

**Official Gazette 145/2024 (13 December 2024), Act on Amendments to the
Credit Institutions Act**

CROATIAN PARLIAMENT

2370

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

DECISION

**PROMULGATING THE ACT ON AMENDMENTS TO THE CREDIT
INSTITUTIONS ACT**

I hereby promulgate the Act on Amendments to the Credit Institutions Act passed by the Croatian Parliament at its session on 6 December 2024.

Class: 011-02/24-02/75

No.: 71-10-01/1-24-2

Zagreb, 11 December 2024

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

ACT

ON AMENDMENTS TO THE CREDIT INSTITUTIONS ACT

Article 1

In the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020, 146/2020 and 151/2022) in Article 2, paragraph (1), item (5), at the end of the sentence, the conjunction "and" is deleted.

In item (6), the full stop at the end of the sentence is deleted, a semi-colon is added and item (7) is inserted which reads:

"7) Directive (EU) 2022/2556 of the European Parliament and of the Council of 14 December 2022 amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU, 2014/65/EU, (EU) 2015/2366 and (EU) 2016/2341 as regards digital operational resilience for the financial sector (Text with EEA relevance) (OJ L 333, 27.12.2022) (hereinafter referred to as 'Directive (EU) 2022/2556')."

Paragraph (2) is amended to read:

"(2) This Act further regulates the implementation of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, hereinafter referred to as 'Regulation (EU) No 575/2013'), as last amended by Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (Text with EEA relevance) (OJ L, 2024/1623, 19.6.2024)."

After paragraph (6), paragraphs (7) and (8) are added which read:

"(7) This Act further regulates the implementation of Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 (Text with EEA relevance) (OJ L 150, 9.6.2023) (hereinafter referred to as 'Regulation (EU) 2023/1114')."

(8) This Act further regulates the implementation of Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (Text with EEA relevance) (OJ L 333, 27.12.2022) (hereinafter referred to as 'Regulation (EU) 2022/2554').".

Article 2

In Article 3, paragraph (1), item (97), the full stop is deleted and a semi-colon is added at the end of the sentence and, after item (97), items (98) to (109) are inserted which read:

"98) '*information and communication technology service*' (hereinafter referred to as 'ICT service') means a service as defined in Article 3, item (21) of Regulation (EU) 2022/2554;

99) '*service provider*' means a third-party entity that is undertaking an outsourced process, service or activity, or parts thereof, under an outsourcing arrangement;

100) '*ICT third-party service provider*' means an ICT third-party service provider as defined in Article 3, item (19) of Regulation (EU) 2022/2554;

101) '*network and information system*' means a network and information system as defined in Article 3, item (2) of Regulation (EU) 2022/2554;

102) '*crypto-asset*' means a crypto-asset as defined in Article 3, paragraph (1), item (5) of Regulation (EU) 2023/1114 and not a central bank digital currency;

103) '*electronic money token*' means an electronic money token as defined in Article 3, paragraph (1), item (7) of Regulation (EU) 2023/1114;

104) '*asset-referenced token*' means an asset-referenced token as defined in Article 3, paragraph (1), item (6) of Regulation (EU) 2023/1114;

105) '*crypto-asset services*' means crypto-asset services as defined in Article 3, paragraph (1), item (16) of Regulation (EU) 2023/1114;

106) '*digital operational resilience*' means a digital operational resilience as defined in Article 3, item (1) of Regulation (EU) 2022/2554;

107) '*information and communication technology risk*' (hereinafter referred to as 'ICT risk') means a risk as defined in Article 3, item (5) of Regulation (EU) 2022/2554;

108) '*exposure secured by residential property*' means an exposure as defined in Article 4, paragraph (1), item (75d) of Regulation (EU) No 575/2013;

109) '*exposure secured by commercial immovable property*' means an exposure as defined in Article 4, paragraph (1), item (75e) of Regulation (EU) No 575/2013."

After paragraph (2), new paragraph (3) is added which reads:

"(3) The entities referred to in Article 2, paragraph (5), items (3) to (23) of Directive 2013/36/EU within the meaning of Article 84 and Title XXII of this Act shall be considered financial institutions."

The former paragraph (3) becomes paragraph (4).

Article 3

In Article 7, paragraph (1) the words "from these funds" are deleted.

Article 4

In Article 8, paragraph (1), item (16) is amended to read:

"16) issuance of electronic money, including e-money tokens;".

After item (16), new item (17) and item (18) are inserted which read:

"17) the issuance of asset-referenced tokens;

18) crypto-asset services; and".

The former item (17) becomes item (19).

