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**EUROPEAN COMMITTEE ON CRIME PROBLEMS**  
**(CDPC)**

**COMMITTEE OF EXPERTS**  
**ON THE EVALUATION OF ANTI-MONEY LAUNDERING MEASURES**  
**AND THE FINANCING OF TERRORISM**  
**(MONEYVAL)**

***THIRD ROUND DETAILED ASSESSMENT REPORT***  
***Croatia***

***ANTI-MONEY LAUNDERING***  
***AND COMBATING THE FINANCING OF TERRORISM***

**ANNEXES**

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# **(1) The Law on Prevention of Money Laundering**

## **THE LAW ON PREVENTION OF MONEY LAUNDERING**

**/Unofficial translation/**

### **I. GENERAL PROVISIONS**

#### **The Prevention of Money Laundering**

##### **Article 1**

(1) This Law stipulates: measures and actions in banking, money and other economic business undertaken for the purpose of detecting and preventing money laundering and prevention of terrorist financing, reporting institutions for the implementation measures and actions that are obliged to comply with this Law, activities and operations of the Anti Money Laundering Department in detecting suspicious transactions that conceal illegally derived money and assets or rights for which there is a suspicion that are illegally acquired within the country or in foreign countries (hereinafter referred to as: money laundering), and regulates other items of importance for developing the money laundering preventive system.

(2) Measures and actions for detection and prevention of money laundering are undertaken during investments, acceptance, exchange or disposal of money, or legal agreements that are used to acquire or use assets and other forms of ownership of money, rights and other properties that can be used for money laundering (hereinafter referred to as: transactions).

#### **Reporting institutions**

##### **Article 2**

The legal persons and authorized persons within those entities, as well as physical persons required to implement measures and actions to detect and prevent money laundering (hereinafter: reporting institutions) in the context of this Law are:

- banks and residential saving banks,
- savings and loan cooperatives,
- investment funds and companies for the management of investment funds,
- pension funds and companies for the management of pension funds,
- Financial Agency and Croatian Post Office,
- Croatian Privatization Fund,
- insurance companies,

- stock market and other legal persons authorized to perform financial transactions with securities,
- authorized exchange offices,
- pawnshops,
- organizers of lottery games, casino games, betting games and slot machine games.

(2) Reporting institutions stated in paragraph 1 that have subsidiaries in foreign countries or have majority ownership of financial institution or control financial institutions in foreign countries that do not implement standards for prevention of money laundering, are obliged to implement measures for preventing money laundering stipulated by this Law if they are not in opposition with the laws and other regulations of these countries.

(3) Reporting institutions in the context of this Law are as well all other legal persons, traders and individuals, business persons and physical persons conducting business that involve receipt and remittance of funds, purchase and sale of loans and debts, fund management for third parties, issuing debit and credit cards, transactions with the a.m. cards, leasing, organization of travel tours, organization of auctions, real estate, art objects, antiques and other items of significant value, and dealers in precious metals and gems.

### **The Anti Money Laundering Department**

#### **Article 3**

(1) The task of the Anti Money Laundering Department (hereinafter: the AMLD) is to gather, analyze, classify and keep data received from all the reporting institutions, to disseminate the information to relevant state bodies and together with them to undertake measures for the prevention of money laundering.

(2) The AMLD is established within the Ministry of Finance.

(3) The internal structure of the AMLD is determined by the Government of the Republic of Croatia - by decree.

(4) The AMLD, and the Ministry of Interior cooperate in the implementation of the measures for the detection and prevention of money laundering.

(5) The Ministry of Finance submits to the Government of the Republic of Croatia a report of the AMLD at least once a year.

## **II. MEASURES UNDERTAKEN BY THE REPORTING INSTITUTIONS TO DETECT MONEY LAUNDERING**

### **Client Identification**

#### **Article 4**

(1) The reporting institutions identify the client on opening of all bank accounts or during the establishing of other kinds of more permanent cooperation with client.

(2)The reporting institutions identify the customer at each transaction conducted with cash, foreign currency, securities, precious metals and gems, if the said transaction amounts to 105,000 Kuna or more.

(3)The reporting institutions identify the customer at linked transactions as under Paragraph 2 of the Article, when those linked transactions amount to 105,000 Kuna or more.

(4)Insurance companies identify the customers in all life policies if the annual premium exceeds 40,000 Kuna.

(5) In addition to the identification of the customer as under Paragraphs 1, 2 and 3 of this Article, the identity of the customer shall be verified at all other cash or non-cash transactions if there is a suspicion of money laundering.

(6)Withdrawal of money from debit, checks and saving accounts by physical persons is not considered as a transaction as under Paragraph 2 of the Article.

### **Customer Identification Procedure** **Article 5**

(1) The reporting institutions verify the identity of the physical person requesting a transaction by checking the identity documents (personal I.D. card, passport or other relevant identification card), for the first and last name, the address of residence or home, the personal identity number or date of birth, as well as type, number and issuing entity of the document.

(2) If the reporting institutions conducts a transaction for a legal person, it shall verify the identity of the person who is requesting the transaction on behalf of the legal person, as under Paragraph 1 of this Article, and also the name (title), address and registration number of the legal person requesting the transaction.

(3) At the time of the opening of an account or establishing other forms of permanent business cooperation, the reporting institutions shall ask the client for the statement on beneficial owner of the legal person and the list of members of the Board of Management in the manner provided by this Law and related by-laws based on this Law , and for the purpose of verifying the beneficial owner's identity.

(4) Reporting institutions verify the identity of a foreign citizen by looking at his/her passport or other public I.D. documents.

(5)Concerning transactions under paragraphs 2,3,4, and 5 of Article 4 of this Law the reporting institutions shall request from the customer a statement as to whether the said transaction is requested on his own behalf or as an authorized person.

(6)The reporting institutions shall request from the customer a power of attorney if the transaction is conducted on behalf of a third party.

## **Gathering information on transaction**

### **Article 6**

- (1) The reporting institutions shall in the cases stated in Article 8, Paragraph 1 of this Law gather information on transaction.
- (2) The information on transaction that shall be gathered as under paragraph 1 of this Article are:
  - information on ordering client and person for whom the transaction is intended: corporate name, corporate address and registration number for legal persons as to the first and last name, the address and personal identity number or date of birth for physical persons.
  - the purpose of the transaction,
  - date and time of the transaction,
  - amount of the transaction,
  - form of the transaction,
  - currency by which the said transaction is conducted.

## **Refusal of transaction**

### **Article 7**

- (1) The reporting institutions will refuse to execute the transaction:
  - as under paragraphs 2,3,4 and 5 of Article 4 of this Law if there is no possibility to identify the client,
  - as under paragraph 1 of Article 8 if the reporting institutions do not gather information stated in Article 5 and 6 of this Law, and
  - if the customer, in his capacity of authorized person, does not produce a power of attorney as listed in paragraph 5 of Article 5 of this Law.

## **Reporting to the AMLD**

### **Article 8**

- (1) The reporting institutions shall identify the customer and forward to the AMLD the information listed in Article 5 and 6 of this Law, within three days after the transaction has been executed, for all transactions referred to in paragraphs 2 and 3 of Article 4 of this Law if the value of transaction is 200.000,00 Kuna or more and for the transactions listed in paragraphs 4 and 5 of Article 4 of this Law in a manner that is provided by this Law and by-law regulations.
- (2) The reporting institutions shall inform the AMLD of transactions they refuse to perform, in accordance with Article 7 of this Law. In such cases, the information gathered on said transaction shall be also sent to the AMLD.
- (3) The reporting institutions shall, as under Paragraph 1 of this Article, inform the AMLD via telephone, fax or other appropriate means of

communication, of transactions where there is a suspicion of money laundering as under paragraph 5 of Article 4 of this Law before they perform the transactions and specify the deadline within which they are to execute the said transactions. If this information is sent in writing, the written statement shall be sent within three days. The reporting institutions and the AMLD shall record every information that was not sent in writing.

- (4) If it is not possible, because of the nature of the transaction listed in paragraph 3, to inform the AMLD before the transaction is conducted, the reporting institutions shall do so no later than 24 hours after the said transaction was performed.

### **Transfer of Cash and Checks Over the State Borders** **Article 9**

The Customs Service of the Republic of Croatia shall inform the AMLD of the legal transfer or attempt of illegal transfer across state borders of cash or checks in domestic or foreign currency amounting to 40,000 Kuna or more, no later than three days upon receiving the information on such transfer or attempt of illegal transfer.

The notification as under Paragraph 1. of this Article shall contain data about the person who is transferring or is attempting to transfer illegally cash or checks across the state borders for his own behalf or for a third party, the place and time of the border crossing and all information about the use of the cash or checks.

### **Lawyers, lawyer companies, notaries, auditor companies, certified auditors, chartered accountants or tax advisors**

#### **Article 9 a**

- (1) Lawyer, lawyer companies and notaries are obliged under specific conditions to inform the AMLD whilst conducting their business perform financial transaction or other transaction with assets, if there is a suspicion of money laundering.
- (2) When a lawyer or a lawyer company represents the client in judicial proceeding or in an administrative procedure, they are not obliged to act in accordance with regulations as under paragraph 1 of this Article.
- (3) Audit companies, certified auditors and legal or physical persons conducting accountancy services or tax advisory services are obliged to inform the AMLD under specific conditions whilst performing their business establish the suspicion of money laundering in certain transactions.
- (4) Regardless of the provisions of the above paragraphs of this Article, lawyers, lawyer companies, notaries, audit companies, certified auditors and legal and physical persons conducting accountancy services or tax advisory services, shall inform the AMLD under specific conditions in which they are asked by their clients for advice connected with money laundering.



### **III. OPERATIONS AND ACTIONS OF THE AMLD CONCERNING THE TRANSACTIONS REPORTING**

#### **Receipt of the report Article 10**

- (1) The AMLD confirms to the reporting institutions the receipt of the report as under Article 8 of this Law immediately, or at least within 24 hours.
- (2) When certain information from the report has to be verified, the AMLD can request the reporting institutions by telephone, fax, or other means of communication, to postpone said transaction but by no more than 72 hours.
- (3) After submitting the request for the reporting institutions to postpone the transaction, the AMLD shall immediately inform the Croatian Public Prosecutors Office.

#### **Requesting Information in Case of a Suspicion of Money Laundering Article 11**

If there is a suspicion of money laundering, the AMLD can request from reporting institutions additional information on the transaction and on clients not included by Article 8, Paragraph 1 of this Law, and determines the deadline for sending such information.

The reporting institutions have the right to submit an objection regarding the request as under Paragraph 1 of this Article to the Minister of Finance or to a person authorized by the said Minister, within three days.

The Minister of Finance or the person authorized by the said Minister must decide on the objection under Paragraph 2 of this Article within three days.

Bodies of state government and local government, as well as other legal persons that have state authority are required to send to the AMLD all information necessary for the detection of money laundering.

#### **Submission to Relevant State Authorities Article 12**

If the AMLD, during its activities, determines grounds for suspicion that an offence or criminal activity or an infringement has been committed, it is obliged to notify the proper state authorities.

#### **Submission of Information on Criminal Proceedings Article 13**

The Courts are required to send to the AMLD all information about the opening of an investigation, the indictment and the legally binding sentence for the criminal offence of concealing of illegally acquired proceeds, as well as on other criminal activities connected with money laundering.

## **International Cooperation**

### **Article 14**

The AMLD may submit the information received under this Law to relevant foreign bodies and organizations, as well as to international organizations responsible for preventing money laundering, if so requested by the said organizations and under the rule of reciprocity.

## **IV. SAFEKEEPING AND PROTECTION OF INFORMATION**

### **Confidentiality of the Gathered Information**

#### **Article 15**

(1) All information gathered in accordance to this Law is considered confidential and secret, and can be used only for the purposes stipulated by this Law.

(2) Informing the AMLD and other proper state authorities in accordance with this Law will not be considered a violation of banking or other secrets.

(3) The AMLD and its employees may use the information gathered on the basis of this Law only for the detection and prevention of money laundering or a criminal act related to money laundering.

### **Reporting Institutions Record Keeping**

#### **Article 16**

(1) The reporting institutions shall keep records gathered in accordance with this Law for at least five years after the said transaction was made, or five years after the last of related transactions was made, unless Law specifies otherwise.

(2) Customer identification records, as under Article 4, Paragraph 1 of this Law, shall be kept for five years after the completion of the business relationship, unless the Law specifies otherwise.

### **Confidentiality of Procedures and Information**

#### **Article 17**

(1) The AMLD and the reporting institutions cannot notify the customer about gathered records and about procedures initiated in accordance with this Law.

(2) The information from Paragraph 1 of this Article AMLD can provide only upon a court order.

(3) The AMLD may give information to the client that information pertains to, at the request of that customer, ten years after receiving.

(4) The AMLD shall keep received information for ten years.

(5) After the deadline from Paragraph 4 of this Article has expired, records are stored and can be used only upon the request of a court or the relevant client.

(6) Records shall be destroyed one year after the day when they were stored as under Paragraph 5 of this Article.

## **V. SANCTIONS**

### **Violation of Regulations on Gathering of Records and Reporting to the AMLD Article 18**

A pecuniary penalty from 10,000 to 100,000 kuna will be imposed on the reporting institution as under Article 2 of this Law if the said entity:

1. do not verify the identity of a client as under Articles 4 and 5 of this Law,
2. do not gather information on a transaction as under Article 6 of this Law,
3. do not provide a power of attorney as under Article 7 of this Law,
4. do not inform the AMLD about a transaction within the deadlines and in accordance with this Law, or do not report as under Article 8 and Article 11, Paragraph 1 of this Law,

A pecuniary penalty from 5,000 to 30,000 kuna will be imposed on the compliance officer within the reporting institution that commits the infringement as under Paragraph 1 of this Law.

If the infringement as under Paragraph 1 of this Article is committed in relation with transaction amounting to 1,000,000 kuna or more, a pecuniary penalty ranging from 50,000 to 300,000 kuna, will be imposed on the reporting institution, while the pecuniary penalty ranging from 10,000 to 50,000 kuna will be imposed on the compliance officer within the reporting institution that commits the offence.

### **Conducting the transaction against the AMLD order Article 19**

A pecuniary penalty ranging from 10,000 to 100,000 kuna will be imposed on the reporting institution that conducts transaction against the order given by AMLD (Article 10. Paragraph 2.)

A pecuniary penalty ranging from 5,000 to 30,000 kuna will be imposed on the compliance officer within the reporting institution that commits the infringement as under Paragraph 1 of this Article.

If the infringement as under paragraph 1 of this Article is committed in relation with transaction amounting to 1,000,000 kuna or more, a pecuniary penalty ranging from 50,000 to 300,000 kuna will be imposed on the reporting institution, while a pecuniary penalty ranging from 10,000 to 50,000 kuna will be imposed on the compliance officer within the reporting institution .

## **Violation of Regulation on Form of Record keeping and the Use of the Gathered Information**

### **Article 20**

A pecuniary penalty ranging from 10,000 to 100,000 kuna will be imposed on the reporting institution which does not keep records in the designed manner (Article 8, Paragraph 5), and does not keep records as under Article 16 of this Law.

A pecuniary penalty ranging from 5,000 to 30,000 kuna will be imposed on the compliance officer within the reporting institution who commits the infringement as under Paragraph 1 of this Article.

## **Authorization for Conducting Administrative Proceedings**

### **Article 21**

The proceedings for infringements as prescribed by this Law are conducted by the Ministry of Finance in accordance with the regulations which refer to infringements proceedings

## **The Supervision of Reporting Institutions in Implementation of the Law**

### **Article 21 a**

(1) The supervision of reporting institutions listed in Article 2 of this Law subject to this Law is conducted by the Croatian National Bank, the Croatian Securities Commission, the Pension Funds and Pension Insurance Control Agency, the Directorate for the Supervision of Insurance Companies:

- the Croatian National Bank performs supervision of reporting institutions listed in subparagraph 1 of paragraph 1 of Article 2 of this Law,
- the Croatian Securities Commission performs supervision of reporting institution listed in subparagraph 3 and 8 of paragraph 1 of Article 2 if this Law,
- the Pension Funds and pension Insurance Control Agency performs supervision of reporting institution listed in subparagraph 4 of paragraph 1 of Article 2 of this Law,
- the Directorate for the Supervision of Insurance Companies performs supervision of reporting institution in subparagraph 7 of paragraph 1 of Article 2 of this Law.

(2) the supervisory bodies of the Ministry of Finance and the AMLD will perform the supervision of all the reporting institutions within the scope of their authorities.

## **VI. TRANSITIONAL AND FINAL PROVISIONS**

### **Subordinate provisional legislation - Regulations**

#### **Article 22.**

The Minister of Finance is obliged to issue the regulations for implementation of this Law governing:

- the manner of identifying the clients listed in Article 5 of this Law,
- the manner of determination of identity number listed in Articles 5 and 6 of this Law,

- the manners and the deadlines for informing the AMLD on transactions listed in Article 8 of this Law,
- the manner of keeping gathered records listed in Articles 4, 5, 6 and 8 of this Law,
- the terms under which the reporting institution for certain clients are not obliged to inform the AMLD on cash transactions listed in paragraph 1 of Article 8 of this Law, and
- the manners and the deadlines for informing the AMLD on transactions listed in Article 9a of this Law.

