

Official Gazette 85/2024 (19 July 2024), Act Implementing Regulation (EU) 2023/1114 on Markets in Crypto-Assets

THE CROATIAN PARLIAMENT

1473

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

DECISION

PROMULGATING THE ACT IMPLEMENTING REGULATION (EU) 2023/1114 ON MARKETS IN CRYPTO-ASSETS

I hereby promulgate the Act Implementing Regulation (EU) 2023/1114 on Markets in Crypto-Assets passed by the Croatian Parliament at its session on 12 July 2024.

Class: 011-02/24-02/46

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

Zagreb, 16 July 2024

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

ACT

**IMPLEMENTING REGULATION (EU) 2023/1114
ON MARKETS IN CRYPTO-ASSETS**

I GENERAL PROVISIONS

Subject matter

Article 1

(1) This Act ensures 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').

(2) This Act designates the competent authorities responsible for performing the functions and carrying out the duties provided for in Regulation (EU) 2023/1114 and determines their competence.

Application of another regulation

Article 2

The provisions of the law governing the prevention of money laundering and terrorist financing shall apply *mutatis mutandis* to crypto-asset service providers referred to in this Act.

Compliance with guidelines

Article 3

The guidelines adopted by the European Supervisory Authorities in accordance with their powers under Regulation (EU) 2023/1114 are binding on the Croatian Financial Services Supervisory Agency (hereinafter referred to as 'Agency') and supervised entities whose obligations are governed by the provisions of this Act and Regulation (EU) 2023/1114, where the following conditions are met:

1. that, in accordance with the procedure laid down in the regulations establishing the European Supervisory Authorities, the Agency has stated that it has undertaken to comply, in

whole or in part, with the provisions of specific guidelines or that it intends to comply with specific guidelines by a specified deadline;

2. that the Agency has published on its website a notification of the statement referred to in item (1) of this Article, the entry into force and entry into application being determined by specific guidelines, except where the Agency has stated its intention to comply with specific guidelines by a specified deadline, in which case the entry into force and entry into application are determined by the statement referred to in item (1) of this Article.

Definitions

Article 4

(1) For the purposes of this Act, the following terms shall have the following meaning:

1) '*Agency*' means the Croatian Financial Services Supervisory Agency, whose competences and scope of activities are prescribed by the law governing the scope of activities and competences of the Croatian Financial Services Supervisory Agency, this Act and other laws;

2) '*without delay*' or '*immediately*' means the taking of an act or transaction no later than the next working day;

3) '*EBA*' means the European Banking Authority;

4) '*ESMA*' means the European Securities and Markets Authority;

5) '*European Supervisory Authorities*' means EBA and ESMA;

6) '*Croatian National Bank*' means the central bank of the Republic of Croatia, whose tasks and competences are prescribed by the law governing the status, objective, position and tasks of the Croatian National Bank, this Act and other laws;

7) '*competent authorities*' means the Agency and the Croatian National Bank;

8) '*associate of a person convicted of a criminal offence prosecuted ex officio*' means:

a) any natural person who is a member of the management or supervisory board of a legal entity or the beneficial owner of a legal person convicted of a criminal offence prosecuted *ex officio*;

b) any natural person who is the beneficial owner of the legal entity in which a person convicted of a criminal offence prosecuted *ex officio* is a member of the management or supervisory board; or

c) any natural person who has joint beneficial ownership of a legal entity with a person convicted of a criminal offence prosecuted *ex officio*.

(2) Other terms in this Act shall have the same meaning as those used in Regulation (EU) 2023/1114.

Use of terms with a gender-specific connotation

Article 5

The terms used in this Act that have a gender-specific connotation shall refer to both the male and female genders.

II COMPETENT AUTHORITIES, THEIR COMPETENCES AND SCOPE OF ACTIVITIES

Competent authorities

Article 6

(1) The competent authorities responsible for performing the functions and carrying out the duties laid down in Regulation (EU) 2023/1114 and this Act shall be the Agency and the Croatian National Bank.

(2) The Agency shall be the single point of contact for cross-border administrative cooperation between the competent authorities in relation to Titles II, V and VI of Regulation (EU) 2023/1114, as well as for cooperation with ESMA.

(3) The Croatian National Bank shall be the single point of contact for cross-border administrative cooperation between the competent authorities in relation to Titles III and IV of Regulation (EU) 2023/1114, as well as for cooperation with EBA.

(4) Where this Act provides for the power of the Agency to adopt ordinances, those ordinances shall be adopted by the Board of the Agency.

(5) No complaint against decisions taken by the competent authority under this Act and Regulation (EU) 2023/1114 shall be allowed, but an administrative dispute may be initiated against them.

(6) An appeal initiating an administrative dispute against a decision of the Agency may not have the effect of staying the execution of the decision.

Entities supervised by the competent authorities

Article 7

(1) For the purposes of this Act, entities supervised by the Agency shall, in relation to the fulfilment of their obligations under Regulation (EU) 2023/1114 and this Act, be as follows:

1. an offeror and a person seeking admission to trading of a crypto-asset other than an asset-referenced token or e-money token within the meaning of Title II of Regulation (EU) 2023/1114, for which the Republic of Croatia is the home Member State, in accordance with the provisions of Regulation (EU) 2023/1114, including legal and natural persons for whom there are grounds to suspect that they offer crypto-assets contrary to the provisions of that Title;

2. crypto-asset service providers referred to in Article 59, paragraph (1) of Regulation (EU) 2023/1114 for which the Republic of Croatia is the home Member State, in accordance with Title V of Regulation (EU) 2023/1114, including legal and natural persons for whom there are grounds to suspect that they provide crypto-asset services contrary to the provisions of that Title;

3. legal and natural persons who carry out acts concerning crypto-assets that are admitted to trading or in respect of which a request for admission to trading has been made, in accordance with Title VI of Regulation (EU) 2023/1114.

(2) For the purposes of this Act, entities supervised by the Croatian National Bank shall, in relation to the fulfilment of their obligations under Regulation (EU) 2023/1114 and this Act, be as follows:

1. an offeror and a person seeking admission to trading of an asset-referenced token for which the Republic of Croatia is the home Member State, in accordance with Title III of Regulation (EU) 2023/1114, including legal and natural persons offering or seeking admission to trading of asset-referenced tokens contrary to the provisions of that Title;

2. a credit institution or an electronic money institution having its head office in the Republic of Croatia that offers or seeks admission to trading of e-money tokens in accordance with the provisions of Title IV of Regulation (EU) 2023/1114, including legal and natural persons offering or seeking admission to trading of e-money tokens contrary to the provisions of that Title.

Division of competences

Article 8

(1) The Agency shall be competent and responsible for:

1. performing the functions and carrying out the duties of the competent authority laid down in Titles II, V and VI of Regulation (EU) 2023/1114;
2. exercising the powers referred to in Article 94 of Regulation (EU) 2023/1114 in respect of the duties referred to in Titles II, V and VI of Regulation (EU) 2023/1114;
3. exercising the powers of the competent authority referred to in Article 102 of Regulation (EU) 2023/1114 in respect of an offeror or a person seeking admission to trading of crypto-assets other than asset-referenced tokens or e-money tokens and crypto-asset service providers;
4. exercising the powers of the competent authority referred to in Article 105 of Regulation (EU) 2023/1114 in respect of crypto-assets other than asset-referenced tokens or e-money tokens and crypto-asset service providers;
5. submitting indictments in respect of established breaches of Regulation (EU) 2023/1114 and this Act in the part for which it is competent under the provisions of this paragraph.

(2) The Agency shall publish on its website links to the texts of the guidelines referred to in Article 3 of this Act with which the Agency and the supervised entities shall comply, in whole or in part, or with which it intends to comply by a specified deadline, together with a notification containing the following information in relation to specific guidelines:

1. to which supervised entities the guidelines apply;
2. whether the guidelines apply in whole or in part; and
3. the date of entry into force and entry into application of the guidelines, with certain transitional periods where these are provided for.

(3) The Croatian National Bank shall be competent and responsible for:

1. performing the functions and carrying out the duties of the competent authority laid down in Titles III and IV of Regulation (EU) 2023/1114;
2. exercising the powers referred to in Article 94 of Regulation (EU) 2023/1114 in respect of the duties referred to in Titles III and IV of Regulation (EU) 2023/1114;
3. exercising the powers of the competent authority referred to in Article 102 of Regulation (EU) 2023/1114 in respect of an issuer of asset-referenced tokens and e-money tokens;
4. exercising the powers of the competent authority referred to in Article 105 of Regulation (EU) 2023/1114 in respect of asset-referenced tokens and e-money tokens;
5. submitting indictments in respect of established breaches of Regulation (EU) 2023/1114 and this Act in the part for which it is competent under the provisions of this paragraph.

(4) In exercising its powers, the Croatian National Bank shall take into account the convergence in respect of supervisory tools and supervisory practices in the application of this Act and/or Regulation (EU) 2023/1114 and shall make every effort to comply with the guidelines referred to in Article 3 of this Act and the recommendations issued by the European Supervisory Authorities in accordance with their powers.

(5) The Croatian National Bank shall publish on its website links to the texts of the guidelines referred to in Article 3 of this Act with which the Croatian National Bank and the supervised entities shall comply, in whole or in part, or with which it intends to comply by a specified deadline, together with a notification containing information in relation to specific guidelines on whether the guidelines apply in whole or in part.

(6) The scope of the exchange of information and the coordination of procedures and activities in the implementation of this Act and Regulation (EU) 2023/1114 shall be governed by a mutual cooperation agreement between the Agency and the Croatian National Bank.

III LIABILITY FOR THE INFORMATION GIVEN IN A CRYPTO-ASSET WHITE PAPER

Liability for the information given in a crypto-asset white paper

Article 9

(1) A holder of crypto-assets other than asset-referenced tokens or e-money tokens, asset-referenced tokens or e-money tokens, who has acquired the assets in question on the basis of the information given in a crypto-asset white paper or in modifications of a crypto-asset white paper, by the offer or admission to trading of crypto-assets, may claim compensation for the damage suffered as a result of the information in the crypto-asset white paper material for the assessment of the crypto-asset being inaccurate or incomplete, ambiguous or misleading, from the following responsible persons:

1. an offeror, a person seeking admission to trading and/or an operator of the trading platform in the case referred to in Article 5, paragraphs (2) and (3) of Regulation (EU) 2023/1114, for crypto-assets other than asset-referenced tokens or e-money tokens;
2. an issuer of asset-referenced tokens, for asset-referenced tokens;
3. an issuer of e-money tokens, for e-money tokens;
4. members of the administrative, management or supervisory body of the persons referred to in items (1) to (3) of this paragraph; and
5. persons who take responsibility for the accuracy and completeness of the information in the white paper or parts of the white paper.

(2) The persons referred to in paragraph (1) of this Article shall be clearly identified in the white paper by their personal name and function, in the case of a natural person, any by firm name and registered office, in the case of a legal person.

(3) The liability for damage of several persons referred to in paragraph (1) of this Article shall be joint and it shall be subject to the law governing civil obligations.

(4) The persons referred to in paragraph (1) of this Article shall be liable for any damage caused to the holder of crypto-assets referred to in paragraph (1) of this Article as a result of the information material for the assessment of crypto-assets being inaccurate, false, ambiguous or misleading.

(5) The holder of crypto-assets referred to in paragraph (1) of this Article shall be entitled to claim compensation from the responsible person referred to in paragraph (1) of this Article where the acquisition legal arrangement has been concluded after the publication of the crypto-asset white paper, within one year of:

1. completion of an offer of crypto-assets, in the case of liability based on the crypto-asset white paper in relation to the offer of crypto-assets; or
2. admission to trading of crypto-assets, in the case of liability based on the crypto-asset white paper in relation to the admission to trading of crypto-assets.

(6) In the case of an offer of asset-referenced tokens and e-money tokens, a holder of asset-referenced tokens or e-money tokens who is the current holder shall have the right to require the responsible person referred to in paragraph (1) of this Article to redeem the asset-referenced tokens and e-money tokens without delay at the price at which the holder acquired them, up to the amount for which that quantity of those tokens was initially offered or admitted to trading and may require the responsible person referred to in paragraph (1) of this Article to reimburse without delay the normal costs related to the acquisition.

(7) The holder of crypto-assets shall, in accordance with Article 15, paragraph (4), Article 26, paragraph (3) and Article 52, paragraph (3) of Regulation (EU) 2023/1114, be responsible to present evidence indicating that the information in the crypto-asset white paper material for the assessment of crypto-assets is inaccurate or incomplete, ambiguous or misleading and that reliance on such information had an impact on the holder's decision to purchase, sell or exchange those crypto-assets.

(8) Legal successors to holders of crypto-assets shall also be entitled to claim compensation in accordance with the provisions of this Article in accordance with the conditions referred to in paragraphs (5) and (6) of this Article, where the amount relevant for determining the level of claims for compensation shall be the amount for which the crypto-assets were acquired by the predecessor.

(9) Liability for damage caused to the holder of crypto-assets may not be excluded or limited in advance, in accordance with the provisions of Articles 15, 26 and 52 of Regulation (EU) 2023/1114.

(10) Claims for compensation under the provisions of this Article shall be time-barred at the expiry of two years from the date when the crypto-asset holder becomes aware of the incompleteness, inaccuracy, ambiguity or misleading nature of the information in the crypto-asset white paper and, in any event, following the expiry of a period of five years of the date of publication of the crypto-asset white paper.

(11) The provisions of this Article shall not exclude claims for compensation for breach of contract or other regulations.

(12) Liability pursuant to the provisions of this Act shall apply to crypto-asset white papers referred to in Articles 6, 19 and 51 of Regulation (EU) 2023/1114 published in connection with an offer of crypto-assets within the territory of the Republic of Croatia or the admission to trading of crypto-assets in the Republic of Croatia.

Exclusion of liability for damage

Article 10

(1) The persons referred to in Article 9, paragraph (1) of this Act shall not be liable for damage to the holder of crypto-assets if they prove at least one of the following facts:

1. that they were not aware of the inaccuracy, incompleteness, ambiguity or misleading nature of the information in the crypto-asset white paper and that the lack of knowledge is not based on their intention or gross negligence;

2. that the state of the matters concerned by the inaccuracy, incompleteness, ambiguity or misleading nature of the information in the crypto-asset white paper has not helped to reduce the market price of crypto-assets;

3. that the correction and completion of inaccurate, incomplete, ambiguous or misleading information has been made public before the holder of crypto-assets has concluded a legal arrangement to acquire crypto-assets, by any modification of the crypto-asset white paper, at least in the same place or in the same way as the publication of the crypto-asset white paper.

(2) There is no liability for damage solely on the basis of the summary or translation of the crypto-asset white paper, except in the circumstances referred to in Articles 15, paragraph (5), Article 26, paragraph (4) or Article 52, paragraph (4) of Regulation (EU) 2023/1114.

Liability with regard to the voluntary publication of the white paper

Article 11

The provisions of Articles 9 and 10 of this Act shall apply *mutatis mutandis* to the liability for information in a voluntary crypto-asset white paper, in accordance with Article 4, paragraph (8) of Regulation (EU) 2023/1114.

Exclusion of responsibility of the competent authorities

Article 12

The competent authorities shall not be responsible for the inaccuracy, incompleteness, ambiguity or misleading nature of the information contained in the white paper within the meaning of Articles 6, 19 and 51 of Regulation (EU) 2023/1114.

Appropriate application of another regulation

Article 13

The law governing civil obligations shall apply *mutatis mutandis* to matters relating to compensation for damage not governed by the provisions of Articles 15, 26 and 52 of Regulation (EU) 2023/1114 and Articles 9 to 11 of this Act.

