

# THE CROATIAN PARLIAMENT

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Pursuant to Article 88 of the Constitution of the Republic of Croatia, I hereby pass the

## DECISION

### PROMULGATING THE ACT ON AMENDMENTS TO THE DEPOSIT INSURANCE ACT

I hereby promulgate Act on Amendments to the Deposit Insurance Act, enacted by the Croatian Parliament at its session on 15 October 2008.

Classification: 011-01/08-01/134

Ref. No.: 71-05-03/1-08-2

Zagreb, 15 October 2008

The President  
of the Republic of Croatia  
**Stjepan Mesić**, duly signed

## ACT

### ON AMENDMENTS TO THE DEPOSIT INSURANCE ACT

#### Article 1

In the Deposit Insurance Act ("Official Gazette" of the Republic of Croatia No. 177/04), Article 1 shall be amended and read:

"This Act shall regulate the insurance of bank deposits in credit institutions established in the Republic of Croatia and in branches of the credit institutions established out of the Republic of Croatia."

#### Article 2

Article 2 shall be amended and read:

"(1) For the purposes of this Act, a deposit shall mean any credit balance of funds that a credit institution has the obligation to repay to a creditor under the laws or contractual arrangements, and it shall comprise any funds left in bank accounts and any temporary situations in connection with the normal operations of the credit institution. For the purposes of this Act, a deposit shall also mean any liability of the credit institution under a savings passbook and other relevant written certificates of deposit issued as securities under special regulations, unless these documents are to bearer or to order.

(2) The credit institution shall have the obligation to ensure a cover for deposits under the guarantee scheme of the Agency in accordance with the provisions laid down hereunder.

(3) Any non-resident credit institution having a branch in the Republic of Croatia shall provide a cover for deposits held at such branch under the guarantee scheme of the Agency, whenever and to the extent laid down hereunder.

(4) The credit institution referred to in paragraphs (2) and (3) of this Article being subject to the obligation to join the Agency's deposit-guarantee scheme may not take deposits until it shall have joined the Agency's deposit-guarantee scheme."

### Article 3

After Article 2, a new heading and Article 2a shall be added and read:

## "DEFINITIONS

### *Article 2a*

(1) For the purposes of this Act, a credit institution shall mean:

1) any bank, savings bank or building society established in the Republic of Croatia and duly licensed by the Croatian National Bank in accordance with the law regulating the operations of credit institutions, and

2) any branch of a credit institution established out of the Republic of Croatia and providing services on the territory of the Republic of Croatia in accordance with the law regulating the operations of credit institutions.

(2) For the purposes of this Act, a deposit-guarantee event shall occur upon the delivery to the credit institution referred to in paragraph (1) of this Article by the Croatian National Bank of a decision on the unavailable deposit determining that the credit institution is unable and will not be able soon, due to its financial circumstances, to repay any due and payable deposits, or upon a ruling pronounced by the competent court on the opening of bankruptcy proceedings against the credit institution.

(3) Within the meaning of this Act, the Agency shall be the State Agency for Deposit Insurance and Bank Rehabilitation."

### Article 4

Article 3 shall be amended and read:

"(1) Upon the occurrence of a deposit-guarantee event, the creditors of the credit institution affected by the deposit-guarantee event shall be entitled to compensation from the Agency in accordance with the provisions laid down hereunder.

(2) Shall not be eligible for the compensation referred to in paragraph (1) of this Article:

1. other credit institutions for deposits held on their own behalf and for their own account,

2. creditors of credit institutions for funds and instruments included in the liable equity capital of the credit institution referred to in paragraph (1) of this Article,

3. financial institutions,

4. insurance companies operating under private or public law, including voluntary and compulsory pension funds,

5. companies for the management of open-end investment funds and the separate assets managed by them, as well as closed-end investment funds,

6. governments, local and regional self-government authorities and legal entities entrusted with State Administration affairs pursuant to special laws,

7. the parent company and the dependent companies forming a group together with the credit institution referred to in paragraph (1) of this Article,

