

COMMITTEE ON THE LAW OF PARLIAMENT HOUSE OF REPRESENTATIVES CROATIAN

Pursuant to Article 4 Law on Amendments to the Law on the National Bank **Croatian** ("Official Gazette". 7/95.), the Legislation Committee of the House of Parliament of the Republic of **Croatian** at the meeting held on 27 travnja 1995th years, found

LAW

A NATIONAL BANK CROATIAN (revised)

The consolidated text of the Law on the National Bank **Croatian** ("Official Gazette". 74/92) and its amendments published in the "Official Gazette", no. 26/93, 79/93, 29/94 and 7/95 in which the time of their entry into force.

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Zagreb, 27 travnja 1995th

Chairman of the Legislation Committee of the House of Parliament

Republic of Croatian Ante Klaric, Dip. iur ., mp

LAW

A NATIONAL BANK CROATIAN (revised)

I. GENERAL PROVISIONS

Article 1

National Bank of **Croatian** is the central bank of the **Croatian** .

Article 2

National Bank of **Croatian** is responsible **for the** stability of the currency **and the** general liquidity of payments **in** the country and abroad.

By acting National Bank **Croatian** supports the goals of the economic policy of the Republic of **Croatian** , with this support must not jeopardize the stability of the currency and the general liquidity of payments **in** the country **and** abroad.

In their operations, the National Bank of **Croatian** is an independent **and** accountable to Parliament of the Republic of **Croatian** .

Article 3

National Bank **Croatian** independently the tasks of monetary and exchange rate policies, and measures, **in** the framework of their rights **and** duties, **for** fulfilling the tasks of monetary and exchange rate policies.

Article 4

National Bank **Croatian** :

- Determine the amount of money in circulation;
- Determine the overall liquidity of the banks;
- Take care of the maintenance of the general liquidity in external payments;
- Issuing banknotes and coins;
- Controls the bank;
- Defines, organizes and coordinates information systems, necessary for the performance of its functions;
- Carry out certain tasks for the Republic of **Croatia** ;
- Performs other legally established businesses.

Article 5

For liabilities of the National Bank **Croatian** guaranteed by the Republic **Croatia** .

Article 6

National Bank **Croatian** assumes no obligation to pay in lieu of other legal **persons** on the basis of their responsibility **for the** general liquidity of payments **in** the country and abroad.

Article 7

National Bank **Croatian** can be a member of international financial organizations and participate in international financial organizations. If you are using for this purpose the funds of the state budget, it is necessary to prior approval by Parliament of the Republic of **Croatian** .

Article 8

National Bank **Croatian** submitted to Parliament of the Republic of **Croatian** , as appropriate, and at least twice a year, a report on its **work** . With an annual report National Bank **Croatian** submits the annual accounts, which comprises all its operations.

Article 9

The provisions of this Act relating to the bank, the National Bank **Croatian** in their operations applied to other financial organizations when engaged in banking activities.

II. OPERATIONS NATIONAL BANK **CROATIAN**

AND . determination of the amount of money in circulation

Article 10

In order to determine the quantity of money in circulation National Bank **Croatian** undertake the following measures:

- 1) determine the amount of required reserves at the National Bank, Bank of **Croatian** ;
- 2) issuing and withdrawing treasury bills;
- 3) Sales and purchases of domestic or foreign short-term transferable securities;
- 4) approve the short-term loans to banks on the basis of domestic and foreign short-term transferable securities;
- 5) approve loans to banks with repayment period of up to three months, with a pledge of securities and treasury bills of the National Bank **Croatian** ;
- 6) determines the discount rate of the National Bank of **Croatian** and active and passive interest rates of the National Bank **Croatian** ;
- 7) limits the scope and dynamics of growth in lending to banks for a specified time.

Measures of *slavka* first this Article shall apply uniformly to all banks.

Article 11

National Bank **Croatian** determine the amount of required reserves of banks by prescribing a certain percentage (rate) of all deposits and other funds.

National Bank **Croatian** may exceptionally determine the amount of required reserves, prescribing a certain percentage (rate) of the increase in loans and other investments banks, depending on the type and maturity of the loan or loans.

National Bank **Croatian** can determine the amount of required reserves and prescribing differentiated rates (rate) by type, maturity and size of deposits and other assets of banks, or to determine that certain deposits and other funds not calculated reserve requirements.

