

THE CROATIAN PARLIAMENT

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Pursuant to Article 89 of the Constitution of the Republic of Croatia, I hereby issue the

DECISION

PROMULGATING THE ACT ON AMENDMENTS TO THE ACT ON THE RESOLUTION OF CREDIT INSTITUTIONS AND INVESTMENT FIRMS

I hereby promulgate the Act on Amendments to the Act on the Resolution of Credit Institutions and Investment Firms, passed by the Croatian Parliament at its session on 7 April 2020.

No: 011-01/20-01/56
Ref. No.: 71-06-01/1-20-2
Zagreb, 9 April 2020

The President of the Republic of Croatia
Zoran Milanović, m. p.

THE ACT ON AMENDMENTS TO THE ACT ON THE RESOLUTION OF CREDIT INSTITUTIONS AND INVESTMENT FIRMS

Article 1

In the Act on the Resolution of Credit Institutions and Investment Firms (Official Gazette 19/2015 and 16/2019) in Article 2 before the word “This” a paragraph number “(1)” is added.

After paragraph (1), a new paragraph (2) is added which reads:

“(2) This Act further regulates the implementation of Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L EU 225, 30.7.2014, hereinafter referred to as ‘Regulation (EU) No 806/2014’).”.

Article 2

In Article (4), paragraph (1), after item (13) the full stop at the end of the sentence is deleted and item (14) is added which reads:

“(14) Regulation (EU) No 468/2014 means the Regulation (EU) No 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for cooperation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities and with national designated authorities (SSM Framework Regulation) (OJ L 141, 14.5.2014).”.

In paragraph (2), after item (113) of the same Article, the full stop at the end of the sentence is deleted and items (114) to (122) are added which read:

“(114) ‘*Single Resolution Mechanism*’ means the mechanism established by Regulation (EU) No 806/2014 establishing uniform rules and a uniform framework for the resolution of entities referred to in Article 2 of Regulation (EU) No 806/2014 and is supported by a single resolution fund;

115) ‘*participating Member State*’ means a Member State within the meaning of Article 2 of Council Regulation (EU) No 1024/2013;

116) ‘*Single Resolution Board*’ means a board established in accordance with Article 42 of Regulation (EU) No 806/2014;

117) ‘*entity subject to Regulation (EU) No 806/2014*’ means an entity referred to in Article 3 of this Act subject to Regulation (EU) No 806/2014 in accordance with Article 2 of Regulation (EU) No 806/2014;

118) ‘*entity for which the Single Resolution Board is directly responsible*’ means an entity referred to in Article 3 of this Act for which the Single Resolution Board is directly responsible in accordance with Article 7, paragraph (2) of Regulation (EU) No 806/2014 and, when the conditions for their application are met, in accordance with Article 7, paragraph (4), point (b) and paragraph (5) of Regulation (EU) No 806/2014;

119) ‘*legal instruments of the Single Resolution Board*’ means decisions, instructions, guidelines, recommendations and warnings that the Single Resolution Board adopts pursuant to its powers under Regulation (EU) No 806/2014;

120) ‘*Single Resolution Fund*’ means a fund established in accordance with Article 67, paragraph (1) of Regulation (EU) No 806/2014;

121) ‘*significant supervised entity*’ shall have the meaning as defined in Article 2, point (16) of Regulation (EU) No 468/2014 and

122) ‘*Agreement on the transfer and mutualisation of contributions to the Single Resolution Fund*’ shall have the meaning as defined in Article 3, paragraph (1), point (36) of Regulation (EU) No 806/2014.”.

In Article 5, after paragraph (4), paragraph (5) is added which reads:

“(5) Entities subject to Regulation (EU) No 806/2014 shall be subject to the provisions of this Act to the extent that individual issues are not regulated by Regulation (EU) No 806/2014 and to the extent necessary for the implementation of the provisions of Regulation (EU) No 806/2014.”.

Article 4

In Article 7, paragraph (5), after the word “authorities,” the words “pursuant to the instructions of the Single Resolution Board referred to in Article 15, paragraph (4) of Regulation (EU) No 806/2014 or” shall be inserted.

Article 5

In Article 8, paragraph (1), after the word “authorities” a comma is inserted and the words “within the meaning of this Act and Article 3, paragraph (1), points (3) and (4) of Regulation (EU) No 806/2014,” and after the words “in the Republic of Croatia” the words “over entities referred to in Article 3 of this Act for which the Single Resolution Board is not directly responsible,”.

In paragraph (3) of the same Article, after the words “exercised by that authority in accordance with the provisions” the words “of Regulation (EU) No 806/2014 and” are inserted.

In paragraph (4) of the same Article, after the words “between the resolution powers it exercises in accordance with the provisions” the words “of Regulation (EU) No 806/2014 and” are inserted.

In paragraph (5) of the same Article, after the words “resolution activities in accordance with the provisions” the words “of Regulation (EU) No 806/2014 and” are inserted.

In paragraph (6) of the same Article, after the word “resolution activities in accordance with the provisions” the words “of Regulation (EU) No 806/2014 and” are inserted.

In paragraph (7) of the same Article, after the word “provisions” the words “of Regulation (EU) No 806/2014 and” are inserted.

In paragraph (9) of the same Article, after the word “decisions” the words “of the Single Resolution Board for entities subject to Regulation (EU) No 806/2014 and their own decisions” are inserted.

In paragraph (14) of the same Article, after the word “implement” the words “this Regulation (EU) No 806/2014 and” are inserted.

In paragraph (16) of the same Article, after the words: “Title V of this Act” the following words are inserted “and in cooperation with the Single Resolution Board in accordance with Articles 35 and 36 of Regulation (EU) 806/2014”.

Item (a) of this paragraph is amended to read:

“a) carry out supervision for the resolution planning purposes by collecting and verifying the necessary information in the facilities of the entities referred to in Article 3 of this Act or based on the reports delivered by the entity referred to in Article 3 of this Act;”.

In paragraph (19) of the same Article, after the words: “implementation of this Act” the following words are inserted: “and Regulation (EU) No 806/2014”.

In the same Article after paragraph (21), paragraphs (22) and (23) are added, which read:

“(22) The authorities referred to in paragraph (1) of this Article are empowered, in accordance with the division of powers as provided for in this Act, to exercise resolution powers on and apply resolution tools in the Republic of Croatia to entities for which the Single Resolution Board is directly responsible when acting in accordance with the legal instruments of the Single Resolution Board.

(23) The Croatian National Bank and the State Agency for Deposit Insurance and Bank Resolution shall appoint their representatives to the Single Resolution Board. A representative of the Croatian National Bank shall have the right to vote at the plenary and executive sessions of the Single Resolution Board. With regard to issues within the competence of the State Agency for Deposit Insurance and Bank Resolution, in accordance with the division of powers as provided for in this Act, the opinion of the State Agency for Deposit Insurance and Bank Resolution shall be taken into consideration when casting a vote.”.

Article 6

In Article 9, after the words: “Directive 2014/59/EU” the following words are inserted: “and within the framework of Regulation (EU) No 806/2014 and regulations adopted in accordance with Regulation (EU) No 806/2014”.

Article 7

After Article 9 Article 9a and 9b, and the title above them are added which read:

“Legal instruments of the Single Resolution Board

Article 9a

(1) Decisions of the Single Resolution Board adopted in accordance with Regulation (EU) No 806/2014 shall be binding in their entirety and applicable in the Republic of Croatia.

(2) When implementing decisions and specific instructions of the Single Resolution Board in accordance with Article 29 of Regulation (EU) No 806/2014, resolution authorities shall carry out all necessary activities, each within the scope of its activities and competences under this Act.

(3) When implementing guidelines, general instructions and recommendations of the Single Resolution Board adopted in accordance with Regulation (EU) No 806/2014, resolution

authorities shall, each within the scope of its activities and competences under this Act, exercise the powers under this Act.