IV AUTHORISATION OF CRYPTO-ASSET SERVICE PROVIDERS

Deciding on an application for authorisation as a crypto-asset service provider

Article 14

(1) Based on an application of a joint stock company or a limited liability company having its head office in the Republic of Croatia submitted in accordance with the provisions of Article 62 of Regulation (EU) 2023/1114, the Agency shall, by means of a decision, decide on the authorisation of a crypto-asset service provider in accordance with Article 63 of Regulation (EU) 2023/1114 where all the conditions referred to in Title V of Regulation (EU) 2023/1114 and this Act are met, depending on the nature, scale and complexity of the crypto-asset services that the prospective service provider intends to provide.

(2) The Agency shall, by means of a decision, refuse the application referred to in Article 62 of Regulation (EU) 2023/1114 in the circumstances referred to in Article 63, paragraph (10) of Regulation (EU) 2023/1114.

(3) The Agency shall, in accordance with Article 63, paragraph (13) of Regulation (EU) 2023/1114, notify ESMA of each issued or refused authorisation and provide it with the information referred to in Article 109, paragraph (5) of Regulation (EU) 2023/1114.

(4) The provisions of this part of the Act shall not apply to the persons referred to in Article 59, paragraph (1), item (b) of Regulation (EU) 2023/1114, unless this is expressly provided for.

(5) A firm name indicating that a legal person is a crypto-asset service provider may not be entered in the register of companies if the legal person has not obtained authorisation from the Agency issued in accordance with the provisions of this Act.

(6) Where the applicant referred to in paragraph (1) of this Article is an issuer authorised as an issuer of an asset-referenced token within the meaning of the provisions of this Act, when assessing a holder of a qualifying holding in accordance with Article 62, paragraph (3) of Regulation (EU) 2023/1114, the Agency shall take into account the assessment made by the Croatian National Bank in relation to that holder of a qualifying holding in accordance with Article 40 of this Act and Article 18, paragraph (5) of Regulation (EU) 2023/1114.

(7) The Agency shall, by means of an ordinance, further regulate the content of the application for authorisation referred to in paragraph (1) of this Article.

Revocation of authorisation of a crypto-asset service provider

Article 15

(1) The Agency shall, by means of a decision, revoke the decision on the authorisation of a crypto-asset service provider in the cases provided for in Article 64, paragraph (1) and paragraph (2), item (b) of Regulation (EU) 2023/1114.

(2) The Agency may, by means of a decision, revoke the decision on the authorisation of a crypto-asset service provider where:

1. the crypto-asset service provider prevents, in any way, the supervision of its operations by the Agency;

2. the crypto-asset service provider fails to act in accordance with a decision by which the Agency imposes supervisory measures referred to in Article 47 of this Act;

3. the Agency has imposed measures on a crypto-asset service provider or submitted an indictment regarding identified illegalities relating to money laundering or terrorist financing under the law governing the prevention of money laundering and terrorist financing, which have the characteristics of a serious breach of the provisions of the law governing the prevention of money laundering and terrorist financing and the crypto-asset service provider fails to take all necessary measures to eliminate them.

(3) As of the date of enforceability of the decision revoking the decision on the authorisation of the crypto-asset service provider, the crypto-asset service provider shall not enter into a legal arrangement, commence or perform any service for which the authorisation has been revoked.

(4) By means of the decision referred to in paragraphs (1) and (2) of this Article, the Agency may order the transfer of existing contracts to another crypto-asset service provider, subject to the agreement of the clients and the crypto-asset service provider to which the contracts are to be transferred.

(5) The final decision referred to in paragraphs (1) and (2) of this Article shall be delivered by the Agency to the competent commercial court which shall *ex officio* remove from the register of companies the activities for which the authorisation has been revoked.

Management board and supervisory board of a crypto-asset service provider

Article 16

(1) In addition to the provisions of this Act, the provisions of the law governing the establishment and organisation of companies shall apply to the management board and the supervisory board of a crypto-asset service provider.

(2) The management board of a crypto-asset service provider shall, in accordance with Article 68, paragraph (1) of Regulation (EU) 2023/1114, collectively possess the adequate knowledge, skills and experience required to direct the business of the crypto-asset service provider independently without undue influence from other persons.

(3) The supervisory board of a crypto-asset service provider shall, in accordance with Article 68, paragraph (1) of Regulation (EU) 2023/1114, collectively possess the adequate knowledge, skills and experience required to supervise the business of the crypto-asset service provider independently without undue influence from other persons.

(4) A crypto-asset service provider shall notify the Agency without delay, and at the latest within three working days, of the termination of the term of office of a member of the management or supervisory board and state the reasons for the termination.

(5) Where a crypto-asset service provider has a board of directors within the meaning of the law governing the establishment and organisation of companies, the provisions of this Act relating to management or supervisory board members shall apply *mutatis mutandis* to the executive directors or members of the board of directors of the crypto-asset service provider.

Criteria for membership in the management board of a crypto-asset service provider

Article 17

(1) Members of the management board of a crypto-asset service provider may be persons who at all times while performing that duty in accordance with Article 68, paragraph (1) of Regulation (EU) 2023/1114:

1. meet the criteria for management board members prescribed in the law governing the establishment and organisation of companies;
2. are of good repute;
3. possess adequate knowledge, skills and experience to direct the business of a crypto-asset service provider;
4. are not in a conflict of interest in relation to the crypto-asset service provider, the members of the supervisory board, if any, key function holders and senior management of the crypto-asset service provider;
5. based on their conduct so far, it can be reasonably concluded that they will perform the duties of members of the management board of the crypto-asset service provider diligently and conscientiously;
6. are able to commit sufficient time to perform the duties within their competence in the crypto-asset service provider; and
7. are not associates of a person convicted of a criminal offence prosecuted *ex officio*.

(2) Members of a crypto-asset service provider undertaking, the supervisory and management board of a crypto-asset service provider shall adopt and apply an appropriate policy for selecting and assessing compliance with the criteria for management board members of the crypto-asset service provider, setting a broad range of qualities and competences as one of the criteria for the selection of board members, as well as promoting diversity in management.

(3) The Agency shall be competent to obtain data on judgements with final force and effect regarding the persons for which the application has been submitted in accordance with Article 18 of this Act and their associates for criminal offences committed in the Republic of Croatia from the ministry responsible for the judiciary or from the European Criminal Records Information System in accordance with the law governing legal consequences of convictions, criminal records and rehabilitation.

(4) For the purpose of verifying the criteria referred to in this Article, the Agency may obtain the information referred to in paragraph (3) of this Article in cooperation with the European Supervisory Authorities.

- (5) The Agency shall, by means of an ordinance, further regulate:
1. the criteria referred to in paragraph (1) of this Article;
 2. the criteria for assessing compliance with the criteria for approval;
 3. the documentation to be enclosed with the application for approval for management board members;
 4. the content of the policy referred to in paragraph (2) of this Article;
 5. the notion of sufficient time commitment of members of the management board to perform their functions; and
 6. the notions of adequate knowledge, skills and experience required to direct the business of the crypto-asset service provider;
 7. the mandatory content of the programme for directing the business of the crypto-asset service provider.

Approval of appointment

Article 18

(1) Only a person who has obtained approval of the Agency may be appointed to the management board of a crypto-asset service provider.

(2) The applicant for the approval of the Agency referred to in paragraph (1) of this Article shall be the supervisory board or members of the crypto-asset service provider undertaking for a term of office not exceeding five years.

(3) The Agency may issue the approval referred to in this Article for a term of office shorter than that requested.

(4) By way of derogation from paragraph (2) of this Article, where a member of the management board of a crypto-asset service provider is appointed by the competent court in accordance with the provisions of the law governing the establishment and organisation of companies, his/her term of office may not exceed six months, but in such a case the appointee must meet the criteria referred to in Article 17 of this Act.

(5) The supervisory board or members of the crypto-asset service provider undertaking shall ensure that the application for the approval referred to in paragraph (2) of this Article is submitted to the Agency at least three months before the expiry of the term of office of an individual management board member.

(6) The supervisory board or members of the crypto-asset service provider undertaking shall ensure that a new application for approval of appointment is submitted to the Agency at the latest within 30 days of receipt of the notification of revocation, termination or refusal of approval of appointment, as well as in a situation where the crypto-asset service provider fails to meet the requirement of the minimum number of management board members in accordance with the provisions of this Act.

(7) Before submitting the application referred to in paragraph (2) of this Article, the applicant shall, in accordance with the policy referred to in Article 17, paragraph (2) of this Act, carry out an assessment of the person for whom approval of the Agency is sought.

(8) The applicant shall enclose the assessment referred to in paragraph (7) of this Article with the application referred to in paragraph (2) of this Article, evidence that the criteria referred to in Article 17 of this Act and the ordinance referred to in Article 17, paragraph (5) of this Act have been met and the programme for directing the business of the crypto-asset service provider for the term of office for which approval is sought.

(9) When deciding on the approval referred to in paragraph (1) of this Article, the Agency may require candidates for members of the management board of a crypto-asset service provider to present the programme for directing the business of the crypto-asset service provider for a term of office in relation to the tasks within their competence.

(10) A person for whom the Agency has granted approval of appointment shall, before being appointed to the same office with another crypto-asset service provider, obtain a new approval of the Agency, as in the case of a new term of office in the same crypto-asset service provider.

(11) The Agency shall, by means of a decision, decide on the approval referred to in paragraph (1) of this Article on the basis of:

1. the assessments and documentation referred to in paragraph (8) of this Article;
 2. the programme for directing the business referred to in paragraph (9) of this Article;
- and
3. other information at its disposal.

(12) The Agency shall, by means of a decision, refuse an application for approval to perform the function of a management board member where:

1. it establishes that the candidate does not meet the criteria referred to in Article 17 of this Act and the ordinance referred to in Article 17, paragraph (5) of this Act;
2. the information referred to in paragraph (11) of this Article suggest that the proposed person for a management board member is not suitable for performing that function; or
3. the request contains inaccurate, false or misleading information.

(13) Where the applicant referred to in Article 14 of this Act is an issuer authorised as an issuer of an asset-referenced token within the meaning of the provisions of this Act, when deciding whether to grant approval to a management board member in accordance with this Article, the Agency shall take into account the assessment made in relation to that person by the Croatian National Bank in accordance with Article 40 of this Act.

Duties and responsibilities of management board members

Article 19

(1) In addition to the general duties and responsibilities laid down in the law governing the establishment and organisation of companies, the management board of the crypto-asset service provider referred to in Article 59, paragraph (1), item (b) of Regulation (EU) 2023/1114 shall have the duties and responsibilities laid down in this Act.

(2) The management board shall ensure that the crypto-asset service provider operates in compliance with this Act and Regulation (EU) 2023/1114.

(3) The management board of the crypto-asset service provider referred to in Article 59, paragraph (1) of Regulation (EU) 2023/1114 shall ensure the implementation of supervisory measures imposed by the Agency in accordance with its competences and powers under this Act and Regulation (EU) 2023/1114.

(4) The management board of the crypto-asset service provider referred to in Article 59, paragraph (1) of Regulation (EU) 2023/1114 shall establish and implement effective and sound governance arrangements, including the segregation of duties and the prevention of conflicts of interest, in a manner that promotes the integrity of the market and the interests of the clients of the crypto-asset service provider.

(5) The management board of the crypto-asset service provider referred to in Article 59, paragraph (1) of Regulation (EU) 2023/1114 shall provide members of the undertaking or the supervisory board access to information on the risks to which the crypto-asset service provider is or may be exposed.

(6) The management board of the crypto-asset service provider referred to in Article 59, paragraph (1), item (b) of Regulation (EU) 2023/1114 shall commit sufficient time and ensure sufficient resources to adequately manage all the risks referred to in paragraph (5) of this Article.

(7) The management board of the crypto-asset service provider referred to in Article 59, paragraph (1) of Regulation (EU) 2023/1114 shall establish management reporting lines for all significant risks to which the crypto-asset service provider is or may be exposed.

Governance arrangements of crypto-asset service providers

Article 20

(1) The governance arrangements referred to in Article 19, paragraph (4) of this Act shall in particular ensure the management board's responsibility for defining, approving and overseeing:

1. the undertaking's strategic objectives, risk management strategy and internal governance;
2. the integrity of the accounting and financial reporting systems, as well as financial and operational controls and compliance with the law and applicable standards;

3. the organisation of the crypto-asset service provider undertaking, including the skills, knowledge and expertise of senior management and employees, the resources, processes and mechanisms of the undertaking to perform the services, taking into account the scale and complexity of its business;

4. policies and procedures in place to comply with Chapters 3 and 4 of Title V of Regulation (EU) 2023/1114;

5. policies and procedures in place to comply with Regulation (EU) 2022/2554;

6. policies and procedures in place to comply with the provisions of the law governing the prevention of money laundering and terrorist financing.

(2) The management board of the crypto-asset service provider shall monitor and periodically, and on an annual basis at a minimum, assess the effectiveness of the governance arrangements with respect to the responsibilities referred to in paragraph (1) of this Article and take appropriate measures to address any identified deficiencies.

Warning to a management board member

Article 21

(1) The Agency may, by means of a decision, issue a written warning to a member of the management board of a crypto-asset service provider where the crypto-asset service provider fails to implement the measures imposed in the manner and within the time limits laid down in the decision of the Agency.

(2) The written warning referred to in paragraph (1) of this Article shall be imposed on the person responsible at the time of the obligation to implement the measures imposed, regardless of whether that person is still a member of the management board of the crypto-asset service provider at the time when the warning is issued.

Revocation of approval for management board members

Article 22

(1) The Agency shall, by means of a decision, revoke a legal approval of appointment of a management board member:

1. where a member of the management board breaches the provisions on the duties of the management board referred to in the law governing the establishment and organisation of companies, resulting in the removal of the management board member;

2. where a management board member no longer meets the criteria for membership in the management board prescribed in Article 17 of this Act;

3. where the third warning referred to in Article 21 of this Act is imposed on a member of the management board within a period of five years.

(2) The Agency may, by means of a decision, revoke a legal approval of appointment of a management board member:

1. where a management board member fails to ensure the implementation or fails to implement supervisory measures imposed by the Agency in the manner and within the time limits imposed by the Agency in its measures;

2. where it establishes that a management board member is in a conflict of interest which prevents him/her from performing his/her duties with due diligence;

3. where a management board member frequently fails to comply with the obligation to establish and evaluate the effectiveness of policies, measures or internal procedures relating to the compliance of the crypto-asset service provider with this Act or Regulation (EU) 2023/1114 or fails to comply with the obligation to take appropriate measures to address deficiencies or irregularities in the operation of the crypto-asset service provider.

(3) In the cases referred to in paragraph (2) of this Article, the Agency may also, by means of a specific supervisory measure, temporarily prohibit the performance of the function of the management board member of the crypto-asset service provider for a period not exceeding 12 months.

(4) If the Agency revokes an approval of appointment, the supervisory board or members of the undertaking shall without delay adopt a decision to remove that management board member and appoint his/her alternate, without the Agency's approval, for a maximum period of six months.

(5) A crypto-asset service provider shall ensure that a new application for approval of appointment is submitted to the Agency at the latest within 30 days of receipt of the notification of revocation, termination or refusal of approval of appointment, as well as in a situation where the crypto-asset service provider fails to meet the requirement of the minimum number of management board members in accordance with the provisions of this Act.

(6) The Agency shall deliver the decision referred to in paragraphs (1) and (2) of this Article to the competent commercial court without delay.

(7) The approval of appointment of a management board member shall be revoked:

1. where the designated person is not appointed to office or does not assume the office to which the approval relates within six months of the approval;
2. where the term of office to which the approval relates expires, on the date of expiry of the term of office; or
3. where the employment relationship with the crypto-asset service provider of the person in office is terminated, on the date of termination of the employment relationship.

