

CROATIAN PARLIAMENT

3046

Pursuant to Article 88 Croatian Constitution, I hereby

DECISION

A PROCLAMATION OF THE AMENDMENTS TO THE LAW ON BANK HRVATSKOJNARODNOJ

Promulgate the Law on Amendments to the Law on the Croatian National Bank Act, passed by the Croatian Parliament at its first session to December 2006. year. Class: 011-01/06-01/77 Reg 71-05-03/1-06-2 Zagreb, 7 to December 2006.

President
of Croatian **Stjepan Mesic** , mp

LAW

AMENDING THE LAW ON CROATIAN NATIONAL BANK

Article 1

The Law on the Croatian National Bank ("Official Gazette", no. 36/01.) In Article 2 paragraph 6 instead of a comma, and the words "endorsed by the Croatian Parliament" shall be deleted.

Paragraph 10 amended to read as follows:

"(10) The Croatian National Bank is independent in making and implementing their decisions based on this law does not require nor instructions from Croatian authorities, the European Union or other persons, and Croatian authorities, bodies European Union and other persons shall not affect the independence of the Croatian National Bank, the decision of members of the Croatian National Bank, nor can approve, cancel, postpone or abolish any decision of members of the Croatian National Bank in the areas of its competence. "

Article 2

In Article 3 Paragraph 1 after the word "is" a comma and the words "in the framework of its powers," are deleted.

Article 3

In Article 5 Paragraph 1 after the words "may", a comma and the words "without prejudice to its primary objective,".

Article 4

Title above članka 15. amended to read: "Trading in foreign currency and money."

Article 5

In Article 15 Paragraph 1 words: "foreign currency" are replaced by the words "foreign currency and money," and the word "cash," is deleted.

Paragraph 2 after the word "bank", the words "or contracts", and the words "foreign currency" are replaced by the words "foreign currency and cash."

Article 6

Title above Article 31 amended to read: "The systems for settlement of payment transactions."

Article 31 amended to read as follows:

- "(1) The Croatian National Bank to issue and revoke authorization systems for settlement of payment transactions in accordance with the regulations governing payment transactions.
- (2) The Croatian National Bank shall supervise the operation of which was issued a license to work in accordance with the provisions of paragraph 1 this Article.
- (3) The Croatian National Bank may be the owner of the system for the settlement of payment transactions. "

Article 7

The title of Article 36 amended to read: "The prohibition of public sector lending."

Article 36 amended to read as follows:

- "(1) The Croatian National Bank may not extend credit to the Republic of Croatia, the Croatian extra-budgetary funds, local and territorial (regional) governments and other public bodies in the Republic of Croatia, nor should direct them to buy their debt instruments.
- (2) legal work that Croatian National Bank concluded with the Republic of Croatian, Croatian Republic of extra-budgetary funds, local and territorial (regional) governments and other public bodies in the Republic of Croatia may not have the characteristics of the loan or can be used to grant loans to the Republic of Croatia, extrabudgetary Funds of Croatian, local and territorial (regional) governments and other public bodies in the Republic of Croatia or third parties, through which Croatia would have been the ultimate borrower.
- (3) The loan from paragraph 1 this Article shall be deemed purchase by the Croatian

National Bank promissory notes issued by the Republic of Croatia, the Croatian non-budgetary funds, local and territorial (regional) governments and other public bodies in the Republic of Croatia, if the purchase was made on the secondary market, according with the objectives of the monetary policy of the Croatian National Bank.

(4) Notwithstanding the prohibition in paragraphs 1 and 2 this Article shall not apply to intraday credit granted to the Republic of Croatia, under the condition that it is not possible to extend credit on the next day. "

Article 8

In Article 38 Paragraph 1 amended to read as follows:

"(1) The Croatian National Bank Council consists of nine members and makes him governor of the Croatian National Bank and Vice."

In paragraph 3 Section c) the words "and 59" are deleted.

Dew on) is amended to read:

"o) the strategy and policy for international reserves."

Article 9

In Article 39 Paragraph 5 words: "the deputy governor and" are deleted.

Article 10

In Article 40 Paragraphs 2 and 3 amended to read:

"(2) The Croatian National Bank has eight vice governors.

(3) Vice-Governor is appointed by the Croatian Parliament on the recommendation of the election, appointments and administrative affairs of the opinion of the Committee on the Budget. "

Paragraph 4 deleted.

former paragraphs 5 and 6 become paragraphs 4 and 5

Article 11

The title of Article 41 amended to read: "The conditions for the exercise of their duties as members of the Council."

Article 12

In Article 41 adds a new paragraph 1 which reads:

"(1) The members of the Council of the Croatian National Bank shall be employed by the Croatian National Bank Classroom."