Cooperation within the Single Resolution Mechanism

Article 9b

(1) Resolution authorities and competent authorities shall cooperate with the Single Resolution Board, the Council of the European Union, European Commission and the European Central Bank in accordance with Regulation (EU) No 806/2014.

(2) Resolution authorities, each within the scope of its activities and competences under this Act shall, at the request of the Single Resolution Board, cooperate in the manner governed by Regulation (EU) No 806/2014, in particular:

- by providing accurate and complete information necessary to carry out the tasks of the Single Resolution Board in a timely manner;
- by providing assistance in conducting general investigations in accordance with Article 35 of Regulation (EU) No 806/2014 and on-site inspections in accordance with Article 36 of Regulation (EU) No 806/2014;
- by preparing draft resolution plans, including the draft decision on the minimum requirement for own funds and eligible liabilities and draft resolution scheme for entities for which the Single Resolution Board is directly responsible;
- by providing information on the performance of tasks of resolution authorities over entities for which the Single Resolution Board is not directly responsible;
- by participating in internal resolution teams established by the Single Resolution Board;
- by providing assistance in monitoring the implementation of write down of capital instruments or conversion of relevant capital instruments by resolution authorities pursuant to instructions of the Single Resolution Board;
- by providing assistance in monitoring the implementation of the resolution scheme adopted by the Single Resolution Board, including the application of resolution tools and exercising of resolution powers by the resolution authority, and submitting of the final report on the implementation in accordance with Article 28, paragraph (1) of Regulation (EU) No 806/2014;
- by exchanging views for the purpose of resolution colleges established by the Single Resolution Board.

(3) Resolution and competent authorities may enter into a written agreement with the Single Resolution Board, regulating in detail their cooperation and exchange of information in the exercise of their duties.

(4) Aiming to implement the Commission’s decision on the compatibility of the use of the Single Resolution Fund with the internal market, referred to in Article 19, paragraph (5) of Regulation (EU) No 806/2014, the State Agency for Deposit Insurance and Bank Resolution may request from the beneficiary to repay the misused amount determined by the European Commission, including interest at an appropriate rate fixed by the European Commission, and transfer it to the Single Resolution Board.”.

Article 8

The Title above Article 10 is amended to read:

“Assessment of the feasibility of bankruptcy and resolvability for an RC institution which is not a part of a cross-border group and for an EU group of institutions which is not a cross-border group”.

In Article 10, paragraph (1) is amended to read:

“(1) The Croatian National Bank or the Croatian Financial Services Supervisory Agency shall, for the purpose of drawing up and updating the resolution plan referred to in Article 13 of this Act, assess the feasibility of bankruptcy proceedings or the resolvability for each institution having its head office in the Republic of Croatia which is not a part of a cross-border group and for which for which the Single Resolution Board is not directly responsible or of an EU group of institutions which is not a cross-border group and for which the Single Resolution Board is not directly responsible.”.

In paragraph (2) of the same Article, in item (a) after the words: “Act” the following words are inserted: “or Single Resolution Fund”.

Paragraph (5) of the same Article is amended to read:

“(5) The assessment of the feasibility of bankruptcy or the resolvability of an EU group of institutions, which is not a cross-border group and for which the Single Resolution Board is not directly responsible shall, in addition to the circumstances referred to in paragraph (4) of this Article, include the assessment of the circumstances referred to in Article 11, paragraph (5) of this Act.”.

Article 9

In Article 11, paragraph (1) the words: “group-level resolution authority” is replaced by the words “group-level resolution authority for cross-border group for which the Single Resolution Board is not directly responsible”, and the words “Article 14 of this Act” are replaced by the words “Article 19 of this Act”.

In paragraph (4) of the same Article, in item (a) after the words: “Act” the following words are inserted: “or Single Resolution Fund”.

Article 10

In Article 12, paragraph (1) is deleted:

The former paragraph (2) of the same Article, which becomes paragraph (1) is amended to read:

“(1) Where the Croatian National Bank or the Croatian Financial Services Supervisory Agency is not the group-level resolution authority for a cross-border group and the Single Resolution Board is not directly responsible for an EU group of institutions or a member of the group having its head office in the Republic of Croatia, for the purpose of drawing up and updating the group resolution plan referred to in Article 20 of this Act, the Croatian National Bank or

the Croatian Financial Services Supervisory Agency shall together with the group-level resolution authority and other resolution authorities of subsidiaries participate in the assessment of the resolvability of an EU group of institutions. The decision on the assessment for a cross-border group of institutions shall be adopted in accordance with the decision-making procedure referred to in Article 20 of this Act.”.

Paragraph (3) of the same Article is deleted.

In the former paragraph (4) of the same Article, which becomes paragraph (2) the words “paragraph (2)” are replaced by the words “paragraph (1).”.

The former paragraph (5) of the same Article becomes paragraph (3).

In the former paragraph (6) of the same Article, which becomes paragraph (4) the words “paragraph (2)” are replaced by the words “paragraph (1).”.

In the former paragraph (7) of the same Article, which becomes paragraph (5) the words “paragraph (6)” are replaced by the words “paragraph (4)”, and the words “paragraph (2)” are replaced by the words “paragraph (1).”.

Article 11

The Title above Article 13 is amended to read:

“Resolution plan for an RC institution which is not part of a cross-border group and for an EU group of institutions which is not a cross-border group”.

In Article 13, paragraph (1), items (1) and (2) are amended to read:

“1) each institution having its head office in the Republic of Croatia which is not part of a cross-border group, for which the Single Resolution Board is not directly responsible, and

2) an EU group of institutions which is not a cross-border group, for which the Single Resolution Board is not directly responsible.”.

In paragraph (2) of the same Article in item (a) after the words: “Act” the following words are inserted: “or Single Resolution Fund”.

In paragraph (4) of the same Article, the words: “one month” are replaced by the words: “15 days”.

After paragraph (4), a new paragraph (5) is added which reads:

“(5) The Croatian National Bank shall deliver the draft resolution plan referred to in paragraph (1) of this Article to the Single Resolution Board in the manner and within the time limit laid down in Regulation (EU) No 806/2014. When drawing up the resolution plan, the Croatian National Bank shall act in accordance with the opinion of the Single Resolution Board regarding compliance with Regulation (EU) No 806/2014 and general instructions of the Single

Resolution Board referred to in Article 31, paragraph (1), point (a) of Regulation (EU) No 806/2014.”.

The former paragraph (5) of the same Article, which becomes paragraph (6) is amended to read:

“(6) After the Ministry of Finance, the State Agency for Deposit Insurance and Bank Resolution and the Single Resolution Board give their opinion or after the expiry of the time limit referred to in paragraphs (4) and (5) of this Article, the Council of the Croatian National Bank or the Board of the Croatian Financial Services Supervisory Agency shall adopt the resolution plan.”.

The former paragraph (6) of the same Article, which becomes paragraph (7) is amended to read:

“(7) The Croatian National Bank or the Croatian Financial Services Supervisory Agency shall without delay deliver the adopted resolution plan referred to in paragraph (6) of this Article to the State Agency for Deposit Insurance and Bank Resolution, while a summary of the key elements of the resolution plan shall be delivered to the relevant institution. The Croatian National Bank shall also deliver the resolution plan referred to in paragraph (6) of this Article to the Single Resolution Board in accordance with Article (7), paragraph (3) of Regulation (EU) No 806/2014.”.

The former paragraph (7) of the same Article becomes paragraph (8).

Article 12

In Article 14, paragraph (2), item (8) first indent after the words “Act” the following words are inserted: “or Single Resolution Fund”.

In paragraph (3) of the same Article, the words: “paragraph (5)” are replaced by the words: “paragraph (6)”.