Article 5

In Article 11, paragraph (3) is amended to read:

"(3) For the purposes of Article 124, paragraph (8) of Regulation (EU) No 575/2013, the Croatian National Bank shall be the designated authority for the application of paragraph (9) of that Article, and shall, for the purpose of Article 164, paragraph (5) of Regulation (EU) No 575/2013, be the designated authority for the application of paragraph (6) of that Article."

Article 6

After Article 57, Article 57a and its title are inserted which read:

"Notification of the European Commission and the European Banking Authority

Article 57a

The Croatian National Bank shall notify the European Commission and the European Banking Authority of laws explicitly allowing undertakings other than credit institutions to carry out the business of taking of deposits and other repayable funds from the public."

Article 7

In Article 62, after paragraph (2), paragraphs (3) to (6) are added which read:

"(3) The Croatian National Bank shall submit to the Croatian Financial Services Supervisory Agency the application for authorisation to provide the financial service referred to in Article 8, paragraph (1), item (18) of this Act, together with the documentation referred to in Article 60, paragraph (7) of Regulation (EU) 2023/1114 and the Delegated Regulation adopted pursuant to Article 60, paragraph (13) of Regulation (EU) 2023/1114 and request an opinion on whether there are doubts that a credit institution would not meet the conditions for the provision of services referred to in Title V of Regulation (EU) 2023/1114.

(4) The Croatian Financial Services Supervisory Agency shall submit to the Croatian National Bank the opinion referred to in paragraph (3) of this Article within 40 days of the date of receipt of the complete documentation referred to in paragraph (3) of this Article. If the documentation is not complete, the Croatian Financial Services Supervisory Agency shall, within 20 days, notify the Croatian National Bank and propose that the party be invited to complete the file.

(5) When dealing with an application for authorisation to provide the financial service referred to in Article 8, paragraph (1), item (18) of this Act, the Croatian National Bank shall take into account the opinion of the Croatian Financial Services Supervisory Agency.

(6) The time limit referred to in Article 327 of this Act within which a decision is taken on the application for authorisation referred to in this Article shall not run until the Croatian Financial Services Supervisory Agency has delivered the opinion referred to in paragraph (3) of this Article or until the expiry of the time limits referred to in paragraph (4) of this Article."

Article 8

In Article 73a, paragraph (3), subparagraph (5) is amended to read:

"– any other information that might be necessary to carry out the assessments referred to in paragraphs (5) and (6) of this Article or the provisions transposing the provisions of Article 21a, paragraphs (3) and (4) of Directive 2013/36/EU into the national law of the Member States and any other documentation which the Croatian National Bank prescribed in the subordinate legislation referred to in paragraph (20) of this Article."

In paragraph (13), the words "may impose" are replaced by the words "shall impose".

Article 9

In Article 73b, paragraph (7) is amended to read:

"(7) In the case referred to in paragraph (6) of this Article, the Croatian National Bank shall consult the European Banking Authority in accordance with Article 19 of Regulation (EU) No 1093/2010."

Article 10

In Article 73c, paragraph (5), after the words "the European Banking Authority" the words "in accordance with Article 19 of Regulation (EU) No 1093/2010" are inserted.

Article 11

In Article 73e, after paragraph (5), new paragraph (6) is inserted which reads:

"(6) By way of derogation from paragraph (5) of this Article, where none of the institutions referred to in paragraph (1) of this Article is a credit institution or a second intermediate EU parent undertaking must be established in connection with investment activities, the intermediate EU parent undertaking or another intermediate EU parent undertaking may be an investment firm authorised in accordance with the regulation governing the capital market or national regulation transposing Article 5, paragraph (1) of Directive 2014/65/EU, which is subject to the regulation governing the resolution of credit institutions and investment firms or to the regulation transposing Directive 2014/59/EU into national law."

In the former paragraph (6), which becomes paragraph (7), in subparagraph (2), after the word "Council" the words "of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (Text with EEA relevance) (OJ L 173, 12.6.2014)" are added.

The former paragraphs (7) and (8) become paragraphs (8) and (9).

Article 12

In Article 90, paragraph (4), item (4), after the words "there are indications of it;" the word "or" is inserted.

In item (5), after the words "founder of the branch has its head office;", the word "or" is deleted and the full stop is added.

Item (6) is deleted.

Article 13

In Article 101, paragraph (1), item (4), after the words "are gender neutral;" the word "and" is deleted.

In item (5), after the words "recovery plan", the full stop is deleted and a semi-colon and the word "and" are inserted.

After item (5), item (6) is added which reads:

"(6) appropriate network and information systems that are set up and managed in accordance with Regulation (EU) 2022/2554."

