

Pursuant to Article 25, paragraph (2), Article 27 and Article 43, paragraph (2), item (9) of the Act on the Croatian National Bank (Official Gazette 75/2008), the Governor of the Croatian National Bank hereby issues the

DECISION
on the supply of banks with cash

General provisions

Article 1

(1) This Decision regulates the manner of supply of banks with cash through the Croatian National Bank.

(2) In terms of this Decision, the supply of banks with cash shall mean withdrawal of cash from the account of a bank in the Croatian National Bank (hereinafter: the withdrawing of cash) and the depositing of cash to the account of a bank in the Croatian National Bank (hereinafter: the depositing of cash).

(3) In terms of this Decision, the term "bank" shall mean banks and savings banks, established in accordance with the provisions of the Credit Institutions Act (Official Gazette 117/2008 and 74/2009).

Article 2

(1) The Croatian National Bank shall supply banks with cash through cash supply centres.

(2) The business of cash supply centres, as prescribed under this Decision shall be conducted by Fina gotovinski servisi d.o.o. in the name and for the account of the Croatian National Bank.

(3) A list of cash supply centres is given in Annex 1 of this Decision and constitutes an integral part thereof.

Article 3

(1) The working hours of cash supply centres shall be each working day from 7:00 to 17:00, from Monday to Friday.

(2) The Croatian National Bank may stipulate that a cash supply centre also operates on Saturdays.

Article 4

(1) The Bank shall submit to the Help Desk (FINA gotovinski servisi d.o.o.) documentation related to the withdrawing of cash as prescribed under this Decision, by personal delivery, facsimile transmission or electronically.

(2) The Bank shall, for the purpose of verification of documentation referred to in paragraph 1 of this Article, submit to the Help Desk a completed Signature Registration form. The Help Desk shall forward a copy of the Signature Registration to the cash supply centre through which the bank withdraws or deposits cash. The bank shall obtain a Signature Registration form from the cash supply centre.

(3) The signature and the stamp on the documentation referred to in paragraph 1 of this Article shall correspond to the signatures and the stamp on the Signature Registration form submitted by the bank in accordance with paragraph 2 of this Article.

(4) The Bank shall submit to the Croatian National Bank a list of bank employees authorised for Signature Registration form verification and any amendments thereto. The Croatian National Bank shall submit to the Help Desk for further procedure data on the authorised bank employees and any amendments thereto.

(5) Where the documentation referred to in paragraph 1 of this Article is submitted electronically, it must be verified in the manner and under the conditions defined by technical instructions for electronic submission of documentation, which are issued by Fina gotovinski servisi d.o.o., subject to prior approval by the Croatian National Bank.

(6) FINA gotovinski servisi d.o.o. shall submit to the bank the instructions referred to in paragraph 5 of this Article upon the latter's request.

Bank's cash account with the Croatian National Bank

Article 5

(1) For the purpose of supplying banks with cash, the Croatian National Bank shall open a cash account for each bank (hereinafter: bank's cash account with the CNB).

(2) The Croatian National Bank shall inform the bank about the number of the bank's cash account with the CNB.

Article 6

(1) Funds recorded in the bank's cash account with the CNB shall constitute an integral part of the bank's settlement account.

(2) FINA gotovinski servisi d.o.o. shall submit to the bank a report on the balance and changes in the bank's cash account with the CNB. The address and the manner of

submission of this report shall be determined by the bank in agreement with the cash supply centre located in the place of registered office of the bank or with another cash supply centre of the bank's choice (hereinafter: bank's main cash supply centre).

(3) The bank's main cash supply centre shall inform the bank about the amount of funds recorded in the bank's cash account with the CNB, between 7:00 and 17:00. The main cash supply centre shall agree with the bank on the manner of notification of the bank on the balance in the bank's cash account with the CNB.

Article 7

(1) All changes related to the supply of bank with cash shall be registered in the bank's cash account with the CNB.