Article 13

In Article 16, paragraph (1) is amended to read:

“(1) Where the Croatian National Bank or the Croatian Financial Services Supervisory Agency is the group-level resolution authority for which the Single Resolution Board is not directly responsible, it shall draw up a resolution plan for an EU cross-border group of institutions together with the resolution authorities of subsidiaries.”.

Article 14

In Article 17, paragraph (1) is amended to read:

“(1) Where the Croatian National Bank is not the group-level resolution authority for an EU cross-border group of institutions and the Single Resolution Board is not directly responsible

for an EU group of institutions or a member of the group having its head office in the Republic of Croatia, the Croatian National Bank or the Croatian Financial Services Supervisory Authority shall cooperate with the group-level resolution authority and other resolution authorities of members of the group in drawing up a resolution plan for an EU group of institutions.”.

Article 15

In Article 18, paragraph (5), item (1) after the word “Act” a comma is inserted and the words “Single Resolution Fund” are added.

Article 16

In Article 19, paragraph (13) is amended to read:

“(13) The Croatian National Bank or the Croatian Financial Services Supervisory Agency shall without delay deliver the resolution plan adopted in accordance with this Article to the relevant competent authorities and the State Agency for Deposit Insurance and Bank Resolution. After the resolution plan is adopted in accordance with this Article, the Croatian National Bank shall act in accordance with Article 7, paragraph (3) of Regulation (EU) No 806/2014.”.

Article 17

In Article 20, after paragraph (11) a new paragraph (12) is added which reads:

“(12) After the resolution plan is adopted in accordance with this Article, the Croatian National Bank shall act in accordance with Article 7, paragraph (3) of Regulation (EU) No 806/2014.”.

Article 18

After Article 20, a new article Article 20a and the title above it are added which read:

“Resolution plan adopted by the Single Resolution Board

Article 20a

(1) The Croatian National Bank shall cooperate with the Single Resolution Board, in accordance with Article 8 of Regulation (EU) No 806/2014, in the procedure of drawing up resolution plans for entities for which the Single Resolution Board is directly responsible.

(2) Taking into account the impact that resolution or bankruptcy of an entity for which the Single Resolution Board is directly responsible, due to the nature, scope and complexity of the entity’s business, its shareholding structure, risk profile, size, legal form and status, interconnectedness to other institutions or to the financial system in general, has on financial markets, on other institutions or on funding conditions, the Croatian National Bank shall act in accordance with Article 11 of Regulation (EU) No 806/2014 relating to the application of simplified obligations in relation to the drawing up of resolution plans referred to in paragraph (1) of this Article.

(3) Prior to giving its opinion to the draft resolution plan of the Single Resolution Board, the Croatian National Bank shall deliver the received draft to the State Agency for Deposit Insurance and Bank Resolution and the Ministry of Finance and shall set a deadline for delivery of their opinion, taking into account the date set by the Single Resolution Board. In giving its opinion to the Single Resolution Board the Croatian National Bank shall take into consideration the opinions of the State Agency for Deposit Insurance and Bank Resolution and of the Ministry of Finance.”.

Article 19

The Title above Article 21 is amended to read:

“Powers to address or remove impediments to the implementation of bankruptcy proceedings or to the resolvability of institutions for an RC institution which is not part of a cross-border group or an EU group of institutions which is not a cross-border group of institutions”.

In Article 21, paragraph (1) the words “is not a part of the group or an EU group of institutions which is not a cross-border group” are replaced by the words: “is not a part of a cross-border group for which the Single Resolution Board is not directly responsible or of an EU group of institutions which is not a cross-border group for which the Single Resolution Board is not directly responsible”.

After paragraph (7), a new paragraph (8) is added which reads:

“(8) The Croatian National Bank shall submit the draft decision referred to in paragraph (4) of this Article to the Single Resolution Board for opinion in the manner and within the time limit laid down in Regulation (EU) No 806/2014. When drafting the decision referred to in paragraph (4) of this Article, the Croatian National Bank shall act in accordance with the opinion of the Single Resolution Board regarding compliance with Regulation (EU) No 806/2014 and general instructions of the Single Resolution Board referred to in Article 31, paragraph (1), point (a) of Regulation (EU) No 806/2014.”.

The former paragraphs (8) to (12) of the same Article become paragraphs (9) to (13).

Article 20.

In Article 22, paragraph (1) the words “group-level resolution authority” are replaced by the words “group-level resolution authority for cross-border group for which the Single Resolution Board is not directly responsible”.

Article 21

In Article 23, paragraph (1) is amended to read:

“(1) Where the Croatian National Bank is not the group-level resolution authority for an EU cross-border group of institutions and the Single Resolution Board is not directly responsible for an EU group of institutions or a member of the group having its head office in the Republic

of Croatia, it shall, together with the group-level resolution authority, the resolution authorities of subsidiaries, and after consulting the members of the supervisory college and the resolution authorities of the countries where significant branches of the members of that group operate, insofar as is relevant to that branch, within the resolution college, consider the assessment referred to in Article 12 of this Act and participate in the reaching of a joint decision to impose measures referred to in Article 21, paragraphs (4), (5) and (6) of this Act in relation to all institutions that are members of the cross-border group."

Article 22

After Article 23, Article 23a and the title above it are added which read:

"Implementation of Single Resolution Board's instructions for the application of powers to address or remove impediments to the implementation of bankruptcy proceedings or to resolvability"

Article 23a

(1) When the Single Resolution Board exercises its powers referred to in Article 10, paragraphs (10) or (11) of Regulation (EU) No 806/2014 in relation to addressing or removing impediments to the implementation of bankruptcy proceedings or to resolvability, the Croatian National Bank shall act only in accordance with the instructions of the Single Resolution Board and in the manner laid down in Article 21, paragraphs (4), (5), (6), (7) and (13) of this Act.

(2) The entity for which the Single Resolution Board is directly responsible shall implement measures to address or remove impediments to the implementation of bankruptcy proceedings or to resolvability within the time limits laid down in the decision of the Croatian National Bank adopted in accordance with paragraph (1) of this Article.

(3) The entity for which the Single Resolution Board is directly responsible shall submit to the Croatian National Bank within one month of receipt of the decision imposing measures in accordance with paragraph (1) of this Article a plan to comply with the imposed measures."

Article 23

The Title above Article 25 is amended to read:

"Minimum requirements for institutions which are not a part of the cross-border group and an EU group of institutions which is not a cross-border group".

In Article 25, paragraph (1) is amended to read:

"The Council of the Croatian National Bank or the Board of the Croatian Financial Services Supervisory Agency shall determine the minimum requirement for institutions that are not part of a cross-border group and for which the Single Resolution Board is not directly responsible and an EU group of institutions which is not a cross-border group and for which the Single Resolution Board is not directly responsible."

After paragraph (11), a new paragraph (12) is added which reads:

“(12) The Croatian National Bank shall submit the draft decision referred to in paragraph (1) of this Article to the Single Resolution Board for opinion in the manner and within the time limit laid down in Regulation (EU) No 806/2014. When adopting the decision, the Croatian National Bank shall act in accordance with the opinion of the Single Resolution Board regarding compliance with Regulation (EU) No 806/2014 and general instructions of the Single Resolution Board referred to in Article 31, paragraph (1), point (a) of Regulation (EU) No 806/2014.”.

The former paragraph (12) of the same Article becomes paragraph (13).

Article 24

In Article 26, paragraph (1) is amended to read:

“(1) Where the Croatian National Bank or the Croatian Financial Services Supervisory Agency is the group-level resolution authority of a cross-border group for which the Single Resolution Board is not directly responsible, it shall draw up a proposal of the minimum requirement on a consolidated basis based on the criteria referred to in Article 25, paragraph (2) of this Act and based on the possibility that a subsidiary having its head office in a third country is to be resolved separately according to the resolution plan.”.