8. management board members, supervisory board members and parties holding at least 5% of the equity capital of the credit institution referred to in paragraph (1) of this Article,
  9. the auditor of the last audited financial statements of the credit institution referred to in paragraph (1) of this Article,
  10. creditors in respect of deposits that are not registered deposits, but deposits to an anonymous bearer of an encrypted password,
  11. creditors in respect of deposits arising out of transactions for which criminal convictions have been pronounced against certain persons for concealment of illicit proceeds,
  12. companies regarded under the Accountancy Act as medium-sized or large companies being subject to the application of the said Act,
  13. creditors who directed made arrangements for high interests with the credit institution and acquired thereby material benefits, which caused the financial difficulties of the credit institution or contributed to the significant deterioration of the financial position of the credit institution, and
  14. creditors having acquired a deposit or portion thereof upon the withdrawal of the credit institution's authorization by the Croatian National Bank.
- (3) Creditors residing or established abroad shall not enjoy the right referred to in paragraph (1) of this Article if they present features matching those of the creditors referred to in the previous paragraph.
- (4) By way of derogation, if explicitly agreed under a contract upon the opening of a bank account that the creditor shall hold this bank account on its own behalf, but for the account of another party (fiduciary account), the legitimacy of the right to compensation shall be determined in relation to the party for the account of whom the fiduciary bank account is being held.
- (5) Proprietary claims in respect of the right referred to in paragraph (1) of this Article shall come under the statute of limitations 5 years upon the publication in the "Official Gazette" of the Republic of Croatia of a notice of the occurrence of the deposit-guarantee event.
- (6) The right referred to in paragraph (1) of this Article shall not be transferable except by inheritance.
- (7) The Commercial Court in Zagreb shall have material and local jurisdiction for the settlement of all disputes in connection with the merits or scope of the creditor's right to compensation."

#### Article 5

After Article 3, a new heading and Article 3a shall be added and read:

#### "SPECIAL FEATURES OF FIDUCIARY AND JOINT BANK ACCOUNTS, AND OF BANK ACCOUNTS ENCUMBERED WITH A LIEN

##### *Article 3a*

- (1) If explicitly agreed upon under a contract on the opening of a bank account that two holders at least shall jointly keep such bank account (joint account), then the upper limit on the right to compensation referred to in Article 4 hereunder shall be determined for joint bank accounts in relation to the share in the deposit held by each particular holder of the joint bank account. An equal share in the deposit in respect of the joint bank account shall be aggregated to each holder of the joint bank account unless agreed otherwise on the occasion of the execution of the contract on the opening of a joint bank account.
- (2) All bank accounts of entities with no legal personality, communities of heirs or joint owners shall, for the purposes of this Act, be regarded as the deposit of one creditor of the credit institution.
- (3) If explicitly agreed upon under a contract on the opening of a bank account that the creditor shall keep this bank account on its own behalf, but for the account of another party (fiduciary

account), the upper limit on the right to compensation referred to in Article 4 hereunder shall be determined in relation to the party for the account of whom the fiduciary bank account is being held.

(4) If a lien has been created on a deposit, regardless of whether it has been created voluntarily or as a result of court proceedings, the claim for compensation referred to in Article 6, paragraph (6) hereunder may be asserted by both the pledgor and the pledgee. Regardless of who asserted the claim for compensation, the Agency shall comply with its obligation for the account of the pledgor, while the lien shall continue to encumber the amount of the paid compensation money.”

#### Article 6

Article 4 shall be amended and read:

“(1) During the period until 1 January 2010, the Agency shall guarantee 100% of the personal deposits in any bank, savings bank and building society up to and including HRK 400,000.00, regardless of the number of bank accounts, the amount of funds available thereon, the currency and place where these bank accounts are being held.

(2) As of 1 January 2010, the Agency shall guarantee 100% of any creditor’s deposits in any credit institution up to and including HRK 400,000.00, regardless of the number of its bank accounts, the amount of funds available thereon, the currency and place where these bank accounts are being held.

(3) By way of derogation from the provisions laid down in paragraphs (1) and (2) of this Article, the Government of the Republic of Croatia may, if necessary, pass a decree prescribing and even higher amount of deposit insurance.”