Article 14

In Article 117, paragraph (1) is amended to read:

"(1) Credit institutions shall, in addition to common equity tier 1 capital maintained to meet all the own funds requirements set out in Article 92, paragraph (1), items (a), (b) and (c) of Regulation (EU) No 575/2013, maintain a capital conservation buffer of common equity tier 1 capital equal to 2.5% of the total risk exposure amount calculated in accordance with Article 92, paragraph (3) of that Regulation on an individual and consolidated basis, as applicable in accordance with Title II of Part One of that Regulation."

Article 15

In Article 129, paragraph (3), the words "paragraph (3)" are replaced by the words "paragraph (2)".

Article 16

In Article 130, paragraph (1) is amended to read:

"(1) Credit institutions shall be required to maintain a structural systemic risk buffer calculated and maintained in accordance with the subordinate legislation referred to in Article 129, paragraph (2) of this Act by common equity tier 1 capital, as applicable in accordance with Title II of Part One of Regulation (EU) No 575/2013, in the amount and in the manner set by the Croatian National Bank."

Article 17

In Article 131, paragraph (1), in the introductory sentence, the words "paragraph (3)" are replaced by the words "paragraph (2)".

Article 18

In Article 134, paragraph (3), the words "related to the setting of the structural systemic risk buffer rate" are replaced by the words: "setting that rate in accordance with Article 133, paragraphs (9) and (13) of Directive 2013/36/EU".

Article 19

In Article 136, paragraph (7), a comma is inserted after the word "capital" and the words "with the exception of sub-category 5 and any other higher sub-category added" are inserted.

In paragraph 10, in the introductory sentence, after the words "Regardless of", the words "the provisions of Article 135 of this Act and" are added.

Article 20

In Article 137, paragraph (10), the words "in paragraph (10) of this Article" are replaced by the words "in paragraph (9) of this Article".

Article 21

In Article 145b, the word "fully" is deleted.

Article 22

In Article 146, paragraph (1), item (5) is amended to read:

"5) legal persons in which members of the credit institution's management board, supervisory board or its procurators have a qualifying holding or in which those persons can exercise significant influence".

Article 23

In Article 147, in front of the words "Prior approval" paragraph designation "(1)" is deleted.

Paragraph (2) is deleted.

Article 24

In Article 174, paragraph (1), item (3) is amended to read:

"3) the state of digital operational resilience and the adequacy of ICT risk management, in accordance with Regulation (EU) 2022/2554; and".

Article 25

In Article 179, paragraph (2), item (6) is amended to read:

"6) service providers to any of the persons referred to in items (1) to (4) of this paragraph, including ICT third-party service providers referred to in Chapter V of Regulation (EU) 2022/2554."

In paragraph (3), items (2) and (3), the words "paragraph (1)" are replaced by the words "paragraphs (1) and (2)".

Article 26

In Article 180, paragraph (1), item (b), the full stop is deleted and a semi-colon is added at the end of the sentence and, after item (b), item (c) is inserted which reads:

"c) risks revealed by digital operational resilience testing in accordance with Chapter IV of Regulation (EU) 2022/2554."

Article 27

In Article 201, paragraph (3) is amended to read:

"(3) Where authorities other than the competent authority have resolution powers, the Croatian National Bank and those other authorities shall cooperate closely and consult each other in the preparation of the resolution plan, as well as in all other situations in which this Act and the national regulations transposing Directive 2013/36/EU, Directive 2014/59/EU or Regulation (EU) No 575/2013 require cooperation and consultation between them."

Article 28

In Article 209, paragraph (1), the introductory sentence is amended to read:

"(1) By way of derogation from the provisions of Articles 206, 207 and 212 of this Act and by way of derogation from the provisions by which Articles 53, 54 and 55 of Directive 2013/36/EU have been transposed into the national law of the Member States, the Croatian National Bank shall exchange confidential information with the authorities in the Republic of Croatia or other Member States responsible for supervising:"

In paragraph (3), the introductory sentence is amended to read:

"(3) By way of derogation from the provisions of Articles 206, 207 and 212 of this Act and by way of derogation from the provisions by which Articles 53, 54 and 55 of Directive 2013/36/EU have been transposed into the national law of the Member States, the Croatian National Bank may, with the aim of strengthening the stability and safeguarding the integrity of the financial system, exchange information with other competent authorities and institutions in the Republic of Croatia and the Member States which are responsible under law for procedures connected to breaches of company law, when requested or ordered in writing by the competent court. The Croatian National Bank shall disclose confidential information to these authorities if the following conditions are met:"

Article 29

In Article 212a, paragraph (1), the introductory sentence is amended to read:

