institution will comply with prudential requirements</li> </ol>	
<p><b>9. Information omitted in accordance with Article 3, paragraph (4) of the Decision on the authorisation</b></p>	

*The sentence in the fourth paragraph in Appendix 1 has been amended pursuant to the provision of Article 5 of the Decision on amendments to the Decision on the documentation to be enclosed with the application for the authorisation of a credit institution and the application for the authorisation to provide financial services, Official Gazette 139/2022, which enters into force on the day of introduction of the euro as the official currency in the Republic of Croatia.*

*In item 2.2. in Appendix 1 the words "the State Agency for Deposit Insurance and Bank Resolution" are replaced by the words "the Croatian Deposit Insurance Agency" pursuant to the provision of Article 5 of the Decision on amendments to the Decision on the documentation to be enclosed with the application for the authorisation of a credit institution and the application for the authorisation to provide financial services, Official Gazette 139/2022, which enters into force on the day of introduction of the euro as the official currency in the Republic of Croatia.*

Appendix 2

Place and date: \_\_\_\_\_

Ref. no.: \_\_\_\_\_

**APPLICATION FOR AUTHORISATION TO PROVIDE FINANCIAL SERVICES**

<b>Information on the applicant credit institution</b>	
1. Firm name and head office of the credit institution	
2. Name and function of the person authorised to represent the credit institution in the authorisation procedure	
3. Where the person authorised to represent the credit institution authorises another person to represent the credit institution, indicate the annex under which the authorisation can be found	
<b>Contact persons for the purposes of the application</b>	
4. Name and surname	
5. Function	
6. Telephone	
7. Fax	
8. E-mail	
<b>Information on financial services for which the authorisation is sought</b>	
9. A list of financial services for which authorisation is sought, indicating the relevant articles of the Credit Institutions Act	
10. Where the financial services in question are governed by special laws, indicate the name of the relevant act and the name of the service under the relevant act, together with the indication of the relevant article of the act	

<p>11. Where it arises from the regulation governing the financial service for which authorisation is sought that prior approval or another relevant legal document of the Croatian Financial Supervisory Agency or another supervisory authority is required, indicate the number and the name of such document of the relevant authority and the annex under which it can be found</p>	
<p><b>Description of the rationale for the introduction of new financial services</b></p>	
<p>12. Describe the rationale for introducing new financial services or indicate the annex under which such description can be found</p>	
<p><b>Description of actions taken by the credit institution with regard to the introduction of new financial services</b></p>	
<p>13. A list of all actions and activities preceding the application for authorisation (market analysis, decisions of the credit institution's bodies, creation of new internal bylaws, impact analyses of new services, etc.)</p>	
<p><b>Cost of introducing new services</b></p>	
<p>14. An outline of the costs relating to the introduction of new services</p>	
<p><b>Impact of new services on the credit institution's operations</b></p>	
<p>15. A description of the estimated impact of new services on the credit institution's operations</p>	
<p><b>Organisation and job classification</b></p>	
<p>16. A description of changes in the organisation and job classification, where necessary, required for the purposes of introducing new services</p>	
<p><b>Business strategy and the business plan of the credit institution</b></p>	
<p>17. Annex under which the business strategy of the credit institution can be found</p>	

18. Annex under which the business plan can be found, including a description of the estimated impact of new services on the credit institution's operations and forecast balance sheets and profit and loss accounts for the following three years (delivered on the forms used for submitting supervisory reports to the Croatian National Bank)	
<b>Tangible assets of the credit institution</b>	
19. Information on any changes in the credit institution's tangible assets in relation to the introduction of new services	
<b>Information technology of the credit institution</b>	
20. Information on any changes in the credit institution's information technology that are necessary to introduce new services	
<b>Articles of association of the credit institution</b>	
21. Annex under which the draft amendments to the articles of association of the credit institution can be found	
<b>Internal bylaws of the credit institution</b>	
22. Annex under which the drafts of all internal bylaws can be found, as well as procedures used, the organisation of work and responsibility for each new service the credit institution intends to introduce	

We certify that the information provided herein is true, accurate, complete and not misleading. Unless specifically stated otherwise in a particular document, the information refers to the date of this application. Where certain information refers to a future date, this is specifically set out in the application and the applicant hereby undertakes to notify the Croatian National Bank in writing should any such information prove to be not true, accurate and complete or misleading.

Name and surname of the person authorised to represent the credit institution:

Function:

Signature: \_\_\_\_\_