National Bank **Croatian** determines the interest rate on an obligatory basis, treasury bills and bank reserves at the National Bank of **Croatian** depending on the interest rates charged by banks and funds to pay the deposit, which serve as the basis for the registration of these bills and extract the required reserves.

Article 12

National Bank **Croatian** determined manner **and** deadlines **for** the calculation and allocation of required reserves in a special account.

The banks may use the minimum deposit during the month to maintain their daily liquidity, with **conditions** that uniformly for all banks established the National Bank **Croatian** .

Banks are due to the National Bank **Croatian** pay a fee for the use of required reserves under paragraph 2 this Article.

Banks that are incorrectly calculated obligatory reserve or that he does not distinguish obligatory reserve shall amount to less accrued and statutory reserves to pay the National Bank **Croatian** increased compensation in relation to compensation under paragraph 3 this Article.

The amount by which the rate is calculated and paid compensation under paragraph 3 and 4 this Article shall be prescribed by the National Bank **Croatian** .

Article 13

National Bank **Croatian** treasury bills issued on the basis of the decision on the scope, limits and other **conditions** for entry or payment of these bills.

Treasury bills issued by the National Bank of **Croatian** Adding banks and other financial organizations.

National Bank of **Croatian** banks may, as a measure to maintain their minimum liquidity, prescribe and purchase bills.

Article 14

National Bank **Croatian** determines the type, amount, terms and other **conditions** and way of buying and selling domestic and foreign short-term transferable securities and may buy and sell banks and other financial organizations directly or through money market and short-term securities.

Article 15

National Bank **Croatian** determine the amount, terms of use and return, and the other **conditions** for granting short-term loans to banks:

- 1) on the basis of domestic and **foreign** transferable securities for which the Bank gave sureties and payable within one year;
- 2) on the basis of pledged securities maturing within one year , **and** bills of the National Bank **Croatian** .

National Bank **Croatian** determine which types of securities can serve as a basis for granting loans under the provisions of this Article.

Article 16

National Bank **Croatian** determines the discount rate of the National Bank **Croatian** .

National Bank **Croatian** determines the interest rates at which interest is charged on all loans and other receivables, and pay interest on the funds deposited with the National Bank **Croatian** .

Article 17

National Bank **Croatian** can extremely limit the scope and dynamics of growth in lending to banks in order to determine the amount of money in the circulatory, if that determination can not be achieved by other measures referred to in Article 10 this Act.

From the limitations of paragraph 1 this Article shall not be exempt any bank.

Second Maintenance of bank liquidity

Article 18

National Bank **Croatian** , in order to maintain liquidity, which makes decisions:

- 1) prescribes the amount, **terms** and method of maintaining minimum liquidity of banks;
- 2) prescribes mandatory boxes maturity structure of bank placements;
- 3) prescribes the manner of use of required reserves at the National Bank of **Croatian** banks to maintain liquidity;
- 4) prescribes the amount, terms of use and return the other **conditions** for granting short-term loans to banks to maintain daily liquidity on the basis of certain securities;
- 5) lays down minimum common **requirements** creditworthiness of banks;
- 6) provides a procedure for determining the date from when the bank is illiquid;

7) determine the **conditions** for the formation of a special reserve banks to ensure liquidity in payments based on savings deposits and current accounts.

The measures referred to in paragraph 1 this Article shall apply uniformly to all banks.

Article 19

National Bank of **Croatian** banks may prescribe an obligation that, as a minimum to maintain their liquidity, hold the funds in their accounts in certain liquid placements.

Article 20

National Bank of **Croatian** banks may prescribe an obligation to structure their investments by maturity are held in certain frames and adjusted to the structure of resources at their maturity.

Article 21

National Bank **Croatian** prescribes **the conditions** and manner of use of required reserves banks to maintain their daily liquidity.

During the use of required reserves at the National Bank **Croatian** , the bank can not give loans or perform other placements.

Article 22

National Bank **Croatian** determine the amount, terms of use and return, and the other **conditions** for granting short-term loans to banks to maintain their daily liquidity.

Loans under paragraph 1 this Article, the National Bank **Croatian** provided on securities that banks have, as follows:

- 1) bills of the National Bank **Croatian** ;
- 2) vrijednosih securities issued by the Republic of **Croatia** ;
- 3) bonds for which the Republic legally committed to them depreciated or guaranteed;
- 4) certain discounted bills of exchange companies;
- 5) bills of banks and other issuers;
- 6) commercial paper.

Article 23

Banks that do not meet the **requirements** of Article 18 Paragraph 1 Clause 5 of this Act shall not be used loans from the National Bank **Croatian** .