Supervisory board

Article 23

(1) Where a supervisory board is set up, each member of the supervisory board shall act openly, honestly and independently in order to be able to effectively assess, supervise and monitor decisions of the management board.

(2) Members of the supervisory board of a crypto-asset service provider may be persons who meet the following criteria:

1. are of good repute;
2. possess adequate knowledge, skills and experience to perform the obligations falling within their competence;
3. are not in a conflict of interest in relation to the crypto-asset service provider, shareholders, members of the supervisory board, key function holders and senior management of the crypto-asset service provider;
4. are able to commit sufficient time to perform the duties within their competence; and
5. may be members of the supervisory board under the law governing the establishment and organisation of companies.

V OPERATING CONDITIONS FOR CRYPTO-ASSET SERVICE PROVIDERS

General requirements for presentation of information

Article 24

(1) All information provided by a crypto-asset service provider to a client or prospective client, including in marketing communications, shall be fair, clear and not misleading, where marketing communications shall be clearly identifiable as such in accordance with Article 66, paragraph (2) of Regulation (EU) 2023/1114.

(2) In addition to the obligations prescribed in Article 66 of Regulation (EU) 2023/1114, a crypto-asset service provider shall ensure that all information, including marketing communications, addressed to or distributed to existing or prospective clients is certain to be received by existing or prospective clients, meet the conditions referred to in paragraphs (3) and (4) of this Article.

(3) A crypto-asset service provider shall ensure that all the information referred to in paragraph (1) of this Article complies with the following conditions:

1. the information includes the name of the crypto-asset service provider;
2. the information is accurate and it always indicates all relevant risks fairly and prominently when referring to the potential benefits of a crypto-asset service or crypto-asset itself;
3. the size of the letters when indicating the relevant risks in the information shall be at least equal to the size of the letters predominantly used for the information provided and the appearance of the page shall ensure that such indication is highlighted;
4. the information shall be sufficient and presented in such a way that it is likely to be understood by the average member of the group to which it is addressed or who are likely to receive it;
5. the information shall not hide, minimise or conceal important items, statements or warnings;
6. the information is consistently presented in the same language in all forms of information and marketing material provided to each client, unless the client agrees to receive the information in more than one language;
7. the information is up-to-date and relevant to the means of communication used.

(4) Where the information referred to in paragraph (1) of this Article compares services, crypto-assets or persons providing crypto-asset services, such comparison shall meet the following conditions:

1. the comparison is meaningful and presented in an impartial and balanced manner;
2. the sources of information used for comparison are listed;
3. key facts and assumptions used for the comparison are included.

(5) The information referred to in paragraph (1) of this Article shall not use the name of the Agency or of another competent authority in such a way as to indicate or suggest that it supports or approves the crypto-asset service provider's products or services.

(6) The Agency shall, by means of guidelines, further specify the carrying out of promotion activities and the offering of services by crypto-asset service providers.

Conditions for providing advice on crypto-assets and portfolio management of crypto-assets

Article 25

(1) A crypto-asset service provider providing advice on crypto-assets and managing the portfolio of crypto-assets referred to in Article 59, paragraph (1) of Regulation (EU) 2023/1114 shall, in accordance with Article 81, paragraph (7) of Regulation (EU) 2023/1114, have at all times a sufficient number of persons possessing knowledge and skills to ensure that they act in the best interests of clients.

(2) The knowledge and skills referred to in paragraph (1) of this Article shall be possessed by employees and other natural persons who, in the name or on behalf of the crypto-asset service provider, irrespective of the undertaking's organisational structure and the position or duties of a person, provide advice on crypto-assets to clients or take investment decisions as part of providing portfolio management of crypto-assets.

(3) The natural persons referred to in paragraph (2) of this Article shall possess knowledge and skills comparable to those required for investment advisors in accordance with the regulations governing the capital market.

(4) As the adequate level of knowledge and skills referred to in paragraph (2) of this Article, the Agency may recognise qualifications, certificates, examinations or other professional certificates of knowledge issued by another person or association if they provide a standard of knowledge at least equivalent to the qualifications for investment advisors in accordance with the provisions of the law governing the capital market and subordinate legislation adopted thereunder.

(5) The Agency shall be competent to carry out professional examinations to verify the knowledge and skills to perform the tasks referred to in paragraph (2) of this Article.

(6) The Agency shall publish the criteria for the assessment of knowledge referred to in Article 81, paragraph (2) of Regulation (EU) 2023/1114 on its website.

(7) The Agency shall, by means of an ordinance, further regulate:

1. the criteria for assessing knowledge and skills for natural persons referred to in paragraph (2) of this Article;

2. the criteria for recognition of professional qualifications referred to in paragraph (4) of this Article;

3. the method of carrying out professional examinations referred to in paragraph (5) of this Article.

Supervisory reports and reporting to the Agency on the provision of crypto-asset services

Article 26

(1) The persons referred to in Article 59, paragraph (1) of Regulation (EU) 2023/1114 shall deliver to the Agency supervisory reports and other information on the provision of crypto-asset services and on compliance with the conditions referred to in Title V of Regulation (EU) 2023/1114, as well as information necessary for exercising supervision of the application of Title VI of Regulation (EU) 2023/1114.

(2) The Agency shall, by means of an ordinance, further regulate:

1. the content, form, method of and time limits for the delivery of supervisory reports and other information referred to in paragraph (1) of this Article;

2. the information submitted to the Agency by the proposed acquirer of a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 for the purpose of assessing proposed acquisitions in accordance with Article 68, paragraph (2) and Article 83, paragraph (4) of Regulation (EU) 2023/1114;

3. the content, form, method of and time limits for the delivery of reports on the prudential requirements for crypto-asset service providers referred to in Article 67 of Regulation (EU) 2023/1114 authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 referred to in Article 67 of Regulation (EU) 2023/1114.

Business books and financial statements of crypto-asset service providers

Article 27

(1) A crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 shall keep business books, other business documentation and records, evaluate assets and liabilities and prepare and publish annual financial statements and annual reports in accordance with this Act and regulations

governing the accounting of undertakings, financial reporting standards and professional standards.

(2) The financial reporting of a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 shall be subject to the rules governing accounting and, unless otherwise provided by the Agency in the ordinance referred to in paragraph (8) of this Article, the International Financial Reporting Standards.

(3) The crypto-asset service provider referred to in Article 59, paragraph (1) of Regulation (EU) 2023/1114 shall keep business books and other business documentation and records and prepare annual financial statements in such a manner that it is possible to verify at all times whether the crypto-asset service provider operates in accordance with applicable regulations, financial reporting standards and professional standards.

(4) The crypto-asset service provider referred to in Article 59, paragraph (1) of Regulation (EU) 2023/1114 shall prepare, check and store bookkeeping documents in accordance with applicable regulations, financial reporting standards and professional standards.

(5) A crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 shall follow the chart of accounts referred to in paragraph (8) of this Article.

(6) In addition to annual financial statements, a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 shall also prepare financial statements for reporting periods during a business year.

(7) For the purposes of paragraph (6) of this Article, a business year shall correspond to a calendar year, and reporting periods during a year shall equal the quarterly, six-month and nine-month periods.

(8) The Agency shall, by means of an ordinance, further regulate the chart of accounts and the content, form, method of and time limits for the preparation and delivery of annual financial statements of a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114, as well as financial statements for reporting periods during a business year.

Statutory audit requirements

Article 28

(1) Annual financial statements of a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114, annual consolidated financial statements of a group of crypto-asset service providers authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 in the Republic of Croatia, and annual consolidated financial statements of the whole group, where group members include non-financial institutions, shall be subject to the statutory audit requirement for each business year.

(2) The audit referred to in paragraph (1) of this Article shall be carried out in accordance with the regulations of the Republic of Croatia and EU law governing accounting and auditing, unless otherwise provided for in this Act.

(3) The Agency shall, by means of an ordinance, regulate the scope and content of the audit for the purposes of the Agency.

Appointment of an audit firm

Article 29

The management board of a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 shall deliver a decision to appoint an audit firm to the Agency within eight days of the adoption of the decision.

Restrictions on statutory audits

Article 30

(1) An audit firm may carry out an audit of annual financial statements of a particular crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 for no more than seven consecutive business years.

(2) The same audit firm may not carry out an audit of annual financial statements of the crypto-asset service provider in the next four years.

(3) An audit of annual financial statements of a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 and other audits for the purposes of the Agency for one financial year shall be carried out by the same audit firm.

Protection of independence of audit firms

Article 31

In the event of the termination of an audit contract, a crypto-asset service provider authorised by the Agency, in accordance with the provisions of this Act and Regulation (EU) 2023/1114, and the audit firm shall explain in writing to the Agency the reasons for the termination of the contract within 15 days or, where the contract was terminated by one contracting party, explain the reasons for termination, and the other contracting party shall explain the reasons for termination of the contract stipulated by the first party.

Obligations of audit firms

Article 32

(1) An audit firm shall notify the Agency in writing and without delay of any fact or decision relating to a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 or an undertaking having close links with that crypto-asset service provider which:

1. constitutes a breach of this Act, subordinate legislation or directly applicable regulations of the European Union;
2. may affect the business continuity of that crypto-asset service provider; or
3. may result in a qualified opinion, an adverse opinion, a disclaimer of an opinion on annual financial statements, or their dismissal or refusal.

(2) An audit firm shall notify the Agency in writing of any of the facts referred to in paragraph (1) of this Article of which it becomes aware in the course of the audit of annual financial statements of an undertaking controlled by a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114.

(3) The Agency may require the audit firm to provide additional information concerning the audit carried out.

(4) The delivery to the Agency of the information referred to in paragraphs (1) to (3) of this Article shall not constitute a breach of the auditor's duty to protect the confidentiality of information arising under the law governing audits or arising under the contract.

(5) If an audit firm notifies the Agency of the facts and circumstances referred to in paragraph (1) of this Article in line with paragraph (2) of this Article, it shall at the same time notify thereof the management board of a crypto-asset service provider authorised by the

Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114, except where it deems that there are reasonable grounds to prevent such notification.

Dismissal and refusal of annual financial statements

Article 33

(1) Where an audit firm carries out a statutory audit of annual financial statements of a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 contrary to Article 32 of this Act, the Agency shall, by means of a decision, dismiss the annual financial statements of that crypto-asset service provider or the annual consolidated financial statements for the year in question.

(2) Where the Agency determines that annual financial statements and annual consolidated financial statements have been prepared contrary to regulations or that they fail to provide a true and fair view of the financial position and performance of a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 or a group of crypto-asset service providers that received an unqualified or a qualified opinion in the audit report, it shall, by means of a decision, refuse the annual financial statements or annual consolidated financial statements.

(3) In the case referred to in paragraphs (1), (2) and (5) of this Article, a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 shall prepare its annual financial statements or annual consolidated financial statements again, ensure the statutory audit of these statements and deliver the audit report, including the relevant financial statements, to the Agency within the time limit set in a decision by the Agency.

(4) The new statutory audit shall not be carried out by the audit firm that issued an opinion on the annual financial statements or annual consolidated financial statements that were refused or dismissed.

(5) The Agency shall without delay notify the authority competent for the supervision of persons certified to provide audit services under the law governing audit of the dismissal referred to in paragraph (1) of this Article or refusal referred to in paragraph (2) of this Article, explaining the reasons for dismissal or refusal.

(6) Where the authority competent for the supervision of persons certified to provide audit services under the law governing audit determines that the audit report fails to meet the requirements of the law governing audit and Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (Text with EEA relevance) (OJ L 158, 27. 5. 2014), the Agency may refuse or dismiss the annual financial statements or the annual consolidated financial statements of a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 covered by the audit report.

(7) A crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 shall not disclose annual financial statements or annual consolidated financial statements that have been refused or dismissed and shall ensure that annual financial statements or annual consolidated financial statements that have been refused or dismissed are not publicly disclosed.

(8) Where annual financial statements or annual consolidated financial statements that have been refused or dismissed have already been delivered for public disclosure to the Financial Agency or the regulated securities market, the crypto-asset service provider shall without delay notify the Financial Agency and regulated securities markets where the securities are listed of the fact that its audited annual financial statements or annual

consolidated financial statements have been refused or dismissed by a decision of the Agency.

(9) The crypto-asset service provider shall without delay publish the notification referred to in paragraph (8) of this Article on its website.

(10) The Agency shall, by means of an ordinance, further regulate the reasons for the refusal of annual financial statements of a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 or annual consolidated financial statements.

*Time limits for the delivery of statements, reports and information to the Agency
and their disclosure*

Article 34

(1) A crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 shall deliver to the Agency the following reports and statements within 15 days of receipt of the audit report and at the latest within four months of the last day of the business year to which the audited annual financial statements relate:

1. audited annual financial statements and an annual report;
2. a report on the statutory audit of annual financial statements referred to in item (1) of this paragraph; and
3. an audit report for the purposes of the Agency.

(2) A crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114, which is required to carry out consolidation of the annual financial statements and to prepare consolidated annual financial statements and a consolidated annual report, shall deliver them to the Agency within 15 days of receipt of the audit report and at the latest within four months of the last day of a business year.

(3) Within the time limit referred to in paragraph (1) of this Article, a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 shall deliver to the Agency the following information relating to the preceding business year, in particular:

1. all the services it provides, the nature of its activities and their geographical location;
2. total turnover;
3. number of employees on a full time equivalent basis;
4. profit or loss before tax;
5. tax on profit or loss; and
6. public subsidies received.

(4) The information referred to in paragraph (3) of this Article shall be audited and published as attachment to audited annual financial statements and, where applicable, audited annual consolidated financial statements.

(5) A crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 that provides services in other Member States or third countries shall disclose the information referred to in paragraph (3) of this Article specified by Member States and by third countries where it provides services.

(6) A crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 shall disclose in its annual report among the key indicators its return on assets, calculated as its net profit divided by its total balance sheet.

(7) A crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 shall publish audited annual financial statements or, where that crypto-asset service provider is the parent undertaking, audited annual consolidated financial statements of the group in accordance with the regulations governing the accounting of undertakings, financial reporting standards and professional standards.

(8) A crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 shall publish audited annual financial statements and the audit report on its website and make the audited annual financial statements and the audit report available at the latest within five months following the end of the business year to which the report relates.

(9) A crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114, which has a branch or a subsidiary which is a financial institution in a Member State or in a third country, shall publish the following information on an annual basis for each Member State and third country:

1. name, nature and location of each subsidiary and branch;
2. total turnover;
3. number of employees on a full time equivalent basis;
4. profit or loss before tax;
5. tax on profit or loss;
6. public subsidies received.

(10) The information referred to in paragraph (9) of this Article shall be subject to the audit requirement in accordance with the provisions of the law governing audits and shall, where possible, be enclosed with the annual financial statements or, where applicable, with the consolidated financial statements of the crypto-asset service provider referred to in paragraph (2) of this Article.

Safeguarding of clients' crypto-assets and funds

Article 35

(1) Clients' funds and crypto-assets are not the property of the crypto-asset service provider, do not belong to the crypto-asset service provider's assets, its liquidation and bankruptcy estate, nor may they be subject to foreclosure in relation to claims against the crypto-asset service provider.

(2) Funds of clients of the crypto-asset service provider deposited in a credit institution's account do not belong to the credit institution's assets, or its liquidation and bankruptcy estate.

(3) The Agency shall, by means of an ordinance, further regulate the obligations of crypto-asset service providers regarding the protection of clients' assets, including the segregation requirements applicable to the crypto-asset service provider referred to in Article 59, paragraph (1), item (b) of Regulation (EU) 2023/1114.