(2) The bank's cash account with the CNB shall be credited for each:

- amount of funds transferred to this account from the settlement account by the bank for which the cash account with the CNB has been opened;
- amount of cash deposited by that bank through cash supply centres.

(3) The bank's cash account with the CNB shall be debited for each:

- amount of cash which that bank has withdrawn through cash supply centres;
- the amount of funds transferred, upon that bank's order, to its settlement account.

Article 8

(1) The transfer of funds from the settlement account to the bank's cash account with the CNB, opened for that bank in the Croatian National Bank, shall be made by the bank by executing payments through the Croatian Large Value Payment System (hereinafter: CLVPS), within the time limits prescribed by the work schedule for settlement/clearing through the CLVPS.

(2) The payment referred to in paragraph 1 of this Article shall be executed by the bank through the CLVPS by means of a payment message MT103, by debiting its settlement account and crediting the settlement account of the Croatian National Bank.

In the field of the payment message MT103 which designates the account of the payer in the bank (field 50K), the bank shall enter the number and the name of the account it uses to register cash (hereinafter: internal bank account for cash registration). This account shall be opened by the bank in accordance with the regulation governing the structure of an account with a bank.

In the field of payment message MT103 which designates the account of payee in the bank (field 59, the bank shall enter the number and the name of the bank's cash account with the CNB.

(3) The amount of the executed payment message MT103 referred to in paragraph 2 of this Article shall be credited to the bank's cash account with the CNB.

Article 9

(1) The transfer of funds from a bank's cash account with the CNB to that bank's settlement account shall be made by the Croatian National Bank based on an order received from the bank, each working day from Monday to Friday, between 8:00 and 17:00.

(2) The order referred to in paragraph 1 of this Article shall be submitted on a form Order for Transfer of Funds to the Settlement Account (hereinafter: Transfer Order). The form Transfer Order is given in Annex 2 of this Decision and constitutes an integral part thereof.

The bank shall submit the Transfer Order to bank's main cash supply centre.

(3) The Croatian National Bank shall act upon only fully and validly completed Transfer Orders.

Article 10

(1) The transfer of funds referred to in Article 9 of this Decision shall be made by the Croatian National Bank by way of an execution of payment through the CLVPS.

(2) The payment referred to in paragraph 1 of this Article shall be made by the Croatian National Bank through the CLVPS, payment message MT103, by debiting the settlement account of the Croatian National Bank and crediting the settlement account of the bank which issued the Transfer Order. This payment transaction shall amount to the amount specified in the Transfer Order.

In the field of payment message MT103 which designates the account of the payer with the bank (field 50K), the Croatian National Bank shall enter the number and the name of the bank's cash account with the CNB.

In the field of payment message which designates the account of the payee with the bank (field 59), the Croatian National Bank shall enter the number and the name of the internal bank account for cash registration which the bank has specified on the Transfer Order.

(3) The amount of the executed payment message MT103 referred to in paragraph 2 of this Article shall be debited against the bank's cash account with the CNB.

Article 11

(1) Payment messages referred to in Articles 8 and 10 of this Decision shall, in addition to the conditions prescribed by these articles, meet the conditions of regulations governing the work of the CLVPS.

Withdrawing of cash

Article 12

(1) A bank may submit one cash order every two (2) working days. The minimum amount of the submitted order shall be:

1. for large banks HRK 15,000,000.00,
2. for medium-size banks HRK 3,500,000.00, and
3. for small banks HRK 400,000.00.

The minimum quantity of banknotes per denomination shall be 100 pieces.

(2) The Croatian National Bank shall inform in writing each bank individually about the criteria and the category of banks in which each individual bank has been placed (large, medium-size, small), in accordance with Article 12, paragraph 1 and Article 19, paragraph 1 of this Decision.

(3) The list of banks in accordance with the categories referred to in paragraph 2 of this Article shall be submitted by the Croatian National Bank to the Help Desk (FINA gotovinski servisi d.o.o.).

(4) The bank shall submit its Cash Order to the Help Desk (FINA gotovinski servisi d.o.o.). The order shall be submitted one day ahead of the withdrawing of cash.