#### Article 7

Article 5 shall be amended and read:

“(1) The creditor’s right to compensation shall be determined in relation to the aggregate funds available on all of its deposits at the time of the occurrence of the deposit-guarantee event, upon deduction of all claims of the credit institution thereon that may be set off against it.

(2) The right to compensation shall also embrace claims in respect of interests that shall have become due and payable by the time of the occurrence of the deposit-guarantee event.

(3) The right to compensation for deposits in a foreign currency shall be computed in kunas at the mean exchange rate of the Croatian National Bank as applicable at the date of occurrence of the deposit-guarantee event.”

#### Article 8

Article 6 shall be amended and read:

“(1) The Croatian National Bank shall have the obligation to issue without delay, but no later than 21 days from the date on which it shall have determined that the credit institution did not repay the due and payable deposits, a decision on the unavailable deposit. The Croatian National Bank shall deliver the decision to the credit institution and to the Agency, and shall publish it in the “Official Gazette” of the Republic of Croatia.

(2) Upon the occurrence of a deposit-guarantee event, the Agency shall take measures to prepare the compensation for the creditors of the credit institution within three months upon the occurrence of the deposit-guarantee event. For this purpose, the credit institution shall have the obligation to make available to the Agency all documents required to compensate the creditors of the credit institution. In exceptional circumstances and subject to the approval from the Croatian National Bank, the Agency may extend this time limit twice, each time for another three months.

(3) Upon the occurrence of a deposit-guarantee event, the Agency shall publish without delay a notice on the Agency's website and in two daily newspapers available on the whole territory of the Republic of Croatia to notify the creditors of the credit institution of the occurrence of the deposit-guarantee event and of the details related to the obligations of the Agency to compensate the creditors of the credit institution in accordance with the provisions laid down hereunder. By the said notice, the Agency shall also notify the creditors of the time limit referred to in paragraph (2) of this Article, of the possibility for its extension and of the fact that an invitation for them to submit their particular claims for compensation shall be published, prior to the expiry of the time limit referred to in paragraph (2) of this Article, in the same publications as well as on the Agency's website.

(4) Should the time limit referred to in paragraph (2) of this Article be extended upon its approval by the Croatian National Bank, the Agency shall have the obligation to publish a notice of such extension in the same publications in which the invitation referred to in paragraph (3) of this Article was published, as well as on the Agency's website. By the said notice, the Agency shall have the obligation to renotify the creditors thereof that an invitation for them to submit their particular claims for compensation shall be published prior to the expiry of the said time limit in the same publications as well as on the Agency's website.

(5) Prior to the expiry of the time limit referred to in paragraph (2) of this Article, the Agency shall have the obligation to publish on its website, as well as in the publications in which it published the notices to the creditors referred to in paragraph (3) of this Article, an invitation for the creditors to submit their particular claims for compensation. By the said invitation, the creditors shall be notified of the modalities and time limits for the exercise of their rights to compensation.

(6) Creditors of a credit institution shall have the obligation to submit a full written claim for compensation in due form to the Agency within twelve months as of the invitation referred to in paragraph (5) of this Article. Upon the expiry of this time limit, creditors of the credit institution shall lose their right to compensation, unless they provide evidence that they are not liable for missing the time limit.

(7) The Agency shall have the obligation to examine the submitted written claims referred to in paragraph (6) of this Article without delay and it shall have the obligation to comply with its obligations within 30 days upon receipt of a full claim in due form.

(8) If the creditor's right refers to transactions for which criminal proceedings have been instituted against certain persons for a crime relating to concealment of illicit receipts, the Agency may suspend the creditor's right for compensation pending a ruling in the criminal proceedings.

(9) Upon the creditor's compensation, the creditor's claim on the credit institution shall pass onto the Agency in the amount of the paid compensation. The right to exercise, to a proportionate extent, the benefits and all related rights that the creditor is entitled to receive from the credit institution shall also pass onto the Agency together with the creditor's claim. In the event of the opening of bankruptcy proceedings against the credit institution, the Agency shall have the right and the obligation to assert the claims in bankruptcy in the amount of the aggregate liability in respect of the compensation for the creditor of the credit institution, regardless of whether the creditors have already been compensated by it at that point in time.