Winding-up of crypto-asset service providers

Article 36

(1) The provisions of the law governing the establishment and organisation of companies shall apply *mutatis mutandis* to the winding-up of a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114, unless otherwise prescribed in this Act.

(2) Where liquidators establish the existence of grounds for bankruptcy, they shall without delay submit a request to open bankruptcy proceedings and immediately notify the Agency thereof.

(3) The management board or liquidators of the crypto-asset service provider referred to in paragraph (1) of this Article shall notify the Agency of the decision on the dissolution of the undertaking or on the change of its activities so that the undertaking no longer provides crypto-asset services on the next working day after the adoption of the decision.

(4) On the basis of the notification referred to in paragraph (3) of this Article, the Agency shall adopt a decision limiting the validity of authorisation to the operations necessary to carry out the winding-up of the crypto-asset service provider referred to in paragraph (1) of this Article, and shall notify the competent commercial court thereof.

(5) After the initiation of the winding-up, the crypto-asset service provider referred to in paragraph (1) of this Article may conduct only the activities specified in the decision referred to in paragraph (4) of this Article.

(6) Where the decision referred to in paragraph (4) of this Article applies to a crypto-asset service provider referred to in paragraph (1) of this Article that has a branch in another Member State, the Agency shall, before adopting such a decision, notify the competent authority of the host Member State of its intention to adopt a decision.

(7) The notification to the competent authority of the host Member State referred to in paragraph (6) of this Article shall contain information on the legal consequences and actual effects of the intended decision.

(8) Where, due to the protection of the interests of clients of the crypto-asset service provider referred to in paragraph (1) of this Article or due to other public interests, it is not possible to postpone the adoption of the decision referred to in paragraph (4) of this Article, the Agency shall notify the competent authority of the host Member State thereof immediately after the decision has been adopted.

Bankruptcy of crypto-asset service providers

Article 37

(1) The provisions of the law governing bankruptcy proceedings shall apply to the bankruptcy of a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114, unless otherwise prescribed in this Act.

(2) Pre-bankruptcy proceedings as defined by the provisions of the law governing bankruptcy proceedings may not be carried out against the crypto-asset service provider referred to in paragraph (1) of this Article.

(3) Only the competent court in the Republic of Croatia may adopt a decision on the opening of bankruptcy proceedings against the crypto-asset service provider referred to in paragraph (1) of this Article, including its branches.

(4) The court referred to in paragraph (3) of this Article shall without delay notify the Agency of the adoption of the decision on the opening of bankruptcy proceedings against the crypto-asset service provider referred to in paragraph (1) of this Article, if possible before the opening of those proceedings and, if this is not possible, immediately after the opening of such proceedings.

(5) Following receipt of the notification referred to in paragraph (4) of this Article, the Agency shall adopt a decision revoking the decision on authorisation to provide crypto-asset services to the crypto-asset service provider referred to in paragraph (1) of this Article in bankruptcy.

(6) The Agency shall notify the supervisory authorities of all other Member States of the adoption of the decision referred to in paragraph (5) of this Article as well as of the possible practical effects of such proceedings.

Trustee in bankruptcy

Article 38

(1) A person who may be appointed a trustee in bankruptcy of a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 shall, in addition to meeting the criteria provided for in the law governing bankruptcy proceedings, also possess the knowledge of and the experience in financial services.

(2) Prior to appointing a trustee in bankruptcy, the competent court shall consult the Agency.

Notifications

Article 39

(1) The competent court shall notify the Agency of the opening of bankruptcy proceedings against a crypto-asset service provider authorised by the Agency in accordance with the provisions of this Act and Regulation (EU) 2023/1114 and the appointment of a trustee in bankruptcy, the stay of bankruptcy proceedings, as well as the closure of bankruptcy proceedings against that crypto-asset service provider.

(2) The competent court shall publish the dispositive part of the decision on the opening of bankruptcy proceedings against the crypto-asset service provider referred to in paragraph (1) of this Article, including its branches, in the Official Journal of the European Union.

VI OPERATING CONDITIONS FOR ISSUERS OF ASSET-REFERENCED TOKENS

Authorisation to an issuer of asset-referenced tokens other than a credit institution

Article 40

(1) The Croatian National Bank shall, by means of a decision, decide on whether to issue or revoke the authorisation of an issuer of asset-referenced tokens other than a credit institution applying the provisions of Title III of Regulation (EU) 2023/1114.

(2) An issuer of asset-referenced tokens other than a credit institution in the Republic of Croatia may be established only as a joint stock company or as a limited liability company.

(3) Where the applicant referred to in paragraph (1) of this Article is an issuer that has a decision on authorisation as a crypto-asset service provider in accordance with the provisions of this Act, the Croatian National Bank shall, when deciding whether to grant the authorisation referred to in paragraph (1) of this Article, take into account the assessment made by the Agency in accordance with Article 18 of this Act in relation to a management board member of the applicant and the assessment of a holder of a qualifying holding in accordance with Article 62, paragraph (3) of Regulation (EU) 2023/1114.

(4) A member of the management body, a shareholder or a member, direct or indirect, who has a qualifying holding in the issuer applying for authorisation and who has been convicted by a judgement with final force and effect of any of the criminal offences referred to in Titles IX, X, XIII, XVI, XVII, XIX, XXI, XXIII, XXIV, XXV, XXVI, XVIII, XXX, XXXII and XXXIII of the Criminal Code (Official Gazette 125/2011, 144/2012, 56/2015, 61/2015 – corrigendum, 101/2017, 118/2018, 126/2019, 84/2021, 114/2022, 114/2023 and 36/2024) shall not be deemed to be of good repute.

Business books and financial statements of issuers of asset-referenced tokens other than credit institutions

Article 41

(1) An issuer of asset-referenced tokens other than a credit institution shall collect and prepare bookkeeping documents, keep business books, other business documentation and records, evaluate assets and liabilities and prepare and publish annual financial statements, annual consolidated financial statements and annual reports in accordance with this Act and regulations governing the accounting of undertakings, financial reporting standards and professional standards.

(2) An issuer of asset-referenced tokens other than a credit institution shall prepare and present the annual financial statements, annual consolidated financial statements and financial statements referred to in paragraph (1) of this Article using the International Financial Reporting Standards.

Delivery of supervisory reports and financial statements by issuers of asset-referenced tokens

Article 42

(1) Issuers of asset-referenced tokens other than credit institutions shall deliver to the Croatian National Bank the annual financial statements, annual consolidated financial statements and financial statements referred to in Article 41 of this Act, supervisory reports and other information necessary for exercising supervision of the application of the provisions of Title III of Regulation (EU) 2023/1114 as determined by the decision referred to in paragraph (4) of this Article.

(2) Issuers of asset-referenced tokens that are credit institutions are required to submit to the Croatian National Bank supervisory reports and other information necessary for exercising supervision of the application of the provisions of Title III of Regulation (EU) 2023/1114 as determined by the decision referred to in paragraph (4) of this Article.

(3) Issuers of asset-referenced tokens shall submit to the Croatian National Bank the reports referred to in Article 22, paragraph (1) of Regulation (EU) 2023/1114 in respect of asset-referenced tokens issued with a value of less than EUR 100,000,000.00.

(4) The Croatian National Bank shall, by means of a decision, further regulate the content, form, method of and time limits for the delivery of financial statements and supervisory reports and other information referred to in this Article.

Audit requirements

Article 43

(1) Annual financial statements and annual consolidated financial statements of an issuer of asset-referenced tokens shall be subject to the statutory audit requirement for each business year.

(2) An issuer of asset-referenced tokens other than a credit institution shall ensure the audit referred to in paragraph (1) of this Article in accordance with the regulations governing accounting and auditing.

(3) An issuer of asset-referenced tokens shall ensure and carry out an audit of the compliance of its operations with Title III of Regulation (EU) 2023/1114 where the audit firm shall provide an assessment of:

1. compliance with the provisions of this Act, Title III of Regulation (EU) 2023/1114 and the implementing standards adopted pursuant to Title III of Regulation (EU) 2023/1114;
2. the functioning and management of ICT systems;
3. maintenance of the reserve assets;
4. regularity, accuracy and completeness of the reports delivered to the Croatian National Bank;

5. the viability of the issuer of asset-referenced tokens.

(4) An audit firm shall notify the Croatian National Bank of any fact indicating that the conditions for revocation of the authorisation referred to in Article 24, paragraph (1) of Regulation (EU) 2023/1114 have been met or that the business of an issuer of asset-referenced tokens is jeopardised within three working days of the date when that fact was established.

(5) The Croatian National Bank may require the audit firm to provide additional information and explanations on the performance of the audit and the audit results.

(6) An issuer of asset-referenced tokens shall, within 15 days of receipt of an audit report, deliver to the Croatian National Bank a report on the statutory audit and an audit report on compliance of its operations with Title III of Regulation (EU) 2023/1114 referred to in paragraph (3) of this Article.

VII SUPERVISION

Supervisory procedure by the Agency

Article 44

(1) The Agency shall supervise the implementation of Regulation (EU) 2023/1114 and this Act in accordance with the division of competences referred to in Article 8 of this Act in accordance with the provisions of Regulation (EU) 2023/1114 and this Act.

(2) The Agency shall be competent to impose measures and exercise supervision by:

1. collecting, analysing and verifying publicly disclosed information and notifications delivered in accordance with Regulation (EU) 2023/1114 to the competent authority and exercising supervision of the obligations of the supervised entities referred to in Article 7, paragraph (1) of this Act;

2. carrying out on-site inspections of the entities referred to in Article 7, paragraph (1), item (3) of this Act at premises other than the private residences of natural persons to which the supervised entities must provide access, in order to access documentation and other information in any form, if there is a reasonable suspicion that documentation and other information related to the subject of supervision may be relevant to prove a breach of Regulation (EU) 2023/1114;

3. imposing supervisory measures referred to in Articles 21 and 47 of this Act.

(3) Unless otherwise prescribed in this Act or Regulation (EU) 2023/1114, the provisions on the supervisory procedure of the law governing the capital market shall apply *mutatis mutandis* to the supervision of entities supervised by the Agency in accordance with paragraphs (1) and (2) of this Article. The provisions on the supervisory procedure of the law governing the establishment and operation of companies managing open-ended investment funds with public offering or the law governing the operation of alternative investment fund management companies shall apply *mutatis mutandis* to the supervision of the persons referred to in Article 60, paragraph (5) of Regulation (EU) 2023/1114.

(4) The Agency shall exercise its powers referred to in paragraph (3) of this Article:

1. on its own;

2. in cooperation with other competent authorities; and

3. by submitting reports and applications to the competent judicial authorities.

Powers of the Agency in exercising supervision

Article 45

(1) Where necessary for the purpose of supervising the application of the provisions of Titles II, V and VI of Regulation (EU) 2023/1114 and this Act, the Agency may require from any natural or legal person:

1. access to any document in any form and delivery of a copy thereof;
2. data traffic records, including telephone records.

(2) The Agency may request any natural or legal person, including the principals and persons involved in the transmission of orders or carrying out other tasks when concluding transactions subject to supervision by the Agency, all information and statements necessary to the Agency for the purposes of supervision.

(3) Where the purpose of supervision so requires, the Agency shall be competent to take statements from the persons referred to in paragraph (2) of this Article or to hear them within the meaning of the provisions of the law governing the general administrative procedure.

(4) Where necessary for the purpose of supervision of compliance with the provisions of Regulation (EU) 2023/1114 and this Act, the Agency may carry out an on-site inspection with prior notification or without prior notification of an inspection in accordance with the provisions of the law governing the capital market.

(5) Where necessary for the supervision of entities supervised by the Agency referred to in Article 7, paragraph (1) of this Act to which Regulation (EU) 2023/1114 and this Act apply, the Agency may, in accordance with the division of competences referred to in Article 8 of this Act, request relevant information, documentation and statements from the following persons and carry out an examination of their operations:

1. persons having close links with a legal or natural person subject to supervision by the Agency, within the meaning of the law governing the capital market in the Republic of Croatia;
2. persons to whom a legal or natural person subject to supervision by the Agency has outsourced business processes;
3. holders of qualifying holdings in a legal or natural person subject to supervision by the Agency.

(6) Where another authority is competent for the supervision of the person referred to in paragraph (5) of this Article, the Agency shall carry out an examination of the operation of that person in cooperation with another competent authority.

(7) The Agency may, by means of a written request, request the assistance of the ministry responsible for internal affairs in the exercise of powers under this Act in accordance with the provisions of the law governing police affairs and powers.

(8) The provisions of this Chapter shall also apply *mutatis mutandis* to mystery shopping, unless otherwise provided for in this Act and unless it is contrary to the objective and purpose of such supervision.

(9) For the purposes of exercising the supervision referred to in this Article, in relation to particular matters, the Agency may request the professional involvement of an auditor, an audit firm, other professionally qualified person or a person authorised by the Agency to participate in the supervision referred to in paragraph (8) of this Article.

(10) The regulations on the exemption of officials and the confidentiality of information applicable to employees of the Agency shall apply *mutatis mutandis* to the persons referred to in paragraph (9) of this Article.

(11) A person referred to in paragraph (9) of this Article who, on the basis of the authorisation by the Agency, acts as a mystery shopper, may act as a party and may conclude a contract for the provision of crypto-asset services, but that contract shall not produce legal

effects between the contracting parties and shall be intended solely for the purpose of proving the facts established in that supervisory procedure.

(12) The Agency shall, by means of an ordinance, further regulate the manner of conducting the mystery shopping referred to in paragraph (8) of this Article.

Supervisory procedure by the Croatian National Bank

Article 46

(1) Supervision of the implementation of Regulation (EU) 2023/1114 and this Act in accordance with the division of competences referred to in Article 8 of this Act shall be exercised by the Croatian National Bank in accordance with the provisions of Regulation (EU) 2023/1114 and this Act.

(2) The Croatian National Bank shall be competent to exercise supervision of the implementation of Regulation (EU) 2023/1114 and this Act by:

1. collecting and analysing reports, information and documents submitted to the Croatian National Bank by supervised entities and collected by the Croatian National Bank from other sources and by ongoing monitoring of the operation of supervised entities;

2. carrying out on-site inspections of supervised entities at premises other than the private residences of natural persons, and for that purpose, entering the premises and accessing documents and other information in any form.

(3) The Croatian National Bank may entrust the performance of tasks related to the supervision of the implementation of Regulation (EU) 2023/1114 and this Act to a certified auditor, audit firm or other professionally qualified person.

(4) Where necessary for the supervision of entities supervised by the Croatian National Bank referred to in Article 7, paragraph (2) of this Act to which Regulation (EU) 2023/1114 and this Act apply, the Croatian National Bank may, in accordance with the division of competences referred to in Article 8 of this Act, request relevant information, documentation and statements from the following persons and examine their operation:

1. persons having close links with a legal or natural person subject to supervision by the Croatian National Bank, within the meaning of the law governing credit institutions;

2. persons to whom a legal or natural person subject to supervision by the Croatian National Bank has outsourced business processes;

3. holders of qualifying holdings in a legal or natural person subject to supervision by the Croatian National Bank.

(5) The Croatian National Bank shall notify of an on-site inspection a supervised entity, which is obligated to enable and ensure the smooth carrying out of the on-site inspection.

(6) The Croatian National Bank may, by means of a written request, request the assistance of the ministry responsible for internal affairs in the exercise of powers under this Act in accordance with the provisions of the law governing police affairs and powers.

(7) The Croatian National Bank shall, by means of a decision, regulate the method of exercising supervision referred to in paragraph (1) of this Article.