Article 25

In Article 27, paragraph (1) is amended to read:

“(1) Where the Croatian National Bank or the Croatian Financial Services Supervisory Agency is not the group-level resolution authority for an EU cross-border group of institutions and the Single Resolution Board is not directly responsible for an EU group of institutions or a member of the group having its head office in the Republic of Croatia, it shall participate in the reaching of a joint decision on the minimum requirement to be applied on a consolidated basis.”.

Article 26

After Article 27, Article 27a and the title above it are added which read:

“Implementation of Single Resolution Board’s decisions on the minimum requirement

Article 27a

(1) When the Single Resolution Board exercises its powers referred to in Article 12 of Regulation (EU) No 806/2014, the Croatian National Bank shall issue a decision, only in accordance with the instructions of the Single Resolution Board, ordering the entity for which the Single Resolution Board is directly responsible to maintain the minimum requirement on an individual, sub-consolidated or consolidated basis that has been set by the decision of the

Single Resolution Board referred to in Article 12, paragraph (1) of Regulation (EU) No 806/2014 or by the joint decision on the minimum requirement in whose adoption process for a member of the group having its head office in the Republic of Croatia the Single Resolution Board participates.

(2) Institutions shall meet the minimum requirement laid down in the decision referred to in paragraph (1) of this Article at all times.

(3) In the process of determining the minimum requirement by the Single Resolution Board in accordance with Article 12 of Regulation (EU) No 806/2014, the Croatian National Bank may submit a proposal to the Single Resolution Board to waive the obligation of the entity for which the Single Resolution Board is directly responsible to maintain the minimum requirement on a individual basis in cases where the conditions referred to in Article 25, paragraphs (5) or (7), or Article 26, paragraphs (15) or (16), or Article 27, paragraph (13) of this Act are met.

(4) The Croatian National Bank may in the process of determining the minimum requirement by the Single Resolution Board in accordance with Article 12 of Regulation (EU) No 806/2014 submit a proposal that the minimum requirement on a consolidated or individual basis be partly met by instruments which contain contractual terms referred to in Article 12, point (12) of Regulation (EU) No 806/2014.

(5) When the Single Resolution Board exercises its powers referred to in Article 12, paragraph (17) of Regulation (EU) No 806/2014 in relation to the enforceability of the decisions of the Single Resolution Board on write down or conversion of liabilities under the law of a third country which is applicable to the liabilities of the entity, the Croatian National Bank shall act in accordance with the instructions of the Single Resolution Board.

(6) The Croatian National Bank, in accordance with the instructions of the Single Resolution Board, monitors whether the entity for which the Single Supervisory Board is directly responsible maintains the minimum requirement referred to in paragraph (1) of this Article.”.

Article 27

In Article 28, paragraph (1) after the words “Croatian National Bank” the following words are inserted “as the competent authority, except in cases where the European Central Bank exercises its supervisory tasks referred to in Article 4 of Council Regulation (EU) No 1024/2013 in relation to significant supervised entities,”.

In paragraph (4) of the same Article, after the word “institution” the following words are inserted “for which the Single Resolution Board is not directly responsible”.

In paragraph (6) of the same Article, after the word “institution” the following words are inserted “for which the Single Resolution Board is not directly responsible”.

Article 28

In Article 29, paragraph (1) is amended to read:

“(1) Upon receipt of the request referred to in Article 28, paragraph (4) of this Act, the State Agency for Deposit Insurance and Bank Resolution shall prepare a draft decision on the request within 3 working days, which it shall submit to the Single Resolution Board for opinion in the manner and within the time limit laid down in Regulation (EU) No 806/2014. The State Agency for Deposit Insurance and Bank Resolution shall decide on the request referred to in Article 28, paragraph (4) of this Act within 7 working days of receipt of the request, acting in accordance with the opinion of the Single Resolution Board regarding compliance with Regulation (EU) No 806/2014 and general instructions of the Single Resolution Board referred to in Article 31, paragraph (1), point (a) of Regulation (EU) No 806/2014.”.

After paragraph (8) of the same Article, a paragraph (9) is added which reads:

“(9) By way of derogation from paragraph (1) of this Article, the State Agency for Deposit Insurance and Bank Resolution shall without delay notify the Single Resolution Board if the resolution action to be undertaken implies the use of the Single Resolution Fund. Where the Single Resolution Board decides that the resolution action to be undertaken does not imply the use of the Single Resolution Fund, the State Agency for Deposit Insurance and Bank Resolution shall adopt a decision referred to in paragraph (1) of this Article.”.

Article 29

In Article 30, paragraph (1) the words “group-level resolution authority for an EU group of institutions” is replaced by the words “group-level resolution authority for an EU cross-border group for which the Single Resolution Board is not directly responsible”.

Article 30

In Article 31, paragraphs (1) and (2) the words “not the group-level resolution authority for an EU group of institutions” is replaced by the words “not the group-level resolution authority for an EU cross-border group and the Single Resolution Board is not directly responsible for an EU group of institutions or a member of the group having its head office in the Republic of Croatia”.

Paragraph (3) of the same Article is amended to read:

“The State Agency for Deposit Insurance and Bank Resolution shall act in accordance with Article 29 of this Act if the group-level resolution authority, after consulting other members of the resolution college, assessed that the opening of resolution proceedings or the action referred to in paragraph (1) of this Article would not result in any other member of the group in another Member State meeting the conditions for initiating resolution proceedings, and notified the State Agency for Deposit Insurance and Bank Resolution thereof. ”.

Article 31

In Article 33, paragraph (1) after the words “resolution proceedings” a comma is inserted and the words “including the decision aimed at implementing decisions of the Single Resolution Board”.

In paragraph (7) of the same Article, the words “from the resolution fund” are replaced by the words “in accordance with the general rules of compensation for damage”.

Article 32

In Article 34, paragraph (1) after the words “supervision” a comma is inserted and the words “for which the Single Resolution Board is not directly responsible,”.

In paragraph (2) of the same Article, after the words “subsidiary” a comma is inserted and the words “for which the Single Resolution Board is not directly responsible,”.

Article 33

After Article 34, Article 34a and the title above it are added which read:

“Implementation of the Single Resolution Board’s resolution scheme”

Article 34a

(1) When the Single Resolution Board exercises its powers referred to in Article 18 of Regulation (EU) No 806/2014, the State Agency for Deposit Insurance and Bank Resolution shall act in accordance with the resolution scheme and the instructions of the Single Resolution Board applying the resolution tools referred to in Title IX of this Act, exercising the resolution powers referred to in Title X of this Act and applying the safeguards referred to in Title XII of this Act.

(2) The Croatian National Bank may, at the request of the Single Resolution Board, in cooperation with the European Central Bank assess whether the conditions referred to in Article 18, paragraph (1), item (b) of Regulation (EU) No 806/2014 exist.

(3) Immediately upon the receipt of the resolution scheme adopted by the Single Resolution Board, the State Agency for Deposit Insurance and Bank Resolution shall adopt a decision to appoint a resolution administration.

(4) The resolution administration appointed in accordance with paragraph (3) of this Act shall be subject to the provisions of Articles 44 to 54 of this Act.

(5) Public disclosure and delivery of the decision on resolution by the Single Resolution Board shall be subject to the provisions of Article 29, paragraph (6) and Article 32 of this Act.

(6) Where it has been assessed that the entity for which the Single Resolution Board is directly responsible is failing or is likely to fail and in relation to which the resolution scheme has not been adopted in accordance with Article 18 of Regulation (EU) No 806/2014, the Croatian National Bank may submit a request to open bankruptcy proceedings to the competent court or adopt a decision to initiate compulsory winding-up proceedings.”.