Notwithstanding the provisions of paragraph 1 this Article, the bank can avail loans from the National Bank **Croatian** for maintenance of day, if you meet the **conditions** for the use of these credits established by a decision of the National Bank **Croatian** .

Article 24

The bank is illiquid if it fails to settle outstanding obligations at home and abroad, or has that obligation instead performed other legal **person** on the basis of guarantees.

National Bank **Croatian** prescribe in detail **the conditions** for determining the liquidity problems.

Illiquid bank can not carry out the payment from your bank account, nor may grant loans and issue guarantees.

Bankrupt bank authorized payment transactions can not execute orders for payment.

Notwithstanding the provisions of paragraph 3 and 4 this Article, illiquid bank can perform payment only on the basis of savings deposits and current accounts **in** local currency and foreign currency savings deposits and foreign currency accounts.

Article 25

Authorized payment transactions daily informs the National Bank of **Croatian** on the liquidity situation of banks, in the manner prescribed by the National Bank **Croatian** .

Authorized payment transactions shall enter the information on the basis of which is determined by the bank insolvency, which has within its jurisdiction, immediately submit to the National Bank **Croatian** .

3rd Maintaining liquidity in external payments

Article 26

National Bank **Croatian** , in order to maintain liquidity in external payments, within their rights and responsibilities, decision-making and prescribes measures and apply these measures alone.

Article 27

To maintain liquidity in external payments, the National Bank **Croatian** buys and sells foreign currency in the foreign exchange market, and perform other duties specified by law.

Article 28

People Manka **Croatian** handled foreign exchange reserves of the Republic of **Croatian** , except for the part of foreign exchange reserves for use by ovlaštene banks.

National Hank **Croatian** can open accounts abroad.

Article 29

To maintain the general liquidity of **Croatian** in external payments National Bank

Croatian may prescribe the obligation of authorized banks to hold a certain amount of foreign currency or foreign currency liquidity placements as minimum reserves to maintain liquidity **in the** external payments and other measures to ensure the overall liquidity in external payments.

Article 30

National Bank **Croatian** can sell **and** buy the currency of the Republic of **Croatian** abroad.

Article 31

National Bank **Croatian** lays down measures **for** the realization of the scope and structures respectively reasoning and use of foreign loans and monitors and controls the establishment of foreign credit relations in accordance with the law.

Article 32

National Bank **Croatian** ensures the implementation of payment and financial agreements with foreign countries.

Article 33

National Bank **Croatian** can borrow abroad in its own name **and** for its own account for maintaining liquidity in external payments.

Loans under paragraph 1 this Article, the repayment period longer than one year, the National Bank **Croatian** can be taken only on the basis of law.

Article 34

National Bank **Croatian** can borrow abroad in its own name and **for the** account of **Croatian** , only on the basis of law.

4th Issuance of banknotes and coins

Article 35

The currency of the Republic of **Croatian** is "KUNA", which is divided into one hundred "LIPA".

Article 36

National Bank **Croatian** issuing banknotes and coins, which reads the currency of the Republic of **Croatian** .

National Bank **Croatian** determined denominations and basic features of banknotes and coins and make a decision **about** putting **in** circulation and withdrawal from circulation of banknotes and coins.

Banknotes and coins can create specialized organizations in **Croatia and** abroad.

National Bank **Croatian** may establish or participate **in the establishment** of specialized organizations for the production of banknotes, coins and securities.

The decision referred to in the previous paragraph made by the Council of the National Bank **Croatian** .

Article 37

Banknotes and coins denominated in dollar are legal tender in the Republic of **Croatian** .

Article 38

All rights and obligations and all transactions denominated in money, and were concluded in **the Republic of Croatia** between companies, other domestic legal **persons** and citizens, and citizens with **foreign entities** , expressed **in** domestic currency and carry currencies that read it, unless the law otherwise.

Article 39

National Bank **Croatian** supplies and organizing supply banknotes and coins territory of the Republic of **Croatian**

Article 40

The lowest denomination in circulation which is rounded to the final showdown in a cash and cashless payment transactions and ledgers establishes National Bank **Croatian** , with the consent of the Government of the Republic of **Croatian** .

Article 41

Banknotes and coins withdrawn from circulation cease to be legal tender and are replaced by **the** terms and in such manner as shall be determined by the decision of the National Bank **Croatian** .