Supervisory measures by the Agency

Article 47

(1) Where the Agency identifies breaches of the provisions of this Act or of Regulation (EU) 2023/1114 within its competence pursuant to Article 8, paragraph (1) of this Act, or where there are grounds to suspect that such a breach has occurred, it may, with respect to a supervised entity or another person breaching the provisions of this Act or Title II, V or VI of Regulation (EU) 2023/1114, by means of a decision, impose one or more of the following supervisory measures that are necessary in order for a supervised entity or another person to

comply with the provisions of Regulation (EU) 2023/1114 and this Act, irrespective of the measures it may impose pursuant to the provisions of special regulations:

1. suspend or order a crypto-asset service provider to suspend the provision of crypto-asset services for a maximum of 30 consecutive working days;
2. permanently prohibit the provision of crypto-asset services;
3. publicly disclose information that a crypto-asset service provider does not comply with its obligations under Regulation (EU) 2023/1114 or this Act;
4. publicly disclose or order a crypto-asset service provider to disclose any material information that could affect the provision of crypto-asset services in order to ensure the protection of the interests of clients, in particular retail holders, or the smooth functioning of the market;
5. where it assesses that the situation of a crypto-asset service provider is such that the provision of crypto-asset services would be detrimental to the interests of clients, in particular retail investors, temporarily prohibit the provision of crypto-asset services;
6. where it establishes that a person provides crypto-asset services other than a person referred to in Article 59, paragraph (1) of Regulation (EU) 2023/1114, order, by means of a decision, the immediate cessation of such activity, without prior warning and time limit;
7. order an offeror or person seeking admission to trading of crypto-assets other than asset-referenced tokens or e-money tokens to modify its crypto-asset white paper or further amend the modified crypto-asset white paper where it establishes that the crypto-asset white paper or the modified crypto-asset white paper does not contain the information required under Article 6 of Regulation (EU) 2023/1114;
8. order an offeror or person seeking admission to trading of crypto-assets other than asset-referenced tokens or e-money tokens to amend its marketing communications where it finds that the marketing communications do not comply with the requirements set out in Article 7 of Regulation (EU) 2023/1114;
9. suspend an offer to the public or admission to trading of crypto-assets other than asset-referenced tokens or e-money tokens for a maximum of 30 consecutive working days;
10. prohibit an offer to the public or admission to trading of crypto-assets other than asset-referenced tokens or e-money tokens, including where there are grounds to suspect that Regulation (EU) 2023/1114 will be breached;
11. suspend, or require a crypto-asset service provider operating a trading platform for crypto-assets to suspend, trading of crypto-assets for a maximum of 30 consecutive working days on any single occasion;
12. prohibit trading of crypto-assets on a trading platform for crypto-assets, including where there are grounds to suspect that Regulation (EU) 2023/1114 will be breached;
13. order the removal or withdrawal of marketing communications in relation to an offer to the public of crypto-assets other than asset-referenced tokens or e-money tokens that do not comply with the provisions of Regulation (EU) 2023/1114;
14. order an offeror, person seeking admission to trading of crypto-assets other than asset-referenced tokens or e-money tokens or a relevant crypto-asset service provider to remove or suspend marketing communications for a maximum of 30 consecutive working days on any single occasion;
15. publicly disclose information that an offeror or person seeking admission to trading of crypto-assets other than asset-referenced tokens or e-money tokens fails to comply with its obligations under Regulation (EU) 2023/1114 or this Act;

16. disclose or order an offeror or person seeking admission to trading of crypto-assets other than asset-referenced tokens or e-money tokens to disclose all material information that may have an impact on the assessment of the crypto-assets offered to the public or admitted to trading in order to ensure the protection of the interests of holders of crypto-assets, in particular retail holders, or the smooth functioning of the market;

17. suspend or require a crypto-asset service provider operating a trading platform for crypto-assets to suspend trading of crypto-assets where it considers that the situation of the offeror or person seeking admission to trading of crypto-assets is such that trading would be detrimental to the interests of holders of crypto-assets, in particular retail holders;

18. where there is reason to believe that a person is offering or seeking admission to trading of crypto-assets other than asset-referenced tokens or e-money tokens without a crypto-asset white paper notified in accordance with Article 8 of Regulation (EU) 2023/1114, order immediate cessation of activities without prior warning or time limit;

19. order the supervised entity referred to in Article 7, paragraph (1) of this Act to act or to cease certain conduct that is not in compliance with Regulation (EU) 2023/1114 or this Act, including the prohibition to provide crypto-asset services when it establishes that there are grounds to suspect that a legal or natural person other than the crypto-asset service provider referred to in Article 59, paragraph (1) of Regulation (EU) 2023/1114 provides crypto-asset services referred to in Article 3, paragraph (1), item (16) of Regulation (EU) 2023/1114;

20. order any person to take measures to reduce the extent of their position or exposure to crypto-assets;

21. request from the competent judicial authority, in case there are grounds for suspicion of unauthorised provision of crypto-asset services or breach of the provisions of Title VI of Regulation (EU) 2023/1114:

- a) freezing or sequestration of assets, or both, of legal and natural persons;
- b) assistance in obtaining direct access to the premises of entities for which there are grounds to suspect that they provide crypto-asset services;
- c) a temporary prohibition on the exercise of activities;

22. order a holder of a qualifying holding in a crypto-asset service provider to sell shares or holdings in the crypto-asset service provider where it determines that its influence is likely to be detrimental to the sound and prudent management of that crypto-asset service provider;

23. by means of a decision, temporarily suspend, for a period not exceeding 12 months, the voting rights of a holder of a qualifying holding where the influence exercised by that holder is likely to operate to the detriment of the prudent and sound management of the crypto-asset service provider or where it is likely that the holder would not act with the due diligence of a prudent businessperson.

(2) Where a member of the management body or another person as the responsible person of a crypto-asset service provider has been convicted of a misdemeanour referred to in Articles 59 or 61 of this Act, the Agency may, as a specific supervisory measure, order the supervisory board of the crypto-asset service provider to remove a member of the management board or another person from their management function in the crypto-asset service provider.

(3) A person in respect of whom a specific supervisory measure referred to in paragraph (2) of this Article or a similar measure has been imposed by another competent authority may not be a member of the management body in another crypto-asset service provider, which shall be taken into account by the Agency when authorising crypto-asset service providers in accordance with the provisions of this Act.

(4) The Agency shall publish on its website information on supervisory measures imposed, applying *mutatis mutandis* the provisions of Article 114 of Regulation (EU) 2023/1114.

(5) The Agency may publicly disclose any measure that has been imposed for breaches of the provisions of Regulation (EU) 2023/1114 and this Act, unless such disclosure would seriously jeopardise the financial market or cause disproportionate damage to the parties.

(6) Where it assesses that the supervisory measures referred to in paragraphs (1) and (2) of this Article cannot ensure the cessation of breaches of Regulation (EU) 2023/1114 and this Act, the Agency shall be empowered to address a reasoned request to a third party or to a body having the relevant powers to:

1. remove content or restrict access to an online interface or order the explicit display of a warning to clients and holders of crypto-assets when they access an online interface;

2. order a hosting service provider to remove, disable or restrict access to an online interface;

3. order domain registries or registrars to delete a fully qualified domain name and allow the Agency to register it.

(7) In order to harmonise supervisory practices, the Agency shall be empowered to inform specific groups of the supervised entities referred to in Article 7, paragraph (1) of this Act and other addressees of the explanation or method of application of this Act and the ordinances adopted thereunder by various types of publication (instructions, guidelines, warnings, etc.).

Specific provisions on the supervision by the Agency of compliance with the obligations referred to in Title VI of Regulation (EU) 2023/1114

Article 48

(1) For the purpose of supervising the application of Title VI of Regulation (EU) 2023/1114, in addition to the supervisory measures and powers prescribed in this Act, the Agency shall take supervisory measures and exercise powers in respect of persons required to apply the provisions of that Title who are not the supervised entities referred to in Article 7, paragraph (1) of this Act.

(2) The Agency may not carry out an on-site inspection of persons who are not the supervised entities referred to in Article 7, paragraph (1) of this Act without prior authorisation by a competent judicial authority or explicit consent of such persons.

(3) The Agency's request shall contain all necessary information to obtain prior authorisation from the competent judicial authority referred to in paragraph (2) of this Article.

(4) The competent judicial authority referred to in paragraph (2) of this Article shall verify whether the Agency's request is reasoned and proportionate to the objective of supervision.

(5) The competent judicial authority referred to in paragraph (2) of this Article shall decide whether to grant prior authorisation within 15 days of receipt of the Agency's request.

(6) The Agency shall cooperate with the competent judicial, regulatory and other authorities in cases concerning breaches of Regulation (EU) 2023/1114 within the territory of the Republic of Croatia in accordance with the relevant legal provisions and cooperation agreements.

(7) At the Agency's request, all state administration bodies, local and regional self-government units, legal persons with public authority and other legal persons which the Agency considers to have the information and documentation necessary to monitor breaches

of Regulation (EU) 2023/1114 and this Part of the Act shall provide the Agency free of charge with all the required information and documentation.

(8) The Agency shall treat the information and documentation provided in accordance with paragraph (7) of this Article in accordance with the regulations governing confidentiality.

(9) Where it finds that the provisions of Articles 88 to 92 of Regulation 2023/1114 have been breached, in addition to the measures it is empowered to impose on the supervised entities referred to in Article 7, paragraph (1), item (3) of this Act, the Agency shall have the right to impose the following supervisory measures:

1. order the person responsible for the breach to cease the unlawful conduct and to desist from a repetition of that conduct;
2. issue a public warning stating the identity of the person responsible for the breach and the nature and manner of the breach;
3. take all necessary measures to ensure that the public is correctly informed, *inter alia*, by correcting false or misleading disclosed information, including by requiring the issuer or another person who has published or disseminated false or misleading information to publish a corrective statement;
4. issue a warning to a legal or natural person;
5. in the event of a repeated breach of Articles 89, 90, 91 or 92 of Regulation (EU) 2023/1114, impose a ban of any member of the management body of a crypto-asset service provider, or any other natural person who is held responsible for the breach, from exercising management functions in a crypto-asset service provider;
6. a temporary ban of any member of the management body of a crypto-asset service provider or any other natural person who is held responsible for the breach, from dealing on own account.

(10) If a person required to publish inside information fails to disclose, incorrectly discloses or fails to disclose it in the prescribed manner, the Agency may publish it at that person's expense.

(11) The Agency may address to the competent authority a request for confiscation of the benefits gained or prevented loss in the event of the breach referred to in paragraph (1) of this Article, insofar as they can be determined.

Supervisory measures by the Croatian National Bank

Article 49

(1) Where the Croatian National Bank identifies breaches of the provisions of this Act or of Regulation (EU) 2023/1114 within its competence pursuant to Article 8, paragraph (3) of this Act, or where there are grounds to suspect that such a breach has occurred, it may, with respect to a supervised entity or another person breaching the provisions of this Act or Title III or IV of Regulation (EU) 2023/1114, by means of a decision, impose one or more of the supervisory measures referred to in Article 94, paragraph (1), items (i) to (m), (o) to (v) and (y) to (ab) of Regulation (EU) 2023/1114 where the conditions for imposing that measure are fulfilled in the manner prescribed in Article 94, paragraphs (4) and (5) of Regulation (EU) 2023/1114.

(2) The Croatian National Bank may initiate an administrative procedure and adopt a decision imposing one or more supervisory measures for the purpose of compliance with the provisions of this Act.

(3) Where it assesses that the supervisory measures referred to in this Article cannot ensure the cessation of breaches of Regulation 2023/1114 and this Act, the Croatian National

Bank shall be empowered to address a reasoned request to a third party or to a body having the relevant powers to:

1. remove content or restrict access to an online interface or order the explicit display of a warning to clients and holders of crypto-assets when they access an online interface;
2. order a hosting service provider to remove, disable or restrict access to an online interface;
3. order domain registries or registrars to delete a fully qualified domain name and allow the Croatian National Bank to register it.

(4) A legal or natural person to whom the Croatian National Bank has imposed a supervisory measure shall implement it in the manner and within the time limit laid down in the decision.

(5) The Croatian National Bank shall publish on its website information on supervisory measures imposed applying *mutatis mutandis* the provisions of Article 114 of Regulation (EU) 2023/1114.

Infringement of consumer interests

Article 50

The law governing the bringing of representative actions in collective consumer disputes and the rules of procedure on the basis of which the court hears and decides in those disputes shall apply to infringements of the interests of consumers falling within the scope of Regulation (EU) 2023/1114.

VIII LANGUAGE OF SUBMISSION AND PUBLICATION OF NOTIFICATIONS

Language of submission and publication of notifications to the competent authorities

Article 51

(1) All notifications, information and documents that the supervised entities referred to in Article 7 of this Act shall deliver to the competent authorities and publicly disclose pursuant to the provisions of this Act and Regulation (EU) 2023/1114 shall be delivered and published in the Croatian language, unless, in certain cases, the European Commission's delegated regulations or other implementing regulations adopted pursuant to Regulation (EU) 2023/1114 require explicit disclosure in a specific language.

(2) If an issuer of crypto-assets established in another Member State offers crypto-assets in the Republic of Croatia, the white paper must be drawn up in the Croatian or English language.

IX HANDLING OF COMPLAINTS

Article 52

(1) Any natural or legal person, including consumer protection associations, who considers that an offeror, a person seeking admission to trading, an issuer of asset-referenced tokens, an issuer of e-money tokens or a crypto-asset service provider has breached the provisions of Regulation (EU) 2023/1114 or this Act may submit a complaint to the Agency or the Croatian National Bank, in accordance with the division of competences referred to in Article 8 of this Act.

(2) The procedure for submitting and handling complaints referred to in paragraph (1) of this Article shall be prescribed by an ordinance of the Agency.

(3) The procedure for submitting and handling complaints referred to in paragraph (1) of this Article shall be prescribed by a decision of the Croatian National Bank.

X MECHANISMS TO ENCOURAGE REPORTING OF POTENTIAL OR ACTUAL BREACHES OF REGULATION (EU) 2023/1114

Article 53

The provisions of the law governing the reporting of irregularities, the procedure for reporting irregularities, the rights of persons reporting irregularities, the obligations of public authorities and legal and natural persons relating to the reporting of irregularities shall apply *mutatis mutandis* to reports of potential or actual breaches of Regulation (EU) 2023/1114 and this Act by natural persons.

XI. SUPERVISION FEES

Supervision fees

Article 54

(1) For exercising the supervision pursuant to the provisions of this Act and Regulation (EU) 2023/1114, the supervised entities referred to in Article 7, paragraph (1) of this Act shall pay supervision fees to the Agency. The Agency shall regulate the amount, the method of calculating and the method of paying supervision fees by an ordinance.

(2) For exercising the supervision pursuant to the provisions of this Act and Regulation (EU) 2023/1114, the supervised entities referred to in Article 7, paragraph (2) of this Act shall pay supervision fees to the Croatian National Bank. The Croatian National Bank shall regulate the amount, the method of calculating and the method of paying supervision fees by a decision.

XII PENALTY PROVISIONS

General provisions

Article 55

(1) Where the perpetrator of the breach is an undertaking/a legal person, within the meaning of the regulations governing the accounting of undertakings, the parent undertaking of a group of undertakings or a subsidiary of the parent undertaking which is obliged to prepare consolidated financial statements, the total income used as the basis for calculating the amount of the fine for the misdemeanours referred to in this Title shall be determined on the basis of consolidated financial statements approved by the management body of the ultimate parent undertaking.

(2) Where the annual financial statements approved by the management body of the legal entity for the business year in which the misdemeanour was committed are not available at the time when the fine is imposed, the last available annual financial statements approved by the management body of the legal entity shall be used as the basis for calculating the amount of the fine for the misdemeanours referred to in this Title.