### **Time of entry into force of this Law**

#### **Article 23**

(1) Regulations referred to in Article 9 of this Law shall be set out by the Minister of finance within 60 days of its entering into force.

(2) Until entering into force of the regulations referred to in paragraph 1 of this Article, provisions provided on the basis of The Prevention of Money Laundering Law remain in force.

#### **Article 24**

This Law shall enter into force on the eight day following its publication in the official gazette "Narodne novine" and shall enter into force on 1<sup>st</sup> January 2004.

### **(2) Procedures on Implementation of the Law on Prevention of Money Laundering ("AML By-law")**

## **MINISTRY OF FINANCE**

Pursuant to the Law on prevention of money laundering, article No 22 (Official Gazzette No 69/97, 106/97, 67/01, 114/01, 117/03 and 142/03), Minister of Finance has proclaimed

## **PROCEDURES ON IMPLEMENTATION OF THE LAW ON PREVENTION OF MONEY LAUNDERING**

### **I. INTRODUCTORY PROVISIONS**

#### **Article No 1.**

This procedures stipulate:

- the way of client identification according to article No 5. of the Law on Prevention of Money laundering (hereinafter: the Law),
- the form and time framework for the reporting to the Anti Money Laundering Department (hereinafter: AMLD) on the transactions as under Article No 8 of the Law,
- the form of record keeping related to Articles No 4, 5, and 6 of the Law,
- conditions under which reporting institutions are exempted of the obligation to report to AMLD on cash transactions, as under Article No 8 of the Law,
- the form and time framework for the reporting to AMLD on transactions related to Article No 9a of the Law.

## II. THE CLIENT IDENTIFICATION PROCEDURE

### Article No 2.

- (1) Reporting institutions according to Article No 2 of the Law, identify and verify the client identification of physical and legal persons as well as their authorised persons, related to transactions as under Articles No 4 and 8 of the Law.
- (2) Concerning cash and linked cash transactions as under Article No 4 para 2 and 3 of the Law, of threshold of 105.000,00 HRK or more, reporting institutions will identify a client as under Article No 5 of the Law, and will verify the information as under Article No 6 of the Law.
- (3) The reporting institutions do not report to the AMLD transactions of the value in between 105.000,00 HRK and 200.000,00 HRK, except upon the AMLD request.

### *Beneficial owner identification*

### Article No 3

- (1) Reporting institution is required according to Article No 5 para 3 of the Law, to obtain from the client a written statement on beneficial ownership information of the legal person as well as the list of management board, on every account opening or entering to any other type of business relations, with the aim to identify the beneficial owner.
- (2) The above statement will contain: the name of the reporting institution, information who is filling in the statement, information on the beneficial owner - physical person, the list of management board of the legal person that opens an account or enters in any other business relations with the reporting institution, the client obligation to inform to reporting institution of a change in ownership structure within 30 days, in a way

of submitting the new statement according to para 1 of this Article, as well as the date and signature. Requested information the client is submitting under penal and material responsibility.

- (3) The reporting institution is obligated to request from the client the statement on the beneficial ownership whenever has a suspicion of change of the ownership structure.
- (4) If there is no possibility to identify the beneficial owner - physical person, reporting institution shall accept a statement in which is quoted as beneficial owner a legal person that is registered in countries that apply international standards of the prevention of money laundering and due diligence measures.
- (5) In the case that reporting institution is not able to gather the statement described in para 1 and 3 of this Article, or could not gather all the designed information of the para 2 of this Article, and is not familiar with the ownership structure of the client, it will refuse to open an account or enter into business relationship, i.e. it will close the account or close the business relationship with the client.

### III. THE FORM AND TIME FRAMEWORK OF REPORTING TO THE AMLD

#### *The form of reporting*

##### Article No 4

Reporting institution as under Article No 2. shall inform AMLD, through its authorized person, of all the transactions as under Article No 8 of the Law, by the one of the following ways:

- on electronic form, using on-line access
- on paper form, by mail, telefax, or carrier
- by phone.

#### *Reporting form*

##### Article No 5

- (1) Reporting institutions shall inform AMLD of transactions on the form which is enclosed to this Procedures, and shall comply with the guidelines printed on the back side of the form. Guidelines are enclosed in the electronic version - software.



- (2) Reporting institution fills in electronic form using specially developed software, licensed by the Ministry of Finance. Electronic form is encrypted and protected by digital signature and smart cards.

*Sending reports electronically*

Article No 6

- (1) The reporting institutions that are obliged to implement electronic sending of reports: banks and Financial Agency, shall purchase a special software, at least until 31<sup>st</sup> March 2004, which shall be regulated by additional contract between Ministry of Finance - AMLD, and any particular institution.
- (2) Any other institution may report to the AMLD electronically as well, if they contract such mode of reporting.

Article No 7

If reporting institution may not, due to technical reasons inform the AMLD electronically, it shall immediately inform the AMLD by phone or fax, as well as ensure to report to AMLD by other way, as under Article No 4 of this Regulations.

*Form of sending the cash reports*

Article No 8

The reporting institutions shall report to AMLD electronically or by mail, fax, or by personal delivery every cash transactions, foreign currency transactions, securities, gems and gold of the value that exceeds 200.000,00 Kuna, or linked transactions that exceeds 200.000,00 Kuna.

*Form of sending the non-cash reports*

Article No 9

- (1) The reporting institutions shall report to the AMLD suspicious transactions electronically, or by mail, fax or by personal delivery.
- (2) The reporting institutions shall send by phone, or fax or else suspicious transactions as under Article No 8 para 3, before they perform the transaction.
- (3) Upon performing the transaction under the para 2 of this Article, the reporting institutions shall report to the AMLD on the form described in para 1 of this Article.



*Form of sending the insurance policies transactions*

Article No 10

The insurance companies report to the AMLD of insurance policies transactions if the annual sum exceeds 40.000,00 Kuna, on the form described under the Article No 5 of this Procedures electronically, or by mail, fax or personal delivery.

*Form of reporting the cash and checks transfer over the state border*

Article No 11

The Customs Department informs the AMLD on the form that is part of this Procedures, at least within the three working days, of the transfer of cash and cheques over the state border, of the threshold of 40.000,00 Kuna or more, electronically, by mail or fax.

*List of indicators for detection of STRs*

Article No 12

- (1) The AMLD shall in cooperation with the reporting institutions and regulators, produce the list of indicators for detection of suspicious transactions under the Article No 4 para 5 of the Law.
- (2) The list of indicators under the para 1 of this Article the reporting institutions are obliged to apply as a basic guidelinnesses for transaction and person detection for which there is ground on suspicion on money laundering.
- (3) The indicators list is the part of internal regulations of the reporting institutions, which is renewed and adjusted according to new typology of money laundering.

*Time framework of the reporting*

Article No 13

- (1) The reporting institutions under Article No 2 of the Law, shall inform the AMLD of all the cash transactions, linked cash transactions and insurance policies transactions within three working days after the date of the transaction.

- (2) The reporting institutions shall inform the AMLD of suspicious transactions under Article No 8 of the Law, before they perform the transaction. If they are not able to report before due to the transaction nature, they shall report to the AMLD at least within 24 hours after the transaction is performed.
- (3) Transactions that reporting institutions refuse to perform according to Article No 7 of the Law, they are obliged to report about to the AMLD at least within 24 hours after.
- (4) If the reporting institutions cannot inform the AMLD within the requested time framework, they are requested to seek the authorization of the AMLD for the time extension, and about which they produce written statement.
- (5) The written acknowledgement of the reports sent to the AMLD under the Article No 8 of the Law, the AMLD sends to the reporting institutions immediately, at least within 24 hours, electronically or in written form.

*The General Internal Regulations of the Reporting Institution*

Article No 14

- (1) The reporting institution produces a general internal regulations, in which describes the measures, actions and activities for the prevention and detection of money laundering and terrorist financing.
- (2) In this regulations, reporting institutions particularly describes: the form of client identification and beneficial owner identification, time and forms of reporting to the AMLD, obligation of applying the list of indicators for suspicious transaction detection, the actions related to suspicious transactions, the mode of nominating the responsible person and deputy, the obligations and duties of the reporting institution towards the responsible person and duties of the responsible person, the forms of professional education of the responsible person, deputy and staff, the internal control duties in checking the Law compliance, and the form of record keeping.
- (3) In this regulations, in particular shall be determined responsibilities of responsible persons in the case of non compliance related to prevention and detection of money laundering and terrorist financing.

*Nomination of the responsible person*

Article No 15

- (1) Responsible person under Article 4 para 1 of this Procedures, is responsible person for the compliance with the Law and for undertaking measures and actions for prevention and detection of money laundering and terrorist financing.
- (2) Reporting institution is obligated according to its internal regulations, to nominate one responsible person and up to two deputies, and shall

- inform the AMLD about. Responsible person shall be replaced by deputy during absence.
- (3) Reporting institution is obliged to nominate responsible person and deputies at least until the entering into force of this Procedures. If reporting institution does not nominate responsible person, authorized person is considered then as responsible person of that institution, according to valid laws and regulations.
  - (4) Responsible person participates in the producing of internal regulations of reporting institution, in relation to prevention and detection of money laundering.

#### Article No 16

- (1) Duties of responsible person may perform the person:
  - who is a Croatian citizen;
  - against whom there is no criminal investigation or prosecution, or who is not convicted for offences against the Republic of Croatia, property, safety of payment system, justice, legality of documents and official power;
  - who has at least three years of working experience of banking, financial or similar business;
  - who knows the operational business of the institution on the fields where money laundering may occur;
  - who is educated to perform its tasks.
- (2) Beside mentioned, reporting institution may in its internal regulations describe the other duties of responsible person.

#### Article No 17

- (1) Duties of reporting institution towards responsible person are the following:
  - institution within the banking sector delegates to responsible person only the Law compliance duties;
  - reporting institution provides to responsible person upon his/her request access to all the databases, documents and information needed;
  - reporting institution ensures that the responsible person is replaced while absent by his/her deputy;
  - reporting institution which is divided into few units, may nominate the other responsible persons that have all the requested conditions in the field to perform measures against money laundering and terrorist financing;
  - reporting institution provides necessary funds for professional education to responsible person and deputies.

- (2) Other units and departments of the reporting institution shall provide assistance to responsible person in performing his/her duties.

### *Professional education*

#### Article No 18

- (1) Reporting institution shall provide permanent and regular professional education of employees that enables detection of suspicious transactions. Institution shall inform its employees with other means of financial technics and communications with the AMLD.
- (2) Education records shall be available to responsible person.
- (3) Responsible person participates in drafting the programme of education of the employees.

### *Internal control*

#### Article No 19

- (1) Reporting institutions are requested to perform at least once per year internal control of the compliance with the Law, and inform about that the AMLD as well as responsible person.
- (2) Aim of internal control is to detect and prevent irregularities in the compliance with the Law and improvement of internal system of suspicious transaction reporting.

#### Article No 20

Time schedule and form of internal control determines reporting institutions by its internal regulations, based on this Procedures.

## IV. THE MODE OF RECORD KEEPING

#### Article No 21

- (1) Identification data and data on transactions under Article 4, 5 6 and 8 of the Law, reporting institution keeps in chronological order and in way that enables efficient control and supervision of regulators and supervisors and their submission to the AMLD upon request.
- (2) Reporting institution keeps records on STRs in separate databases.

#### Article No 22

- (1) The mode of record keeping (place and electronic mode) is determined by the reporting institution in its internal regulation and about that reporting institution informs the AMLD.

- (2) Records are kept in a way that enables checking during all the period of record keeping, under Article No 16 of the Law.

#### Article No 23

- (1) All information gathered are classified. Due to level of secrecy, that information are confidential, very confidential and secret, and may be used only for the purposes stipulated by the Law.
- (2) Reporting institution in its internal regulations determines type and level of confidentiality gathered and sent to AMLD, except in cases when the Law stipulates otherwise. Access to that databases is granted only to the persons authorized by the internal regulations.

### V. EXEMPTIONS UNDER WHICH REPORTING INSTITUTIONS SHALL NOT INFORM THE AMLD ABOUT CASH TRANSACTION

#### *Exemptions for not reporting to the AMLD*

#### Article No 24

Reporting to the AMLD of cash transactions under Article No 8 para 1 of the Law is not needed in the case of transactions of daily goods or services retail deposits on the business account, but in case of suspicion of money laundering.

#### *Exemptions for identification*

#### Article No 25

- (1) Identification of the client under Article No 2 of the Law is not needed, but in case of suspicion on money laundering, in the following cases:
- transaction between banks, savings banks, FINA, Croatian Post and insurance companies;
  - transactions between banks and authorized bureau de changes related to purchase of foreign currency or checks and checks payments;
  - transfer of bank's cash to foreign bank in favour of its own bank account and after the payment of foreign checks.
- (2) Identification of the client is not needed in cases of withdrawal of cash from the bank or savings bank accounts, giro accounts, savings books and savings accounts, for immediate purchase of foreign currency, but in case of suspicion on money laundering.

## VI. TIME AND FORM OF REPORTING TO THE AMLD BY THE LAWYERS, LAWYER COMPANIES, NOTARIES, AUDITORS, AUDITOR'S COMPANIES, CHARTERED ACCOUNTS AND TAX ADVISORS

### *Form of identification and form of reporting*

#### Article No 26

- (1) Lawyers, lawyer's companies, notaries, auditors and legal and physical persons who perform accountance ot tax businesses, identify clients as under Article No 5 of the Law and collect information as under Article No 6 of the Law.
- (2) Lawyers, lawyer's companies, notaries are obliged to notify the AMLD according to Article No 9a, para 1 and 4 of the Law, while perform financial transactions or other transactions with property, transactions with suspicion on money laundering, or when are requested to provide advice for money laundering, on the form as under Article No 5 para 1, of this Procedures.
- (3) Auditors and legal and physical persons who perform accountance ot tax businesses shall inform the AMLD as under Article No 9a para 3 and 4, if detect suspicion on money laundering during perfoming their duties, or when requested for advice for money laundering, on the form as under Article No 5 para 1, of this Procedures.

### *Mode and time of reporting*

#### Article No 27

- (1) Lawyers, lawyer's companies, notaries, auditors and legal and physical persons who perform accountance ot tax businesses, report to the AMLD by mail, fax or personal delivery, within three days after the moment of detecting the suspicion on money laundering or after being requested for advice to money laundering.
- (2) AMLD confirms receipt of that report in a way and form described in Article No 13 para 5 of this Procedures.

### *Responsible person and indicators for suspicious transactions*

#### Article No 28

- (1) Lawyers, lawyer's companies, notaries, auditors and legal and physical persons who perform accountance ot tax businesses, shall nominate responsible person, according to Articl's 15 and 16. para 1 of this

Regulations. Lawyer, auditor and notary are responsible persons pertinent to the Law.

- (2) AMLD shall in coordination with Lawyers, lawyer's companies, notaries, auditors and legal and physical persons who perform accountance of tax businesses produce a list of indicators for detection of suspicious transactions, that shall be obliged to implement as a basic guideliness for detection of money laundering. List of indicators shall be renewed and updated according to new typologies of money laundering.

#### *Form of record keeping*

#### Article No 29

- (1) Lawyers, lawyer's companies, notaries, auditors and legal and physical persons who perform accountance of tax businesses, shall keep database of suspicious transactions and of requested advices for money laundering in chronological order.
- (2) Information gathered under the Law is an official secret, and shall be kept on way that enables effective supervision during the time described under Article No 16 of the Law.

### VII. TRANSITIONAL AND FINAL PROVISIONS

#### Article No 30

AMLD shall provide guideliness for implementation of this Procedures, if there is a necessity.

#### Article No 31

Reporting institutions shall adjust their Internal Regulations to this Procedures until 31<sup>st</sup> Decemeber 2003.

#### Article No 32

After entering into force of this Procedures, the former Procedures are not longer valid (NN 114/97).

#### Article No 33

This Procedures are enacted within eight days after the publishing in Official Gazzette, and entering into force on 01<sup>st</sup> January 2004.

### **(3) List of Indicators for the Recognition of Suspicious Transactions in the Financial (Banking) System**

The list of indicators presented below has been made by drawing on the experiences of the Anti Money-Laundering Department of the Republic of Croatia, international standards and practices and suggestions from supervisory authorities in the Republic of Croatia such as the CNB, the Foreign Exchange Inspectorate and the Tax Administration, the Croatian Banking Association and the obligated entities.

#### **INDICATORS FOR THE RECOGNITION OF CASH TRANSACTIONS**

Indicators of this type are related to the detection of suspicious currency exchange transactions, cash depositing transactions and other cash transactions.