Article 42

National Bank **Croatian** replaces banknotes and coins that have become unfit for circulation, **and** that worn bills in full, and damaged banknotes and coins with **conditions** as they are determined.

5th Control of Banks

Article 43

National Bank **Croatian** controlled implementation of monetary and foreign exchange policies and regulations that regulate the foreign exchange operations and credit relations with foreign countries of **foreign** banks.

Governor of the National Bank **Croatian** decision stipulates in detail **the conditions** and manner of delivering control, type, timing, sequence and process of taking action.

Article 44

When performing control, in terms of Article 43 this Act, the National Bank **Croatian** has the right to inspect **the** books of accounts and other documents of banks.

Banks shall, at the request of the National Bank **Croatian** , provide the necessary data to perform the control of Article 43 this Act.

National Bank **Croatian** performs checks referred to in Article 43 this Act and reviewing reports and other documentation that is obtained from banks and reviewing data and other documents at its disposal, which refers to the application of the regulations of **foreign** banks.

Article 45

If checks referred to in Article 43 Paragraph 1 this Act determines that the bank acted contrary to the measures and regulations of this Article, the National Bank **Croatian** takes measures to the bank, and to managerial employees of the bank.

Article 46

The measures referred to in Article 45 this law that are being taken by the bank are:

- 1) Suspension of buying securities from Article 14 and lending in Article 15 and 22 this Act for a period of 10-30 days;
- 2) limit the scope of investments for a period of 10-60 days;
- 3) Suspension of payments abroad, except for payment of maturing foreign loans and the Convention obligations, guarantees and letters of credit for a period of 10-60 days;
- 4) limit borrowing abroad for a period of 30-60 days;
- 5) proposing to the competent authorities of the banks to their managerial employee is suspended or remove from office;
- 6) other measures provided for by law.

The measures referred to in this article and the period of their life imposed by a decision passed by the Governor of the National Bank of **Croatian** , which is final in the administrative procedure.

Article 47

If the measures taken by the bank in a given period, in accordance with Article 46 this Act does not provide a legal business, the National Bank **Croatian** accede to the collection of its receivables from the bank.

If the control determines that the bank's operations are acts or acts that are punishable by law, the governor of the National Bank of **Croatian** or a **person** authorized by him shall report to the competent authority.

Article 48

National Bank of **Croatian** foreign exchange controls business enterprises **and** other legal **entities and** entrepreneurs **in** the limits of the powers established by the regulations of the Foreign Exchange and on the basis of examination of documents and records that she and **people** submit.

If checks under paragraph 1 this Article that the local business **people** are acts or offenses which are punishable by law, the governor of the National Bank of **Croatian** or a **person** authorized by him shall report to the competent authority.

Article 49

National Bank **Croatian** assess whether they meet **the conditions for the establishment of** banks, which are regulated by a special law, and issued a permit **for the establishment** of the bank.

Article 50

National Bank **Croatian** controls whether they fulfill the prescribed **conditions** for the bank's operations, controls the operations of the bank and adopts measures for eliminating it, identified irregularities.

National Bank **Croatian** prescribe closer **conditions** and manner of implementation of control under paragraph 1 this Article.

Article 51

If checks referred to in Article 50 this Act found not to meet the prescribed **conditions** for the bank's operations, or that there are irregularities in its operations of the National Bank of **Croatian** Bank proposes to take appropriate actions depending on the findings, including:

- 1) to increase the amount of the founding of the fund, reserve funds and reserves for insurance losses;
- 2) to repeal certain business units or other parts of the bank;
- 3) to suspend lending to certain founders, a **person** with the status of founders and customers;

- 4) to suspend the granting of a loan in a given period;
- 5) to write off receivables when they meet the legally established **requirements** ;
- 6) to suspend the calculation and accrual of interest on the assets of a certain degree of collectibility;
- 7) to dismiss certain managerial employees;
- 8) to correct other irregularities taking or termination of certain activities.

Proposals under paragraph 1 this Article shall be submitted to the bank in writing setting a date for their acceptance.

If the bank within paragraph 2 of this Article does not accept the proposal of this paragraph, the Governor of the National Bank of **Croatian** issue a decision imposing a measure of the bank activities listed in paragraph 1 this Article. This decision sets a deadline for its implementation.

The decision referred to in paragraph 3 this Article shall be final in the administrative procedure.