(3) When deciding whether to submit indictments referred to in this Part, the competent authorities as authorised prosecutors shall take into account all the relevant circumstances referred to in Article 112 of Regulation (EU) 2023/1114.

Publication of imposed misdemeanour sanctions

Article 56

(1) The competent authorities shall publish decisions on imposed misdemeanour sanctions on their websites in accordance with Article 114 of Regulation (EU) 2023/1114.

(2) The information referred to in paragraph (1) of this Article shall be available on the websites of the competent authorities for at least five years from the date of its publication.

(3) In accordance with the provisions on rehabilitation within the meaning of the law governing misdemeanour proceedings, the competent authorities shall, following the expiry

of a period of three years of the date when the decision on an infringement became final, publish that decision on an anonymised basis.

Misdemeanours by offerors and persons seeking admission to trading of crypto-assets other than asset-referenced tokens and e-money tokens

Article 57

(1) A legal person that is an offeror or a person seeking admission to trading of crypto-assets other than asset-referenced tokens or e-money tokens shall be fined up to EUR 5,000,000.00, which may not be less than 0.5% or more than 3% of the total net income generated and reported in the annual financial statements for that financial year:

1. if it makes an offer to the public of a crypto-asset other than an asset-referenced token or e-money token contrary to Article 4, paragraph (1), item (b) of Regulation (EU) 2023/1114 as regards the drawing up of a white paper;

2. if it makes an offer to the public of a crypto-asset other than an asset-referenced token or e-money token contrary to Article 4, paragraph (1), item (c) of Regulation (EU) 2023/1114 as regards the notification of a white paper;

3. if it makes an offer to the public of a crypto-asset other than an asset-referenced token or e-money token contrary to Article 4, paragraph (1), item (d) of Regulation (EU) 2023/1114 as regards the publication of a white paper;

4. if a crypto-asset white paper referred to in Article 6 of Regulation (EU) 2023/1114 does not contain the information referred to in Article 6, paragraph (1) and/or Annex I of Regulation (EU) 2023/1114;

5. if a crypto-asset white paper referred to in Article 6 of Regulation (EU) 2023/1114 does not contain a statement in accordance with Article 6, paragraph (3) of Regulation (EU) 2023/1114;

6. if a crypto-asset white paper referred to in Article 6 of Regulation (EU) 2023/1114 is drawn up contrary to Article 6, paragraph (4) of Regulation (EU) 2023/1114 with respect to assertions as regards the future value of the crypto-asset;

7. if a crypto-asset white paper referred to in Article 6 of Regulation (EU) 2023/1114 does not contain a clear and unambiguous statement in accordance with Article 6, paragraph (5) of Regulation (EU) 2023/1114;

8. if a crypto-asset white paper drawn up in accordance with Article 6 of Regulation (EU) 2023/1114 does not contain a statement referred to in Article 6, paragraph (6) of Regulation (EU) 2023/1114;

9. if a crypto-asset white paper referred to in Article 6 of Regulation (EU) 2023/1114 does not contain a summary in accordance with Article 6, paragraph (7) of Regulation (EU) 2023/1114;

10. if, contrary to Article 6, paragraph (10) of Regulation (EU) 2023/1114, a crypto-asset white paper drawn up in accordance with Article 6 of Regulation (EU) 2023/1114 is not made available in a machine-readable format;

11. if the marketing communications referred to in Article 7 of Regulation (EU) 2023/1114 fail to meet the requirements laid down in Article 7, paragraph (1) of Regulation (EU) 2023/1114;

12. if, contrary to Article 7, paragraph (2) of Regulation (EU) 2023/1114, it disseminates marketing communications prior to the publication of the crypto-asset white paper;

13. if it fails to provide marketing communications relating to crypto-assets other than asset-referenced tokens or e-money tokens at the request of the Agency, in accordance with Article 8, paragraph (2) of Regulation (EU) 2023/1114;

14. if it fails to notify the white paper to the Agency at least 20 working days before the date of publication of the crypto-asset white paper, in accordance with Article 8, paragraph (5) of Regulation (EU) 2023/1114;

15. if it fails to publish the crypto-asset white paper on its website at the latest before the starting date of the offer to the public or admission to trading of those crypto-assets in accordance with Article 9, paragraph (1) of Regulation (EU) 2023/1114;

16. if it publishes a white paper contrary to Article 9, paragraph (2) of Regulation (EU) 2023/1114;

17. if it publishes marketing communications contrary to Article 9, paragraph (2) of Regulation (EU) 2023/1114;

18. if it sets a time limit for the public offer and fails to publish the result of the public offer in accordance with Article 10, paragraph (1) of Regulation (EU) 2023/1114;

19. if it does not set a time limit for the public offer and therefore fails to publish at least monthly the number of units of crypto-assets in circulation in accordance with Article 10, paragraph (2) of Regulation (EU) 2023/1114;

20. if it fails to ensure that the funds or crypto-assets collected during the offer to the public are kept in custody in accordance with Article 10, paragraph (3) of Regulation (EU) 2023/1114;

21. if it fails to modify the white paper in accordance with Article 12, paragraph (1) of Regulation (EU) 2023/1114 whenever there is a significant new factor, material mistake or material inaccuracy that is capable of affecting the assessment of the crypto-assets;

22. if it fails to notify to the Agency a modified white paper in accordance with Article 12, paragraph (2) of Regulation (EU) 2023/1114;

23. if it fails to notify to the Agency a modified white paper within the time limit referred to in Article 12, paragraph (2) of Regulation (EU) 2023/1114;

24. if it fails to inform the public on its website of the notification of a modified white paper in the manner prescribed in Article 12, paragraph (3) of Regulation (EU) 2023/1114;

25. if it fails to inform the public on its website of the notification of a modified white paper within the time limit prescribed in Article 12, paragraph (3) of Regulation (EU) 2023/1114;

26. if it publishes a modified crypto-asset white paper without the reasons for such modification, contrary to Article 12, paragraph (6) of Regulation (EU) 2023/1114;

27. if the crypto-asset white paper it has drawn up does not contain a time-stamp in accordance with Article 12, paragraph (7) of Regulation (EU) 2023/1114;

28. if it fails to give a retail holder a right of withdrawal from the agreement to purchase crypto-assets in accordance with Article 13, paragraph (1) of Regulation (EU) 2023/1114;

29. if it fails to reimburse payments or any charges received from a retail holder in accordance with Article 13, paragraph (2) of Regulation (EU) 2023/1114;

30. if it fails to provide information on the retail holder's right of withdrawal in its white paper in accordance with Article 13, paragraph (3) of Regulation (EU) 2023/1114;

31. if it fails to maintain its systems and security access protocols in accordance with Article 14, paragraph (1), item (d) of Regulation (EU) 2023/1114;

32. if it fails to act in the best interests of the holders of crypto-assets in accordance with Article 14, paragraph (2) of Regulation (EU) 2023/1114;

33. if, in the event of a cancellation of an offer to the public of a crypto-asset, it fails to ensure that any funds collected from holders or prospective holders are returned to them in accordance with Article 14, paragraph (3) of Regulation (EU) 2023/1114;

34. if, in the event of a cancellation of an offer to the public of a crypto-asset, it fails to ensure that any funds collected from holders or prospective holders are returned to them no later than 25 calendar days after the date of cancellation, in accordance with Article 14, paragraph (3) of Regulation (EU) 2023/1114;

35. if it prevents the Agency from exercising supervision by denying it access to any document or if it fails to provide a copy thereof, contrary to Article 45, paragraph (1), item (1) of this Act;

36. if it prevents the Agency from exercising supervision by denying it access to data traffic records, including telephone records, contrary to Article 45, paragraph (1), item (2) of this Act;

37. if it prevents the Agency from exercising supervision of the persons referred to in Article 45, paragraph (5) of this Act;

38. if it fails to act in accordance with a decision on supervisory measures issued by the Agency in accordance with Article 47 of this Act;

39. if it fails to act in accordance with a decision on supervisory measures issued by the Agency in accordance with Article 47 of this Act within the time limit set by the Agency.

(2) By way of derogation from paragraph (1) of this Article, where a legal person has obtained profits or avoided losses by means of a misdemeanour referred to in paragraph (1) of this Article, and the amount of the profits thus obtained or the losses avoided can be determined, it shall be fined for the misdemeanour in the amount of twice the amount of the profits obtained or the losses avoided if that amount exceeds the maximum amount of the fine referred to in paragraph (1) of this Article.

(3) A responsible person of the legal person shall be fined up to EUR 700,000.00 for a misdemeanour referred to in paragraph (1) of this Article.

(4) A natural person who is a craftsman or another self-employed person who committed a misdemeanour referred to in paragraph (1) of this Article in connection with his/her trade or self-employed activity shall be fined up to EUR 700,000.00.

(5) A natural person shall be fined up to EUR 700,000.00 for a misdemeanour referred to in paragraph (1) of this Article.

Misdemeanours due to breaches of the provisions governing the provision of crypto-asset services

Article 58

(1) A legal person shall be fined up to EUR 5,000,000.00, which may not be less than 1% or more than 5% of the total net income generated and reported in the annual financial statements for that financial year:

1. if it provides crypto-asset services in the Republic of Croatia contrary to Article 59, paragraph (1) of Regulation (EU) 2023/1114;

2. if it uses or has used a name or firm name contrary to Article 59, paragraph (5) of Regulation (EU) 2023/1114;

3. if it issues marketing communications contrary to Article 59, paragraph (5) of Regulation (EU) 2023/1114;

4. if, as a credit institution, it provides crypto-asset services contrary to Article 60, paragraph (1) of Regulation (EU) 2023/1114;

5. if, as a central securities depository, it provides custody and administration of crypto-assets contrary to Article 60, paragraph (2) of Regulation (EU) 2023/1114;

6. if, as an investment firm, it provides crypto-asset services contrary to Article 60, paragraph (3) of Regulation (EU) 2023/1114;

7. if, as an electronic money institution, it provides custody and administration of crypto-assets on behalf of clients or provides transfer services for crypto-assets on behalf of clients with regard to the e-money tokens it issues contrary to Article 60, paragraph (4) of Regulation (EU) 2023/1114;

8. if, as a UCITS fund management company or an alternative investment fund manager, it provides crypto-asset services equivalent to the management of portfolios of investment and non-core services in accordance with specific laws, contrary to Article 60, paragraph (5) of Regulation (EU) 2023/1114;

9. if, contrary to Article 64, paragraph (1) of Regulation (EU) 2023/1114 and Article 15, paragraphs (1) and (2) of this Act, it provides crypto-asset services after the Agency has revoked its authorisation;

10. if, as a crypto-asset service provider, it provides crypto-asset services in another Member State without having previously submitted to the Agency the information referred to in Article 65, paragraph (1) of Regulation (EU) 2023/1114;

11. if, as a crypto-asset service provider, it fails to act honestly, fairly and professionally in accordance with the best interests of its clients or prospective clients in accordance with Article 66, paragraph (1) of Regulation (EU) 2023/1114;

12. if, as a crypto-asset service provider, contrary to Article 66, paragraph (2) of Regulation (EU) 2023/1114, it provides false, ambiguous or misleading information to clients;

13. if, as a crypto-asset service provider, it fails to warn a client of the risks associated with transactions in crypto-assets in accordance with Article 66, paragraph (3) of Regulation (EU) 2023/1114;

14. if, as a crypto-asset service provider operating a trading platform for crypto-assets, exchanging crypto-assets for funds or other crypto-assets, providing advice on crypto-assets or providing portfolio management of crypto-assets, in respect of a white paper, it fails to act in accordance with Article 66, paragraph (3) of Regulation (EU) 2023/1114;

15. if, as a crypto-asset service provider, it fails to make its policies on pricing, costs and fees publicly available in accordance with Article 66, paragraph (4) of Regulation (EU) 2023/1114;

16. if, as a crypto-asset service provider, it fails to make publicly available information related to the principal adverse impacts in accordance with Article 66, paragraph (5) of Regulation (EU) 2023/1114;

17. if, as a crypto-asset service provider using insurance policy, it fails to publish the insurance policy on its website in accordance with Article 67, paragraph (5) of Regulation (EU) 2023/1114;

18. if, as a crypto-asset service provider, it fails to adopt a business continuity policy in accordance with Article 68, paragraph (7) of Regulation (EU) 2023/1114;

19. if, as a crypto-asset service provider, it fails to have in place mechanisms, systems or procedures as required by Regulation (EU) 2022/2554, in accordance with Article 68, paragraph (8) of Regulation (EU) 2023/1114;

20. if, as a crypto-asset service provider, it fails to keep records of all crypto-asset services, activities, orders or transactions that it has undertaken, in accordance with Article 68, paragraph (9) of Regulation (EU) 2023/1114;

21. if, as a crypto-asset service provider, it fails to put in place arrangements to safeguard the ownership rights of clients in accordance with Article 70, paragraph (1) of Regulation (EU) 2023/1114;

22. if, as a crypto-asset service provider whose business model or crypto-asset services require holding clients' funds other than e-money tokens, it fails to put in place arrangements to safeguard the ownership rights of clients and prevent the use of clients' funds in accordance with Article 70, paragraph (2) of Regulation (EU) 2023/1114;

23. if, as a crypto-asset service provider whose business model or crypto-asset services require holding clients' funds other than e-money tokens, it fails to place those funds with a credit institution or a central bank in accordance with Article 70, paragraph (3) of Regulation (EU) 2023/1114;

24. if, as a crypto-asset service provider that has placed clients' funds other than e-money tokens with a credit institution or a central bank, it fails to ensure that the funds are held in an account separately identifiable from any accounts used to hold funds belonging to the crypto-asset service provider, in accordance with Article 70, paragraph (3) of Regulation (EU) 2023/1114;

25. if, as a crypto-asset service provider, it fails to ensure the provision of payment services related to the crypto-asset services it offers, in accordance with Article 70, paragraph (4) of Regulation (EU) 2023/1114;

26. if, as a crypto-asset service provider that itself provides payment services related to the crypto-asset services it offers, it fails to inform its clients of all the elements referred to in Article 70, paragraph (4) of Regulation (EU) 2023/1114;

27. if, as a crypto-asset service provider, it fails to establish effective and transparent procedures for the prompt, fair and consistent handling of clients' complaints in accordance with Article 71, paragraph (1) of Regulation (EU) 2023/1114;

28. if, as a crypto-asset service provider, it fails to implement effective and transparent procedures for the prompt, fair and consistent handling of clients' complaints in accordance with Article 71, paragraph (1) of Regulation (EU) 2023/1114;

29. if, as a crypto-asset service provider, it fails to publish a description of its procedures for handling clients' complaints in accordance with Article 71, paragraph (1) of Regulation (EU) 2023/1114;

30. if, as a crypto-asset service provider, it fails to enable its clients to file complaints free of charge in accordance with Article 71, paragraph (2) of Regulation (EU) 2023/1114;

31. if, as a crypto-asset service provider, it fails to inform clients of the possibility of filing a complaint in accordance with Article 71, paragraph (3) of Regulation (EU) 2023/1114;

32. if, as a crypto-asset service provider, it fails to make available to clients a template for filing complaints in accordance with Article 71, paragraph (3) of Regulation (EU) 2023/1114;

33. if, as a crypto-asset service provider, it fails to keep records of complaints in accordance with Article 71, paragraph (3) of Regulation (EU) 2023/1114;

34. if, as a crypto-asset service provider, it fails to implement or maintain effective policies to identify, prevent, manage and disclose conflicts of interest in accordance with Article 72, paragraph (1) of Regulation (EU) 2023/1114;

35. if, as a crypto-asset service provider, it fails to publish any information on conflicts of interest on its website in accordance with Article 72, paragraph (2) of Regulation (EU) 2023/1114;