##### *Identification-Related Indicators*

1. The customer refuses to identify himself, as required under the Act on the Prevention of Money Laundering, when carrying out cash transactions, in the manner prescribed by that Act.
2. The customer presents identification or tries to present identification consisting of counterfeit documents, documents which belong to another person or counterfeit documents, or offers other information which is not related to the identification documents.
3. When asked to present identification, the customer starts using abusive language, becomes quarrelsome and agitated and complains. Conversely, the customer tries to talk the employee nicely into carrying out the identification with deficient and incomplete documents and data.
4. The customer wishes to perform a transaction for a third person, without having appropriate identification documents to prove the third person's identity (certified power of attorney or a similar document).
5. The customer makes enquiries about the usual procedures of the financial institution in carrying out the transactions, and the manner of customer identification.
6. When opening a non-resident account, the customer submits documents of dubious credibility (statements issued by the court register are not certified or are certified by a dubious seal, signatures of the authorised persons are illegible, are drawn up in a language spoken in a very limited



area, etc.), the foreign company's financial reports are too simplified (consisting of only several lines) and either lack certification or are certified by a seal of dubious character, signatures of the authorised persons are also illegible. This is particularly characteristic of companies headquartered in offshore zones.

7. The customer presents himself as a proxy for a person who is authorised to dispose of the funds in a non-resident account, without producing evidence thereto, or without presenting his identification.

SUBJECTIVE INDICATORS (Indicators which, on account of their material nature, are subject to obligated entities' discretionary reporting requirements criteria, and point to possible unlawful activities)

#### *Indicators Related to Cash Transactions*

8. Any natural or legal person opening a non-resident account of any type, against a cash deposit, who comes from a country which has not in place an appropriate money laundering identification and prevention system and any person producing identification documents from off-shore destinations, tax havens, countries from the so called "black list", countries commonly associated with the production and distribution of narcotics and countries which are considered, in accordance with internationally set criteria, suspicious of inciting terrorism and terrorism financing. The Office draws up and updates the list of the above-mentioned destinations and distributes them to the obligated entities.

9. Making small cash deposits into the same account within short periods of time, by several persons into the same account, or by one person into several accounts. The time frame needed for any association to be determined is decided by the obligated entity on the basis of its discretionary right and the fact if the obligated entity is familiar with the customer, and it can be identified as a daily, weekly or monthly association of transactions.

**Consecutive small cash deposits to non-resident accounts (even when such deposits are made by several ordering parties) in the course of a single day or over several days in a row of significant total value.**

10. Any cash deposit, regardless of the amount, if the financial institution considers that the amount of funds deposited is not common for the usual operations of a particular customer, and/or its average annual account turnover.

11. The person making a cash deposit is known to belong to a criminal milieu, or is closely related to it, or is in any other way associated with the persons and the situations for which unlawfulness of any sort has been determined in any manner.

12. Any person making a cash deposit in excess of its usual account turnover, when this person is a well-known public figure (either from cultural or political sphere).

13. Situations where the person making a deposit or engaging in some other cash transaction behaves in an inappropriate way, shows signs of agitation or is tense, or is accompanied by persons who are obviously not relevant for the transaction, may point to a suspicious character of the transaction. Also, these characteristics tend to become more pronounced in case of transaction postponement, identification verification and other activities that delay the carrying out of the transaction.

14. A person engages in a transaction using banknotes which are not properly sorted, are sorted in an unusual way, or are sorted in a manner that may suggest an intention to conceal the amount of cash, or a person makes a cash deposit without knowing exactly how much money he is depositing or exchanging, or is making a large cash deposit in smaller denomination banknotes.

15. A request to exchange banknotes for larger or smaller denomination banknotes, either at once, or within shorter periods of time (up to three days).

16. As regards currency exchange transactions, demands for unusually large or small banknotes.

17. Requests for special arrangements (commission) in currency exchange transactions and other cash transactions.

18. Insisting on cash transactions which otherwise typically and logically involve the use of other payment system techniques.

19. Frequent use of ATMs, night depositories, vaults, and the use of cash transactions to obtain other payment system instruments such as bills of exchange, guarantees, checks, treasury bills, etc.

20. Large cash withdrawals from accounts recently credited with large amounts which depart from the common turnover and/or business activity.

21. Consecutive withdrawals of small amounts of cash from a non-resident account (even if by different authorised persons) in the course of one day or over several days in a row of significant total value.

22. Large cash withdrawals from a non-resident account immediately upon an inflow of funds into such non-resident account.

23. Large cash withdrawals from, up to that moment a dormant non-resident account, or from an account that has just been credited with an unusually large amount of funds.

*Other Indicators*

24. The use of other financial sector products such as time deposits, housing savings, annuity savings, loan insurance, guarantee deposits, and other products, associated with the initial use of cash.

25. The use of a branch of a financial institution located in a place different from the customer's place of residence, where such financial institution has a branch in the place of residence of the customer, without any obvious economic or logical reason therefor.

26. Distance opening of resident and non-resident accounts, despite public notary-certified and documented powers of attorney.

27. Each coded account transaction, where such accounts exist, until complete abolition of such accounts.

## **INDICATORS FOR THE RECOGNITION OF NON-CASH TRANSACTIONS**

*SUBJECTIVE INDICATORS (Indicators which, on account of their material nature, are subject to discretionary obligated entities' reporting requirements criteria, and point to possible unlawful activities)*

This set of indicators is associated with cashless payment transactions, both in the country and abroad.

1. Any credit transfer to any account of natural and legal persons, either resident or non-resident, from off-shore destinations, or off-shore companies' accounts, countries commonly associated with the production and distribution of narcotics, countries with no system in place for money laundering identification and prevention and countries from the so called "black list", countries suspected of inciting terrorist activities and financing terrorism, regardless of the amount. The Department draws up and updates this list periodically and distributes it to the obligated entities.
2. Credit transfers from the country to any accounts of natural and legal persons, either resident or non-resident, in off-shore destinations, or to accounts of off-shore companies, countries commonly associated with the production and distribution of narcotics, countries with no system in place for money laundering identification and prevention and countries from the so called "black list", countries suspected of inciting terrorist activities and financing terrorism, regardless of the amount. The Department draws up and updates this list periodically and distributes it to the obligated entities.
3. The use of cashless foreign payment instruments such as checks, bills of exchange, guarantees, and treasury bills for cash withdrawals, applications for loan transactions, purchases of securities, real estate or other valuables, or those from off-shore destinations, countries commonly associated with the production and distribution of narcotics, countries with no system in place for money laundering identification and prevention and countries from the so called "black list", countries suspected of inciting terrorist activities and financing terrorism, which is drawn up and updated periodically by the Department and distributed to the obligated entities.
4. The use of letters of credit for international payment transactions and other cashless instruments for the payment of goods and services to off-shore destinations, countries commonly associated with the production and distribution of narcotics, countries with no system in place for money laundering identification and prevention and countries from the so called "black list", countries suspected of inciting terrorist activities and financing terrorism, which is drawn up and updated periodically by the Department and distributed to the obligated entities.

5. Loro account and nostro account credit transfers and transactions in the country, involving the accounts of well-known public figures (either from cultural or political sphere) which depart from the common turnover of such accounts and which have no logical economic background.
6. Loro and nostro credit transfers and transactions in the country, involving the accounts whose beneficial owners are well-known public figures (either from cultural or political sphere), which depart from the common turnover of such accounts and which have no logical economic background.
7. Any credit transfer to or from the country of no logical or typical business nature and/or which departs from the turnover usual for the account of a particular customer.
8. Loro and nostro credit transfers to any accounts of natural and legal persons, either resident or non-resident to/from off-shore destinations, or accounts of off-shore companies, countries commonly associated with the production and distribution of narcotics, countries with no system in place for money laundering identification and prevention which are not specified on the Department's list (indicators nos. 3 and 4), and if the obligated entity considers that there are grounds to suspect the logic of a transaction.
9. Unusually large credit transfers or a line of consecutive smaller credit transfers (so called "associated transactions") from non-resident accounts to accounts of other companies abroad (notably to offshore zones) or to private accounts of natural persons (directly or indirectly related to the company in question).
10. Credit transfers abroad from a non-resident account with no information on the beneficial owner.
11. Any unusually large credit transfer abroad or a line of consecutive smaller credit transfers abroad (so called "associated transactions") from non-resident and foreign currency resident accounts, in connection with the payment of services which are not usual for a particular company's line of business.
12. Any credit transfer with no information on the beneficial owner and the purpose of the transaction.
13. Frequent credit transfers into the country and abroad of smaller amounts (so called "associated transactions") whose aim is to conceal the actual amount of funds involved in a transaction.

14. Credit transfers from abroad withdrawn in cash or transferred to several different types of accounts immediately upon crediting, without any obvious, logical and justifiable economic reason.

15. International payment system transactions over the Internet or other forms of electronic banking, with no obvious economically logical background, where the originator of the transaction or the purpose thereof is unknown.

16. Any international transaction based on an invoice for services rendered by residents and non-residents, legal and natural persons, in and outside the country, which are not in line with the registered business activity of the company in question and which have no obvious economically logical explanation or involving countries which have not in place a system of prevention in accordance with the internationally set standards.

17. Payment instruments such as bills of exchange, checks, etc. which are presented for payment are not made out properly (they do not indicate the currency of payment, the date, or the beneficiary).

18. A foreign bank with a lower credit rating (unknown in the banking business environment), independently (not syndicated with other banks) grants to a domestic bank or a company a loan exceeding EUR 1 million, or approves to a domestic bank or a company within a short period of time several loans totalling over EUR 1 million.

#### NOTE:

Subjective indicators provide assistance to the authorised persons and other employees of the obligated entity in identifying any possible illogicalities in the financial system and may be combined and used for analyses after transactions completion.

Obligated entities will also detect any other or different suspicious transaction even if not comprised in this list, where they find that a particular transaction is of illogical (suspicious) nature.

INDICATORS FOR THE RECOGNITION OF SUSPICIOUS  
TRANSACTIONS IN CURRENCY EXCHANGE OFFICES

1. A customer cancels the transaction once he learns about the identification obligation or requires that the transaction be broken down into smaller amount transactions to avoid the identification obligation.
2. The customer refuses to provide all the required identification particulars.
3. The customer presents other person's or counterfeit identification documents.
4. Consecutive small value transactions of one party in the course of one day or over several days in a row, of significant total value.
5. The customer wishes to conduct a transaction with banknotes which are not sorted properly, which are sorted in an unusual way or in a manner which points to an intention to conceal the amount of cash involved or makes a cash deposit without knowing the exact amount of money involved, or the customer makes a substantial deposit in smaller denominations.
6. A request to exchange banknotes for larger or smaller denomination banknotes, either at once, or within shorter periods of time (up to three days).
7. As regards currency exchange transactions, demands for unusually large or small banknotes.
8. Frequent different currency conversion transactions by one party in the course of one day or over several days in a row.
9. A customer conducting a large transaction is accompanied by a third person who appears nervous and tense.
10. The customer wishes to conduct a transaction which involves a large amount of kuna or foreign currency without knowing what the involved amount is.

11. The customer carrying a large amount of domestic or foreign currency makes an attempt to enter a separated employee section of the exchange office (the part of the exchange office where the vault is situated), and makes reference to friendly or family connections.

12. The customer in an exchange office carrying a large amount of kuna or foreign currency for personal use, usually held in handbags or briefcases.

13. The customer, a well-known public figure, engages in currency exchange transactions involving amounts which depart from the usual amounts.

14. The customer engaging in currency transactions is a young person in possession of evident significant status symbols such as an expensive car, a motorcycle, a vessel, or an expensive watch.



INDICATORS FOR THE RECOGNITION OF SUSPICIOUS TRANSACTIONS  
IN INSURANCE COMPANIES

1. The customer refuses to identify himself, as required under the Act on the Prevention of Money Laundering, when buying an insurance policy, in a manner prescribed by the Act.
2. The customer presents identification or tries to present identification consisting of counterfeit documents, documents which belong to another person or are counterfeit or offers other information which is not related to the identification documents.
3. When asked to present identification, the customer starts using abusive language, becomes quarrelsome and agitated and complains. Conversely, the customer tries to talk the employee nicely into carrying out of the identification with deficient and incomplete documents and data.
4. The customer who wishes to perform a transaction for a third person, without having appropriate identification documents to prove the third person's identity (certified power of attorney or a similar document).
5. The customer makes enquiries about the common procedures followed by the insurance company when buying a policy, and the manner of customer identification.
6. The customer wishes to buy a life insurance policy which is unusual in terms of amount and duration.
7. The customer wishing to buy an unusual life insurance policy in terms of amount and duration requests or offers high commission and refers to his family and friendly connections with the management board or the owner of the insurance company.
8. The customer demands policy cancellation and a refund after a certain period of time, without adequate business reasons or logical explanation therefor.
9. The customer who is a well-known public figure wishes to buy unusually large insurance policies for himself, members of his family and other persons.
10. The customer makes enquiries about the insurance business and asks for advice regarding the use of insurance policy for loan insurance purposes and other business transactions, in a manner which is not usual or logical.

INDICATORS FOR THE RECOGNITION OF SUSPICIOUS TRANSACTIONS IN  
LAW OFFICES, BY PUBLIC NOTARIES, ACCOUNTANTS, AUDITORS AND  
TAX ADVISORS

1. The customer requires from the attorney at law, a public notary or some other intermediary, to conduct a financial transaction which departs from common business practices or which can be conducted more efficiently in some other way. In doing so, the customer refers to data secrecy requirement and obviously avoids identification commonly required in financial institutions.
2. The customer who appears unusual and nervous requires from an intermediary to conduct a financial transaction, thereby avoiding common payment system channels.
3. The customer is accompanied by third persons who have not any obvious association with the requested transaction.
4. The customer demands that fiduciary transactions be carried out within an unusually short period of time without there being any logical economic or business reason for that.
5. The customer makes enquiries about company registration in a manner which is unusual for regular company registration procedures, without there being any logical economic or business reason for that.
6. The customer asks for advice from an intermediary in connection with unusual transactions or services obviously involving concealment of illegitimate sources of funds.
7. The customer comes to the office of an intermediary carrying a large amount of cash, gold, precious stones or securities or other liquid monetary instruments that he wishes to deposit or transfer to the intermediary for a transaction to be conducted or for a business affair, in a manner which is unusual for regular financial business transactions, with an obvious intention of avoiding financial institutions.
8. The customer enters into or certifies agreements which are unusual, frequent or associated, where economic and business purposes do not provide justification for such a type of agreements.

9. The customer requires intermediary services at unusual hours (early in the morning, late at night, outside office hours) or demands their quick execution, without there being any obvious logical reason therefor.

10. Transactions and other business services rendered by order of public figures, which depart from what is common and which have no logical economic basis.

11. Transactions and other business services (transactions from abroad to the account of an intermediary for company establishment, stake acquisition) by order of natural and legal persons, both resident and non-resident, from off-shore destinations, or accounts of off-shore companies, countries commonly associated with the production and distribution of narcotics, countries with no system in place for money laundering identification and prevention and countries from the so called "black list", countries suspected of inciting terrorist activities and financing terrorism, which is drawn up and updated periodically by the Department and distributed to the obligated entities, regardless of the amount.

INDICATORS FOR THE RECOGNITION OF SUSPICIOUS TRANSACTIONS  
IN SECURITIES TRANSACTIONS

1. The customer refuses to identify himself, as required under the Act on the Prevention of Money Laundering, when conducting securities transactions, in a manner prescribed by the Act.
2. The customer presents identification or tries to present identification consisting of counterfeit documents, documents which belong to another person or are counterfeit, or offers other information which is not related to the identification documents.
3. When asked to present identification, the customer starts using abusive language, becomes quarrelsome and agitated and complains. Conversely, the customer tries to talk the employee nicely into carrying out of the identification with deficient and incomplete documents and data.
4. The customer who wishes to perform a transaction for a third person, without having appropriate identification documents to prove the third person's identity (certified power of attorney or a similar document).
5. The customer makes enquiries about the usual practices of financial institutions in transactions execution and about customer identification.
6. The customer attempts to carry out a securities transaction whatever the cost.
7. The customer attempts to purchase a specific security and sell it immediately upon purchase, without analysing the price, and knowingly making a loss.
8. Large concentration of securities trading which involves a single member or a single party.
9. Securities transactions across any type of account of natural persons, residents and non-residents, amounting to HRK 500,000.00 or more.
10. Securities transactions, by order of public figures, which depart from the usual turnover on an individual account and which have no logical economic basis.

11. Securities transactions on accounts whose beneficial owners are public figures (from political and cultural sphere) which depart from the usual turnover on an account and which have no logical economic basis.

12. Securities transactions made by order of natural and legal persons, both resident and non-resident, from off-shore destinations or accounts of off-shore companies, countries commonly associated with the production and distribution of narcotics, countries with no system in place for money laundering identification and prevention and countries on the so called "black list", countries suspected of inciting terrorist activities and financing terrorism, which is drawn up and updated periodically by the Department and distributed to the obligated entities, regardless of the amount.

13. Transactions involving securities of natural and legal persons, both resident and non-resident, to off-shore destinations or accounts of off-shore companies, countries commonly associated with the production and distribution of narcotics, countries with no system in place for money laundering identification and prevention and countries on the so called "black list", countries suspected of inciting terrorist activities and financing terrorism, which is drawn up and updated periodically by the Department and distributed to the obligated entities, regardless of the amount.

14. Any transaction into or from the country of no logical and usual business nature and/or which departs from the usual turnover on the account of the customer.