(5) The Cash Order shall contain the number of pieces, denomination structure and the total amount of cash to be withdrawn by the bank broken down according to the number of pieces, denomination structure and total amounts per each cash supply centre from which the bank intends to withdraw cash.

(6) The Help Desk (FINA gotovinski servisi d.o.o.) shall process the Cash Order received in accordance with Article 4 of this Decision and shall forward broken down Cash Orders to cash supply centres indicated by the bank for the withdrawing of cash.

(7) The Bank may also submit an extraordinary Cash Order within the deadline of two working days, between 7:00 and 10:00. In such a case the bank shall mark the order as

"extraordinary". The minimum amount of an extraordinary order shall correspond to the minimum amounts referred to in paragraph 1 of this Article.

(8) Cash supply centres shall meet the orders for cash supply by banknotes and coins of good quality. The minimum quantity of banknotes per denomination that is to be issued by the cash supply centre shall be 100 pieces. The minimum quantity of coins per denomination that is to be issued by the cash supply centre shall be the quantity packed in a canvas bag in accordance with Article 15 of this Decision.

(9) The form Cash Order is given in Annex 3 of this Decision and constitutes an integral part thereof.

Article 13

(1) The Bank shall submit to each cash supply centre through which it withdraws or deposits cash, a verified list of persons authorised for the withdrawing/ depositing of cash in the name of the bank and a verified list of the registration numbers of the vehicles that are to dispatch/deliver the cash. The bank shall, on the first working day of the current month, renew the submitted list of persons authorised for the withdrawing/ depositing of cash and the list of the registration numbers of the vehicles that are to dispatch/deliver the cash. Where the bank authorises persons other than its employees for the withdrawing/ depositing of cash in the name of the bank, it shall specify in the list the name of the specialised company for the transport of cash. Where the bank fails to renew the list of persons authorised for the withdrawing/depositing of cash and the list of registration numbers of the vehicles that are to dispatch/deliver the cash, the cash supply centre will not issue cash.

Article 14

(1) The Bank may not withdraw cash, i.e. the cash supply centre will not issue cash in case the bank's cash account with the CNB has no coverage for the amount of cash that is being withdrawn.

(2) The Bank shall withdraw the amount of cash specified in the Cash Order.

Article 15

(1) The bank shall withdraw cash at the cash supply centre specified in the Cash Order referred to in Article 12 of this Decision, between 7:00 and 17:00.

(2) Based on the Cash Order forwarded by the Help Desk, the cash supply centre shall prepare cash to be submitted to the bank and shall complete two copies of the Cash Withdrawal Specification. The form Cash Withdrawal Specification is given in Annex 4 of this Decision and constitutes an integral part thereof.

3) Cash supply centres shall deliver cash to the banks in the following way:

– banknotes of each individual denomination shall be delivered in bundles (containing ten packages with one hundred banknotes each) and in packages (hundred pieces with hundred banknotes each); they shall be of good quality and fit for circulation, which shall be determined as such in a banknote sorting procedure using banknote sorting machines and by the application of standards for banknote sorting according to their fitness for circulation, prescribed by the Croatian National Bank by a special decision, and

– coins packed in canvas bags prominently marked as regards denominations, quantities and the amount of cash contained therein, in accordance with the following schedule:

DENOMINATION	PIECES	KUNA
25.- kn	500	12,500.00
5.- kn	500	2,500.00
2.- kn	1000	2,000.00
1.- kn	1000	1,000.00
50 lp	1000	500.00
20 lp	1500	300.00
10 lp	1500	150.00
5 lp	2000	100.00
2 lp	2000	40.00
1 lp	3000	30.00

Article 16

(1) Before cash delivery, the cash supply centre shall establish the identity of the person authorised for the withdrawing of cash in the name of the bank. Identity establishment shall be performed by examining the personal documents of the person authorised for the withdrawing of cash in the name of the bank and by comparing the data contained in these documents with the data on the person authorised for the withdrawing of cash in the name of the bank, specified in the list of authorised persons that the bank submitted to the cash supply centre, in accordance with Article 13, paragraph 1 of this Decision.