36. if, as a crypto-asset service provider that outsources a service or activity to a third party for the performance of its operational functions, it fails to ensure that all the conditions laid down in Article 73, paragraph (1), items (a) to (g) of Regulation (EU) 2023/1114 are met;

37. if, as a crypto-asset service provider, it fails to adopt an outsourcing policy in accordance with Article 73, paragraph (2) of Regulation (EU) 2023/1114;

38. if, as a crypto-asset service provider, it fails to conclude a written agreement on service or activity outsourcing in accordance with Article 73, paragraph (3) of Regulation (EU) 2023/1114;

39. if, as a crypto-asset service provider, it fails to make available to the Agency the information in accordance with Article 73, paragraph (4) of Regulation (EU) 2023/1114;

40. if, as a crypto-asset service provider, it fails to have in place a winding-up plan in accordance with Article 74 of Regulation (EU) 2023/1114;

41. if, as a crypto-asset service provider providing custody and administration of crypto-assets on behalf of clients, it fails to conclude an agreement in accordance with Article 75, paragraph (1) of Regulation (EU) 2023/1114;

42. if, as a crypto-asset service provider providing custody and administration of crypto-assets on behalf of clients, it fails to keep a register of positions in accordance with Article 75, paragraph (2) of Regulation (EU) 2023/1114;

43. if, as a crypto-asset service provider providing custody and administration of crypto-assets on behalf of clients, it fails to provide its clients with a statement of position of crypto-assets in accordance with Article 75, paragraph (5) of Regulation (EU) 2023/1114;

44. if, as a crypto-asset service provider providing custody and administration of crypto-assets on behalf of clients, it fails to put in place procedures to return crypto-assets held on behalf of clients in accordance with Article 75, paragraph (6) of Regulation (EU) 2023/1114;

45. if, as a crypto-asset service provider providing custody and administration of crypto-assets on behalf of clients, it fails to segregate holdings of crypto-assets on behalf of its clients from its own holdings in accordance with Article 75, paragraph (7) of Regulation (EU) 2023/1114;

46. if, as a crypto-asset service provider, it fails to ensure that the crypto-assets held in custody are operationally segregated from the assets of the crypto-asset service provider in accordance with Article 75, paragraph (7) of Regulation (EU) 2023/1114;

47. if, as a crypto-asset service provider providing custody and administration of crypto-assets on behalf of clients, it fails to inform clients of the use of other crypto-asset service providers, in accordance with Article 75, paragraph (9) of Regulation (EU) 2023/1114;

48. if, as a crypto-asset service provider operating a trading platform for crypto-assets, it fails to lay down or implement clear and transparent rules for the trading platform in accordance with Article 76, paragraph (1) of Regulation (EU) 2023/1114;

49. if, as a crypto-asset service provider operating a trading platform for crypto-assets, it fails to assess the suitability of the crypto-assets in accordance with the requirements set out in Article 76, paragraph (2) of Regulation (EU) 2023/1114;

50. if, as a crypto-asset service provider operating a trading platform for crypto-assets, it fails to prevent in the operating rules of the trading platform for crypto-assets the admission to trading of crypto-assets that have an inbuilt anonymisation function in accordance with Article 76, paragraph (3) of Regulation (EU) 2023/1114;

51. if, as a crypto-asset service provider operating a trading platform for crypto-assets, it deals on own account on the trading platform for crypto-assets it operates contrary to the prohibition referred to in Article 76, paragraph (5) of Regulation (EU) 2023/1114;

52. if, as a crypto-asset service provider operating a trading platform for crypto-assets, it fails to have in place effective systems, procedures and arrangements in accordance with the requirements set out in Article 76, paragraph (7) of Regulation (EU) 2023/1114;

53. if, as a crypto-asset service provider operating a trading platform for crypto-assets, it fails to notify the Agency of a case of market abuse or attempted market abuse in accordance with Article 76, paragraph (8) of Regulation (EU) 2023/1114;

54. if, as a crypto-asset service provider operating a trading platform for crypto-assets, it fails to make public any bid and ask prices and the depth of trading interests in accordance with Article 76, paragraph (9) of Regulation (EU) 2023/1114;

55. if, as a crypto-asset service provider operating a trading platform for crypto-assets, it fails to make public trading data in accordance with Article 76, paragraph (10) of Regulation (EU) 2023/1114;

56. if, as a crypto-asset service provider operating a trading platform for crypto-assets, it fails to initiate the final settlement of a crypto-asset transaction on the distributed ledger in accordance with Article 76, paragraph (12) of Regulation (EU) 2023/1114;

57. if, as a crypto-asset service provider operating a trading platform for crypto-assets, it fails to keep the data relating to orders for crypto-assets in the manner prescribed in Article 76, paragraph (15) of Regulation (EU) 2023/1114;

58. if, as a crypto-asset service provider operating a trading platform for crypto-assets, it fails to keep the data relating to orders for crypto-assets for the time periods prescribed in Article 76, paragraph (15) of Regulation (EU) 2023/1114;

59. if, as a crypto-asset service provider exchanging crypto-assets for funds or other crypto-assets, it fails to establish a non-discriminatory commercial policy in accordance with Article 77, paragraph (1) of Regulation (EU) 2023/1114;

60. if, as a crypto-asset service provider exchanging crypto-assets for funds or other crypto-assets, it fails to publish a firm price or a method for determining the price of the crypto-assets in accordance with Article 77, paragraph (2) of Regulation (EU) 2023/1114;

61. if, as a crypto-asset service provider exchanging crypto-assets for funds or other crypto-assets, it fails to execute client orders in accordance with Article 77, paragraph (3) of Regulation (EU) 2023/1114;

62. if, as a crypto-asset service provider exchanging crypto-assets for funds or other crypto-assets, it fails to publish information about transactions in accordance with Article 77, paragraph (4) of Regulation (EU) 2023/1114;

63. if, as a crypto-asset service provider executing orders for crypto-assets, it fails to take all the steps prescribed in Article 78, paragraph (1) of Regulation (EU) 2023/1114 in order to obtain the best possible result for its client when executing orders;

64. if, as a crypto-asset service provider executing orders for crypto-assets, it fails to provide clients all information in accordance with Article 78, paragraph (3) of Regulation (EU) 2023/1114;

65. if, as a crypto-asset service provider executing orders for crypto-assets, it executes orders outside the trading platform without informing clients in accordance with Article 78, paragraph (5) of Regulation (EU) 2023/1114;

66. if, as a crypto-asset service provider executing orders for crypto-assets, it executes orders outside the trading platform without obtaining the prior express consent of the client in accordance with Article 78, paragraph (5) of Regulation (EU) 2023/1114;

67. if, as a crypto-asset service provider executing orders for crypto-assets, it fails to notify clients with whom it has an ongoing client relationship of any material changes to the order execution arrangements or order execution policy in accordance with Article 78, paragraph (6) of Regulation (EU) 2023/1114;

68. if, as a crypto-asset service provider placing crypto-assets, it fails to communicate, before concluding an agreement, to an offeror, to a person seeking admission to trading, or to any third party acting on its behalf, all the information referred to in Article 79, paragraph (1) of Regulation (EU) 2023/1114;

69. if, as a crypto-asset service provider placing crypto-assets, it places crypto-assets to the offeror without obtaining the prior consent of the issuer or a third party acting on its behalf, in accordance with Article 79, paragraph (1) of Regulation (EU) 2023/1114;

70. if, as a crypto-asset service provider placing crypto-assets, it fails to adopt rules on conflicts of interest in accordance with Article 79, paragraph (2) of Regulation (EU) 2023/1114;

71. if, as a crypto-asset service provider receiving and transmitting orders for crypto-assets on behalf of clients, it fails to establish procedures and arrangements for the prompt and proper transmission of client orders in accordance with Article 80, paragraph (1) of Regulation (EU) 2023/1114;

72. if, as a crypto-asset service provider receiving and transmitting orders for crypto-assets on behalf of clients, it receives a remuneration, discount or non-monetary benefit contrary to the prohibition referred to in Article 80, paragraph (2) of Regulation (EU) 2023/1114;

73. if, as a crypto-asset service provider receiving and transmitting orders for crypto-assets on behalf of clients, it fails to act in accordance with Article 80, paragraph (3) of Regulation (EU) 2023/1114, as regards the misuse of information relating to client orders;

74. if, as a crypto-asset service provider providing advice on crypto-assets or portfolio management of crypto-assets, it fails to assess the suitability of its crypto-asset services or crypto-assets in accordance with Article 81, paragraph (1) of Regulation (EU) 2023/1114;

75. if, as a crypto-asset service provider providing advice on crypto-assets, it fails to inform clients of the circumstances referred to in Article 81, paragraph (2) of Regulation (EU) 2023/1114;

76. if, as a crypto-asset service provider providing advice on crypto-assets on an independent basis, it fails to assess the range of crypto-assets in accordance with Article 81, paragraph (3), item (a) of Regulation (EU) 2023/1114;

77. if, as a crypto-asset service provider providing advice on an independent basis, it accepts or retains a fee, commission or any monetary or non-monetary benefit contrary to Article 81, paragraph (3), item (b) of Regulation (EU) 2023/1114;

78. if, as a crypto-asset service provider providing advice on crypto-assets to prospective clients, it fails to provide information on costs and related charges in accordance with Article 81, paragraph (4) of Regulation (EU) 2023/1114;

79. if natural persons giving advice or information on its behalf about crypto-assets or a crypto-asset service do not possess the necessary knowledge and competence to fulfil their obligations in accordance with Article 81, paragraph (7) of Regulation (EU) 2023/1114 and Article 25 of this Act;

80. if, as a crypto-asset service provider providing advice on crypto-assets or portfolio management of crypto-assets, it fails to warn clients or prospective clients of the circumstances referred to in Article 81, paragraph (9) of Regulation (EU) 2023/1114;

81. if, as a crypto-asset service provider providing advice on crypto-assets or portfolio management of crypto-assets, it recommends or begins the provision of portfolio management of crypto-assets that it considers not suitable for its client, contrary to the prohibition referred to in Article 81, paragraph (11) of Regulation (EU) 2023/1114;

82. if, as a crypto-asset service provider providing advice or portfolio management of crypto-assets, it fails to provide its client with a report on suitability, in accordance with Article 81, paragraph (13) of Regulation (EU) 2023/1114;

83. if, as a crypto-asset service provider providing portfolio management of crypto-assets, it fails to provide periodic statements to its client of the portfolio management activities in accordance with Article 81, paragraph (14) of Regulation (EU) 2023/1114;

84. if, as a crypto-asset service provider providing transfer services for crypto-assets on behalf of clients, it fails to conclude an agreement in accordance with Article 82, paragraph (1) of Regulation (EU) 2023/1114;

85. if information that it provides as a crypto-asset service provider to existing or prospective clients does not meet the conditions referred to in Article 24, paragraph (2) of this Act;

86. if information it addresses as a crypto-asset service provider to existing or prospective clients compares services or crypto-assets or persons providing crypto-asset services, and such comparison does not meet all the conditions referred to in Article 24, paragraph (4) of this Act;

87. if, as a crypto-asset service provider, it fails to deliver to the Agency a supervisory report or other information within the time limit or in the form prescribed by the Agency by means of an ordinance referred to in Article 26, paragraph (2) of this Act;

88. if, as a crypto-asset service provider, it fails to keep business books or other business documentation in accordance with Article 27, paragraph (3) of this Act;

89. if, as a crypto-asset service provider, it fails to prepare, check or store bookkeeping documents in accordance with Article 27, paragraph (4) of this Act;

90. if, as a crypto-asset service provider, it fails to notify the Agency of the appointment of an audit firm in accordance with Article 29 of this Act;

91. if, as a crypto-asset service provider, it fails to deliver to the Agency the reports in accordance with Article 34, paragraph (1) of this Act;

92. if, as a crypto-asset service provider which is required to carry out consolidation of annual financial statements and to prepare consolidated annual financial statements and a consolidated annual report it fails to deliver to the Agency the prescribed reports and statements in accordance with Article 34, paragraph (2) of this Act;

93. if, as a crypto-asset service provider, it fails to publish the prescribed reports and statements in accordance with Article 34, paragraph (8) of this Act.

(2) By way of derogation from paragraph (1) of this Article, where a legal person has obtained profits or avoided losses by means of a misdemeanour referred to in paragraph (1) of this Article, and the amount of the profits thus obtained or the losses avoided can be determined, it shall be fined for the misdemeanour in the amount of twice the amount of the profits obtained or the losses avoided if that amount exceeds the maximum amount of the fine referred to in paragraph (1) of this Article.

(3) A responsible person of the legal person shall be fined between EUR 7000.00 and EUR 25,000.00 for a misdemeanour referred to in paragraph (1) of this Article.

Misdemeanours related to market abuse for crypto-assets

Article 59

(1) A legal person shall be fined up to EUR 5,000,000.00, which may not be less than 7% or more than 15% of the total net income generated and reported in the annual financial statements for that financial year:

1. if it engages or attempts to engage in insider dealing in relation to crypto-assets referred to in Article 87, paragraph (1) of Regulation (EU) 2023/1114 contrary to Article 89, paragraph (2) of Regulation (EU) 2023/1114;

2. if it uses inside information about crypto-assets referred to in Article 87, paragraph (1) of Regulation (EU) 2023/1114 contrary to Article 89, paragraph (2) of Regulation (EU) 2023/1114;

3. if it recommends or induces another person to engage in insider dealing in relation to crypto-assets contrary to Article 89, paragraph (3) of Regulation (EU) 2023/1114;

4. if it discloses inside information referred to in Article 87, paragraph (1) of Regulation (EU) 2023/1114 to another person contrary to Article 90, paragraph (1) of Regulation (EU) 2023/1114;

5. if, with regard to market manipulation related to crypto-assets, it acts contrary to Article 91, paragraph (2), item (a) of Regulation (EU) 2023/1114;

6. if, contrary to Article 91, paragraph (2), item (b) of Regulation (EU) 2023/1114, it engages in market manipulation related to crypto-assets by entering into a transaction, placing an order to trade or any other activity or behaviour which affects or is likely to affect the price of one or several crypto-assets, while employing a fictitious device or any other form of deception or contrivance;

7. if, contrary to Article 91, paragraph (2), item (c) of Regulation (EU) 2023/1114, it engages in market manipulation related to crypto-assets by disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of one or several crypto-assets, or secures or is likely to secure, the price of one or several crypto-assets, at an abnormal or artificial level, including the dissemination of rumours, where the person who engaged in the dissemination knew, or ought to have known, that the information was false or misleading;

8. if, contrary to Article 91, paragraph (3), item (a) of Regulation (EU) 2023/1114, it engages in market manipulation related to crypto-assets by securing a dominant position over the supply of, or demand for, a crypto-asset, which has, or is likely to have, the effect of fixing, directly or indirectly, purchase or sale prices or creates, or is likely to create, other unfair trading conditions;

9. if, as a person professionally arranging or executing transactions in crypto-assets, it fails to have in place arrangements, systems and procedures to prevent and detect market abuse in accordance with the obligation referred to in Article 92, paragraph (1) of Regulation (EU) 2023/1114;

10. if, as a person professionally arranging or executing transactions in crypto-assets, it fails to notify the Agency of any reasonable suspicion of market abuse for crypto-assets regarding an order or transaction in accordance with the obligation referred to in Article 92, paragraph (1) of Regulation (EU) 2023/1114.

(2) By way of derogation from paragraph (1) of this Article, where a legal person has obtained profits or avoided losses by means of a misdemeanour referred to in paragraph (1) of this Article, and the amount of the profits thus obtained or the losses avoided can be determined, it shall be fined for the misdemeanour in the amount of three times the amount of the profits obtained or the losses avoided if that amount exceeds the maximum amount of the fine referred to in paragraph (1) of this Article.