Article 34

In Article 35, paragraph (1) after the words “and liabilities of the institution or entity referred to in Article 3, item (2), (3) or (4) of this Act is carried out” a comma is inserted and the words “unless it has already been ensured by the Single Resolution Board in accordance with Article 20, paragraphs (1) to (15) of Regulation (EU) No 806/2014”.

In paragraph 6, item (a), after the words “of this Act” the following words are inserted “or Single Resolution Fund”.

In item (b), after the words “the resolution fund” the following words are inserted “or Single Resolution Fund may charge interest or fees in relation to any loans or guarantees provided to the institution in accordance with Article 116 of this Act or Article 76 of Regulation (EU) No 806/2014 respectively”.

Article 35

In Article 36, after paragraph (6), paragraph (7) is added which reads:

“(7) Where the Single Resolution Board exercises its powers in accordance with Article 20, paragraph (12) of Regulation (EU) No 806/2014, State Agency for Deposit Insurance and Bank Resolution shall act in accordance with instructions of the Single Resolution Board.”.

Article 36

In Article 37, paragraph (1), before the words “the Croatian National Bank”, the words “In relation to capital instruments issued by an entity for which the Single Resolution Board is not directly responsible,” are inserted.

Article 37

In Article 39, after paragraph (7), a new paragraph (8) is inserted which reads:

“(8) The Croatian National Bank shall deliver to the Single Resolution Board the draft of the decision referred to in paragraph (1) of this Article for opinion in the manner and within the time limit set out in Regulation (EU) No 806/2014. When reaching the decision, the Croatian National Bank shall act in accordance with the opinion of the Single Resolution Board in relation to compliance with Regulation (EU) No 806/2014 and the general instructions of the Single Resolution Board referred to in Article 31, paragraph (1), point (a) of Regulation (EU) No 806/2014.”.

The former paragraph (8) of the same Article becomes paragraph (9).

In the former paragraph (9) of the same Article, which becomes paragraph (10), the words “paragraph (8)” are replaced by the words “paragraph (9)”.

The former paragraphs (10) to (13) of the same Article become paragraphs (11) to (14).

Article 38

In Article 40, paragraph (1), after the words “Republic of Croatia”, the words “for which the Single Resolution Board is not directly responsible and” are added.

Article 39

In Article 41, paragraph (1), item (2), after the words “Article 37, paragraph (1)”, the words “or Article 42a” are inserted.

After paragraph (7) of the same Article, paragraph (8) is added which reads:

“(8) When the European Central Bank performs its supervisory tasks referred to in Article 4, paragraph (1), subparagraph (c) of Council Regulation (EU) No 1024/2013, the Croatian National Bank as the supervisory authority shall, in implementing paragraphs (5) to (7) of this Article, reach a decision only in accordance with the instructions of the European Central Bank.”.

Article 40

After Article 42, Article 42a and its title are inserted which read:

*“Write down or conversion of capital instruments
in accordance with the instructions of the Single Resolution Board*

Article 42a

(1) For entities for which the Single Resolution Board is directly responsible, the Croatian National Bank, as the competent authority, shall assess whether the conditions referred to in Article 21, paragraph (1), first subparagraph of items (a), (c) and (d) of Regulation (EU) No 806/2014 are fulfilled, except in cases where the European Central Bank exercises its supervisory tasks referred to in Article 4 of Council Regulation (EU) No 1024/2013 in relation to significant supervised entities.

(2) When the Single Resolution Board exercises its powers referred to in Article 21, paragraph (8) of Regulation (EU) No 806/2014, the Croatian National Bank shall write down capital instruments or convert relevant capital instruments into common equity tier 1 instruments only in accordance with the instructions of the Single Resolution Board.

(3) In the case referred to in paragraph (2) of this Article, the provisions of Article 38, paragraphs (3), (4), (5), (6) and (7) and Articles 39, 41 and 42 of this Act shall apply, whereby all references to the valuation referred to in Article 35 and the assessment referred to in Article 69 of this Act shall refer to the valuation ensured by the Single Resolution Board in accordance with Article 20, paragraphs (1) to (15) and Article 27, paragraph (13) of Regulation (EU) No 806/2014.”.

Article 41

In Article 44, paragraph (1), after the words “proceedings”, a comma is inserted, followed by the words “or the decision referred to in Article 34a, paragraph (3) of this Act”.

Article 42

In Article 47, paragraph (5), after the words “possible”, a comma is inserted, followed by the words “in case of resolution proceedings of an investment firm to which Regulation (EU) No 806/2014 does not apply or of a branch of a third-country institution authorised in the Republic of Croatia.”.

Article 43

In Article 55, paragraph (1), after the words “of Article 3, item (2), (3) or (4) of this Act” the words “for which the Single Resolution Board is not directly responsible” are added.

Article 44

After Article 55, Article 55a and its title are inserted which read:

“Write down and conversion of capital instruments performed by the State Agency for Deposit Insurance and Bank Resolution in accordance with the instructions of the Single Resolution Board

Article 55a

(1) When the Single Resolution Board exercises its powers referred to in Article 22, paragraph (1) of Regulation (EU) No 806/2014, the State Agency for Deposit Insurance and Bank Resolution shall write down capital instruments or convert relevant capital instruments into common equity tier 1 instruments only in accordance with the instructions of the Single Resolution Board.

(3) In the case referred to in paragraph (1) of this Article, the provisions of Article 38, paragraphs (3), (4), (5), (6) and (7) and Articles (39), (41) and (42) of this Act shall apply, whereby all references to the valuation referred to in Article 35 and the assessment referred to in Article 69 of this Act shall refer to the valuation ensured by the Single Resolution Board in accordance with Article 20, paragraphs (1) to (15) and Article 27, paragraph (13) of Regulation (EU) No 806/2014.”.

Article 45

In Article 56, paragraph (1), after the words “State Agency for Deposit Insurance and Bank Resolution shall”, the words “when implementing the decision on resolution referred to in Article 29, paragraph (1) of this Act” are inserted.

Paragraph (15) of the same Article is amended to read:

“(15) The State Agency for Deposit Insurance and Bank Resolution shall adopt a decision on the completion of resolution proceedings for an entity for which the Single Resolution Board is not directly responsible after the grounds for opening resolution proceedings cease to exist or after all necessary resolution action has been taken and after consulting the Croatian National Bank or the Croatian Financial Services Supervisory Agency as the competent authority.”.

After paragraph (15), paragraph (16) is added which reads:

“(16) When the Single Resolution Board exercises its powers referred to in Article 23 of Regulation (EU) No 806/2014, in implementing the resolution scheme the State Agency for Deposit Insurance and Bank Resolution shall apply one or more resolution tools referred to in paragraph (1) of this Article only in accordance with the instructions of the Single Resolution Board referred to in Article 18 of Regulation (EU) No 806/2014.”.

Article 46

In Article 57, paragraph (10), after the words “with Article (36) of this Act” the words “or the valuation carried out in accordance with Article 20 of Regulation (EU) No 806/2014” are inserted.

Article 47

In Article 59, paragraph (9) is amended to read:

“(9) When the European Central Bank performs its supervisory tasks referred to in Article 4, paragraph (1), subparagraph (a) of Regulation 1024/2013, the Croatian National Bank as the competent authority, in accordance with the instructions of the European Central Bank, or the Croatian Financial Services Supervisory Agency as the competent authority shall, at the request of the State Agency for Deposit Insurance and Bank Resolution, issue a provisional authorisation at least for the provision of services transferred to the bridge institution and in it specify the time limit during which the bridge institution is not obliged to comply with the statutory requirements for authorisation.”.

In paragraph 11 of the same Article, after the words “proceedings”, a comma is inserted, followed by the words “or in the decision on appointment referred to in Article 34a, paragraph (3) of this Act”.

In paragraph (12) of the same Article, in item (b), after the word “payment”, the words “effected in the manner laid down in the decision on the resolution of the Single Resolution Board referred to in Article 18 of Regulation (EU) No 806/2014 or” are inserted.