INDICATORS FOR THE RECOGNITION OF SUSPICIOUS TRANSACTIONS IN  
OPERATIONS OF TOURIST AGENCIES

1. The customer is buying unusual and expensive package tours for himself, members of his family and third parties, whose total amount exceeds HRK 200,000.00.
2. The customer makes enquiries about unusual methods of payment.
3. After making the payment for an expensive package tour, the customer cancels the tour without any logical explanation and demands a refund, regardless of commission and costs payable.
4. The customer refuses to identify himself in case of a cash package tour purchase exceeding the amount of HRK 105,000.00, or attempts to identify himself with counterfeit data and documents.
5. The customer buying a package tour is a well-known public figure and the amounts involved are unusually large.
6. The customer buying a tour is a young person in possession of evident significant status symbols such as an expensive car, a motorcycle, a vessel, or an expensive watch.

INDICATORS FOR THE RECOGNITION OF SUSPICIOUS TRANSACTIONS IN  
REAL ESTATE BUSINESS

1. The customer engages in real estate transactions (purchase or sale or exchange of real estate) for himself, members of his family and third persons which involve cash payments whose total amount exceeds HRK 200,000.00.
2. The customer makes enquiries about unusual methods of payment.
3. The customer refuses to identify himself in case of a purchase of real estate which involves a cash payment of over HRK 105,000.00 or presents counterfeit identification data and documents.
4. The customer buying a real estate is a well-known public figure, and the purchase involves unusually large amounts.
5. The customer buying real estate is a young person in possession of evident significant status symbols such as an expensive car, a motorcycle, a vessel, or an expensive watch.
6. A resident or a non-resident customer is buying real estate for a legal person although it is obvious that the purchase is made on behalf of a natural non-resident person.
7. A customer who is either a natural or a legal person makes enquiries or engages in real estate transactions for natural and legal persons, residents and non-residents, from off-shore destinations or for off-shore companies, countries commonly associated with the production and distribution of narcotics, countries with no system in place for money laundering identification and prevention and countries from the so called "black list", countries suspected of inciting terrorist activities and financing terrorism, which is drawn up and updated periodically by the Department and distributed to the obligated entities, regardless of the amount.

**Indicators to banking sector to detect suspicious transactions  
related to financing of terrorism**

Recommendation	Indicator
<b>Recommendation 4 – Reporting Suspicious Transactions Related to Terrorism</b>	transactions made through the non-resident account of an individual or legal entity which are not as usual,
	transfers to and from foreign countries, crediting and debiting the account of an individual or legal entity or of a resident person or non-resident person, as well as transfers to and from the country having no developed mechanism on the prevention of money laundering as well as the mechanism of STR,
	domestic transfers between resident and non-resident accounts, as well as between non-resident accounts, when there are no obvious and logical economic background for them,
	transactions made through the non-resident accounts of an individual or legal entity coming from the country having no developed business connections with Croatia,
	several linked transactions made in the short period of time to cut large amounts into smaller pieces,
	the bank client identifies himself by documents issued by country having no developed business connections with Croatia,
	the bank client is the Croatian citizen carrying out a transaction in favor of a beneficiary customer coming from the country having no developed business connections with Croatia,
	foreign exchange transactions involving foreign currencies which are not as usual,
	all other indicators according to Procedures on implementation on prevention money laundering and to Internal list of indicators,
<b>Recommendation 6 – Alternative remittance Recommendation 7 – Wire transfers</b>	non-resident persons conduct foreign exchange transactions very often,
	frequent deposits and withdrawals in cash to and from non-resident account,
	frequent usage of the institutions dealing with the international remittances incoming and outgoing the country, crediting and debiting the account of resident and non-resident persons,
	other indicators according to the Procedures and to Internal list of indicators,



<b>Recommendation 8 – Non-profit organizations</b>	opening of all kinds of the accounts of non-profit organizations such as associations, foundations, etc.,
	transactions to and from the foreign countries credited and debited non-resident accounts of non-profit organizations,
	opening of an account of non-profit organization coming from the country having no developed business connections with Croatia,
	transactions involving non-resident accounts of non-profit organizations and all other resident and non-resident accounts in the country,
	usage of funds of non-profit organizations to purchase real-estates, securities or to make any other investment.

#### **(4) Criminal Code (excerpt)**

##### *Forfeiture*

##### **Article 80**

(1) The security measure of forfeiture may be ordered with regard to an object which was designed for, or used in, the perpetration of a criminal offence, or came into being by the perpetration of a criminal offence, when there is a danger that the object will be used again for the perpetration of a criminal offence or when the purpose of protecting the public safety or moral reasons make the forfeiture of such an object seem absolutely necessary.

(2) The implementation of this security measure does not affect the right of redress of third persons from the perpetrator.

(3) In certain cases, the law may prescribe mandatory forfeiture.

##### *Confiscation of Pecuniary Gain Acquired by a Criminal Offence*

##### **Article 82**

(1) No one shall keep any pecuniary gain acquired as a result of a criminal offence.

(2) The confiscation of a pecuniary gain shall be ordered by a court decision establishing that a criminal offence has been committed. If it is impossible to seize in full or in part the pecuniary gain consisting of money, securities or objects, the court shall obligate the perpetrator of the criminal offence to pay the equivalent sum of money.

(3) The pecuniary gain shall also be confiscated if it is in possession of a third party on any legal ground and it has not been acquired in good faith.

(4) The injured party who, in the course of criminal proceedings, or within the maximum time-limit of three months after the final decision on the forfeiture of objects, wishes to realize his right in regard to the forfeited pecuniary gain through a claim for indemnification or a civil action, shall have the right to reimbursement within a period of three months after the decision regarding his right.

##### *Anti-State Terrorism*

##### **Article 141**

Whoever, with an aim to endanger the constitutional order or the security of the Republic of Croatia, causes an explosion, fire, or by a generally dangerous act or device imperils the lives of people or endangers property or kidnaps a person, or commits some other act of violence within the territory of the Republic of Croatia or against its citizens, thus causing a feeling of personal insecurity in citizens, shall be punished by imprisonment for not less than three years.

*Preparation of Criminal Offences against the Republic of Croatia*

**Article 153**

Whoever procures or ensures the operation of the means, removes obstacles, makes a plan or conspires with others or undertakes other actions that create conditions for the direct perpetration of the criminal offences referred to in Article 135, paragraphs 1 and 2, Articles 137 to 139, Articles 141 to 143, Articles 147 and 150 of this Code

shall be punished by imprisonment for one to five years.

*International Terrorism*

**Article 169**

(1) Whoever aims to cause major fear among the population, to force foreign states or international organizations to do or not do something or suffer, or who aims to seriously jeopardize the fundamental constitutional, political or economic values of a foreign state or an international organization, who commits a criminal offence referred to in Articles 170 through 172, and Articles 179 and 181 of this Code, who causes an explosion or fire, or by a generally perilous act or means creates a dangerous situation for people or property, who kidnaps a person or commits another violent act which can seriously harm a foreign state or an international organization

shall be punished by imprisonment for not less than three years.

(2) Whoever seriously threatens to commit a criminal offence referred to in paragraph 1 of this Article

shall be punished by imprisonment for one to five years.

(3) If, by the criminal offence referred to in paragraph 1 of this Article, the death of one or more persons is caused,

the perpetrator shall be punished by imprisonment for not less than ten years or by long-term imprisonment.

(4) If, by the criminal offence referred to in paragraph 1 of this Article, the death of one or more persons or large-scale destruction is caused,

the perpetrator shall be punished by imprisonment for not less than five years.

(5) In order to initiate criminal proceedings for the criminal offence referred to in this Article, an approval from the State Attorney of the Republic of Croatia is required.

*Planning Criminal Offences against Values Protected by International law*

**Article 187a**

(1) Whoever removes obstacles, makes a plan or arrangements with others or undertakes any other action to create the conditions for the direct perpetration of criminal offences referred to in Articles 156 through 160, Articles 169 through 172, and Articles 179 and 181 of this Code

shall be punished by imprisonment for one to five years.

(2) The same punishment as referred to in paragraph 1 of this Article shall be inflicted on whoever procures or collects financial means, being aware that they shall be used in total or partially for the perpetration of the criminal offences referred to in the para 1 of this Article.

### *Money Laundering*

#### **Article 279**

(1) Whoever, in banking, financial or other economic operations, invests, takes over, exchanges or otherwise conceals the true source of money, objects or rights procured by money which he knows to be acquired by a criminal offence shall be punished by imprisonment for six months to five years.

(2) The same punishment as referred to in paragraph 1 of this Article shall be - inflicted on whoever acquires, possesses or brings into circulation for himself or for another the money, objects or rights referred to in paragraph 1 of this Article, although at the moment of acquisition he knew the origin of such.

(3) Whoever commits the criminal offence referred to in paragraphs 1 and 2 of this Article as a member of a group or a criminal organization shall be punished by imprisonment for one to ten years.

(4) Whoever, committing the criminal offence referred to in paragraphs 1 and 2 of this Article, acts negligently regarding the fact that the money, objects or rights are acquired by the criminal offence referred to in paragraph 1 of this Article shall be punished by imprisonment for three months to three years.

(5) If the money, objects or rights referred to in paragraphs 1, 2 and 4 of this Article are acquired by a criminal offence committed in a foreign state, such an offence shall be evaluated pursuant to the provisions of the Croatian criminal legislation taking into consideration the provisions of Article 16, paragraphs 2 and 3 of this Code.

(6) The money and objects referred to in paragraphs 1, 2 and 4 of this Article shall be forfeited while the rights referred to in paragraphs 1, 2 and 4 shall be - pronounced void.

(7) The court may remit the punishment of the perpetrator of the criminal offence referred to in paragraphs 1, 2, 3 and 4 of this Article who voluntarily contributes to the discovery of such a criminal offence.

### *Disclosure of an Official Secret*

#### **Article 351**

(1) Whoever, without authorization, communicates, conveys or otherwise renders accessible to another data which are an official secret or provides such data with an aim to convey them to an unauthorized person shall be punished by imprisonment for three months to three years.

(2) If the criminal offence referred to in paragraph 1 of this Article is committed for personal gain, or if the data referred to in paragraph 1 of this Article are highly classified, or if the offence is committed in order to publish or use abroad data which are an official secret,

the perpetrator shall be punished by imprisonment for one to ten years.

(4) If the criminal offence referred to in paragraph 1 of this Article is committed by negligence,

the perpetrator shall be punished by a fine or by imprisonment not exceeding one year.

## **(5) Criminal Procedure Act (excerpt)**

### *Crime Report*

#### Article 180

(1) All state authorities and all other legal entities shall be bound to report criminal offences subject to public prosecution about which they have learned themselves or have learned from other sources.

(2) When submitting criminal proceedings reports, state authorities and legal entities shall indicate evidence known to them and undertake measures to preserve traces of the offence, the objects upon which or by means of which the offence was committed as well as other evidence.

(3) The data on the identity of the person against whom a criminal report has been submitted and the data that might lead to conclusions about the identity of the person shall be kept confidential.

### *Inquiries into Criminal Offences*

#### Article 186

(1) If there are grounds for suspicion that a criminal offence subject to public prosecution has been committed, the police shall be bound to take necessary measures aimed at discovering the perpetrator, preventing the perpetrator or accomplice from fleeing or going into hiding, discovering and securing traces of the offence and objects of evidentiary value as well as gathering all information which could be useful for successfully conducting criminal proceedings. The police authorities shall inform the State Attorney about any measures taken within the period of 24 hours from the moment the first measure was taken. If necessary, the State Attorney shall proceed in accordance with the manner prescribed in Article 183 paragraph 2 of this Act.

(2) In order to fulfil the duties referred to in paragraph 1 of this Article, the police authorities may seek information from citizens, apply polygraph tests, voice analyses, carry out the necessary inspection of the means of transportation, passengers and luggage, restrict movement in a certain territory for an absolutely necessary time (surveillance, observation, blockade, raid, ambush, entrapment, surveillance of the transport of objects, etc.) undertake necessary measures regarding the establishment of the identities of persons and objects, issue an arrest warrant or warrant for seizure, carry out in the presence of the authorized person an inspection of certain objects and premises of state authorities, legal entities and other business premises and review their documentation and data, collect information concealing the purpose of the collection or concealing the capacity of a police officer, using an undercover agent, request an examination of the identity of telecommunication addresses establishing connections during a certain period of time from the legal entity providing telecommunication services as well as undertake other necessary measures and actions. An official note shall be made on facts and circumstances determined in the course of carrying out particular procedural actions that may be of interest for the criminal proceedings.

(3) The police authorities may summon citizens. A suspect who has failed to appear may be brought in by force only if he was informed about it in the summons or if the circumstances clearly indicate that the suspect evades the receipt of the summons. A person who appears upon being summoned or a suspect who is brought in by force and refuses to give information cannot be summoned again for the same reason.

(4) In the course of collecting information the police authorities may not examine citizens in the role of defendants, witnesses or expert witnesses. If it is necessary for discovering other offences committed by the same person, his accomplices or offences committed by other persons, information may also be collected from persons in detention provided that upon a written motion the investigating

judge or the president of the panel grants his permission and only in the presence of the investigating judge or defence counsel chosen by person in detention. In such a case the detainee shall also be informed of the rights from paragraph 5 of this Article.

(5) In the course of collecting information the police authorities shall caution the suspect in accordance with the provisions of Article 237 paragraph 2 of this Act. Upon the request of the suspect, the police authorities shall allow him to retain a defence counsel and for that purpose they shall cease collecting information from the suspect or undertaking a search of the dwelling until a defence counsel appears or at the latest three hours from the moment the suspect declared his wish to retain a defence counsel. The police authorities shall proceed in the same manner in the case of a defendant whose dwelling should be searched. If the circumstances indicate that the selected defence counsel will not be able to arrive within this term, the police authorities shall allow the suspect to retain a defence counsel from the list of attorneys on duty which is compiled by the Croatian Bar Association for the territory of a county and delivered to the competent police administrations along with the report made for the county court. The stopping time of the police authorities regarding the collecting of information or the search shall not be included in the legal term of bringing the suspect before the investigating judge. If the suspect does not retain a defence counsel or if a summoned defence counsel fails to appear within the term provided, the police authorities may resume the collecting of information from the suspect or the search of the dwelling. The State Attorney has the right to be present at the interrogation. The records of the police authorities of the suspect's statements given in the presence of a defence counsel may be used as evidence in the criminal proceedings.

(6) On the basis of the information collected, the police authorities shall draw up a crime report stating the evidence discovered. The contents of the statements given by certain citizens in the course of collecting information shall not be included in the crime report. The objects, sketches, photographs, reports, records on measures and actions undertaken, official notes, statements and other material which may be useful for successfully conducting proceedings shall be attached to the crime report. If the police authorities after filing the crime report discover new facts, evidence or traces of the offence, they shall be bound to collect necessary information and to deliver the report on this as a supplement to the crime report to the State Attorney.

(7) The Minister of the Interior and the Minister of Defence shall issue more detailed regulations on the implementation of measures and actions referred to in this Article in conformity with the provisions of this Act.

### *Urgent Investigatory Actions*

#### *Article 196*

(1) If there is danger in delay, the police authorities may even before the commencement of the investigation carry out a search (Article 224), temporarily seize objects (Article 233), carry out the identification (Article 258), a judicial view (Article 260) and take fingerprints and prints of other parts of the body (Article 263). The investigating judge who arrives to the place of the judicial view may in the course of its implementation carry out this action or leave the implementation of the judicial view in process or a part thereof to the police authority.

(2) If there is danger in delay, the police authorities may order necessary expert witness examination, except for autopsy and exhumation.

(3) The police authorities shall notify the State Attorney forthwith of all actions which they have undertaken according to paragraphs 1 and 2 of this Article.

*Temporary Seizure of Objects*

Article 233

(1) Objects which, according to the Criminal Code, have to be seized or which may be used to determine facts in proceedings shall be temporarily seized and deposited for safekeeping on the ground of a court's decision.

(2) Whoever is in possession of such objects shall be bound to surrender them upon the court's request. A person who refuses to surrender them may be fined to an amount not exceeding 20,000.00 Kuna, and in the case of further refusal may be imprisoned. Imprisonment shall last until the object is surrendered or until the conclusion of criminal proceedings, but not longer than one month. It shall be preceded in the same way against an official or responsible person in a state authority or legal entity.

(3) Temporary seizure shall not apply to:

1) files and other documents of state authorities, the publication of which would violate the duty of keeping an official, state or military secret, until decided otherwise by the competent authority,

2) written notices of a defendant to a defence counsel or to persons referred to in Article 244 paragraph 1.1. to 1.4. of this Act, unless voluntarily submitted by the defendant upon a request,

3) tapes possessed by persons referred to in Article 244 paragraph 1.1. to 1.4. of this Act that have been recorded by these persons regarding facts about which these persons are exempted from the duty to testify,

4) records, registry excerpts and similar documents possessed by persons referred to in Article 244 paragraph 1.4. of this Act that have been made by these persons regarding facts disclosed to them by the defendant while performing their respective professions,

5) written records of facts made by journalists and their editors in the media regarding sources of information and data coming to their knowledge in the performance of their profession that were used in the media editorial process and that are possessed by them or by the editorial office they work for.