(3) A responsible person of the legal person shall be fined up to EUR 1,000,000.00 for a misdemeanour referred to in paragraph (1) of this Article.

(4) A natural person who is a craftsman or another self-employed person who committed a misdemeanour referred to in paragraph (1) of this Article in connection with his/her trade or self-employed activity shall be fined up to EUR 1,000,000.00.

(5) A natural person shall be fined up to EUR 1,000,000.00 for a misdemeanour referred to in paragraph (1) of this Article.

Misdemeanours by other persons

Article 60

(1) A legal person shall be fined up to EUR 5,000,000.00, which may not be less than 2% or more than 5% of the total net income generated and reported in the annual financial statements for that financial year:

1. if it acquires a qualifying holding in a crypto-asset service provider without notifying the Agency in advance in accordance with Article 83, paragraph (1) of Regulation (EU) 2023/1114;

2. if it disposes of a qualifying holding in a crypto-asset service provider without notifying the Agency in advance in accordance with Article 83, paragraph (2) of Regulation (EU) 2023/1114;

3. if, as an audit firm, it fails to notify the Agency in writing and without delay of the facts or decisions referred to in Article 32, paragraph (1) of this Act;

4. if, as an audit firm, it fails to notify the Croatian National Bank of any fact indicating that the conditions for revocation of the authorisation have been met or that the business of an issuer of asset-referenced tokens is jeopardised in accordance with Article 43, paragraph (4) of this Act.

(2) A responsible person of the legal person shall be fined up to EUR 700,000.00 for a misdemeanour referred to in paragraph (1) of this Article.

(3) A natural person who is a craftsman or another self-employed person who committed a misdemeanour referred to in paragraph (1) of this Article in connection with his/her trade or self-employed activity shall be fined up to EUR 700,000.00.

(4) A natural person shall be fined up to EUR 700,000.00 for a misdemeanour referred to in paragraph (1) of this Article.

Misdemeanours related to disclosure of inside information

Article 61

(1) A legal person shall be fined up to EUR 2,500,000.00, which may not be less than 0.1% or more than 2% of the total net income generated and reported in the annual financial statements for that financial year:

1. if, as an issuer, offeror or person seeking admission to trading, it fails to disclose any inside information that directly concerns it in accordance with Article 88, paragraph (1) of Regulation (EU) 2023/1114;

2. if, as an issuer, offeror or person seeking admission to trading, it delays disclosure of inside information and the conditions referred to in Article 88, paragraph (2) of Regulation (EU) 2023/1114 are not met;

3. if, as an issuer, offeror or person seeking admission to trading, it delays disclosure of inside information without notifying the Agency in accordance with Article 88, paragraph (3) of Regulation (EU) 2023/1114.

(2) By way of derogation from paragraph (1) of this Article, where a legal person has obtained profits or avoided losses by means of a misdemeanour referred to in paragraph (1) of this Article, and the amount of the profits thus obtained or the losses avoided can be determined, it shall be fined for the misdemeanour in the amount of three times the amount of

the profits obtained or the losses avoided if that amount exceeds the maximum amount of the fine referred to in paragraph (1) of this Article.

(3) A responsible person of the legal person shall be fined up to EUR 1,000,000.00 for a misdemeanour referred to in paragraph (1) of this Article.

(4) A natural person who is a craftsman or another self-employed person who committed a misdemeanour referred to in paragraph (1) of this Article in connection with his/her trade or self-employed activity shall be fined up to EUR 1,000,000.00.

(5) A natural person shall be fined up to EUR 1,000,000.00 for a misdemeanour referred to in paragraph (1) of this Article.

Misdemeanours by legal and natural persons acting contrary to an order of the competent authorities

Article 62

(1) A legal person shall be fined between EUR 1000.00 and EUR 100,000.00 for a misdemeanour if it fails to comply with guidelines adopted by EBA or ESMA, for which the competent authority has stated that they oblige supervised entities in whole or in part, and if it fails to publish on its website a notification of the statement in accordance with Article 8, paragraphs (2) and (5) of this Act.

(2) A responsible person of the legal person shall be fined up to EUR 6630.00 for a misdemeanour referred to in paragraph (1) of this Article.

(3) A natural person who is a craftsman or another self-employed person who committed a misdemeanour referred to in paragraph (1) of this Article in connection with his/her trade or self-employed activity shall be fined up to EUR 66,360.00.

(4) A natural person shall be fined up to EUR 6630.00 for a misdemeanour referred to in paragraph (1) of this Article.

(5) A legal person who fails to comply with a request or a decision of the Agency adopted pursuant to Article 45, 47 or 48 of this Act shall be fined between EUR 1000.00 and EUR 100,000.00.

(6) A responsible person of the legal person shall be fined up to EUR 6630.00 for a misdemeanour referred to in paragraph (5) of this Article.

(7) A natural person who is a craftsman or another self-employed person who committed a misdemeanour referred to in paragraph (5) of this Article in connection with his/her trade or self-employed activity shall be fined up to EUR 66,360.00.

(8) A natural person shall be fined up to EUR 6630.00 for a misdemeanour referred to in paragraph (5) of this Article.

(9) A legal person shall be fined between EUR 1000.00 and EUR 100,000.00:

1. if it fails to act in accordance with a request of the Croatian National Bank issued pursuant to Article 46, paragraph (4) of this Act;

2. if it fails to enable or ensure the smooth carrying out of an on-site inspection by the Croatian National Bank; or

3. if it fails to act in accordance with a decision of the Croatian National Bank adopted pursuant to Article 49 of this Act and Article 94 of Regulation (EU) 2023/1114.

(10) A responsible person of the legal person shall be fined up to EUR 6630.00 for a misdemeanour referred to in paragraph (9) of this Article.

(11) A natural person who is a craftsman or another self-employed person who committed a misdemeanour referred to in paragraph (9) of this Article in connection with his/her trade or self-employed activity shall be fined up to EUR 66,360.00.

(12) A natural person shall be fined up to EUR 6630.00 for a misdemeanour referred to in paragraph (9) of this Article.

Misdemeanours due to breaches of the provisions governing asset-referenced tokens

Article 63

(1) A legal person shall be fined between EUR 1000.00 and up to 12.5% of total income:

1. if, without authorisation, it makes an offer to the public, or seeks the admission to trading, of an asset-referenced token contrary to Article 16 of Regulation (EU) 2023/1114;
2. if, as a credit institution, it offers to the public or admits to trading an asset-referenced token contrary to Article 17 of Regulation (EU) 2023/1114;
3. if it fails to draw up a crypto-asset white paper for asset-referenced tokens in accordance with Article 19 of Regulation (EU) 2023/1114;
4. if it fails to report on asset-referenced tokens in accordance with Article 22 of Regulation (EU) 2023/1114;
5. if it fails to comply with the restrictions on the issuance of asset-referenced tokens widely used as a means of exchange referred to in Article 23 of Regulation (EU) 2023/1114;
6. if it fails to comply with the limits on the amount of an asset-referenced token or a minimum denomination amount in respect of the asset-referenced token imposed by the competent authority in accordance with Article 24, paragraph (3) of Regulation (EU) 2023/1114;
7. if it fails to comply with the provisions of Article 25 of Regulation (EU) 2023/1114 on the change of the business model or modification of the published crypto-asset white paper for asset-referenced tokens;
8. if it fails to comply with the provisions of Article 27 of Regulation (EU) 2023/1114 on acting honestly, fairly and professionally in the best interests of holders of asset-referenced tokens;
9. if it fails to publish a crypto-asset white paper for asset-referenced tokens and its modifications in accordance with Article 28 of Regulation (EU) 2023/1114;
10. if it fails to comply with the provisions of Article 29 of Regulation (EU) 2023/1114 on marketing communications relating to an offer to the public of an asset-referenced token, or to the admission to trading of such asset-referenced token;
11. if it fails to inform holders of asset-referenced tokens in accordance with Article 30 of Regulation (EU) 2023/1114;
12. if it fails to establish a complaint-handling procedure in accordance with Article 31 of Regulation (EU) 2023/1114;
13. if it fails to comply with the provisions of Article 32 of Regulation (EU) 2023/1114 on the identification, prevention, management and disclosure of conflicts of interest;
14. if it fails to notify the competent authority of any changes to its management body in accordance with Article 33 of Regulation (EU) 2023/1114;
15. if it fails to ensure governance arrangements in accordance with Article 34 of Regulation (EU) 2023/1114;
16. if it fails to meet the own funds requirements laid down in Article 35 of Regulation (EU) 2023/1114;
17. if it fails to maintain the reserve assets in accordance with Article 36 of Regulation (EU) 2023/1114;

18. if it fails to comply with the provisions of Article 37 of Regulation (EU) 2023/1114 on the custody of reserve assets;

19. if it fails to comply with the provisions of Article 38 of Regulation (EU) 2023/1114 on the investment of the reserve of assets;

20. if it fails to comply with the provisions of Article 39 of Regulation (EU) 2023/1114 on the right of redemption;

21. if it grants interest in relation to asset-referenced tokens contrary to Article 40 of Regulation (EU) 2023/1114;

22. if it fails to comply with the provisions of Article 46 of Regulation (EU) 2023/1114 on a recovery plan;

23. if it fails to comply with the provisions of Article 47 of Regulation (EU) 2023/1114 on a redemption plan;

24. if it fails to keep business books, other business documentation and records, or if it fails to prepare or publish annual financial statements, annual consolidated financial statements or annual reports in accordance with Article 41 of this Act;

25. if it fails to deliver to the Croatian National Bank annual financial statements, annual consolidated financial statements, supervisory reports and other information necessary for exercising supervision of the application of the provisions of Title III of Regulation (EU) 2023/1114 as determined by a decision adopted pursuant to Article 42, paragraph (4) of this Act, which is contrary to Article 42 of this Act;

26. if it fails to ensure that the annual financial statements or annual consolidated financial statements of issuers of asset-referenced tokens are audited in accordance with Article 43, paragraphs (1) and (2) of this Act;

27. if it fails to ensure that an audit of the compliance of its operations with Title III of Regulation (EU) 2023/1114 is carried out in accordance with Article 43, paragraph (3) of this Act;

28. if it fails to deliver to the Croatian National Bank a report on the statutory audit and an audit report on compliance of its operations with Title III of Regulation (EU) 2023/1114 in accordance with Article 43, paragraph (6) of this Act.

(2) A responsible person of the legal person shall be fined up to EUR 700,000.00 for a misdemeanour referred to in paragraph (1) of this Article.

(3) A natural person who is a craftsman or another self-employed person who committed a misdemeanour referred to in paragraph (1) of this Article in connection with his/her trade or self-employed activity shall be fined up to EUR 700,000.00.

(4) A natural person shall be fined up to EUR 700,000.00 for a misdemeanour referred to in paragraph (1) of this Article.

Misdemeanours due to breaches of the provisions governing e-money tokens

Article 64

(1) A legal person shall be fined between EUR 1000.00 and up to 12.5 % of total income:

1. if it makes an offer to the public or seeks the admission to trading of an e-money token contrary to Article 48 of Regulation (EU) 2023/1114;

2. if it fails to comply with the provisions of Article 49 of Regulation (EU) 2023/1114 on the issuance and redeemability of e-money tokens;

3. if it grants interest in relation to e-money tokens contrary to Article 50 of Regulation (EU) 2023/1114;

4. if it fails to publish a crypto-asset white paper for e-money tokens in accordance with Article 51 of Regulation (EU) 2023/1114;

5. if it fails to notify to the Croatian National Bank as the competent authority a crypto-asset white paper for e-money tokens in accordance with Article 51, paragraph (11) of Regulation (EU) 2023/1114;

6. if it fails to draw up, notify or publish a modified white paper in accordance with Article 51, paragraph (12) of Regulation (EU) 2023/1114;

7. if it fails to provide the Croatian National Bank, together with the notification of a white paper, the information referred to in Article 51, paragraph (14) of Regulation (EU) 2023/1114;

8. if it fails to draft or publish or notify to the Croatian National Bank, upon request, marketing communications in accordance with Article 53 of Regulation (EU) 2023/1114 or if it disseminates marketing communications prior to the publication of a white paper contrary to Article 53, paragraph (6) of Regulation (EU) 2023/1114;

9. if it fails to invest the funds received in exchange for e-money tokens in accordance with Article 54 of Regulation (EU) 2023/1114;

10. if it fails to comply with the provisions of Article 55 of Regulation (EU) 2023/1114 referring to Title III, Chapter 6 of Regulation (EU) 2023/1114 on recovery and redemption plans;

11. if, when issuing e-money tokens denominated in a currency that is not an official currency of a Member State, it fails to comply with the provisions of Article 58, paragraph (3) of Regulation (EU) 2023/1114 by failing to report on e-money tokens in accordance with Article 22 of Regulation (EU) 2023/1114 or if it fails to comply with the restrictions on the issuance of e-money tokens widely used as a means of exchange pursuant to Article 23 of Regulation (EU) 2023/1114 or if it fails to comply with the limits on the amount of an e-money token or a minimum denomination amount in respect of the e-money token imposed by the competent authority in accordance with Article 24, paragraph (3) of Regulation (EU) 2023/1114;

12. if it fails to act in accordance with a decision of the Croatian National Bank adopted pursuant to Article 58, paragraph (2) of Regulation (EU) 2023/1114.

(2) A responsible person of the legal person shall be fined up to EUR 700,000.00 for a misdemeanour referred to in paragraph (1) of this Article.

(3) A natural person who is a craftsman or another self-employed person who committed a misdemeanour referred to in paragraph (1) of this Article in connection with his/her trade or self-employed activity shall be fined up to EUR 700,000.00.

(4) A natural person shall be fined up to EUR 700,000.00 for a misdemeanour referred to in paragraph (1) of this Article.

XIII TRANSITIONAL AND FINAL PROVISIONS

Transitional provisions

Article 65

A crypto-asset service provider that provides its services in accordance with the law governing the prevention of money laundering and terrorist financing and is entered in the register of virtual asset service providers referred to in Article 9a of the Act on the Prevention of Money Laundering and Terrorist Financing (Official Gazette 108/2017, 39/2019 and 151/2022) shall, in accordance with Article 143, paragraph (3) of Regulation (EU) 2023/1114, obtain authorisation by 1 July 2026 at the latest.

Time limit for the adoption of subordinate legislation and concluding agreements

Article 66

(1) The Croatian National Bank shall adopt the decisions referred to in Article 42, paragraph (4), Article 46, paragraph (7), Article 52, paragraph (3) and Article 54, paragraph (2) of this Act within 12 months of the entry into force of this Act.

(2) The Board of the Agency shall adopt the ordinances referred to in Article 14, paragraph (7), Article 17, paragraph (5), Article 25, paragraph (7), Article 26, paragraph (2), Article 27, paragraph (8), Article 28, paragraph (3), Article 33, paragraph (10), Article 35, paragraph (3), Article 45, paragraph (12), Article 52, paragraph (2) and Article 54, paragraph (1) of this Act within 12 months of the entry into force of this Act.

(3) The Board of the Agency shall adopt the guidelines referred to in Article 24, paragraph (6) of this Act within 12 months of the entry into force of this Act.

(4) The Croatian National Bank and the Agency shall conclude the agreement referred to in Article 8, paragraph (6) of this Act within three months of the entry into force of this Act.

Entry into force

Article 67

This Act shall enter into force on the eighth day following its publication in the Official Gazette.

Class: 022-02/24-01/43

Zagreb, 12 July 2024

THE CROATIAN PARLIAMENT

The President of the Croatian Parliament

Gordan Jandroković, m.p.