In paragraph (15) of the same Article, in the first indent, after the words “this Act” the words “or the resolution scheme of the Single Resolution Board reached pursuant to Article 18 of Regulation (EU) No 806/2014” are inserted.

Article 48

In Article 64, paragraph (3), the second sentence is amended to read:

“The start up capital of the asset management vehicle may be paid in by the State Agency for Deposit Insurance and Bank Resolution in the manner laid down in the decision on resolution and the instructions of the Single Resolution Board referred to in Article 18 of Regulation (EU) No 806/2014 or from the resolution fund.”

In paragraph (10) of the same Article, after the word “Act”, the words “or in accordance with Article 20, paragraphs (1) to (15) of Regulation (EU) No 806/2014” are inserted.

Article 49

In Article 69, after paragraph (4), a new paragraph (5) is inserted which reads:

"(5) By way of derogation from paragraph (4) of this Article, when the Single Resolution Board exercises its powers in accordance with Article 20, paragraph (12) of Regulation (EU) No 806/2014, State Agency for Deposit Insurance and Bank Resolution shall act in accordance with the instructions of the Single Resolution Board".

The former paragraph (5) becomes paragraph (6).

Article 50

In Article 70, paragraph (1), in item (b), after the words “Article 35 of this Act” the words “or the valuation carried out in accordance with Article 20, paragraphs (1) to (15) of Regulation (EU) No 806/2014” are inserted.

In paragraph (4) of the same Article, in item (a), after the word “Act”, the words “or in accordance with Article 20, paragraphs (1) to (15) of Regulation (EU) No 806/2014” are inserted.

In paragraph (4) of the same Article, in item (c), after the word “Act”, the words “or in accordance with Article (27), paragraph (13) of Regulation (EU) No 806/2014” are inserted.

Article 51

In Article 72, paragraph (4), after the words “Act”, the words “or in accordance with Article 20, paragraphs (1) to (15) of Regulation (EU) No 806/2014” are inserted.

Article 52

In Article 75, paragraph (1), after the words “for which”, the words “the Single Resolution Board or” are inserted.

Article 53

In Article 77, paragraph (1), after the words “plan”, the words “of the institution or entity referred to in Article 3, item (2), (3) or (4) of this Act for which the Single Resolution Board is not directly responsible,” are added.

Article 54

After Article 77, Article 77a and its title are inserted which read:

“Assessment of the business reorganisation plan of an entity for which the Single Resolution Board is directly responsible

Article 77a

Upon receipt of the business reorganisation plan of an entity for which the Single Resolution Board is directly responsible, the State Agency for Deposit Insurance and Bank Resolution shall act in the manner laid down in Article 27, paragraph (16) of Regulation (EU) No 806/2014.”.

Article 55

After Article 83, Article 83a and its title are inserted which read:

“Powers of resolution authorities in the early intervention phase

Article 83a

(1) Where the conditions for early intervention have been met in accordance with the regulations governing the operation of credit institutions and investment firms, the Croatian National Bank or the Croatian Financial Services Supervisory Agency are authorised to order the credit institution for which the Single Resolution Board is not directly responsible to contact potential acquirers with the aim of preparing the institution for resolution, subject to the principles referred to in Article 58, paragraph (2) of this Act as well as the confidentiality requirements laid down in Article 98 of this Act.

(2) The Croatian National Bank shall deliver the draft of the decision referred to in paragraph (1) of this Act to the Single Resolution Board for opinion in the manner and within the time limit laid down in Regulation (EU) No 806/2014. In preparing the decision, the Croatian National Bank shall act in accordance with the opinion of the Single Resolution Board in relation to compliance with Regulation (EU) No 806/2014 and the general instructions of the Single Resolution Board referred to in Article 31, paragraph (1), item (a) of Regulation (EU) No 806/2014.

(3) The Croatian National Bank or the Croatian Financial Services Supervisory Agency shall without delay transmit the decision referred to in paragraph (1) of this Article to the State Agency for Deposit Insurance and Bank Resolution.”.

Article 56

In Article 95, after paragraph (5), a new paragraph (6) is inserted which reads:

“(6) The Single Resolution Board may participate in a resolution college as observer. To ensure the effective work of the resolution college, the Croatian National Bank shall cooperate with the Single Resolution Board.”

The former paragraphs (6) to (8) of the same Article become paragraphs (7) to (9).

Article 57

In Article (96), before the word “Where”, paragraph number “(1)” is inserted, and after the words “is not the group-level resolution authority”, a comma is inserted and is followed by the words: “and the Single Resolution Board is not directly responsible for an EU group of institutions or a member of the group having its head office in the Republic of Croatia”.

After paragraph (1) of the same Article, new paragraphs (2), (3) and (4) are added, which read:

“(2) In the case referred to in paragraph (1) of this Article, where the Single Resolution Board is not a member of the resolution college, and a subsidiary is an entity subject to Regulation (EU) No 806/2014, the Croatian National Bank shall submit a request for the participation of the Single Resolution Board in the resolution college as observer to the group-level resolution authority.

(3) In the course of the participation in the work of the resolution college referred to in paragraph (1) of this Article, the Croatian National Bank shall cooperate with the Single Resolution Board in accordance with Regulation (EU) No 806/2014.

(4) In case of a resolution college set up by the Single Resolution Board as a group-level resolution authority or where the Single Resolution Board is a member of the resolution college, and a subsidiary is an entity for which the Single Resolution Board is directly responsible, the Croatian National Bank or the State Agency for Deposit Insurance and Bank Resolution may participate as observer, depending on the issue being resolved and in accordance with the division of powers referred to in this Act.”.

Article 58

In Article 98, paragraph (6), item (b) is amended to read:

“b) the employees of resolution authorities and competent authorities with the employees of resolution authorities and competent authorities of Member States, the Single Resolution Board, competent ministries, central banks, deposit guarantee schemes, judicial and other

authorities competent for the implementation of bankruptcy or winding-up proceedings, the European Banking Authority, the Council of the European Union, the European Commission in accordance with Article 105 of this Act and third-country authorities that carry out equivalent functions to resolution authorities or to a potential acquirer.”.

Article 59

In Article 101, after paragraph (8) paragraph (9) is added which reads:

“(9) When the Single Resolution Board issues a recommendation in accordance with Article 33 of Regulation (EU) No 806/2014, the State Agency for Deposit Insurance and Bank Resolution and the Croatian National Bank shall act in accordance with the recommendation or explain to the Single Resolution Board the reason for not acting in accordance with the recommendation.”.

Article 60

In Article 107, paragraph (1), after the words “the bail-in tool,”, the words “where the Single Resolution Board did not ensure a valuation in accordance with Article 20, paragraph (16) of Regulation (EU) No 806/2014,” are inserted.

Article 61

In Article 108, paragraph (1) the words “the resolution fund” are replaced by the words “the Single Resolution Fund in accordance with the provisions of Regulation (EU) No 806/2014 or the resolution fund where the aforementioned right is not exercised in accordance with Regulation (EU) No 806/2014”.

In paragraph (2) of the same Article, after the word “difference”, the words “from the resolution fund” are inserted.

Article 62

In Article 114, paragraph (3), after the words “State Agency for Deposit Insurance and Bank Resolution”, a comma is inserted and is followed by the words: “while a part of the funds shall be transferred to the Single Resolution Fund in accordance with the provisions of the Agreement on the transfer and mutualisation of contributions to the Single Resolution Fund and Regulation (EU) No 806/2014”.