Article 52

If the National Bank **Croatian** , on the basis of the completed inspection finds that the continuation of the bank's business may further exacerbate its financial condition and jeopardize the ability of its financial recovery, Governor of the National Bank **Croatian** adopt the decision to cease all forms of business banks, except earnings per savings deposits and current and Foreign currency accounts of citizens, for a maximum of 15 days, and is determined by officials of the National Bank **Croatian** who will control the implementation of this decision.

The decision referred to in paragraph 1 this Article shall be also cases **in** which the officer of the National Bank **Croatian** can issue orders to the responsible **person** at the bank.

Article 53

If the National Bank of **Croatian** judges that the measures referred to in Article 51 and 52 this Act has not achieved the goal of doing that measures have been taken, may withdraw permission for **the establishment** of the bank.

National Bank **Croatian** may withdraw permission **for the establishment of banks and** in other cases stipulated by a special law.

Article 54

National Bank **Croatian** prescribed minimum scope, form and content of the program audit and report **on the audit of** the bank.

National Bank of **Croatian** banks to be required to ensure and **to** submit a report within a specified **on** the annual audit of its accounting and business.

If it considers that a report under paragraph 2 this article is not in compliance with certain standards or revisions to the prescribed scope, form and content of the report **on the** audit **of** the bank, the National Bank of **Croatian** bank may require you to provide certain deadline and submit a new report, which will make other authorized auditor in accordance with the law.

6th The information system of the National Bank **Croatian**

Article 55

National Bank **and the Croatian** Bank in performing its duties, record, collect, process and present data and information concerning:

- 1) the monetary and credit developments;
- 2) in the area of economic relations with foreign countries.

Banks submitted information under paragraph 1 this Article according to the instructions laid down by the National Bank of **Croatian** .

Article 56

The manner and extent harmonized recording, collecting, processing, and presenting data and information of interest to the subjects of information prescribed by the National Bank of **Croatian** in accordance with the Act.

7th Jobs for the Republic of **Croatia**

Article 57

Funds budget of **Croatian** are kept **in** deposit with the National Bank **Croatian** and an integral part of the liabilities of the balance sheet of the National Bank **Croatian** .

National Bank **Croatian** does not pay interest on the deposited funds budget of **Croatian** .

Article 58

National Bank **Croatian** may grant short-term loans to **the Republic of Croatia** to overcome the mismatch between incoming revenues and execution of budgetary expenditures. The deadline to repay a loan is later than the end of the current budget year.

The loan balance under paragraph 1 this article should not be more than 5% of the budget of the Republic of **Croatian** for the current year.

8th Other activities of the National Bank **Croatian**

Article 59

National Bank **Croatian** can buy and sell gold and other precious metals.

National Bank **Croatian** can export **the** amount of monetary gold **in** overseas and import and enter monetary gold from abroad wrought and unprocessed form.

Article 60

People bnaka **Croatian** establishes the rates at which a fee is charged for the services it performs.

III. ORGANIZATION OF NATIONAL BANK OF **CROATIAN**

Article 61

National Bank of **Croatian** is a legal **person** .

The headquarters of the National Bank of **Croatian** in Zagreb.

Article 62

National Bank **Croatian** has a statute.

Statute of the National Bank **Croatian** made by the Council of the National Bank **Croatian** and approved by the Parliament of the Republic of **Croatian** .

Article 63

National Bank **Croatian** has its own stamp.

The seal of the National Bank of **Croatian** contains the name of the Bank **and** the coat of arms of the Republic of **Croatian** .

Article 64

The rights, duties and responsibilities of officers **of** the National Bank of **Croatian** determined by statute **in** accordance with the law **on** labor relations and collective bargaining agreements.

IV. BODIES OF NATIONAL BANK OF **CROATIAN**

Article 65

The bodies of the National Bank **Croatian** National Bank are Tips **and** **Croatian** National Bank Governor **Croatian** .

Article 66

Council of the National Bank **Croatian** include: Governor of the National Bank **Croatian** , Deputy Governor and Vice Governors at their office and at most eight members appointed from the ranks of independent experts.

The number of Council members from the independent experts must be greater than the number of members of the Council who are in its position.

Members of the Council of the National Bank **Croatian** , from the independent experts, appointed and dismissed by the Parliament of the Republic of **Croatian** .

Members of the Council of the National Bank **Croatian** from the independent experts appointed for a term of six years.

The members of the Council, from the independent experts, to **work** in the Council is entitled to compensation in accordance with the Statute of the National Bank **Croatian** .

Members of the Council of the National Bank **Croatian** from the independent experts can not be contractually bound or employees of the institutions controlled by the National Bank of **Croatian** or may not be members of the management body of institutions controlled by the National Bank **Croatian** .