(4) The ban on the temporary seizure of objects, documents and tapes referred to in paragraph 3.2 – 3.5 of this Article shall not apply:

1) in relation to a defence counsel or a person exempted from the duty to testify in accordance with the provision of Article 244 paragraph 1 of this Act, if there exists a reasonable doubt that he/she has helped the defendant to commit an offence, that he/she has helped the defendant after an offence has been committed or that he/she has acted as an accessory,

2) in relation to objects that are to be seized in accordance with the provisions of the Criminal Code.

(5) The ban on the temporary seizure of objects, documents and tapes referred to in paragraph 3.1 – 3.5 of this Article shall not apply in relation to investigations of criminal offences committed against children and minors referred to in Article 117 of the Juvenile Court Act.

(6) The provisions of paragraph 1 and 2 of this Article also apply to data stored in devices for the automatic or electronic processing of data and to the media on which these data are stored, which shall be submitted to the authorities conducting the proceedings upon their request in a legible and comprehensible form. When obtaining them, the authority conducting proceedings shall proceed pursuant to the regulations related to maintaining the confidentiality of certain data.

(7) The panel of the county court (Article 20 paragraph 2) shall decide on an appeal against a ruling imposing a fine or imprisonment. An appeal against a ruling on imprisonment shall not stay the execution of the ruling.

(8) The police authorities may seize the objects stated in paragraphs 1, 2 and 3 of this Article when proceeding pursuant to the provisions of Article 186 and Article 196 paragraph 1 of this Act or when executing a court's warrant.



(9) When seizing objects it shall be noted where they were found and they shall be described and if necessary their identity shall be determined in another way. A receipt shall be issued for the seized objects.

(10) Compulsory measures stated in paragraphs 2 and 6 of this Article may not be applied against the defendant or against persons exempted from testifying.

(11) Objects seized contrary to the provisions of paragraphs 3 and 4 of this Article cannot be used as evidence in criminal procedure.

#### Article 234

(1) State authorities may refuse to present or surrender their files and other documents if it appears to them that disclosure of their contents would prejudice the public good. Banks may refuse to reveal data, which represent a bank secret. If presenting or giving files and other documents or data, which represent a bank secret, is denied, the final decision thereon shall be made by the panel of the county court (Article 20 paragraph 2).

(2) Commercial companies and other legal entities may request that data related to their business be not made public.

(3) The investigating judge may require a bank to deliver him information on the bank accounts of a defendant or another person against whom proceedings for the confiscation of pecuniary benefit obtained in consequence of the commission of an offence are being conducted. Such a request may be made even before the commencement of an investigation or before the commencement of proceedings for the confiscation of pecuniary benefit if it is likely that the money obtained by involvement in the commission of criminal offences committed by a group (Article 89 paragraph 22 of the Criminal Code) or a criminal organization (Article 89 paragraph 23 of the Criminal Code) or of a criminal offence of the misuse of drugs (Article 173 of the Criminal Code) punishable by imprisonment for a term of more than three years are placed in those bank accounts.

(4) If following the decision of the panel referred to in paragraph 1 of this Article the bank does not deliver to the investigating judge the data requested, the investigating judge shall immediately inform thereof the National Bank of Croatia and undertake other legal measures.

(5) The court may order by a ruling an individual or legal entity to suspend temporarily the execution of a financial transaction if the suspicion exists that it represents an offence or that it serves to conceal an offence or to conceal the benefit obtained in consequence of the commission of an offence.

(6) By the ruling referred to in paragraph 5 of this Article the court shall order that the financial means assigned for the transaction referred to in paragraph 5 of this Article as well as cash amounts in domestic and foreign currency temporarily seized according to Article 233 paragraph 1 of this Act shall be deposited in a special account to be kept until the termination of the proceedings or until the conditions are met for their recovery.

(7) The State Attorney, the owner of the cash amounts in domestic and foreign currency, the defendant and the legal entity or the natural person who is to proceed according to the ruling referred to in paragraphs 3 and 5 of this Article may take an appeal from the ruling of the investigating judge referred to in paragraphs 3 and 5 of this Article.

CHAPTER THIRTY  
PROCEEDINGS FOR THE CONFISCATION OF PECUNIARY BENEFIT

***Article 482***

- (1) Objects which must be seized according to the Criminal Code shall also be seized when criminal proceedings do not terminate with a judgement of conviction, provided that this is required by considerations of public safety or the protection of the honour and dignity of citizens.
- (2) The authority before which proceedings were held at the time they were terminated shall render a separate ruling thereon.
- (3) The ruling on the seizure of objects from paragraph 1 of this Article shall also be rendered by a court when it has failed to render such a decision in a judgement of conviction.
- (4) A certified written copy of the decision on the seizure of objects shall be delivered to the owner of the object if he is known.
- (5) The owner of the object is entitled to file an appeal from the decision referred to in paragraphs 2 and 3 of this Article if he considers that there is no legal ground for the seizure of the object. If the ruling referred to in paragraph 2 of this Article is not rendered by a court, the panel (Article 18 paragraph 3 or Article 20 paragraph 2) of the court having jurisdiction to try at first instance shall decide on the appeal.

***Article 483***

- (1) Pecuniary benefit obtained as a result of the commission of an offence shall be determined in the criminal proceedings by virtue of the office.
- (2) The court and other authorities before which criminal proceedings are conducted shall in the course of proceedings obtain evidence and investigate circumstances which are relevant for the determination of pecuniary benefit.
- (3) If the injured person's claim for indemnification concerns the recovery of an object acquired in consequence of the commission of an offence or regards the amount which corresponds to the value of the object, the pecuniary benefit shall only be determined for the part which exceeds the claim for indemnification.

***Article 484***

- (1) When the confiscation of pecuniary benefit obtained in consequence of the commission of an offence comes into consideration, the person to whom the pecuniary benefit was transferred as well as the representative of the legal entity shall be summoned for interrogation in pre-trial proceedings and at the trial. The summons shall state that the proceedings will be held even in their absence.
- (2) The representative of the legal entity shall be heard at the trial after the defendant who pleads guilty and otherwise at the beginning of the presentation of evidence. The court shall proceed in the same manner regarding the person to whom the pecuniary benefit was transferred, unless he is summoned as a witness.
- (3) The person to whom the pecuniary benefit was transferred and the representative of the legal entity are entitled to propose evidence concerning the determination of the pecuniary benefit and, upon the authorization of the president of the panel, to ask questions of the defendant, witnesses and expert witnesses.
- (4) If the court establishes that the confiscation of pecuniary benefit comes into consideration while the trial is in progress, it shall recess the trial and summon the person to whom the pecuniary benefit was transferred as well as the representative of the legal entity.

***Article 485***

The amount of pecuniary benefit shall be fixed at the discretion of the court whenever its assessment entails undue difficulties or a significant delay in the proceedings.

***Article 486***

When the confiscation of pecuniary benefit is under consideration, the court shall, by virtue of the office, and pursuant to the provisions dealing with enforcement proceedings, order provisional security measures. In such a case, the provisions of Article 142 paragraph 2 of this Act shall respectively apply.

***Article 487***

(1) The court may order the confiscation of pecuniary benefit by a decision in which the defendant is found guilty of the offence charged.

(2) In the ordering part of the judgement the court shall state which object is to be seized or which sum confiscated.

(3) A certified copy of the decision shall also be delivered to the person to whom the pecuniary benefit was transferred, as well as to the representative of the legal entity, provided that the court orders the confiscation of pecuniary benefit from such an entity.

***Article 488***

The provisions of Article 381 paragraphs 2 and 3 and Articles 389 and 393 of this Act shall respectively apply in regard to an appeal from the decision on the confiscation of pecuniary benefit.

***Article 489***

The person referred to in Article 484 of this Act may submit a request for there-opening of criminal proceedings regarding the decision on the confiscation of pecuniary benefit.

***Article 490***

Except as otherwise provided by the provisions of this chapter regarding the implementation of security measures or the confiscation of pecuniary benefit, other provisions of this Act shall respectively apply.

**(6) The Law on the Office for the Suppression of Corruption and Organised Crime (“Law on USKOK”)**

**LAW ON THE OFFICE FOR THE SUPPRESSION OF CORRUPTION AND ORGANISED CRIME**

**I. BASIC PROVISIONS**

***Article 1***

This Law specifies:

1. organisation, jurisdiction and competence of the Office for the Prevention of Corruption and Organised Crime (hereinafter: Office),
2. jurisdiction and competence of courts and criminal offence procedures specified herein,
3. appointment of the Head of the Office (hereinafter Head) and Deputy Head, assignment of state attorneys and their deputies, conditions for employment of officers and employees, and provision of funds for the work of the Office,
4. securing seizure of means, proceeds or assets resulting from criminal offence,
5. cooperation of the government bodies and other bodies and persons with the Office,
6. international cooperation in criminal prosecution and investigation of criminal offences under the Office’s jurisdiction.

***Article 2***

- (1) The Office is a special State Attorney’s Office established for the territory of the Republic of Croatia with a seat in Zagreb.
- (2) Unless otherwise specified herein, the provisions of the Law on the State Attorney’s Office shall apply to the organisation and activity of the Office.
- (3) The Office has a stamp bearing the following name: Republic of Croatia - State Attorney’s Office, Office for the Suppression of Corruption and Organized Crime and the coat of arms of the Republic of Croatia. At the building in which the Office is located shall be displayed the name: Republic of Croatia - State Attorney’s Office, Office for the Suppression of Corruption and Organized Crime, the coat of arms and the flag of the Republic of Croatia.

**II. ORGANISATION, JURISDICTION AND POWERS OF THE OFFICE,  
APPOINTMENT OF HEAD AND DEPUTY HEADS**

**1. Organisation of the Office**

**Article 3**

- (1) The Office is run by the Head. The Deputy State Attorney General of the Republic of Croatia (hereinafter: State Attorney General), or a County State Attorney or his or her Deputy, may be appointed Head, if they meet the requirements for the appointment as the Deputy State Attorney General.
- (2) The Head is appointed by the State Attorney General, with a previously obtained opinion of the Minister of Justice, and the opinion of the panel of national State Attorney’s Office of the Republic of Croatia.
- (3) The Minister of Justice shall issue his opinion from para 2 above within 30 days from the date of receipt of request.

- (4) The procedure for the appointment of the Head shall be initiated by the State Attorney General four months prior to the expiration of the period for which the Head was appointed.
- (5) In addition to the request for opinion, the State Attorney General shall forward to the Minister of Justice a written consent of the candidate.
- (6) The consent of the candidate shall contain the statement of property he or she owns or with which he or she disposes.
- (7) The data from para 6 above are classified. These data may only be used in the procedure for the appointment of the Head.
- (8) Security checks and checks of the property status of the Head, based on the request of the State Attorney General, may be performed without the Head's knowledge prior to the nomination anytime during the period for which he was appointed, and one year after he or she ceased to perform the duty of the Head, according to special regulations.

#### **Article 4**

- (1) The Head shall be appointed for a period of four years. After the expiration of this period, the Head may be re-elected.
- (2) The Head shall be relieved of duty in the cases that apply to the relief of duty of a public prosecutor prescribed by the Law on the State Attorney's Office (*Official Gazette* No. 51/01).
- (3) Besides the cases from para 2 above the Head shall be relieved of duty:
  1. if he or she does not agree to security checks or impedes their implementation, or
  2. if he or she does not provide, in due time, data on his or her property status.
- (4) In cases from para 2 above, unless they refer to the relief of duty for disciplinary reasons, and para 3 above, the Head shall remain Deputy State Attorney General, or County State Attorney, but he or she may not work at the Office.

The Head shall have the rights and duties of a State Attorney.

#### **Article 5**

- (1) The State Attorney's Office duties at the Office shall be performed by the Head and Deputy Heads. The number of Deputy Heads of the Office shall be determined by the Minister of Justice at the proposal of the State Attorney General.
- (2) The Deputy Head is authorised, when he or she acts as the Head, to conduct all actions in the proceedings before a court or other government body, for which the Head is authorised pursuant to law, according to the schedule of duties and under instructions by the Head.

#### **Article 6**

- (1) With the previous approval of the Minister of Justice, the Head shall issue the systematisation of civil servant and employee posts.
- (2) The Minister of Justice shall issue the Internal Rules of the Office.

### *Article 7*

- (1) The State Attorney or Deputy State Attorney who, after passing the judicial exam worked at least eight years as a judge, state attorney, deputy state attorney, lawyer, or a police officer combating crime, and who has pronounced inclination toward and capabilities for investigating the most serious and complicated criminal offences, may be assigned as the Deputy Head of the Office.
- (2) The Deputy Head shall be assigned in the way, under the conditions and according to the procedure in which his or her expertise, independence and capability for performing state attorney duties of the Office are best employed.
- (3) The expertise and capability to perform state attorney duties working for the Office shall be determined on the basis of opinion on the performance of the candidate issued by a state attorney, the evaluation of his work in complex cases, his performance in the preliminary proceedings and the criminal proceedings, and on the basis of the evaluation of his performance as state attorney.

### *Article 8*

- (1) A Deputy Head vacancy shall be announced in the way that it shall be made accessible to state attorneys and their deputies. Candidates may apply within thirty days from the date of announcement.
- (2) The Deputy Head is assigned to the Office by the State Attorney General, at the proposal of the Head, from among the state attorneys and deputy state attorneys, for a period of four years. After the expiration of this period, the Deputy Head may be reassigned to the Office. In his or her decision on the assignment, the State Attorney General shall take into consideration the information from Article 7, para 3 hereof, and notably the data on the candidate's performance as a state attorney.
- (3) If the Head is not reappointed or the Deputy Head is not reassigned to the Office, he or she shall continue to work as Deputy State Attorney at the State Attorney's Office where he or she worked prior to his or her appointment to the Office.
- (4) The provisions of Article 3, para 4 through 8 hereof shall apply to the assignment procedure of the Deputy Head.

### *Article 9*

- (1) The provisions of the Law on State Attorney's Office shall apply to relieving of duty of Deputy Heads. The mandate of the Deputy Head at the Office shall also cease for reasons specified in Article 4, para 3 hereof.
- (2) The Head, with the approval of the Minister of Justice, and the Deputy Head with the approval of the Head, may cease working for the Office at his or her own request.
- (3) The decision on the termination of the office of the Head or Deputy Head for the reason stated in para 2 above shall be made by the State Attorney General.
- (4) The Head or the Deputy Head who stops working in the Office under the conditions from para 3 above shall continue to work as the Deputy Head of the State Attorney's Office where or she worked before the appointment or assignment to the Office.

### *Article 10*

- (1) Exceptionally, for particularly important reasons, the State Attorney General may, at the proposal of the Head, refer a State Attorney or a Deputy State Attorney to work for the Office on a particular case or for a limited period of time.
- (2) The provisions of Article 3 para 5 through 8 hereof shall apply accordingly to the procedure of referring to work for the Office.
- (3) Referring to work in cases from para 1 above shall not exceed one year.

#### ***Article 11***

- (1) The Office shall employ senior counsellors, counsellors and investigative assistants appointed pursuant to the provisions of the Law on State Attorney's Office.
- (2) The provisions of Article 3, para 6 through 8 hereof and the provisions of the Law on the State Attorney's Offices shall apply accordingly to the procedure of the appointment of senior counsellors and counsellors.
- (3) Investigative assistants shall assist the Head or the Deputy Head in cases in which expert knowledge is required, and may perform their work independently, when this is specified by law or other regulation.
- (4) The provisions of Article 3, para 6, 7 and 8 hereof and the Law on Civil Servants and Employees (*Official Gazette* No. 27/01) shall apply to the procedure of admission and assignment to work and the termination of work of investigative assistants, unless specified otherwise herein.
- (5) Senior counsellors, counsellors and investigative assistants shall be admitted and assigned to work by the Head.

#### ***Article 12***

The Office shall include:

1. Investigation and Documentation Department,
2. Anticorruption and PR Department,
3. Department of State Attorneys acting as Prosecutors before court (hereinafter: Prosecutor's Department),
4. Department for international cooperation and joint investigations,
5. Secretariat
6. Supporting Services.

#### ***Article 13***

- (1) Investigation and Documentation Department shall:
  1. systematically collect data on corruption and organised crime,
  2. organise and run a data basis which may serve as a source of information in the criminal proceedings from Article 21 hereof,
  3. encourage and direct the cooperation between the government bodies with a view to discovering corruption and organised crime,
  4. perform other duties according to the annual schedule of duties.
- (2) Records shall be kept pursuant to the regulations on the protection of the confidentiality of data, as specified by special rules issued by the Minister of Justice.

- (3) The duties of the Investigation and Documentation Department shall be carried out by counsellors and investigative assistants under the surveillance of the Deputy Head who shall be responsible for the Office management, according to the annual schedule of duties.

#### ***Article 14***

- (1) The Anticorruption and PR Department shall:

1. inform the public of the danger of and damage by corruption, and the methods and means to prevent it,
2. based on the competence and the directives from the Head of the Office informs the public of the Office's activities
3. prepare reports and analysis on the form and causes of corruption in public and private sectors, and may give incentives to the Head of the Office for the adoption of new regulations or amendments of regulations in force,
4. perform other duties according to the annual schedule of duties of the Office.

- (2) Duties of the Anticorruption and PR Department shall be performed by counsellors and investigative assistants under the surveillance of the Deputy Head assigned to run the Department according to the annual schedule.