(2) The cash supply centre shall deliver the cash after establishing the identity of the person authorised for the withdrawing of cash in the name of the bank.

Article 17

(1) The bank shall withdraw cash at the premises of the cash supply centre intended for cash delivery.

(2) The cash supply centre shall deliver cash that is being withdrawn by the bank to the person authorised for the withdrawing of cash in the name of the bank who shall perform check counting of the cash delivered.

(3) The check counting referred to in paragraph 2 of this Article shall comprise:

- counting of bundles and packages within bundles (10 packages),
- counting of individually packed packages of each denomination (100 pieces of banknotes in a package) and
- counting of packed bags of coins.

(4) The cash supply centre shall enable detailed counting of received cash by the person authorised for the withdrawing of cash in the name of the bank on this person's request and ensure the premises and use of adequate technical equipment for cash counting.

Detailed cash counting referred to in the previous indent of this paragraph shall include:

- unbinding the bundle and counting the banknotes contained in the bundle (each bundle contains 1000 pieces of banknotes),
- counting of individually packed packages of each denomination and counting the banknotes contained in the package (100 pieces of banknotes per package) and
- unbinding the packed bags of coins and counting coins contained in the bag as per quantities determined in Article 15 of this Decision.

(5) Where it is established, during check counting or detailed counting, that there is a difference between the amount or quantities of cash determined by check or detailed counting and the amount or quantities specified in the Cash Withdrawal Specification, the cash supply centre shall align the amount and quantities of cash with data shown in the Cash Withdrawal Specification.

(6) The cash supply centre shall submit to the person authorised for the withdrawing of cash in the name of the bank, a verified first copy of the Cash Withdrawal Specification.

The person authorised for the withdrawing of cash in the name of the bank shall verify receipt of cash by a signature on the second copy of Cash Withdrawal Specification of the withdrawn cash, which shall be retained by the cash supply centre.

(7) A cash supply centre shall issue a Pay-Out Order to the amount of cash withdrawn and shall submit a verified copy of the Pay-Out Order to the person authorised for the withdrawing of cash in the name of the bank or in some other manner agreed between the bank and the cash supply centre.

Article 18

(1) The bank may not raise a complaint in respect of the amount of cash withdrawn following its withdrawal in the manner prescribed under this Decision.

(2) The amount of withdrawn cash referred to in paragraph 1 of this Article shall be debited, simultaneously with the withdrawal, against the bank's cash account with the CNB.

Depositing of cash

Article 19

(1) The bank may make a cash deposit once a day in any cash supply centre, provided the minimum quantity of deposited banknotes amounts to:

1. for large banks: 20,000 pieces,
2. for medium-size banks: 4,000 pieces, and
3. for small banks: 1,000 pieces.

The minimum quantity of good, worn or unsorted banknotes deposited by denomination shall be 100 pieces.

The bank may deposit damaged banknotes without restrictions in terms of minimum quality or the number of pieces per denomination.

The minimum quantity of good or unsorted coins deposited shall be one packed canvas bag per denomination containing quantities specified in Article 15 of this Decision.

The Bank may deposit damaged coins without restrictions in terms of the minimum quantity or number of pieces per denomination.

(2) The Bank shall submit not less than one hour in advance of the depositing of cash a Cash Deposit Specification to the cash supply centre in which it intends to make a cash deposit.

The form Cash Deposit Specification is given in Annex 5 of this Decision and constitutes an integral part thereof.

(3) The bank depositing banknotes in a cash supply centre, shall indicate in the Cash Deposit Specification, under column "Quality of cash", the category of banknotes in accordance with their fitness for circulation determined by a sorting procedure using banknote sorting machines and by the application of standards for banknote sorting according to their fitness for circulation, prescribed by the Croatian National Bank by a special decision. In the Cash Deposit Specification, in addition to denominations and issues, one of the following banknote categories shall be indicated:

- "good", banknotes of good quality fit for circulation,
- "worn", banknotes of low quality unfit for circulation, and
- "damaged", banknotes of very low quality unfit for circulation.