Council of the National Bank of **Croatian** and each of its members are accountable to Parliament of the Republic of **Croatian** for the exercise of the functions **and** tasks of the National Bank **Croatian** defined by this Law and other laws.

Article 67

Council of the National Bank of **Croatian** in managing the affairs of the National Bank **Croatian** :

- 1) determine the monetary and foreign exchange policies;
- 2) adopt the financial plan and annual report of the National Bank **Croatian** ;
- 3) establishes an annual report on **the work of** the National Bank of **Croatian** ;
- 4) adopt the Statute of the National Bank **Croatian** ;
- 5) adopt general acts of the National Bank **Croatian** which this Act **and** the statute of the National Bank of **Croatian** are not placed **in the** jurisdiction of the Governor of the National Bank **Croatian** ;
- 6) establishing measures for the implementation of monetary and exchange rate policies;
- 7) establishes the basis and amount of required reserves of banks and determined manner, **conditions and** deadlines **for** the calculation and allocation of required reserves;
- 8) determine the manner and **conditions** of use required reserves to maintain daily liquidity and lower fees for allocated reserves;

- 9) decide on the issuance of treasury bills of the National Bank **Croatian** ;
- 10) determine the amount, terms of use and return, and the other **conditions** for granting short-term loans to banks;
- 11) determines the interest rate of the National Bank **Croatian** ; 1
- 2) Decide whether to limit the scope and dynamics of growth in lending to banks;
- 13) sets out the obligations of banks in terms of maintaining minimum liquidity, maintaining the structure of loans by maturity in certain frameworks and compliance deadlines placements with the structure of resources at their maturity;
- 14) establishes the obligation of banks to hold a special reserve to ensure the liquidity of payment savings deposits and current accounts;
- 15) prescribes minimum **requirements** creditworthiness to be met by the bank;
- 16) sets out the obligations of authorized banks to hold a certain amount of foreign currency or other foreign currency liquidity placements as minimum reserves to maintain liquidity in external payments;
- 17) decide on issuing new denominations of banknotes and coins, establishing the basic features of the new banknotes and coins, rounding the final calculation of cash and cashless payment system, and the release of circulation and withdrawal from circulation of banknotes and coins;
- 18) decide on the manner **and conditions** of purchase **and** sale of gold **in** overseas and other precious metals, as well as the export and movement of monetary gold;
- 19) determines the rate at which charge fees for services that are performed by the National Bank of **Croatian** ;
- 20) decide **on** the granting and withdrawal of licenses **for the establishment of** the bank;
- 21) prescribes a minimum scope, form and content of the program audit and report **on the** audit of the bank;
- 22) appoint and dismiss employees of the National Bank **Croatian** with special powers and responsibilities to the proposal of the Governor;
- 23) decide on all other matters that are other law within the competence of the National Bank **Croatian** , except **in** cases where the decision-making authority to the Governor of the National Bank **Croatian** .

Council of the National Bank of **Croatian** on activities within its jurisdiction to decide the sessions.

For the implementation of the decisions of the Council of the National Bank **Croatian** responsible Governor of the National Bank **Croatian** .

Article 68

The management of the affairs of the National Bank **Croatian** Council of the National Bank **Croatian** decide by a two thirds majority of all members.

If the Council of the National Bank of **Croatian** in deciding not achieve the requisite approval, and the governor of the National Bank of **Croatian** judges that the decision is not made can not ensure the implementation of the tasks of the National Bank **Croatian** referred to in Article 2 this Act, the Governor temporarily makes the decision about which there was no agreement **and** submit a report on how the Parliament of the Republic of **Croatian** .

The Parliament of the Republic of **Croatian** final decision on contentious issues under paragraph 2 this Article.

Article 69

Council of the National Bank **Croatian** adopt the rules **of his work** .

Article 70

Decision of the Council of the National Bank of **Croatian** in the field of monetary and exchange rate policy and other decisions that are important regulations are published in the "Official Gazette".

Article 71

Governor of the National Bank of **Croatian** President of the Council of the National Bank **Croatian** .

President of the Council of the National Bank **Croatian** absence replaces Deputy Governor.

Article 72

Governor of the National Bank **Croatian** appoints **and** removed from office by the Parliament of the Republic of **Croatian** .

National Bank of **Croatian** and has a Deputy Governor and Vice Governor of two or more.