(10) The Agency Director shall pass a decision on the form of the claim in writing and the modalities for the exercise of the right to compensation, prior to the expiry of the time limit referred to in paragraph (2) of this Article."

## Article 9

In Article 7, paragraph 4, the words: "In the event of initiation of bankruptcy proceedings in a bank" shall be removed.

## Article 10

The heading above Article 8 shall be amended and read: “BRANCH OF A CREDIT INSTITUTION ESTABLISHED IN A EUROPEAN UNION MEMBER STATE”.

Article 8 shall be amended and read:

“(1) If a credit institution established in a European Union Member State has a branch in the Republic of Croatia, such branch shall be entitled to join the deposit-guarantee scheme in accordance with this Act, if the deposit guarantee under this Act exceeds the level and/or scope of the deposit guarantee in the country where the credit institution is established. If a non-resident credit institution has several branches in the Republic of Croatia, they shall all be regarded as a single branch for the purposes of this Act.

(2) The deposit guarantee of a branch of a credit institution as referred to in paragraph (1) of this Article shall be limited in both level and scope only to the portion thereof in excess of the deposit guarantee in the country where the credit institution is established.

(3) A branch of a credit institution as referred to in paragraph (1) of this Article shall file an application with the Agency to join the Agency’s deposit-guarantee scheme. Information concerning the deposit-guarantee scheme in which the credit institution participates shall also be submitted together with the application.

(4) Pursuant to the received application, the Agency shall pass a decision on the admission of the branch of the credit institution in the deposit-guarantee scheme in the Republic of Croatia. The said decision shall determine the level and scope of deposit guarantee for the branch of a credit institution as referred to in paragraph (1) of this Article, the deposit-guarantee scheme admission fee as well as the base and the contribution rate for the contribution to the deposit-guarantee scheme applicable to the branch of the credit institution. When determining the contribution rate for the contribution to the deposit-guarantee scheme, the Agency shall take into account the level and scope of the deposit guarantee in the country where the credit institution is established.

(5) The decision referred to in paragraph (4) of this Article shall be final and administrative proceedings may be instituted against it.

(6) A branch of a credit institution as referred to in paragraph (1) of this Article shall participate in the deposit-guarantee scheme under this Act upon the payment of the deposit-guarantee scheme admission fee.

(7) A branch of a credit institution as referred to in paragraph (1) of this Article shall have the obligation to notify the Agency and the Croatian National Bank without delay of any change in relation to the membership of the credit institution in the deposit-guarantee scheme in the country where the credit institution is established, as well as of any changes in the characteristics of the deposit-guarantee scheme in which the credit institution participates.

(8) In the event referred to in paragraph (7) of this Article, the Agency may pass a new decision to determine the level and scope of the deposit guarantee for a branch of a credit institution as referred to in paragraph (1) of this Article, as well as the base and the contribution rate for the contribution to the deposit-guarantee scheme applicable to such branch of the credit institution.

(9) Should a branch of a credit institution as referred to in paragraph (1) of this Article fail to comply with all or part of, or fail to comply in a timely manner with, its obligations towards the Agency, the Agency shall notify the Croatian National Bank thereof.

(10) In the event referred to in paragraph (9) of this Article, the Croatian National Bank shall be authorized to demand from the branch of the credit institution to comply with its obligations within a subsequent appropriate period of time. Should the branch of the credit institution also fail to comply with its obligations within the subsequent appropriate period of time, the Croatian National Bank shall notify thereof the competent authorities that issued the authorization to the credit institution in the country where it is established.

(11) The competent authorities referred to in paragraph (10) of this Article of the country in which the credit institution is established, shall determine, in cooperation with the Agency and the Croatian National Bank, the measures required for the proper compliance on the part of the branch of the credit institution with its obligations towards the Agency.