Paragraphs first and 2 become paragraphs 2 and 3

in the previous paragraph 3, which becomes paragraph 4, after the word "body", the comma

and the word "employee" shall be deleted.

Behind paragraph 4 Paragraph 5 which reads:

"(5) Upon duty member of the Croatian National Bank without delay and at the latest within a month, adjusts his employment status and other issues with the provisions of this Article."

Article 13

In Article 42 Paragraph 1 introductory sentence is amended to read as follows:

"(1) The Croatian Parliament shall dismiss the Croatian National Bank Governor and Vice-Governor and before the expiry of the period referred to in Article 40 Paragraph 6 this Act in the following cases: ".
Dew g) is deleted.

Article 14

In Article 43 Paragraph 3 the words "Deputy Governor" are replaced by the words "vice governor appointed by the Governor of the Croatian National Bank."

Article 15

Article 45 and the title above will be deleted.

Article 16

In Article 46 Paragraph 1 words: "Governor of the Croatian National Bank, Deputy Governor and Vice" are replaced by the words "members of the Council of the Croatian National Bank."

Paragraph 2 amended to read:

"(2) Upon termination of the term of office, members of the Croatian National Bank may continue to operate in the Croatian National Bank, in accordance with the Statute of the Croatian National Bank. If a member of the Croatian National Bank shall not proceed with the work of the Croatian National Bank shall be entitled to compensation in the amount of salary paid in the last month before the dismissal, a new job, but not more than one year from the date of termination of the term of office. "

Article 17

In Article 48 paragraph 4 which reads as follows:

"(4) The rights and obligations arising from employment of members of the Croatian National Bank shall be governed by contract, this Act and the Statute of the Croatian National Bank."

Article 18

In Article 53 paragraphs 5 and 6 deleted.

Article 19

In Article 58 Paragraph 1 amended to read as follows:

"(1) The Croatian National Bank twice a year the Croatian Parliament on the financial condition, degree of price stability and the implementation of monetary policy. Without prejudice to the independence of the Croatian National Bank, Croatian Parliament may, on the basis of the submitted information, a discussion and draw specific conclusions. "

Article 20

The title of Article 59 amended to read: "Transparency of informing the public."

Article 59 amended to read:

"The Croatian National Bank regularly and timely inform the public about the analysis of the macroeconomic situation, the state of the financial and monetary system, monetary and credit developments, the balance of payments, exchange rate and price stability, and publishes statistical information within its scope."

Article 21

In Article 60 Paragraph 2 amended to read:

"(2) The Croatian National Bank may, in accordance with the requirements related to the performance of its tasks to open accounts and other market participants."

Article 22

In Article 62 Paragraph 1 after the word "legal", the words "and the physical."

Article 23

Article 63 amended to read:

"The rights and obligations of members of the Croatian National Bank, which are not defined in this Act or the Articles of Association of the Croatian National Bank, the Law on Prevention of Conflict of Interest in Public Office."

Article 24

In Article 64 Paragraph 2 deleted.

Former paragraph 3 becomes paragraph 2

Article 25

After Article 64 adds the article 64.ai title above to read as follows:

"The decision of the Croatian National Bank

Article 64a

(1) A decision on matters within its competence by the Croatian National Bank shall be final in the administrative proceedings against them may initiate administrative proceedings.

(2) The decision referred to in paragraph 1 shall not apply to the provisions of the Administrative Procedure Act in so far as it relates to annulment, repeal, repeal of emergency and cancellation of the registration, the right of supervision. "

Article 26

After Article 64a added a new Title VIII. and IX., Articles 64b, 64.c, 64.d, 64.e, 64th FIM, 64.g, 64.h, 64.i, 64.j, 64.k, 64.l, 64 . yards, 64.n, 64.oi headings above them read:

"VIII. MEMBERSHIP OF CROATIAN IN THE EUROPEAN UNION

General Provisions

Article 64b

Croatian National Bank is an integral part of the European System of Central Banks (hereinafter the ESCB) and performs its tasks in accordance with Article 43 Statute of the ESCB and the European Central Bank (hereinafter referred to as the ECB) which applies to Member States with a temporary exception (derogation).

Admission capital of the ECB and the transfer of reserve assets to the ECB

Article 64.c

Admission capital of the ECB, the transfer of part of international reserves as well as other issues related to the integration of the Croatian National Bank in the ESCB and the ECB shall be settled in accordance with the Statute of the ESCB and of the ECB and administrative decisions issued under the Statute.

Responsibilities and authority to conduct foreign exchange (forex) policy

Article 64.d

Croatian National Bank will in making measures in connection with the exchange rate of the domestic currency in Article 8 Paragraph 2 this Act to respect the common interest of the Member States of the European Union.