The bank shall issue a special Cash Deposit Specification for each of the categories of sorted banknotes deposited by it.

(4) Where the bank deposits in a cash supply centre banknotes unsorted by sorting machines, it shall indicate such a deposit as "unsorted" under column "Quality of cash".

(5) Where the bank deposits coins in a cash supply centre, it shall indicate in the Cash Deposit Specification, under column "Quality of cash", the category of coins based on their fitness for circulation, as determined by a sorting procedure by means of sorting machines in respect of the quality prescribed by a special decision of the Croatian National Bank. The Cash Deposit Specification shall indicate one of the following categories of cash:

- "good", coins fit for circulation, and
- "damaged", coins unfit for circulation.

The bank shall issue a special Cash Deposit Specification for each of the stated categories of sorted coins deposited by it.

(6) Where the bank deposits into a cash supply centre coins unsorted by sorting machines, it shall indicate such a deposit as "unsorted" under column "Quality of cash".

Article 20

(1) The Bank shall deposit cash in a cash supply centre where it has submitted Cash Deposit Specification referred to in Article 19 of this Decision, from 7:00 to 17:00.

(2) Where a Cash Deposit Specification has been submitted by facsimile transmission, the person authorised for the depositing of cash in the name of the bank shall submit to the cash supply centre, before the depositing of cash, a Cash Deposit Specification in two copies.

(3) The cash supply centre shall establish the identity of the person authorised for the depositing of cash in the name of the bank. Identity establishment shall be performed by examining the personal documents of the person authorised for the depositing of cash in the name of the bank and by comparing the data contained in these documents with the data on the person authorised for the depositing of cash in the name of the bank, specified in the list of authorised persons that the bank has submitted to the cash supply centre, in accordance with Article 13, paragraph 1 of this Decision.

Article 21

(1) The Bank shall deposit cash in the amount indicated in Cash Deposit Specification referred to in Article 19 of this Decision.

(2) After implementing the procedures prescribed by Articles 19 and 20 of this Decision, the cash supply centre shall take over and conduct check counting of the cash deposited by the bank. The cash supply centre shall enable the person authorised for the depositing of cash in the name of the bank to be present at the check counting.

(3) The check counting of cash referred to in the previous paragraph shall be carried out in the manner referred to in Article 17, paragraph 3 of this Decision.

(4) Where it is established, during check counting, that there is a difference between the amount or quantities of cash deposited and the amount or quantities specified in the Cash Deposit Specification, the cash supply centre shall cross out the data in the Cash Deposit Specification and enter the data determined by check counting. Such data entry shall be verified by the cash supply centre and signed by the person authorised for the depositing of cash in the name of the bank.

(5) The cash supply centre and the person authorised for the depositing of cash in the name of the bank shall confirm that cash depositing has been made by verifying Cash Deposit Specification. The cash supply centre shall submit the first copy of the Cash Deposit Specification to the person authorised for the depositing of cash in the name of the bank and shall retain the second copy thereof.

Article 22

(1) Following check counting, the cash supply centre shall submit the deposited cash for detailed counting of the bank's deposited cash referred to in Article 20 of this Decision.

(2) In the procedure of detailed counting which is conducted in accordance with Article 17, paragraph 4 of this Decision, quality control of the bank's deposited cash is conducted by categories of cash specified in the Cash Deposit Specification in accordance with Article 19, paragraphs 3 and 5 of this Decision.