#### ***Article 15***

- (1) The Prosecutor's Department shall carry out duties of state attorney pursuant to the Criminal Procedure Act and other regulations, and notably:

1. direct the work of the police authorities and other bodies in discovering criminal offences from Article 21 hereof and request the gathering of information on these offences.
2. propose the implementation of security measures of compulsory seizure of funds, revenues and property acquired through criminal offence as specified herein and in other regulations,
3. perform other duties according to the schedule of duties.

- (2) If required by the workload, Sections within the Prosecutor's Department may be established for actions before county courts in Osijek, Rijeka and Split.

- (3) The duties of the Prosecutor's Department shall be performed by deputy heads, counsellors and investigative assistants under the surveillance of the deputy assigned to run the Department according to the annual schedule of duties.

#### ***Article 15a***

- (1) The Department for international cooperation and joint investigations:

1. shall cooperate with competent bodies of other states and international organizations pursuant to international treaties,
2. shall designate members to the joint investigation bodies established, based on an international treaty or a clause for a particular case, for the investigation, criminal prosecution or representation of prosecution before the court, of criminal offences referred to in the Article 21 hereof, in the Republic of Croatia, or in one or more other states.

- (2) In joint investigations carried on the territory of the Republic of Croatia, the Department for international cooperation and joint investigations shall supervise the application of national regulations and the respect of the sovereignty of the Republic of Croatia. It shall immediately inform the Head of the observed flaws or disputable issues which cannot be resolved by counselling with the competent



body of another state or its representatives, and the Head will, if appropriate, seek the opinion of the ministry competent for the justice and the ministry competent for foreign affairs.

(3) For the needs of joint investigations the Department for international cooperation and joint investigations:

1. receives requests of another state for undertaking special inquiries into criminal offences pursuant to the Article 190 of the Criminal Procedure Act (Official Gazette, nos.110/97, 27/98, 58/99, 112/99, 58/02 and 143/02), (hereinafter: CPA) and immediately forward them to the competent court,

2. in case of particularly urgent actions that the competent bodies of other states are authorized to independently undertake on the territory of the Republic of Croatia pursuant to a special agreement, supervises the undertaking, observing that the competent body of the other state in so doing does not infringe the inviolability of a person's home or of the right to personal freedom and dignity. Upon the completion of those actions it shall submit a final report to the Head who may require the presence of the authorized foreign official person during the submission of the report.

3. from the competent bodies of other states receives requests for mutual legal assistance in proceedings regarding criminal offences referred to in the Article 21 hereof. The Office shall inform the State Attorney's Office of the Republic of Croatia of the receipt and execution of the request.

(4) Investigations as referred to in this Law are actions and measures undertaken by the State Attorney pursuant to the Article 42, paragraph 2, subparagraph 3 of the CPA.

#### ***Article 16***

The Secretariat shall perform the duties of personnel management and other duties according to the annual schedule of duties.

#### ***Article 17***

Deleted

#### ***Article 18***

(1) The regulations applicable to civil servants and employees at the State Attorney's Office shall apply to the rights and duties from and related to the work of civil servants and employees of the Office.

(2) The provisions of Article 3 para 6 through 8 hereof shall apply accordingly to civil servants and employees.

#### ***Article 19***

(1) Security of the premises of the Office, its facilities, and of the actions taken by the Office, shall be maintained through physical and technical protection of judicial police officers assigned to work at the Office.

(2) Physical protection means immediate guarding and protecting of persons and property through direct security measures and physical force.

- (3) Technical protection of persons and property includes technical means and devices whose type, purpose and quality is determined by the Minister.

#### **Article 20**

(1) Judicial police officers are transferred to work to the Office by the Minister of Justice, with previous written agreement of the Head. Before the assignment to work at the Office, provisions of Article 3, para 6 through 8 hereof shall apply accordingly.

(2) During their work at the Office, judicial police officers shall act according to the instructions of the Head and may not, without his previous approval, perform other duties.

### **3. Competence of the Office**

#### **Article 21**

(1) The Office performs duties of the State Attorney's Office in cases of criminal offences of:

1. misuse in bankruptcy proceedings from Article 283, paras 2 and 3 of the Criminal Code (Official Gazette No. 110/97, 27/98, 50/00, 129/00, 51/01, 111/03, 190/03 and 105/04 – hereinafter CC), unfair competition in foreign trade operations from Article 289, para 2 of the CC, misuse in performing government duties from Article 338 of the CC, illegal intercession from Article 343 from the CC, accepting bribe from Article 347 of the CC, accepting a bribe in economic business operations from the Article 294a of the CC, offering bribe from Article 348 of the CC and offering bribe in economic business operations from Article 294b of the CC;
  2. unlawful deprivation of freedom from the Article 124 paragraph 3 of the CC, kidnapping from the Article 125, paragraph 2 of the CC, coercion from the Article 128, paragraph 2 of the CC, trafficking in human beings and slavery from the Article 175 paragraph 3 of the CC, illegal transfer of persons across the state border from the Article 177 paragraph 3 of the CC, robbery from the Article 218 paragraph 2 of the CC, extortion from the Article 234 paragraph 2 of the CC, blackmail from the Article 235 paragraph 2 of the CC, money laundering from the Article 279 paragraph 3 of the CC and illegal debt collection from the Article 330 paragraphs 4 and 5 of the CC, if those criminal offences were committed as a member of a group (Article 89 paragraph 22 of the CC) or a criminal organization.
  3. abuse of narcotic drugs from the Article 173, paragraph 3 of the CC,
  4. association for the purpose of committing criminal offences from Article 333 of the CC, including all criminal offences committed by the group or criminal organisation, except for the criminal offences against the Republic of Croatia and the Armed Forces;
  5. committed in connection with the activity of a group or a criminal organisation for which prison sentence in excess of three years is provided, and the offence was committed in two or more states or a significant part of its preparation or planning was performed in another state.
- (2) The Office is also competent for the conduction of criminal procedures against the organizer of a group or criminal organization for the perpetration of the criminal offence of pandering from the Article 195 paragraph 2 of the CC, illicit trade in gold from the Article 290 paragraph 2 of the CC, and avoiding customs control from Article 298 paragraph 2 of the CC.
- (3) The Office is also competent for the criminal offences of money laundering from Article 279, paras 1 and 2 of the CC, obstruction of evidence from Article 304, paras 1 and 2 of the CC, duress

against officials engaged in the administration of justice from Article 309 of the CC, obstructing an official in the performance of duty from Article 317 of the CC, and attacking an official from Article 318 of the CC, if such offences have been committed in connection with the perpetration of criminal offences from para 1 above.

#### *Article 21a*

- (1) All government bodies and all legal entities which, within the scope of their activities or during the performance of their activities, come to know circumstances and information indicating the perpetration of a criminal offence referred to in the Article 21 hereof, especially those which, by the manner of planning and preparing the criminal offence, the way of perpetration, the way of dealing with acquired financial means, the participation in business transactions, the conspiratorial behaviour of the perpetrators, the connection with foreign countries, the corruption or attempt to corrupt or other similar behaviour (indicators of organized crime), would imply activities from an association of at least three persons gathered to commit criminal offences, are obliged to file a crime report on these circumstances (Article 193 of the CPA) or to inform the Office.
- (2) Until special regulations are adopted, the Chief of Police at the Ministry of Interior shall issue a decision to designate from each police district and the General Police Directorate at least two criminal police managers, which, in case of suspected criminal offences referred to in the paragraph 1 above, shall:
  1. cooperate with the competent State Attorney and the Office in the evaluation of indications of organized crime while deciding of the initiation of inquiries;
  2. cooperate with the Office in collecting and analysing inquiries and in evaluating them while finally deciding whether to institute criminal proceedings or refer them to the Office.
- (3) The Office shall employ as consultants at least two officers with acquired profession of independent police inspector or a higher profession. Consultants: they cooperate in forwarding the Office's requests and assist in their execution; they propose the necessary measures for discovering criminal offenders, and for finding and securing evidence; they give recommendations to the Chief for the harmonization of the work of the police authorities to whom the Office forwarded the request for inquiries.
- (4) The Chief of the Police at the Ministry of Interior shall decide on the technical means which shall be used in the execution of the request of the Office and, if appropriate, may organize an expert team for the execution of requests of the Office.

#### *Article 21b*

- (1) If, along with the grounds for suspicion that a criminal offence subject to public prosecution was committed, (Article 192 paragraph 1 of the CPA) arise indications of organized crime, the police authorities shall immediately inform the competent State Attorney's Office about it and in agreement with that State Attorney's Office immediately undertake all necessary actions and so inform the Office.
- (2) Upon the receipt of the information referred to in the paragraph 1 above, if the Office assesses that a criminal offence falling under its jurisdiction was committed, it may take over the work on this case. It shall so inform the police authorities and the State Attorney's Office which conducted the case thereuntil.

- (3) The State Attorney General of the Republic of Croatia may issue an instruction for the appointment of an deputy in State Attorney's Offices having a greater number of pending cases referred to in the paragraph 1 above, that shall give instructions to the police authorities regarding necessary actions and measures, and, if appropriate, conduct other inquiries.
- (4) If the State Attorney's Office referred to in the paragraph 1 above considers that there are no indications of organized crime, it shall so inform the Office. The Office may also ask the State Attorney General of the Republic of Croatia to issue an instruction referred to in the Article 26 paragraph 3 of the Law on State Attorney's Office.
- (5) Upon the termination of inquiries, the State Attorney's Office referred to in the paragraph 1 above shall refer the case to the Office, if it considers that the committed criminal offence falls under its jurisdiction, or inform the Office that it shall resume the proceedings.

#### *Article 21c*

(1) If there are grounds for suspicion that the criminal offence referred to in the Article 21 hereof was committed and if there are indications of organized crime, the Office and the police authorities shall undertake all necessary actions so as to infiltrate the heart of the criminal organization, uncover its members and organizers and collect all information and evidence needed for the criminal procedure. With this aim: the police authorities shall immediately inform the Office of the initiation and conduction of inquiries into the criminal offences referred to in the Article 21 hereof which came to their knowledge, and the Office shall upon its own appraisal get immediately involved, executing its powers of initiation and direction of inquiries into criminal offences (Article 42 paragraph 2, subparagraphs 1, 2 and 3 of the CPA). The Office shall especially take into consideration urgent inquiries and investigatory actions and provisional measures securing seizure of pecuniary benefit. It shall consult with the police authorities and the Ministry of Finances regarding the undertaking of these measures.

(2) The Chief of Police at the Ministry of Interior shall organize central collecting, storing and processing of information relevant for the institution and conduction of criminal proceedings for the criminal offences referred to in the Article 21 hereof, especially those concerning the identity, nature, composition, structure, location and activities of the group or criminal organization; relations with other groups or criminal organizations and criminal offences committed by the group or criminal organization and its member or participant. The Office may in real time access by computer the central register of this information.

#### *Article 21 d*

If police authorities' or the State Attorney's Office's inquiries show that there are indications of organized crime in the criminal offences of fraud, including economy fraud and insurance fraud, criminal offences violating intellectual property rights, criminal offences of money laundering, malpractice in bankruptcy proceedings, evasion of tax and other levies, abuse of authority in economic business operations, illicit trade, avoiding customs control and other criminal offences committed with the aim of acquiring considerable pecuniary gain, the Office shall ask from the competent administrative organizations of the Ministry of Finance (Tax Administration, Financial police, Custom Administration, Foreign Exchange Inspectorate, Money Laundering Prevention Department) request to check the business operation of a legal entity and natural person and to temporarily seize money, securities, items and documents that may serve as evidence and request information on the information gathered, processed and stored concerning unusual and suspicious financial transactions. In its request, the Office may specify the content of the measure or action required and require to be informed thereof, so that the Head or the deputy head could presence them. The failure to act on the request or longer non-compliance with the Office's request shall constitute aggravated violation of the official or working duty.

***Article 21 e***

(1) In case of suspected money laundering, the Money Laundering Prevention Department shall :

1. inform the Office about any means, proceeds or assets it has got the knowledge of in any way, if its is reasonable to assume that it was acquired through the commission of criminal offences referred to in the Article 21 hereof,

2. request from persons obligated to enforce the measures for the prevention of money laundering all data at their disposition on transactions and parties and within three days deliver these data to the Office.

(2) Upon request of the Office, the Money Laundering Prevention Department is obliged to provide all available data on the transactions of suspects suspected of money laundering, and execute necessary checks in order to establish the existence of such transactions.

(3) The state inspectors authorised for temporary seizure or securing of suspicious items, means or assets shall, with the information to the Office, enclose the minutes of the action taken and the transcript of the decision on the seizure or securing.

***Article 21 f***

(1) The competent executing judge (Article 43 of the Law on the Execution of Prison Sentence) shall forward to the Office all rulings in the procedure for the infliction of imprisonment against the person convicted for the criminal offences referred to in the Article 21 hereof.

(2) Upon receipt of the ruling on committing the defendant to serving a prison sentence, the Office may deliver to the Prison in Zagreb – Department for psychosocial diagnostics and the Imprisonment System Administration's Central Office an opinion on the convicted person's connection with other members of the criminal organization, which shall be used for drawing up the individual program of the infliction of imprisonment and while deciding on the penitentiary or the prison where the sentence is going to be inflicted

(3) The administrator of the penitentiary or prison shall inform the Office of all relevant information on the person convicted for the criminal offences referred to in the Article 21 hereof, which came to his knowledge during the infliction of imprisonment.

### **III. JURISDICTION AND COMPETENCE OF COURTS AND CRIMINAL PROCEEDINGS PROVIDED HEREUNDER**

***Article 22***

(1) In the criminal proceedings from Article 21 hereof, the Criminal Procedure Act shall be applied (*Official Gazette* No: 110/97, 27/98, 58/99, 112/99, 58/02 and 143/02) as well as other general criminal proceedings regulations, unless provided otherwise hereunder.

(2) In proceedings for criminal offences referred to in the Article 21 hereof the provisions of the Chapter XXV of the CPA shall not apply.

***Article 23***

- (1) The bodies that participate in the criminal proceedings from Article 21 hereof shall proceed expediently, but in the way that does not affect their capability to investigate, with equal attention, the facts to benefit or prejudice of the accused.
- (2) Information on preliminary investigation in cases from Article 21 hereof shall not be published without the approval of the Head. Non-authorised publication shall constitute a criminal offence of disclosing official secret from Article 351 from the Criminal Code.
- (3) The course of investigation in the cases from Article 21 hereof shall not be published without the approval of the court.

#### ***Article 24***

- (1) The County Courts in Osijek, Rijeka, Split and Zagreb have subject-matter and territorial jurisdiction in criminal cases from Article 21 hereof, unless otherwise prescribed by this Law.
- (2) The County Court in Osijek shall have jurisdiction over the territories of the County Courts in Požega, Slavonski Brod, Virovitica and Vukovar. The County Court in Rijeka shall have jurisdiction over the territories of the County Courts in Gospić and Pula. The County Court in Split shall have jurisdiction over the territories of the County Courts in Dubrovnik, Šibenik and Split. The County Court in Zagreb shall have jurisdiction over the territories of the County Courts in Bjelovar, Čakovec, Koprivnica, Karlovac, Sisak, Varaždin, Velika Gorica and Zlatar.
- (3) A Court from para 1 above shall be competent to try the cases of participation in criminal offences from Article 21 hereof, as well as in the case of concurrence with other criminal offence.
- (4) If several persons are accused for several criminal offences referred to in the Article 21 hereof and other criminal offences, and there is a connection between the perpetrators of criminal offences, a unique procedure shall be conducted before the court referred to in the paragraph 1 above.

#### ***Article 25***

- (1) In Remand Centres of the County Courts in Osijek, Rijeka, Split and Zagreb, special Investigation Departments shall be established to investigate the criminal offences from Article 21 hereof. The Departments shall be composed of investigating judges with the experience and pronounced capabilities for investigating most severe and complex forms of criminal offences, and graduate criminal assistants (Article 192, para 4 of the Criminal Procedure Act).
- (2) Investigating judges shall be assigned for a period of four years by the President of the Court with the opinion of the panel of judges; a graduate criminal assistant shall be assigned at the proposal of the Head of the Investigation Department.
- (3) In the procedure of assignation to work and termination of work of investigating judges and graduate criminal assistants, provisions of Article 3, paras 6 through 8 hereof shall apply accordingly.

#### ***Article 26***

At substantiated proposal of the president of a County Court from Article 24, para 1 hereof, the Supreme Court of the Republic of Croatia may decide that the trial be held before another County Court or Municipal court in the seat of that County Court, if it is obvious that this will facilitate the proceedings or for other important reasons.

**Article 27**

- (1) The panels of the County Court that tries the cases from Article 21 hereof shall be composed of three judges.
- (2) The judges referred to in the paragraph 1 above cited in courts referred to in the Article 24 paragraph 2 hereof shall be assigned to the panels by the president of that County Court for a period of four years, with the previous opinion of the Panel of Judges from among the judges experienced in working on complicated cases.
- (3) The judges referred to in the paragraph 1 above cited in Municipal Courts whereto the case has been allocated by the decision of the Supreme Court in accordance with the provision from the Article 26 hereof, shall be assigned by the president of that court from among the judges experienced in working on complicated cases.
- (4) The prosecution before the courts whereto the case has been allocated by the decision of the Supreme Court in accordance with the provision from the Article 26 hereof, shall be represented by the Office or the State Attorney's Office assigned by the State Attorney General, at the proposal from the Head of the Office.