Membership in bodies of the ECB

Article 64.e

The Governor of the Croatian National Bank is a member of the General Council of the ECB.

Judicial protection of the governor in the event of early dismissal

Article 64th FIM

The Governor of the Croatian National Bank, in conjunction with a decision on the dismissal of Article 42 this Act, shall be entitled to the protection of the European Court of Justice.

Prohibition of lending bodies of the European Union and the Member States

Article 64.g

Prohibition of loans referred to in Article 36 this Act applies to the European Union and the member states of the European Union, as well as their regional and local authorities and other public bodies.

IX. Introducing the euro as pennies OF CROATIAN

The goals of the Croatian National Bank following the introduction of the euro as a monetary unit of Croatian

Article 64.h

Croatian National Bank, without prejudice to its primary objective, support the general economic policy of the European Union in accordance with the principle of an open market economy, free competition, favoring an efficient allocation of resources, in accordance with the principles set out in Article 2 Treaty on European Union.

General Provisions

Article 64.i

(1) The Croatian National Bank, in the performance of their duties, fully respect the provisions of the Statute of the ESCB and of the ECB, especially with regard to:

- management and implementation of monetary policy
- managing foreign operations
- holding and management of international reserves,

- smooth functioning of the payment system.

(2) In the case of non-compliance of certain provisions of this Act, the Statute of the ESCB and of the ECB, the current provisions of the Statute of the ESCB and of the ECB.

(3) Without prejudice to the provisions of paragraph 1 and 2 this Article, the Croatian National Bank reserves the independence and autonomy in decision-making and implementation of the remaining tasks under Article 4 this Act.

The tasks of the Croatian National Bank in the implementation of monetary and foreign exchange policy

Article 64.j

(1) The Governing Council of the ECB sets monetary and foreign exchange policy and decides on measures of monetary control.

(2) The Croatian National Bank as an integral part of the ESCB and participates in the formulation and conduct of monetary and exchange rate policies and the implementation of monetary control.

The tasks of the Croatian National Bank in managing neprenesenim international reserves and foreign currency reserves operating

Article 64.k

Croatian National Bank manages neprenesenim part of international reserves and operating reserves in accordance with the provisions of the Statute of the ESCB and of the ECB, and the decisions and policies of the ECB.

Issuance of banknotes and coins

Article 64.l

Issuance of banknotes and coins shall be carried out in accordance with the provisions and decisions of the ECB.

Financial Statements of the Croatian National Bank

Article 64.m

(1) The Croatian National Bank prepares financial statements in accordance with accounting rules and instructions of the ECB.

(2) The annual financial report of the Croatian National Bank includes a part of the monetary income of the ESCB and of the ECB, which is determined by the ECB according

to the Statute of the ESCB and the ECB, and the resulting implementation of the common monetary policy.

Selection of auditors

Article 64.n

The decision of the auditor of the financial statements of the Croatian National Bank shall be under the Statute of the ESCB and of the ECB.

Membership in bodies of the ECB

Article 64.o

The Governor of the Croatian National Bank is a member of the Governing Council of the ECB. "

Previous Chapter VIII. becomes Chapter X.

Article 27

In Article 65 Paragraph 4 the word "imposed" are replaced by the words "may be imposed."

FINAL PROVISIONS

Status of members of the Croatian National Bank on the date of Croatian EU

Article 28

(1) On the Croatian accession to the European Union, shall terminate on the external members of the Croatian National Bank elected under the provisions of the Croatian National Bank ("Official Gazette", no. 36/01.).

(2) The Croatian Parliament shall no Within 30 days from the date of accession of the Republic of Croatian EU to appoint the remaining three Vice Governors.

(3) The Governor, Deputy Governor and Vice Croatian National Bank elected under the provisions of the Act on the Croatian National Bank ("Official Gazette", no. 36/01). continue perform their duties until the expiration of their term of office.

(4) On the Croatian accession to the European Union deputy governor continues to serve as vice governor until the expiration of the period to which he was appointed deputy governor.

Entry into force

Article 29

This Act shall enter into force on the day of its publication in the "Official Gazette" except Article 8 Paragraph 1, Article 9 to 12, Article 13 Paragraph 1, Article 14 to 17 and Article 23 and Chapter VIII. which will enter into force on the date of accession of the Republic of Croatia EU and Title IX. which will enter into force on the day of the introduction of the euro as a monetary unit of the Croatian. Class: 450-02/06-01/01 Zagreb, 1 to December 2006.

CROATIAN PARLIAMENT
President
of the Croatian Parliament **Vladimir Seks** , mp