Deputy Governor and Vice Governor shall be appointed and removed from office by the Parliament of the Republic of **Croatian** on the proposal of the Governor of the National Bank **Croatian** .

Governor, Deputy Governor and Vice Governors are appointed for a term of six years.

Article 73

Statute of the National Bank **Croatian** determined that activities within its scope Governor of the National Bank **Croatian** can be transferred to his deputy and vice.

Article 74

Governor of the National Bank of **Croatian** in the performance of the National Bank **Croatian** :

- 1) manage the operations of the National Bank **Croatian** ;
- 2) organize the **work of** the National Bank of **Croatian** ;
- 3) represents **and** advocates the National Bank **Croatian** ;
- 4) adopt legislation on the functioning and development of the information system of the National Bank **Croatian** ;
- 5) prescribe in detail **the conditions** and methods of control, types, timing, sequence and process of taking measures to banks;
- 6) delivers solutions in the process of bank supervision;
- 7) make decisions and general acts in the area of operations of the National Bank **Croatian** that this law is not within the competence of the Council of the National Bank **Croatian** ;
- 8) determine the proposed legislation adopted by the Council of the National Bank **Croatian** ;
- 9) propose to the Council of the National Bank **Croatian** selection and dismissal of officers with special powers and responsibilities and appoints to the election of these officers;
- 10) adopt a general act on internal organization **and** systematization of jobs **in** the National Bank of **Croatian** and general regulations that establish the rights, duties and responsibilities of officers **of** the National Bank of **Croatian** ;
- 11) decide on other matters which by this Act, other laws and regulations placed **in the** jurisdiction of the Governor of the National Bank **Croatian** , as **well as** matters for which it has been authorized Council of the National Bank **Croatian** .

Article 75

Governor of the National Bank of **Croatian** authority to issue instructions for the uniform application of the decision of the Council of the National Bank **Croatian** referred to in Article 67 this Act.

V. REVENUES, EXPENSES AND FUNDS NATIONAL BANK OF **CROATIAN**

Article 76

National Bank **Croatian** generates revenues:

- 1) Interest and other income on funds deposited abroad;
- 2) Interest on loans given directly;

- 3) than the rest of realized foreign exchange gains, by offsetting realized foreign exchange losses;
- 4) Fees for services;
- 5) the purchase and sale of securities;
- 6) Interest on loans and other credits from the primary issue that give banks and other customers;
- 7) from income under special laws;
- 8) obtained from the issuance of commemorative coins;
- 9) other income from them through its business operations.

Article 77

Revenues from the National Bank of exercise under the provisions of Article 76 this Act shall be covered:

- 1) interest and other charges on foreign loans;
- 2) interest on funds held with the National Bank **Croatian** ;
- 3) interest and other charges on securities;
- 4) expenses by currency-exchange operations;
- 5) uncovered realized foreign exchange losses after covering the realized foreign exchange gains;
- 6) expenditures by special laws;
- 7) the cost of production of banknotes and coins;
- 8) material costs and depreciation costs;
- 9) The salaries of the National Bank of **Croatian** ;
- 10) other costs making them the National Bank **Croatian** has in its business.

Revenues from the National Bank of **Croatian** exercised under the provisions of Article 76 this Act shall provide the funds:

- 1) to fund business;

2) for the special reserve fund;

3) for the fund for the collective consumption of employees **in** the National Bank **Croatian** .

Article 78

The rest of realized foreign exchange gains of Article 76 item 3 this Act shall be transferred to a special fund reserves of the National Bank of **Croatian** in a special sub-account **and** can only be used to cover the uncovered realized foreign exchange losses.

Expenditures under Article 77 Paragraph 1 item 6 this Act shall be made in the amount of revenue referred to in Article 76 item 7 this Act.

Article 79

The financial plan and annual report of the National Bank **Croatian** made by the Council of the National Bank **Croatian** and approved by the Parliament of the Republic of **Croatian** .

Council of the National Bank **Croatian** shall annually adopt the annual accounts for the previous year **and** a financial plan for the current year.

Until the adoption of the financial plan of the National Bank **Croatian** , Council of the National Bank **Croatian** makes a decision **on** temporary financing of the National Bank **Croatian** .

Article 80

Excess of revenues over expenditures of the National Bank **Croatian** , after applying the provisions of Article 77 Paragraph 2 and Article 78 this Act, is the income of the state budget.

The excess of expenditure over income of the National Bank **Croatian** covered from special fund reserves of the National Bank of **Croatian** , and if funds are insufficient funds, the excess expenditure will be covered from the state budget.