(12) Should the competent authorities referred to in paragraph (10) of this Article fail to determine the required measures or should these measures prove to be inefficient, the Agency may, subject to the approval from the competent authorities that issued the authorization to the credit institution, exclude the branch of the credit institution from the deposit-guarantee scheme in the Republic of Croatia by giving it a twelve-month notice. Upon the expiry of the said period of notice, the Agency shall only be liable for the obligations of the branch of the credit institution that were incurred prior to the expiry of the said period of notice.

(13) Should the Agency exclude the branch of the credit institution from the deposit-guarantee scheme, a notice thereof shall be published in the "Official Gazette" of the Republic of Croatia and in one daily newspaper at least that is distributed on the territory of the Republic of Croatia.

(14) The provisions laid down hereunder that are applicable to credit institutions shall also apply accordingly to branches of the credit institutions referred to in paragraph (1) of this Article that participate in the deposit-guarantee scheme in the Republic of Croatia."

## Article 11

After Article 8, a new heading and Article 8a shall be added:

### "BRANCHES OF A CREDIT INSTITUTION ESTABLISHED IN A NON-EUROPEAN UNION MEMBER STATE

#### *Article 8a*

(1) If a credit institution established in a country other than a European Union Member State has a branch in the Republic of Croatia, such branch shall have the obligation to join the deposit-guarantee scheme in the Republic of Croatia, if the Agency shall make the determination that the deposit-guarantee scheme in which the credit institution from a non-European Union member state participates provides a lower protection to creditors than the deposit-guarantee scheme under this Act.

(2) The credit institution referred to in paragraph (1) of this Article shall file an application with the Agency for a determination on the deposit-guarantee scheme in which it participates at the time of the filing of the application for the authorization of the branch. Information concerning the deposit-guarantee scheme in which the credit institution participates shall also be submitted together with the application. The Agency shall have the obligation to make a determination on the deposit-guarantee scheme in which the credit institution referred to in paragraph (1) of this Article participates within 60 days upon receipt of the full written application.

(3) When making the determination referred to in paragraph (2) of this Article, the Agency shall assess the deposit-guarantee scheme in which the credit institution referred to in paragraph (1) of this Article participates, taking into account the types of guaranteed deposits, the amount of the guaranteed deposits for each particular creditor, the characteristics of the joint cover scheme, the prescribed and expected time limits for the repayment of guaranteed deposits and the possibilities of obtaining protection from the Court.

(4) Should it be determined by the Agency that the deposit-guarantee scheme in which the credit institution referred to in paragraph (1) of this Article participates provides a lower protection to creditors than the deposit-guarantee scheme under this Act, the Agency shall pass a decision ordering the credit institution, in relation to the deposits of the branch, to join the deposit-guarantee

scheme in the Republic of Croatia. If the credit institution referred to in paragraph (1) of this Article has several branches in the Republic of Croatia, they shall all be regarded as a single branch for the purposes of this Act.

(5) The decision of the Agency on the admission of the branch of the credit institution referred to in paragraph (1) of this Article in the deposit-guarantee scheme shall be final and administrative proceedings may be instituted against it.

(6) A branch of a credit institution as referred to in paragraph (1) of this Article shall participate in the deposit-guarantee scheme upon the payment of the deposit-guarantee scheme admission fee in the Republic of Croatia. The fee for admission of the branch referred to in paragraph (1) of this Article in the deposit-guarantee scheme for a credit institution referred to in paragraph (1) of this Article shall be set at 0.3% of the minimum equity capital prescribed for establishing a relevant credit institution in the Republic of Croatia.

(7) A branch of a credit institution as referred to in paragraph (1) of this Article shall have the obligation to notify the Agency and the Croatian National Bank without delay of any change in relation to the membership of the credit institution in the deposit-guarantee scheme in the country where the credit institution is established, as well as of any changes in the characteristics of the deposit-guarantee scheme in which the credit institution participates.

(8) Should a branch of a credit institution as referred to in paragraph (1) of this Article fail to comply with all or part of, or fail to comply in a timely manner with, its obligations towards the Agency, the Agency shall notify the Croatian National Bank thereof.