**Article 28**

- (1) The custody for arrested persons from Article 98 of the Criminal Procedure Act shall be extended to 48 hours.
- (2) The total duration of custody from the above proceedings, in case of prolonged investigation (Article 204, para 1 of the Criminal Procedure Act) may be twelve months.
- (3) If the custody during investigation is prolonged pursuant to para 2 above, the total duration of custody from Article 109 of the Criminal Procedure Act shall be prolonged by six months.

**Article 29**

- (1) State Attorney General may request from the court from Article 24, para 1 hereof, to issue a decision to examine as witness the person who became a member of criminal organisation and:
  1. who has been reported or against whom criminal proceedings from Article 21 hereof have been initiated for an offence committed within a criminal organisation, and if circumstances are provided on the basis of which, according to the Criminal Code, the member of criminal organisation may be exempted from sentence, or extenuating circumstances are provided on the basis of which the sentence may be lenient.
  2. if the statement of such person is proportional to the severity of the criminal offence committed and the relevance of the statement of such person to disclosure and proof of the criminal offences committed within a criminal organisation, or their perpetrators, or for disclosure and prevention of criminal offences of the criminal organisation.
- (2) The State Attorney may file the request from para 1 at the substantiated proposal of the Head until the setting of the date for the hearing in the criminal proceeding against the members of a criminal organisation from para 1 above.

**Article 30**

- (1) Prior to filing a request, the Head shall warn the person from Article 29 above pursuant to the provision of Article 238, para 2 of the Criminal Procedure Act.



(2) After the person from Article 29, para 1 hereof has stated that, with regard to the criminal offences from Article 29, para 1 hereof, he or she shall answer as a witness to the questions although it is probable that he or she may expose himself or herself or a close person to a great shame, substantial property loss or criminal prosecution, the Head shall obtain a written statement by which such person shall undertake to:

1. speak the truth, as a witness in criminal proceedings, and not to withhold any information known to him or her about the criminal offence or its perpetrator from Article 29, para hereof,
2. speak the truth, as a witness in criminal proceedings, and not to withhold any information known to him or her about other criminal offence and its perpetrator from Article 29 para 1 hereof
3. speak the truth, as a witness in criminal proceedings, and not to withhold any information known to him or her about the property or any other benefit or proceeds, objects, acquired real estate or other circumstances related to criminal offences from Article 29, para 1 hereof.
4. to state that he or she is not familiar with any other circumstances from subpara 1 through 3, para 2 of this Article, apart from those he or she is to state as witness.

(2) The warning and statement from paras 1 and 2 of this Article shall be entered into the Minutes attached to the proposition of the Head from Article 29, para 2 hereof.

### ***Article 31***

The offender to whom circumstances from Article 29, para 1 hereof apply, may not be examined as witness if such offender:

1. has committed one or more murders from Article 90 of the Criminal Code, aggravated murder from Article 91 of the Criminal Code, an act of international terrorism from Article 169, para 2 of the Criminal Code, endangering the safety of internationally protected persons from Article 170, para 2 of the Criminal Code, taking hostages from Article 1717, para 2 of the Criminal Code, hijacking an aircraft or a ship from Article 179, para 2 of the Criminal Code, piracy at sea and in the air from Article 180, para 2 of the Criminal Code, rape from Article 188, paras 2, 3 and 4 of the Criminal Code, sexual intercourse with a helpless person from Article 189, paras 2, 3 and 4 of the Criminal Code and sexual intercourse with a child from Article 192 of the Criminal Code.
2. is organiser of criminal organisation
3. instigated commission of a crime from Article 21 hereof with the purpose of having the criminal procedures instigated against that person for that offence committed.

### ***Article 32***

- (1) State Attorney General shall submit to the court from Article 24, para 1 hereof the request for issuing a decision on examining a person from Article 29 para 1 hereof.
- (2) The panel of the competent court from Article 20, para 2 of the Criminal Procedure Act shall decide on the request of the State Attorney General within eight days.
- (3) The panel shall decide on the request on the basis of documents and other written evidence. If necessary, it shall invite to its session the State Attorney General, and the person from Article 29, para 1 hereof, and its attorney, if any. The State Attorney General may authorise the Head to participate in the session. The session is held in camera.
- (4) The panel may make its decision conditional upon the possibility that the Republic of Croatia compensates the persons to whom the person from Article 29, para 1 hereof caused damage with his or her criminal offences as a member of criminal organisation.

### ***Article 33***



(1) The Panel shall reject the request of the State Attorney General mentioned in Article 29 para 1 hereof, if:

1. it has been submitted after setting the date for the main hearing (Article 29 para 2),
2. the statement of the witness mentioned in Article 29 para 1 hereof is not in the interest of discovering and prosecuting other members of the criminal organisation.

(2) The Panel may reject the request of the State Attorney General if it is not probable that the witness mentioned in Article 29 para 1 hereof will make a full circumstantial statement in the criminal proceedings, or if it is probable that the witness will deny the information important for discovering or preventing other criminal offences and members of the criminal organisation or for the shedding light on the circumstances under which they were committed.

(3) The State Attorney General may appeal against the decision of the Panel within 49 hours. The Supreme Court of the Republic of Croatia shall decide on the appeal within 3 days.

#### ***Article 34***

In a decision accepting the request of the State Attorney General, the Panel shall:

1. allow that the person indicated in the request be interrogated as witness in the criminal proceedings (crown witness).
2. order that the minutes and official notes of such person related to his or her earlier statements made as a suspect or accused, if any, be separated from the court records. Such statements, as well as other evidence they led to, cannot be used as evidence in the criminal proceedings.

#### ***Article 35***

With a decision accepting the request of the State Attorney General, the Panel shall decide on the exclusion of the public from the part of the main hearing in the criminal proceedings against the members of criminal organisation when the crown witness is being interrogated.

#### ***Article 36***

- (1) The crown witness who made a statement in accordance with the obligations mentioned in Article 30, paras 1 and 2, hereof, cannot be prosecuted for the criminal offence mentioned in Article 21 para 1 subparas 2 and 3, and para 2, hereof.
- (2) The crown witness shall be held responsible for perjury provided in Article 303 of the Criminal Code.
- (3) If the State Attorney General has not already dropped the charges against the crown witness, the State Attorney General shall declare the waiver of the prosecution by the final completion of the criminal proceedings against the members of criminal organisation.

#### ***Article 37***

The provisions of Article 36 hereof shall not be applied and the State Attorney shall resume the prosecution or initiate the criminal proceedings if:

1. the crown witness has not stated all the facts and circumstances referred to in Article 30 para 2 hereof, or if the witness made a false statement,
2. prior to the completion of the criminal proceedings the crown witness committed a new criminal offence mentioned in Article 21 and Article 31 hereof,

3. the crown witness within two years from the decision mentioned in Article 34 hereof becomes a member of the criminal organisation and within it commits the criminal offence mentioned in Article 21 hereof.

### ***Article 38***

(1) In regard of the interrogation of the crown witness, the provisions of the Criminal Procedure Act shall apply, except Article 236 of the Act for the criminal offences referred to in Article 29 para 1 hereof.

(2) The measures for the protection of the crown witness and persons close to him outside of the criminal proceedings shall be conducted pursuant to special regulations.

### ***Article 39***

For the purpose of gathering the necessary information on the criminal offences from within their jurisdiction (Article 21 hereof), the Office may summon citizens and take their statements, and request the investigation into criminal offences as provided by the Criminal procedure Act. The statements of the suspects gathered by the Head in the manner provided in Article 177 paras 4 and 5 of the Criminal Procedure Act may be used as evidence in the criminal proceedings. The Office may not investigate simultaneously with the investigation that is already underway with regard to a particular individual, but with the purpose of proposing each investigatory action can have an informative interview with citizens.

### ***Article 40***

If the police authorities initiate ex officio investigation into criminal offences mentioned in Article 21 hereof, they shall promptly inform the Office about it, and the Office may act pursuant to the provision of Article 39 paras 1 and 3. If after the investigation the Office returns the criminal charge to the police for supplement, the Office shall indicate the measures and actions to be undertaken by the police authorities in this sense, and within what time. A failure to comply with the requested measure and exceeding the set deadline shall be particularly substantiated by the police authorities.

### ***Article 41***

(1) At the request of the Head, or ex officio, the investigative judge may, besides the measures referred to in Article 180 para 1 of the Criminal Procedure Act against the person for whom there is ground for suspicion that he/she alone or with others plans criminal offences referred to in Article 21 hereof - and the extent of the elaboration of such plans and the connections among such persons indicate that they pose a serious threat to the legal system - order the measures of supplying simulated professional services or concluding simulated legal transactions, if the police authorities cannot reveal, prevent or prove such criminal offence in any other way, or if this would entail difficulties that would be out of proportion.

(2) Substantiated writ ordering the measure and including the available information on the person against whom the measure is to be implemented, description of the criminal offence, the manner, scope, venue and duration of the measure that shall be consistent with reaching the goal of the measure, may be extended three months into its implementation by the same period if justified by the circumstances that surfaced subsequently.

(3) This is to be decided by the Panel mentioned in Article 20 para 2 of the Criminal Procedure Act, particularly taking into account whether the reached goal of the measure is consistent with the

restriction of personal rights of the citizen, or whether the same results could be reached in another, less drastic investigative actions and measures.

#### ***Article 42***

(1) The measures referred to in Article 41 hereof shall be carried out by the police authorities. The police shall prepare daily reports and document technical recording to be forwarded to the investigative judge and the Director at his request.

(2) After the expiry of the measure, the police authority shall prepare a special report for the Office and the investigative judge noting:

1. the beginning and completion times of the measure;
2. number and description of the activities of the implementing officers
3. number and type of the technical facility involved;
4. number and identity of the persons involved;
5. type of criminal offences referred to in Article 21 para 1 hereof, whose commission was prevented through the implementation of the measure;
6. brief evaluation of the question to what extent the implementation of the measure contributed to reaching its goal, or did the goal remain unattained.

(3) With the special report, the police authorities shall forward to the Office the gathered documentation including photographs, videotapes, audio or electronic recording.

(4) The implementation of the measure of undercover investigators includes the right of the undercover investigator to enter someone's home if the conditions provided by law for the police entering a home without warrant are fulfilled.

(5) If besides the conditions mentioned in Article 41 hereof there is evidence to support justified suspicion that due to the planning of the criminal offences referred to Article 21 para 1 subparas 2 and 3 hereof particularly grave criminal offences will be committed, or that some of them have already been committed, the investigative judge may order that the undercover investigator, beside entering someone's home, may also use technical facilities to record non-public conversations.

(6) The Office shall note on its file, and the investigative judge will note on his/her file any measure referred to in this Article that has not been recalled because its goal was not reached.

(7) The implementation of the measures shall cease ex officio as soon as the reasons for which they were ordered are no longer available. If six months into the implementation of the measures the Office does not bring action against the offenders mentioned in Article 21 para 1 hereof, all information gathered through the measures shall be destroyed and the persons to whom such information relates, if their identities are known and they are within the jurisdiction of the court, shall be informed about the implementation of the measure.

(8) No decisions in the criminal proceedings may be based on the information gathered through the implementation of the measures undertaken in contravention of the provisions of paras 1, 2, 4, and 5 of this Article.

#### ***Article 42 a***

(1) As soon as it learns about the probability of a certain person receiving, holding or in other way dealing on his bank accounts with the proceeds obtained in consequence of the commission of a criminal offence referred to in the Article 21 hereof, those proceeds being important for the inquiries and the investigation of those criminal offences or being subject to the forcible seizure according to

the provisions of the Criminal Code, Criminal Procedure Act and the Law on Liability of Legal Entities for Criminal Offences, the Office shall request from the bank to deliver information on these bank accounts (Article 234 paragraph 3 of the CPA). The request shall contain information from the Article 51 paragraph 1 hereof, but the exact amount of means, proceeds and assets obtained in consequence of the commission of criminal offences does not need to be indicated, if it is not yet fully known.

(2) The bank is obliged to deliver the information contained in the Office's request within the term stated in the request. If the bank does not act upon request, the Office shall ask the investigating judge to decide on the request.

(3) The investigating judge shall upon the receipt of the Office's request immediately decide or shall ask the panel referred to in the Article 20 paragraph 2 of the CPA to promptly render a decision. The decisions shall immediately be delivered to the Office which has the right to file an appeal against the decision of the investigating judge or the panel within 48 hours from the receipt of the decision.

(4) A decision from the panel from the paragraph 3 above and an order from the investigating judge may oblige the bank to deliver to the Office information on the state of accounts of the person referred to in the paragraph 1 above, to monitor the transactions on the account of a certain persons, and, during the period set out in the decision or the order for the monitoring of transactions, to regularly report to the Office on the transactions conducted on the monitored account.

(5) For the non-compliance with the order from the investigating judge or the decision from the panel from the paragraph 4 above, the responsible person in the bank shall be punished by a fine going from 5.000,00 to 20.000,00 HRK, and if after this he still does not comply with the order or the decision, imprisonment until the compliance with the order or the decision, but not exceeding one month, may be pronounced. The County Court panel from the Article 20 paragraph 2 of the CPA shall decide on the appeal against the order imposing the fine or the imprisonment. The appeal against the imprisonment order does not stay the execution of a ruling.

(6) Upon issuing the order to the bank referred to in the para 4 above, the investigating judge may, at the Office's request, summon and interrogate the members of the bank's bodies, shareholders, employees and all other persons having access to confidential data, with the purpose of collecting information on the circumstances the bank learned while providing services and dealing with individual clients.

#### Article 42 b

(1) As an official person of the police authorities, the undercover investigator may be interrogated as a witness on the content of his conversations with the persons against whom the measure of temporary restriction of the constitutional rights and freedoms from the Article 190 paragraph 1 subparagraph 4 and 5 of the CPA and the Article 42 hereof was ordered, and with all participants in the criminal offence for the discovering and proving of which that measure was ordered, if there is concern that those persons would not give statements at the trial for factual or legal reasons.

(2) In the case referred to in the paragraph 1 above, the Head of the Office shall immediately ask from the investigating judge for the interrogation as a witness of the undercover investigator, pursuant to the provision of the Article 197 of the CPA, along with the simultaneous motion for the undertaking of this action by a special manner of participation and examination of a witness in the proceedings (Article 251 of the CPA).

(3) The records from the hearing for a special manner of participation and examination of a witness in the proceedings may be used:

1. in the proceedings for rendering the decision on the securing of forcible seizure of means, proceeds or assets obtained by the commission of a criminal offence referred to in the Article 21 of this Law,
2. in criminal proceedings where the first instance court validly determined that the person against whom the measure from the paragraph 1 above was ordered had committed some other criminal offence besides the ones referred to in the Article 21 hereof.

#### ***Article 43***

If the investigation does not end within six months, the president of the court shall, after receiving the report from the investigative judge on the reasons why the investigation has not been completed, undertake measures for the completion of the investigation, and if there are important reasons the president of the court may order that the investigation be extended for another six months and that a part of the remaining investigative activities in the case should be carried out by one, and the other part by another investigative judge.

### **IV. SECURING THE MEANS, PROCEEDS OR ASSETS RESULTING FROM CRIMINAL OFFENCES**

#### ***Article 44***

(1) The provisions in this section regulate the procedure in which the Office and the courts, with previous or provisional measures (securing measures), secure the means, proceeds or assets resulting from the criminal offences mentioned in Article 21 hereof.

(2) The procedure referred to in paragraph 1 above does not constitute criminal proceedings, and it includes adequate implementation of the provision of the Seizure Act (Official Gazette of the Republic of Croatia No. 57/96 and No. 29/99), unless specified otherwise herewith.

(3) The securing of the means, proceeds or assets referred to in para 1 above shall be carried out pursuant to the provisions for the seizure of proceeds included in the Criminal Procedure Act.

#### ***Article 45***

The following terms used in this section shall mean:

1. «means» - any item used or intended for use, in any way, wholly or partly, to commit one or more criminal offences, or an item resulting from criminal offence;
2. «proceeds» - any benefit acquired by committing criminal offence;
3. «assets» - real estate, property titles, money, and movables;
4. «account» - business form related to which a bank or other financial institution carries out transactions involving money or other legal tender, permitting its depositing or withdrawal for another person's account;
5. «proposing party» - the Office that initiated the proceedings for the seizure of the means, proceeds or assets;
6. «opponent» - the person whose means, proceeds or property are seized on behalf of the national budget.

#### ***Article 46***

(1) The procedure for seizing the means, proceeds or assets referred to in Article 44 para 1 hereof shall be conducted by, and the decision on securing issued prior to the start of the criminal proceedings shall be the responsibility of an individual judge of a court mentioned in Article 24 hereof. A Panel of three judges of the same court shall decide on the appeal against the individual judge's decisions.

(2) The court of jurisdiction for the implementation of the securing measure shall be the court within whose jurisdiction the implementation of seizure would normally fall.