Article 63

In Article 115, paragraph (1) is amended to read:

(1) The resolution fund shall have available sufficient funds to achieve the objectives referred to in Article 6 of this Act and to fulfil the obligations of the State Agency for Deposit Insurance and Bank Resolution referred to in Article 67 of Regulation (EU) No 806/2014 and therefore the State Agency for Deposit Insurance and Bank Resolution shall, in the name and for the account of the resolution fund:

a) raise ex-ante contributions in accordance with Article 118 of this Act and Article 70 of Regulation (EU) No 806/2014 for the purpose of reaching the target level referred to in Article 117 of this Act;

b) raise ex-post contributions in accordance with Article 119 of this Act and Article 71 of Regulation (EU) No 806/2014 where the contributions specified in item (a) of this paragraph are not sufficient; and

c) contract borrowings and other alternative financing sources in accordance with Articles 120 to 121 of this Act.”

In paragraph (2) of the same Article, after the words: “paragraph (1) of this Article”, a comma is inserted and is followed by the words: “except the funds transferred to the Single Resolution Fund”.

Article 64

In Article 116, after paragraph (3), paragraph (4) is added which reads:

“(4) The funds of the resolution fund transferred to the Single Resolution Fund shall be used for the purposes referred to in paragraph (1) of this Article in the manner laid down in Article 5 of the Agreement on the transfer and mutualisation of contributions to the Single Resolution Fund.”.

Article 65

In Article 117, after paragraph (4), paragraph (5) is added which reads:

“(5) For the purposes of calculating the achievement of the target level referred to in paragraph (1) of this Article, the contributions transferred to the Single Resolution Fund shall be counted towards the target level of the resolution fund.”.

Article 66

In Article 118, paragraph (1) the words “EU branches” are replaced by the words “branches of third-country institutions”.

Paragraph (2) of the same Article is amended to read:

“(2) The contribution referred to in paragraph (1) of this Article of institutions and branches of third-country institutions authorised in the Republic of Croatia shall be pro rata to the amount of their liabilities (excluding own funds) less covered deposits, with respect to the aggregate liabilities (excluding own funds) less covered deposits of all the institutions and branches of third-country institutions authorised in the Republic of Croatia, i.e. to the aggregate liabilities (excluding own funds) less covered deposits of all the institutions and branches of third-country institutions in all Member States participating in the Single Resolution Mechanism.”.

In paragraph (3) of the same Article, the words “EU branches” are replaced by the words “branches of third-country institutions”.

Paragraphs (4), to (6) of the same Article are amended to read:

“(4) The contribution referred to in paragraph (1) of this Article shall be calculated for institutions and branches of third-country institutions authorised in the Republic of Croatia on the basis of data specified in the financial statements delivered to the State Agency for Deposit Insurance and Bank Resolution in accordance with the provisions of the applicable Delegated Regulation with regard to *ex ante* contributions to resolution financing arrangements.

(5) The State Agency for Deposit Insurance and Bank Resolution shall issue and deliver an invoice for the ex-ante contribution calculated in accordance with paragraph (4) of this Article to institutions and branches of third-country institutions authorised in the Republic of Croatia.

(6) Institutions and branches of third-country institutions authorised in the Republic of Croatia shall pay the invoice referred to in paragraph (5) of this Article within 15 days following the day the invoice is delivered. The State Agency for Deposit Insurance and Bank Resolution shall transfer the funds pertaining to the Single Resolution Fund in accordance with Regulation (EU) No 806/2014 to the Single Resolution Fund.”.

In paragraph (10) of the same Article, the words “EU branches” are replaced by the words “branches of third-country institutions”.

Article 67

In Article 119, paragraph (2), the words “EU branches” are replaced by the words “branches of third-country institutions”.

In paragraph (5) of the same Article, the words “EU branches” are replaced by the words “branches of third-country institutions”.

In paragraph (6) of the same Article, the words “EU branches” are replaced by the words “branches of third-country institutions”.

In paragraph (8) of the same Article, the words “EU branches” are replaced by the words “branches of third-country institutions”.

Article 68

In Article 122, paragraph (2), after the words “the group-level resolution authority”, a comma is inserted and is followed by the words “and the Single Resolution Board is not directly responsible for the EU group of institutions”.

Article 69

After Article 123, Article 123a and its title are inserted which read:

“Fees for the administrative expenses of the resolution fund

Article 123a

(1) Institutions and branches of third-country institutions authorised in the Republic of Croatia shall pay to the State Agency for Deposit Insurance and Bank Resolution an annual fee to cover administrative expenses related to the resolution authority function and the expenses related to the cooperation with the Single Resolution Board in accordance with Regulation (EU) No 806/2014.

(2) Pursuant to the provisions of Regulation (EU) No 806/2014, State Agency for Deposit Insurance and Bank Resolution shall notify the entities subject to the application of provisions of paragraph (1) of this Article of the amount of annual fees and the account number to which the amount is to be transferred by no later than the 30th of June. Entities subject to the application of provisions of paragraph (1) of this Article shall pay the fees within 15 days following the receipt of the invoice.

(3) The amount of the annual fee for administrative expenses of an institution or a branch of a third-country institution authorised in the Republic of Croatia shall not exceed 5% of the amount of its annual contribution referred to in Article 118 of this Act.”.

Article 70

In Article 124, paragraph (1), items (8) and (9) are amended to read:

“8) where it fails to deliver or fails to deliver within the prescribed time limit a plan to comply with the measures for addressing or removing impediments to the implementation of bankruptcy proceedings or resolvability laid down in the decision of the Croatian National Bank or the Croatian Financial Services Supervisory Agency and thereby acts contrary to Article 21, paragraph (10) of this Act;

9) where it fails to implement or fails to implement within the proposed time limit the measures for addressing or removing impediments to the implementation of bankruptcy proceedings or resolvability proposed to the Croatian National Bank or the Croatian Financial Services Supervisory Agency, which the Croatian National Bank or the Croatian Financial Services Supervisory Agency assessed as effective, and thereby acts contrary to Article 21, paragraph (3) of this Act;”.

After item (9) of the same Article, new items (10) to (18) are inserted which read:

“10) where it fails to implement or fails to implement within the prescribed time limit the measures for addressing or removing impediments to the implementation of bankruptcy proceedings or resolvability laid down by the Croatian National Bank or the Croatian Financial Services Supervisory Agency in the decision adopted in accordance with Article 21, paragraph (4) of this Act;

11) where the parent undertaking or a member of the group fails to implement or fails to implement within the prescribed time limit the measures for addressing or removing impediments to the implementation of bankruptcy proceedings or resolvability in accordance with the decision of the Council of the Croatian National Bank or the Board of the Croatian Financial Services Supervisory Agency referred to in Article 22, paragraph (9) of this Act;

12) where the parent undertaking or a member of the group fails to implement or fails to implement within the prescribed time limit the measures for addressing or removing impediments to the implementation of bankruptcy proceedings or resolvability in accordance with the decision of the Council of the Croatian National Bank or the Board of the Croatian Financial Services Supervisory Agency referred to in Article 22, paragraph (11) of this Act;

13) where the parent undertaking or a member of the group fails to implement or fails to implement within the prescribed time limit the measures for addressing or removing impediments to the implementation of bankruptcy proceedings or resolvability in accordance with the decision of the Council of the Croatian National Bank or the Board of the Croatian Financial Services Supervisory Agency referred to in Article 22, paragraph (12) of this Act;

14) where the parent undertaking or a member of the group fails to implement or fails to implement within the prescribed time limit the measures for addressing or removing impediments to the implementation of bankruptcy proceedings or resolvability in accordance with the decision of the Council of the Croatian National Bank or the Board of the Croatian Financial Services Supervisory Agency referred to in Article 23, paragraph (5) of this Act;

15) where a member of the group fails to implement or fails to implement within the prescribed time limit the measures for addressing or removing impediments to the implementation of bankruptcy proceedings or resolvability in accordance with the decision of the Council of the Croatian National Bank or the Board of the Croatian Financial Services Supervisory Agency referred to in Article 23, paragraph (7) of this Act;

16) where a member of the group fails to implement or fails to implement within the prescribed time limit the measures for addressing or removing impediments to the implementation of bankruptcy proceedings or resolvability in accordance with the decision of the Council of the Croatian National Bank or the Board of the Croatian Financial Services Supervisory Agency referred to in Article 23, paragraph (8) of this Act;

17) where it fails to implement or fails to implement within the prescribed time limit the measures for addressing or removing impediments to the implementation of bankruptcy proceedings or resolvability laid down by the Croatian National Bank in the decision adopted in accordance with Article 23a, paragraph (1) of this Act and thereby acts contrary to Article 23a, paragraph (2) of this Act.