Article 81

For getting things right that make up the basic resources and **to establish** or participate **in the establishment** of specialized organizations referred to in Article 36 Paragraph 4 this Act, the National Bank **Croatian** has a business fund.

Funding for business fund to provide financial plan of the National Bank **Croatian** and establish annual account of the National Bank **Croatian** .

Decision **on** use of funds business fund to acquire fixed assets issued by the Governor of the National Bank **Croatian** .

Article 82

To cover the risks incurred **in the** business as **well as for** cover revenue shortfalls in relation to the coverage of expenditures National Bank **Croatian** has a special reserve fund.

Funding for the special reserve fund set aside from revenue in the amount set by the Council of the National Bank **Croatian** decision or in determining the expenditure referred to in Article 77 Paragraph 2 point 2) of this Act.

The decision to use a special reserve fund of funds made by the Council of the National Bank **Croatian** .

VI. CONTROL OF NATIONAL BANK **CROATIAN**

Article 83

The work of the National Bank of **Croatian** parliament controlled by the Republic of **Croatian** .

The manner of control over **the work of** the National Bank of **Croatian** special act of Parliament of the Republic establishes **Croatian** .

VII. PENALTIES

Article 84

A fine ranging from 10,000 to 100,000 kuna shall be imposed for economic offense bank or other financial institution:

- 1) if the liquid assets not held in a certain scope or structure prescribed by the National Bank of **Croatian** (Article 19);
- 2) fails to comply with the measures and decisions taken by the National Bank of **Croatian** in accordance with this Act;
- 3) If the request of the National Bank **Croatian** does not submit data to perform control (Article 44, paragraph 2);
- 4) If the request of the National Bank **Croatian** fails to provide **the** specified time report **on the** audit of its annual account and your business (Article 54).

For the acts referred to in paragraph 1 this Article shall be punished for economic offenses **and** responsible **person** in a bank or other financial organization fined an amount from 2.000 to 10.000 HRK.

Article 85

A fine in the amount of from 1.000 to 5.000 kuna shall be imposed on a worker bank or other financial institution that does not execute a warrant officer of the National Bank **Croatian** (Article 52, paragraph 2).

VIII. FINAL PROVISIONS

Article 86

Government **Croatian** makes a decision **on** a temporary means of payment **for** the time until the issuance of banknotes and coins denominated in a currency of **Croatian** referred to in Article 35 this Act.

Article 87

For a time in the issue of banknotes and coins denominated in a currency of **Croatian** referred to in Article 35 this Act, all rights and obligations and all transactions between companies, other domestic legal **entities and** citizens and citizens with **foreign entities** shall be conducted in accordance with the decision of the Government under Article 86 this Act.

Article 88

For a time in the issue of banknotes and coins denominated in a currency referred to in Article 35 this Act fines for economic offenses **and** offenses set forth **in** Article 84 and Article 85 this Act shall be imposed and executed in the currency specified by the decision of the Government of the Republic of **Croatian** in Article 86 this Act.

Article 89

National Bank **Croatian** established by **the Regulation of** the National Bank of **Croatian** ("Official Gazette", no. 71/91.) continues to **work** under this Act.

Governor, Deputy Governor and Vice Governors of the National Bank **Croatian** appointed prior to the enactment of this Act perform their duties to the expiration of the term for which they were appointed.

Members of the Council of the National Bank **Croatian** referred to in Article 66 Paragraph 3 this Act who are appointed by **the Decree of** the National Bank of **Croatian** ("Official Gazette", no. 71/91.) will be performed by its function until the expiration of their term of office.

Article 90

Deadline date of application of the provisions of Article 57 this Act shall be determined by the Government of the Republic of **Croatian** .

Article 91

On the day of the entry into force of the Law on the National Bank **Croatian** ("Official Gazette", no. 74/92.) will cease to apply **Regulation of** the National Bank of **Croatian** ("Official Gazette", no. 71/91.).

By-laws and implementing regulations adopted on the basis of **the Decree of** the National Bank of **Croatian** ("Official Gazette", no. 71/91.) shall remain in force and apply to donašanja appropriate laws and regulations on the basis of the Law **on** the National Bank **Croatian** ("Official Gazette" , no. 74/92.)

Article 92

The Law **on** Amendments to the Act which are of a financial penalty for economic offenses and misdemeanors ("Official Gazette", no. 26/93. , **and**29/94.) Article 54 deleted