Quality control of the deposited cash shall be conducted by sorting banknotes and coins by means of sorting machines for the purpose of determining the actual quality of deposited banknotes and coins in terms of their fitness for circulation. In case of deviation established by quality control of the actual quality of banknotes and coins not greater than 5% of the total quantity of declared categories of banknotes and coins deposited, it shall be deemed that the determined actual quality of banknotes or coins corresponds to the declared category. In case of deviation greater than 5%, the cash supply centre shall inform the bank in writing about the deviation, substantiating it with a report on the actual quality of deposited banknotes or coins as determined by sorting machine processing and in such a case it shall be deemed that the actual quality of

deposited banknotes or coins of the bank corresponds to that determined in such a manner. In case where the bank has deposited damaged banknotes, the cash supply centre shall also make an assessment of the degree of damage of banknotes and shall conduct a procedure in accordance with a Decision of the Croatian National Bank on handling kuna banknotes and kuna and lipa coins unfit for circulation.

(3) If detailed counting of the deposited cash of the bank shows a difference between the amount of cash determined by detailed counting and that determined by check counting, the cash supply centre shall supply to the bank a report on the determined differences on the same date when detailed counting of the deposited cash of the bank has taken place.

(4) The amount of deposited cash of the bank determined by detailed counting shall be the actual amount of deposited cash of the bank.

(5) The cash supply centre shall issue a Pay-In Order to the amount of the deposited cash of the bank as determined on the basis of check counting referred to in Article 17, paragraph 3 of this Decision. The verified copy of the Pay-In Order shall be handed to the person authorised for the depositing or withdrawing of cash in the name of the bank at the time of the first next depositing or withdrawing of cash of the bank, or in some other manner as may be agreed between the bank and the cash supply centre.

Article 23

(1) Cash which the bank has deposited to a cash supply centre between 7:00 and 17:00 shall be credited to the bank's cash account with the CNB in the amount determined on the basis of check counting referred to in Article 17, paragraph 3 of this Decision.

(2) Where it is established, during check counting, that there is a difference between the amount or quantities of cash deposited and the amount or quantities specified in the Cash Deposit Specification, the cash supply centre shall cross out the data in the Cash Deposit Specification and enter the data determined by check counting. Such data entry shall be verified by the cash supply centre.

(3) Detailed counting referred to in Article 17, paragraph 4 and quality control of the deposited cash referred to in Article 22, paragraph 2 of this Decision, shall be performed by the cash supply centre at the latest within the next two working days. If detailed counting of the deposited cash of the bank shows a difference between the amount of cash determined by detailed counting and that determined by check counting, the cash supply centre shall supply to the bank a report on the determined differences following completion of detailed counting of deposited cash of the bank. Any surplus/deficit of cash shall be credited to/debited against the bank's cash account with the CNB on the same day when the actual amount of deposit is determined.

Transitional provisions

Article 24

(1) If a change has been recorded by mistake in the bank's cash account with the CNB to the amount different from the amount actually withdrawn or deposited through cash supply centres, the Croatian National Bank shall subsequently debit or credit the bank's cash account with the CNB with the amount of the determined difference.

(2) If the bank has already withdrawn the amount of the determined difference referred to in paragraph 1 of this Article as cash or if this amount has already been, based on a Transfer Order submitted by the bank, transferred to the bank's settlement account, the Croatian National Bank shall request in writing that this amount be refunded. The bank shall act in accordance with this request.

Article 25

The forms Signature Registration and lists of bank employees authorised for Signature Registration form verification referred to in Article 4, paragraphs 2 and 4 of this Decision, determined on the basis of the Decision on supplying banks with cash (Official Gazette 22/2002, 115/2006, 63/2007 and 28/2009) shall continue to be used as documentation related to cash supply.

Article 26

(1) The Croatian National Bank may reduce the number of cash supply centres which are used for the supply of banks with cash. The Croatian National bank shall, not less than 90 days before cessation of work of a cash supply centre, notify the banks thereof.

Article 27

(1) This Decision shall be published in the Official Gazette and shall enter into force on 1 April 2010.

(2) As of the date of application of this Decision, the Decision on supplying banks with cash (Official Gazette 22/2002, 115/2006, 63/2007 and 28/2009) shall cease to be valid.

No. 941-020/12-09/ŽR

Zagreb, 23 December 2009

CROATIAN NATIONAL BANK
GOVERNOR
Željko Rohatinski