



HNB

EUROSUSTAV

GOVERNOR

Pursuant to Article 50, paragraph (4), Article 101, paragraph (2), items (1) and (2), Article 102, paragraph (3) and Article 105, paragraph (3) of the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020, 146/2020 and 151/2022; hereinafter referred to as the 'Credit Institutions Act') 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 amendments to the Decision on governance arrangements

Article 1

In the Decision on governance arrangements (Official Gazette 96/2018, 67/2019, 145/2020, 145/2021 and 51/2023), Article 79 is amended to read:

"Article 79

The terms used in this Title shall have the following meaning:

1. 'banking services and activities' shall have the meaning as defined in Article 2 of the Commission Delegated Regulation (EU) 2023/2779 of 6 September 2023 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria for the identification of shadow banking entities referred to in Article 394(2) of Regulation (EU) No 575/2013 (OJ L, 12.12.2023); hereinafter referred to as 'Commission Delegated Regulation (EU) 2023/2779';

2. 'exposure to shadow banking entities' means the sum of all credit institution's exposures to individual shadow banking entities pursuant to Part Four of Regulation (EU) No 575/2013 equal to or in excess of 0.25% of the credit institution's tier 1 capital as defined in Article 25 of Regulation (EU) No 575/2013, where the value of a credit institution's exposure to an individual shadow banking entity is calculated by taking into account the effects of the credit risk mitigation in accordance with Articles 399 to 403 of Regulation (EU) No 575/2013 and exemptions in accordance with Article 400 and Article 493 of Regulation (EU) No 575/2013;

3. 'shadow banking entities' means undertakings as defined in Article 1 of Commission Delegated Regulation (EU) 2023/2779;".

Article 2

In Article 80, paragraph (4) is amended to read:

"(4) When determining the interconnectedness between shadow banking entities referred to in paragraph (3), item (6) of this Article, a credit institution shall determine the relationship of control and the economic and financial interconnectedness in accordance with the regulatory technical standard adopted by the European Commission pursuant to Article 4, paragraph (4) of Regulation (EU) No 575/2013 and in particular review whether there is interconnectedness arising from exposure of a shadow banking entity to a person or a group of connected clients in accordance with Article 4, paragraph (1), item (39) of Regulation (EU) No 575/2013. In addition to capital ties and indicators of

economic and financial interconnectedness prescribed by the mentioned regulatory technical standard, a credit institution shall consider other types of relationships, e.g. the relationship of effective control or the relationship arising from contractual obligations, implicit support or potential reputation risk.”.

Article 3

In Article 82, paragraph (2), item (6) is amended to read:

"6) concentration of banking services and activities relative to other business activities of the shadow banking entity;".

Article 4

This Decision shall enter into force on the eighth day after the day of its publication in the Official Gazette, with the exception of the provisions of Article 2 of the Decision, which shall enter into force on the date of the entry into force of the regulatory technical standard adopted by the European Commission pursuant to Article 4, paragraph (4) of Regulation (EU) No 575/2013.

No.: 92-091/02--24/BV
Zagreb, 4 March 2024

Governor
Boris Vujčić