(9) In the event referred to in paragraph (8) of this Article, the Croatian National Bank shall be authorized to demand from the branch of the credit institution to comply with its obligations within a subsequent appropriate period of time and to determine the measures required for the proper compliance on the part of the branch of the credit institution with its obligations towards the Agency.

(10) Should a branch of the credit institution fail to take the measures referred to in paragraph (9) of this Article, the Agency may, subject to the approval from the Croatian National Bank, exclude the branch of the credit institution from the deposit-guarantee scheme without any period of notice. Upon the exclusion, the Agency shall only be liable for the obligations of the branch of the credit institution that were incurred by the date of the exclusion.

(11) Should the Agency exclude the branch of the credit institution from the deposit-guarantee scheme, a notice thereof shall be published in the "Official Gazette" of the Republic of Croatia and in one daily newspaper at least that is distributed on the territory of the Republic of Croatia.

(12) The provisions laid down hereunder that are applicable to credit institutions shall also apply accordingly to any branch of a credit institution as referred to in paragraph (1) of this Article that participates in the deposit-guarantee scheme in the Republic of Croatia."

## Article 12

In Article 9, paragraph (1), the words: "amount to 0.125%" shall be replaced with the words: "amount to 0.10%".

In paragraph (2), the words: "of the last day of the quarter" shall be replaced with the words: "upon the expiry of the month to which the report refers".

After paragraph (3), a new paragraph (4) shall be added and read:

"(4) Should a bank, savings bank or building society fail to pay the admission fee referred to in paragraph (1) of this Article by the time limit referred to in paragraph (3) of this Article, the Agency shall notify the Croatian National Bank thereof, which shall invite the credit institution to effect the payment of the admission fee within a subsequent appropriate period of time. Should a bank, savings bank or building society also fail to pay the admission fee within the subsequent

appropriate period of time, the Croatian National Bank shall take the relevant measures against the credit institution pursuant to its statutory powers.”

#### Article 13

In the heading above Article 12, the words: “OF BANKS AND SAVINGS BANKS” shall be replaced with the words: “OF CREDIT INSTITUTIONS”.

#### Article 14

After Article 16, a new heading and Article 16a shall be added and read:

#### “MEASURES TO PREVENT THE OCCURRENCE OF A DEPOSIT-GUARANTEE EVENT

##### *Article 16a*

(1) For the purpose of preventing the occurrence of a deposit-guarantee event and in application of the lowest estimated cost principle, the Agency may take measures to increase the liquidity and solvency of a particular credit institution.

(2) The measures referred to in paragraph (1) of this Article shall be made an integral part of the Program of Measures to Increase Liquidity and Solvency to be proposed by the credit institution to the Agency.

(3) The Program referred to in paragraph (2) of this Article shall regulate all obligations of the credit institution and the Agency. The Program shall consist of the type of measures, the parties responsible for the implementation, the time limits for the implementation of the measures and the security instruments.

(4) The measures to increase the liquidity and solvency referred to in paragraph (1) of this Article shall be:

1. investment in supplementary capital,
2. subscription and payment for new stocks on the occasion of an increase in the equity capital of the credit institution,
3. repurchase of assets,
4. issue of guarantees.

(5) The decision on the approval of the Program referred to in paragraph (2) of this Article shall be passed by the Management Board of the Agency subject to a prior opinion from the Croatian National Bank.

(6) The total amount of funds invested under the measures referred to in paragraph (4) of this Article may not exceed 50% of the amount of the guaranteed deposits of the credit institution reported in the last report on the balance of the total and guaranteed deposits of the credit institution.”

#### Article 15

In Article 17, paragraph (2), after item 4, a new item 5 shall be added and read:

“5. funds raised by borrowings from the Croatian National Bank and credit institutions,”

The former items 5 and 6 shall become items 6 and 7.

The paragraphs 3, 4 and 5 shall be amended and read:

“(3) Funds of Fund shall be used by the Agency for compensation in the event of the occurrence of a deposit-guarantee event.