18) where it fails to deliver or fails to deliver within the prescribed time limit a plan to comply with the measures for addressing or removing impediments to the implementation of bankruptcy proceedings or resolvability laid down in the decision of the Croatian National Bank and thereby acts contrary to Article 23a, paragraph (3) of this Act;”.

The former item (10) of the same Article, which becomes item (19) is amended to read:

“19) where the institution fails to meet the minimum requirement on an individual basis in the amount and in the manner laid down by the Croatian National Bank or the Croatian Financial Services Supervisory Agency in the decision adopted in accordance with Article 25, paragraph (1) of this Act and thereby acts contrary to Article 25, paragraph (4) of this Act;”.

After former item (10) of the same Article, which becomes item (19), new items (20) to (29) are inserted which read:

“20) where the parent undertaking or a subsidiary fails to meet the minimum requirement on a consolidated basis in the amount and in the manner laid down by the Croatian National Bank or the Croatian Financial Services Supervisory Agency in the decision adopted in accordance

with Article 25, paragraph (1) of this Act and thereby acts contrary to Article 25, paragraph (6) of this Act;

21) where entities referred to in Article (3), items (2), (3) or (4) of this Act fail to meet the minimum requirement on an individual or on a consolidated basis in the amount and in the manner laid down by the Croatian National Bank or the Croatian Financial Services Supervisory Agency in the decision adopted in accordance with Article 25, paragraph (8) of this Act;

22) where the institution fails to partially meet the minimum requirement on an individual or consolidated basis through contractual instruments in the manner laid down in the decision of the Croatian National Bank or the Croatian Financial Services Supervisory Agency referred to in Article 25, paragraph (9) of this Act;

23) where the parent undertaking fails to meet the minimum requirement on a consolidated basis in the amount and the manner laid down by the Croatian National Bank or the Croatian Financial Services Supervisory Agency in the decision adopted in accordance with Article 26, paragraph (5) of this Act;

24) where the parent undertaking fails to meet the minimum requirement on a consolidated basis in the amount and the manner laid down by the Croatian National Bank or the Croatian Financial Services Supervisory Agency in the decision adopted in accordance with Article 26, paragraph (6) of this Act;

25) where the parent undertaking fails to meet the minimum requirement on a consolidated basis in the amount and the manner laid down by the Croatian National Bank or the Croatian Financial Services Supervisory Agency in the decision adopted in accordance with Article 26, paragraph (8) of this Act;

26) where the parent undertaking or a subsidiary fails to meet the minimum requirement on an individual or on a consolidated basis in the amount and the manner laid down by the Croatian National Bank or the Croatian Financial Services Supervisory Agency in the decision adopted in accordance with Article 27, paragraph (8) of this Act;

27) where the parent undertaking or a subsidiary fails to meet the minimum requirement on an individual or on a sub-consolidated basis in the amount and the manner laid down by the Croatian National Bank or the Croatian Financial Services Supervisory Agency in the decision adopted in accordance with Article 27, paragraph (9) of this Act;

28) where the parent undertaking or a subsidiary fails to meet the minimum requirement on an individual or on a sub-consolidated basis in the amount and the manner laid down by the Croatian National Bank or the Croatian Financial Services Supervisory Agency in the decision adopted in accordance with Article 27, paragraph (11) of this Act;

29) where it fails to meet the minimum requirement in the amount and in the manner laid down by the Croatian National Bank in the decision adopted in accordance with Article 27, paragraph (1) of this Act on an individual, sub-consolidated or consolidated basis and thereby acts contrary to Article 27a, paragraph (2) of this Act.”.

The former items (11) to (14) of the same Article become items (30) to (33).

The former item (15) of the same Article, which becomes item (34) is amended to read:

“34) where the institution fails to pay *ex-ante* contributions to the State Agency for Deposit Insurance and Bank Resolution within the prescribed time limit and thereby acts contrary to Article 118, paragraph (6) of this Act.”.

The former items (16) and (17) of the same Article become items (35) and (36).

Article 71

In Article 125, paragraph (1), item (3) is amended to read:

“3) where it fails to carry out the *ex-post* valuation of the assets and liabilities of institutions or entities referred to in Article 3, items (2), (3) or (4) of this Act so as to ensure that the assessment identified all losses by which the assets of the institutions or entities referred to in Article 3, items (2), (3) or (4) of this Act need to be impaired and that they are fully recognised in their business books and so as to inform the decision to write back creditors' claims or to increase the value of the consideration paid and thereby acts contrary to Article 36, paragraph (4) of this Act and”.

Paragraph (3) of the same Article is amended to read:

“(3) Natural persons referred to in Article 98, paragraph (1) of this Act shall be fined between HRK 10,000.00 and up to HRK 100,000.00 where they fail to protect the confidentiality of information of which they become aware in the course of their work within the framework of this Act or breach the prohibition to disclose confidential information received during the course of their professional activities from a competent authority or resolution authority.”.

Article 72

After Article 125, Article 125a and its title are inserted which read:

“Action in line with the recommendation of and the execution of the decision of the Single Resolution Board

Article 125a

(1) The resolution authority shall, in line with the recommendation of the Single Resolution Board referred to in Article 38, paragraph (8) of Regulation (EU) No 806/2014, consider initiating misdemeanour proceedings for the misdemeanour referred to in Articles 124 and 125 of this Act.

(2) When initiating misdemeanour proceedings for the misdemeanour referred to in Article 124, paragraph (1) of this Act against an entity for which the Single Resolution Board is directly responsible, the resolution authority shall take into account any recommendation of the Single Resolution Board referred to in Article 38, paragraph (8) of Regulation (EU) No 806/2014.

(3) For the purpose of executing the decisions of the Single Resolution Board imposing fines and periodic penalty payments referred to in Articles 38 and 39 of Regulation (EU) No 806/2014, the Croatian National Bank shall act in the manner laid down in Article 41, paragraph (3) of Regulation (EU) No 806/2014.

(4) The authority referred to in paragraph (3) of this Article shall submit the enforcement title to the authority competent for the execution of enforcement against the funds in the bank accounts in accordance with the act governing the enforcement against the funds in the bank accounts.”.

Article 73

In Article 128, after paragraph (1), a new paragraph (2) is inserted which reads:

“(2) The funds of the resolution fund transferred to the Single Resolution Fund in accordance with the provisions of Articles (3) and (4) of the Act Ratifying the Agreement on the transfer and mutualisation of contributions to the Single Resolution Fund shall be counted towards the target level of the resolution fund referred to in Article 117, paragraph (1) of this Act.”.

The former paragraphs (2) to (4) of the same Article become paragraphs (3) to (5).

FINAL PROVISION

Entry into force

Article 74

This Act shall be published in the Official Gazette and shall enter into force on the day the Decision on the establishment of close cooperation referred to in Article 7 of Council Regulation (EU) No 1024/2013, which shall be published in the Official Journal of the European Union, begins to apply.

Number: 022-03/20-01/17
Zagreb, 7 April 2020

THE CROATIAN PARLIAMENT

The President of the Croatian Parliament

Gordan Jandroković, m. p.