"(1) By way of derogation from the provisions of Article 206, paragraphs (1) to (3) and Article 207 of this Act and by way of derogation from the provisions by which Article 53, paragraph (1) and Article 54 of Directive 2013/36/EU have been transposed into the national law of the Member States, the Croatian National Bank shall, at the request of the International Monetary Fund, for the purposes of carrying out its tasks, the World Bank, for the purposes of assessments for the Financial Sector Assessment Program, the Bank for International Settlements, for the purposes of quantitative impact studies or the Financial Stability Board, for the purposes of its surveillance function, submit aggregate or such information that individual credit institutions cannot be identified, where the following conditions are met:"

Article 30

In Article 228, paragraph (1), the introductory sentence is amended to read:

"(1) The supervisory measure of additional own funds requirement, referred to in Article 224, paragraph (1), item (20) of this Act, shall be imposed on a credit institution by the Croatian National Bank where, on the basis of the supervision exercised, in accordance with Articles 180 and 188 of this Act and the provisions by which Articles 97 and 101 of Directive

2013/36/EU have been transposed into the national law of the Member States, for a single credit institution it establishes the following:".

In items (1) to (8), the word "where" is replaced by the word "that".

In paragraph (8), after the word "leverage" the words "that is not sufficiently covered by Article 92, paragraph (1), item (d) of Regulation (EU) No 575/2013" are inserted.

Article 31

In Article 284, paragraph (7) is amended to read:

"(7) By way of derogation from paragraph (6) of this Article, where within four months after submission of the report referred to in paragraph (2) of this Article and prior to the reaching of a joint decision, the Croatian National Bank or any other competent authority of other Member States has referred the matter to the European Banking Authority in accordance with Article 19 of Regulation (EU) No 1093/2010 and where the European Banking Authority takes a decision in accordance with Article 19, paragraph (3) of that Regulation within one month, the Croatian National Bank shall adopt a decision in conformity with that decision. The four-month period shall be deemed to be the conciliation period within the meaning of Regulation (EU) No 1093/2010, provided that after the expiry of the four-month period or after the reaching of a joint decision the matter is not referred to the European Banking Authority.".

Article 32

In Article 285, paragraph (7), after the words "Regulation (EU) No 1093/2010", a comma is inserted and the words "provided that after the expiry of the four-month period or after the reaching of a joint decision the matter is not referred to the European Banking Authority" are inserted.

Article 33

In Article 289, paragraph (4), after the words "to supervise the entities" the words "referred to in Article 2, paragraph (1), items (1) and (2) of Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015)".

Article 34

After Article 311, Article 311a and its title are inserted which read:

"Financing of financial literacy

Article 311a

(1) Each year, credit institutions are required to allocate a portion of their income to finance activities aimed at strengthening the financial literacy of the citizens of the Republic of Croatia.

(2) The Minister of Finance shall adopt a guideline on the fulfilment of the credit institution's obligation referred to in paragraph (1) of this Article by a decision."

Article 35

In Article 360, paragraph (1), item (22) is amended to read:

"22) if it fails to identify a group of connected clients in circumstances where the conditions for identifying groups of connected clients are met in accordance with a regulatory technical standard adopted by the European Commission pursuant to Article 4, paragraph (4) of Regulation (EU) No 575/2013 and subordinate legislation adopted under Article 101, paragraph (2), item (3) of this Act;".

In item (42b), the word "fully" is deleted.

Item (42c) is deleted.

Article 36

After Article 361b, Article 361c and its title are inserted which read:

"Misdemeanours due to the failure to finance financial literacy

Article 361c

(1) A credit institution shall be fined between EUR 26,540.00 and EUR 66,360.00 for a misdemeanour if it fails to allocate a portion of its income each year to finance activities aimed at strengthening the financial literacy of the citizens of the Republic of Croatia, which is contrary to Article 311a of this Act.

(2) A responsible person of the credit institution's management board shall also be fined between EUR 2,650.00 and EUR 6,630.00 for the misdemeanours referred to in paragraph (1) of this Article."

TRANSITIONAL AND FINAL PROVISIONS

Article 37

Procedures initiated prior to the entry into force of this Act that have not been completed by the date of entry into force of this Act shall be completed pursuant to the provisions of the Credit Institutions Act (Official Gazette 159/2013, 19/2015, 102/2015, 15/2018, 70/2019, 47/2020, 146/2020 and 151/2022).

Article 38

The Minister of Finance shall adopt the decision referred to in Article 34 of this Act within six months of the entry into force of this Act.

Article 39

This Act shall enter into force on the eighth day after the day of its publication in the Official Gazette, with the exception of Articles 4 and 7 of this Act, which shall enter into force on 30 December 2024, and Articles 13, 24, 25 and 26 of this Act, which shall enter into force on 17 January 2025.

Class: 022-02/24-01/126

Zagreb, 6 December 2024

CROATIAN PARLIAMENT

The President
of the Croatian Parliament
Gordan Jandroković, m.p.