(4) Funds of the Fund, other than for the purposes referred to in paragraph (3) of this Article, shall also be used for:

1. settlement of costs incurred in the scope of the procedure for the compensation referred to in the paragraph (3) of this Article,
2. settlement of costs incurred in the scope of the procedure for the settlement of claims acquired by the Agency pursuant to the provisions laid down in Article 6, paragraph (9) hereunder,
3. settlement of costs related to investments of funds of the Deposit Guarantee Fund,
4. repayment of loans contracted for the purpose of the settlement of the claims referred to in item 1 of this paragraph,
5. payment of interests on deposits,
6. redemption of securities,
7. funding the measures laid down in Article 16a, paragraph (4) hereunder.

(5) Funds of the Fund may be invested in:

1. short-term securities issued by, or secured by a guarantee of, the Republic of Croatia and the Croatian National Bank,
2. short-term securities issued by, or secured by a guarantee of, any European Union member state or other OECD member state,
3. long-term debenture bonds issued by, or secured by a guarantee of, the Republic of Croatia,
4. long-term debenture bonds issued by, or secured by a guarantee of, any European Union member state or other OECD member state.”

After paragraph (5), a new paragraph (6) shall be added and read:

“(6) Funds of the Deposit Guarantee Fund may also be used to cover the costs of Agency personnel as well as to fund current operating expenses.”

The former paragraph (6) shall become paragraph (7).

## Article 16

The heading above Article 18 shall be amended and read: “NOTIFICATION OF THE DEPOSIT-GUARANTEE SCHEME”.

Article 18 shall be amended and read:

“(1) Any credit institution shall have the obligation to provide information to its present as well as to its potential clients concerning the Agency’s deposit-guarantee scheme.

(2) The information referred to in paragraph (1) of this Article shall consist of data on:

1. the right to compensation,
2. the upper limit on the right to compensation,
3. the occurrence of a deposit-guarantee event, and
4. the compensation procedure.

(3) The information referred to in paragraph (1) of this Article shall be made easily available in the Croatian language and in Latin script in all subsidiaries and branches of the credit institution and on the website of the credit institution.

(4) A branch of a credit institution out of the Republic of Croatia shall make the information referred to in paragraph (1) of this Article available in the official language of the country in which the branch is established.

(5) Credit institutions may not charge present or potential clients for the information referred to in paragraph (1) of this Article. At the request of each particular client, the credit institution shall have the obligation to provide additional information concerning the Agency’s deposit-guarantee scheme, as well as the conditions and procedure for compensation.

(6) Credit institutions may not use their participation in the Agency’s deposit-guarantee scheme in advertising. Credit institutions may only go public with the fact that they participate in the Agency’s deposit-guarantee scheme.

(7) The obligations laid down paragraphs (1) to (6) of this Article shall also apply accordingly to any branch of a non-resident credit institution established in a European Union member state and to any branch of a non-resident credit institution established in any non-European Union member state, whereby they shall have the obligation to explicitly state whether they participate, or not, in the Agency's guarantee scheme as well as to provide information to the clients concerning the host deposit-guarantee scheme in which they eventually participate."

## TRANSITIONAL AND FINAL PROVISIONS

### Article 17

In the whole text of the Deposit Guarantee Act ("Official Gazette" of the Republic of Croatia, No. 177/04), the word: "bank", with the appropriate case and number inflections, shall be replaced with the words: "credit institution", with the appropriate case and number inflections.

### Article 18

This Act shall become effective as of the date of its publication in the "Official Gazette" of the Republic of Croatia, with the exception of the provisions laid down in Articles 1, 3, 5, 7 to 9, 13 to 15 and in Article 17 hereunder, which shall become effective on 1 January 2009, of the provisions laid down in Articles 2 and 4 hereunder, which shall become effective on 1 January 2010, and of the provisions laid down in Articles 10, 11 and 16 hereunder, which shall become effective on the date of the accession of the Republic of Croatia to the European Union."

Classification: 450-08/08-01/02  
Zagreb, 15 October 2008

THE CROATIAN PARLIAMENT

The President  
of the Croatian Parliament  
**Luka Bebić**, duly signed