(4) After the start of the criminal proceedings, the court before which the proceedings are conducted shall be responsible for deciding on the extension of the period of time for which the securing measure was ordered. The court within whose jurisdiction normally fall disputes following the seizure, shall be the court of jurisdiction for the securing measure.

(5) The Office may propose that the securing measure be implemented by another court with subject-matter competence and territorial jurisdiction if it is obvious this will facilitate the conducting of the procedure or for other important reasons.

#### ***Article 47***

(1) Securing of the means, proceeds or assets referred to in Article 44 para 1 hereof shall be initiated ex officio by the Office. During the procedure, the honour and dignity of the opponent shall be observed, and the public shall be barred until the decision on the securing measure mentioned in Article 51 para 2 hereof has become final.

(2) The procedure shall be urgent, and it may be initiated prior to the criminal proceedings.

(3) In the proceedings, the court shall act on the submissions and other written acts, hold hearing for the passing of decision on the seizure or securing, as well as other hearings when appropriate. The failure of the opponent to appear at the hearing shall not prevent the holding of the hearing.

(4) Out of the hearing, the court shall hear a party when it considers it necessary.

#### ***Article 48***

Deleted

#### ***Article 49***

(1) Prior to the request referred to in Article 51 para 1 hereof, the Office may gather the necessary information from the citizens.

(2) Disputed value of assets shall be established by an expert witness pursuant to the provisions of the civil lawsuit procedure for securing evidence.

(3) The natural person who holds the documents and evidence of the sources of income and proceeds from whatever title must submit them to the Office if it is likely that on their basis any means, proceeds or assets resulting from or related to organised crime could be identified, located and their quantity determined. If such person does not do so, the Office shall request the court to issue the order referred to in Article 218 para 2 of the Criminal Procedure Act against such person.

#### ***Article 50***

(1) The court shall, at the proposal of the Office, order the securing measure of the seizure of the means, proceeds or assets resulting from the criminal offence referred to in Article 21 hereof if:

1. there is ground to suspect that the means, proceeds or assets resulted directly or indirectly from the criminal offence referred to in Article 21 hereof;
2. the value of such the means, proceeds or assets does exceed HRK 100,000; and
3. there is ground to suspect that the offender mentioned in Article 21 hereof shall prior to the start of the criminal proceedings, or during the criminal proceedings, prevent or make significantly difficult the seizure of such means, proceeds or assets resulting from a criminal offence referred to in Article 21 hereof.

(2) As a securing measure referred to para 1 above, the court may specify one or more measures provided in the Seizure Act, specifically:

1. lien note on the property of the opponent or on the title to a property;
2. which of the securing measures of the seizure of property not registered in the Land Register, attachment or custody or management of the movables, money claims, income from the employment or service agreement, and all other property or material rights, as well as attachment of the share certificate and other securities of the opponent;
3. barring a bank or other legal entity licensed for payment transactions from paying the opponent or a third party under the instructions from the opponent and from the opponent's account an amount for which the securing measure has been ordered.

(3) The securing measures referred to in para 1 above shall be ordered to the benefit of the Republic of Croatia or the legal entity specified by the Minister of Justice.

(4) Any action of the opponent in contravention of the measure ordered shall have no legal effect.

(5) If there are grounds for concern that the forcible seizure of proceeds referred to in the Article 42 a paragraph 1 hereof could not be secured or it would be accompanied by great difficulties, the investigating judge shall issue an order to the bank for the barring measure referred to in the paragraph 2 subparagraph 3 above. The barring shall become effective by the issuance of the order and shall last until the rendering of the decision on the securing measure of forcible seizure of the means, proceeds or assets resulting from the criminal offence referred to in the Article 51 paragraph 2 hereof.

#### **Article 51**

(1) The Office's request for initiating the proceedings referred to in Article 44 para 1 hereof shall include:

1. facts of the criminal offence and its legal name;
2. description of the means, proceeds or assets resulting from the Article 21 hereof;
3. information about the legal entity of natural person holding such means, proceeds or assets;
4. reasons for suspicion that they are directly or indirectly connected to the criminal offences referred to in the proposal, and it is likely that the opponent will prevent or make substantially difficult the seizure of the assets, means or proceeds resulting from the criminal offences referred to in Article 21 hereof.

(2) The court shall order the securing measure referred to in Article 50 hereof immediately, but no later than twelve hours from the receipt of the proposal submitted by the proposing party. In the decision specifying the securing measure, the court shall note the value of the means i.e. the amount of the proceeds or the benefits gained from criminal offence at the time for which such measure is ordered.

(3) In its decision, the court may provide that the securing measure shall not apply to a part of the proceeds or assets to which the rules on the protection of honest holder may apply.



(4) The decision shall remain in force until the expiry of the twenty-first day from its issue, until the decision on the appeal, or until the issuing of the decision of the criminal court on the seizure of the gainful proceeds resulting from the criminal offence.

(5) A decision on ordering the securing measure, with the statement of reasons, shall be served to the opponent, the bank and other persons involved in the payment transactions, as well as other government agencies as appropriate.

(6) As of the date of the opening of bankruptcy proceedings against the opponent, the value of the means or the amount of the proceeds or benefits resulting from the criminal offence referred to in the decision mentioned in para 2 above shall be deemed outstanding and shall be excluded from the assets to cover creditors' claims.

## ***Article 52***

(1) By the expiry of the period specified in Article 51 para 4 hereof, the court shall hold the hearing to confirm the decision issued. The failure of the opponent to appear shall not prevent the holding of the hearing.

(2) After hearing the parties, the court shall repeal or confirm the decision on the securing measure.

(3) The court shall repeal the securing measure if:

1. the opponent makes it likely that the value of the means, proceeds or assets referred to in Article 50 para 1 subpara 2 does not exceed HRK 100,000;
2. the opponent, by virtue of authentic documents, proves that the sources of his means, proceeds or assets are legal;
3. the opponent makes it likely that the means, proceeds or assets are not the ones referred to in Article 50 para 1 hereof, and that they were not gained, wholly or partly, by hiding the source of illegally gained means, proceeds or assets, or that there is no risk that the opponent will prevent or make substantially difficult the seizure of the assets, means or proceeds.

(4) If the decision is confirmed, the court shall extend the period for which the securing measure was ordered by six months, taking into account how serious the criminal offence is, the risk that without the securing measure the seizure of the proceeds of the criminal offence would prevent or be made substantially difficult, and the income scales of the opponent and the persons whom the opponent must support pursuant to law.

(5) The total extension shall not exceed one year.

(6) If until the expiry of the period referred to in Article 51 para 4 hereof criminal proceedings are initiated, the court shall inform the injured party about the hearing in a summons including his/her right to a property claim. At the hearing the injured party may propose that a provisional securing measure be ordered pursuant to the provisions applicable to seizure.

## ***Article 53***

The Parties may appeal against the decision referred to in Article 51 para 2, and Article 52 para 2 hereof within three days from the date of its issue. If pursuant to the opponent's appeal against the decision on the securing measure referred to in Article 50 hereof the court repeals the decision, the court may issue an order to the legal entity licensed for payment transactions to deny the opponent or a



third party payment on the order of the opponent of an amount from the account affected by the securing measure.

#### ***Article 54***

No later than three days prior to the expiry of the period for which the measure was ordered, the court shall decide on its extension if the circumstances for which it was ordered have not changed.

#### ***Article 55***

(1) At the proposal of the opponent, the judge shall repeal the securing measure if the criminal proceedings against the opponent have not been initiated or have not started within one year from ordering the securing measure.

(2) The decision on repealing the measure shall be forwarded ex officio to the persons referred to in Article 45 subpara 7 hereof.

(3) In such case, the opponent may claim damages from the proposing party pursuant to general regulations.

#### ***Article 56***

(1) The seizure of the means, proceeds or assets resulting from criminal offence referred to in Article 21 para 1 subparas 2 and 3 hereof may in the Republic of Croatia be ordered and carried out pursuant to the terms provided in treaties and herein.

(2) The request by foreign courts shall be decided on by the competent court, while the requests by other government agencies considering the provision of information on the seizure of the means, proceeds or assets resulting from criminal offence, shall be decided on by the Head.

### **V. CLASSIFIED INFORMATION**

#### ***Article 57***

(1) The Head and his/her deputies, as well as all other employees of the Office, court, police and other bodies participating in carrying out particular activities requested by the Office, shall not disclose the classified information specified by law, notwithstanding the manner in which they came to their knowledge.

(2) Besides the information specified as classified by the Law on the State Attorney's Office, the classified information shall also include any piece of information or document in the preliminary investigation.

#### ***Article 58***

(1) All files, documents and minutes of the investigative activities conducted during the preliminary investigation shall be marked as classified pursuant to the provisions of the Data Security Act.

(2) The Head may, for justified reasons, at any time order that individual file of the preliminary investigation should be specially kept secret and that the content of such file may only be disclosed to the specified Deputy Head.

(3) The file referred to in the above paragraph may only be disclosed to other employees of the Office to the extent necessary for their performance.

(4) The work of other employees on such file shall be separately recorded as provided by the Internal Rules.

(5) For the purpose of protecting classified information, the Head may order that in the preliminary investigation such file be entered in the registers and other records under a code name.

## **VI. FUNDS**

### ***Article 59***

(1) The funds for the payment of salaries of the officers and employees shall be provided pursuant to law.

(2) Judges, the Head and his/her deputies, shall be entitled to a bonus provided by a Government decision, and to insurance period add-ons to the effect that every 12 months of effective work shall be counted as 16 months of insurance.

### ***Article 60***

(1) The funds necessary for the functioning of the Office shall be provided from the national budget of the Republic of Croatia pursuant to the provisions of the Law on the State Attorney's Office.

(2) Besides the purposes specified in the Law on the State Attorney's Office, the special purpose funds also include:

1. witness protection funds, unless they are not specifically determined in the Law on the protection of witnesses,
2. outsourcing funds (expert witnesses etc.).
3. funds for special needs.

### ***Article 61***

The funds for standard technical equipment and working space shall be provided from the national budget.

### ***Article 62***

The financial and material accounting of the Office shall be conducted as provided for public prosecutors' offices.

## **VII. TRANSITIONAL AND CONCLUDING PROVISIONS**

Personal protection, including the Office employees, protection of other possible targets, terms and programs of security measures, and the possibility of reciprocally exchanging persons under protection with other countries, shall be regulated by a separate law.

#### ***Article 64***

Until the adoption of the systematisation of posts and jobs pursuant to Article 6 para 1 hereof, the provisional systematisation shall be determined by the Minister of Justice within six months from the date of the entry into force hereof.

#### ***Article 65***

Until the issuing of specific Office Operation Rules, the State Attorney's Office Rules of Procedure shall apply (Official Gazette of the Republic of Croatia No. 13/2000).

#### ***Article 66***

Articles 29 to 38 hereof shall be applicable six years from the date of the entry into force hereof.

#### ***Article 67***

The Minister of Justice shall issue the regulations he is authorised to issue pursuant to this Law within six months from the date of its entry into force.

#### ***Article 68***

The criminal proceedings for the offences referred to in Article 21 hereof which have taken legal effect by the date of the entry into force of this Law shall be continued and completed pursuant to the Criminal Procedure Act.

#### ***Article 69***

Until the Office is fully staffed, the duties of the officers and employees of the Office shall be performed by the officers and employees of the State Attorney's Office.

#### ***Article 70***

This Law shall enter into force on the eighth day from the date of its publication in the Official Gazette of the Republic of Croatia

## **(7) Act on the Responsibility of Legal Persons for Criminal Offences**

### **I. GENERAL PROVISIONS**

#### **Article 1**

(1) This Act establishes the prerequisites of punishability, punitive measures and criminal proceedings for criminal offences of legal entities.

(2) The legal persons as referred to in this Act shall also be foreign persons considered legal persons to the Croatian law.

#### *Application of criminal legislation*

#### **Article 2**

Unless otherwise prescribed by this Act, the provisions of the Criminal Code, the Criminal Procedure Act and the Law on the Office for the Prevention of Corruption and Organized Crime shall apply to legal persons.

### **II. PREREQUISITES OF PUNISHABILITY**

#### *Foundation of responsibility of legal persons*

#### **Article 3**

(1) The legal person shall be punished for a criminal offence of a responsible person if such offence violates any of the duties of the legal person or if the legal person has derived or should have derived illegal gain for itself or third person.

(2) Under the conditions referred to in paragraph 1 of this Article the legal person shall be punished for the criminal offences prescribed by the Criminal Code and other laws prescribing the criminal offences.

#### *Responsible person*

#### **Article 4**

The responsible person within the meaning of this Act is a natural person in charge of the operations of the legal person or entrusted with the tasks from the scope of operation of the legal person.

#### *Attributing the guilty of a responsible person to the legal person*

#### **Article 5**

(1) Responsibility of legal person is based on the guilt of the responsible person.

(2) The legal person shall be punished for the criminal offence of the responsible person also in cases when the existence of legal or actual obstacles for establishing of responsibility of responsible person is determined.

#### *Exclusion and limitation of responsibility of certain legal persons*

#### **Article 6**

(1) The Republic of Croatia as a legal person may not be punished for a criminal offence.

(2) Units of local and regional self-government may be punished only for criminal offences that have not been committed in their execution of public authority.

*Responsibility in case of change in the status of a legal person*

Article 7

(1) If the legal person ceases to exist before the completion of the criminal proceedings, a fine, security measures, public pronouncement of judgement and confiscation of illegally gained benefit may be pronounced on the legal person which is its general legal successor.

(2) If the legal person ceases to exist after coming into effect of the validity of the judgement, i.e. after the completion of the criminal proceedings, a fine, security measures, public pronouncement of judgement and confiscation of illegally gained benefit are executed to the provisions of paragraph 1 of this Article.

(3) The legal person in bankruptcy shall be punished for the criminal offences committed before filing for bankruptcy or during the bankruptcy proceedings.

III. PENALTIES AND OTHER PUNITIVE MEASURES

*Types of punitive measures*

Article 8

(1) For their criminal offences, legal persons may be imposed penalties, and pronounced suspended sentences and security measures.

(2) For their criminal offences, legal persons may be punished with fines or termination of the legal person.

*Fines*

Article 9

(1) The prescribed fine for criminal offences committed by legal persons shall not be less than 5.000,00 kuna nor exceed 5.000.000,00 kuna.

(2) In case of the legal person's failure to pay the fine within the specified period of time, the same shall be collected under coercion.

*Amount of a fine*

Article 10

(1) If the criminal offence is punishable by imprisonment for a term of up to one year, the legal person may be punished by a fine of 5.000,00 to 2.000.000,00 kuna.

(2) If the criminal offence is punishable by imprisonment for a term of up to 5 years, legal person may be punished by a fine of 10.000,00 to 3.000.000,00 kuna.

(3) If the criminal offence is punishable by imprisonment for term of up to 10 years, legal person may be punished by a fine of 15.000,00 to 4.000.000,00 kuna.

(4) If the criminal offence is punishable by imprisonment for a term of up to 15 years or by long-term imprisonment, the legal person may be punished by a fine of 20.000,00 to 5.000.000,00 kuna.

*Imposition of a fine for criminal offences committed in concurrence*

Article 11

If the court has imposed fines on a legal entity for two or more criminal offences committed in concurrence, the single fine may not exceed the sum of individual fines or the highest fine determined by the law.

*Termination of legal person*

#### Article 12

(1) The penalty of termination of the legal person may be pronounced if the legal person has been established for the purpose of committing criminal offences or if the same has used its activities primarily to commit criminal offences.

(2) The penalty of termination of the legal person may not be pronounced on units of local and regional self-government, political parties and trade unions.

(3) Apart from the penalty of termination of the legal person the court may also impose a fine upon the legal person.

(4) After the judgement on termination of the legal person becomes final, liquidation shall be carried out.

#### *Suspended sentence*

#### Article 13

(1) Instead of a fine the court may pronounce a suspended sentence on the legal person and simultaneously determine that the fine shall not be collected if the legal person does not commit another criminal offence within the time specified by the court, which may not be shorter than one or longer than three years.

(2) Suspended sentence may be pronounced for criminal offences punishable by imprisonment for a term of up to three years, and the court has imposed a fine on the legal entity in the amount of up to 50.000,00 kuna.

#### *Statute of limitations*

#### Article 14

(1) The limitation period for criminal prosecution against a legal person is determined in accordance with the sentence prescribed for the perpetrator of the criminal offence.

(2) Fines cannot be claimed upon expiration of a period of three years after pronouncement of the judgement or revocation of the suspended sentence by which it was imposed.

(3) There is no statute of limitations for termination of the legal person.

#### *Types of security measures*

#### Article 15

Apart from other penalties the court may impose one or more of the following security measures on the legal person: ban on performance of certain activities or transactions, ban on obtaining of licenses, authorizations, concessions or subventions, ban on transaction with beneficiaries of the national or local budgets, and confiscation.

#### *Ban on performance of certain activities or transactions*

#### Article 16

(1) A ban on performance of certain activities or transactions may be imposed on one or more activities or transactions, the performance of which was a criminal offence.

(2) A ban on performance of certain activities or transactions may be imposed on the legal person on the basis of court judgement for the period of one to three years as of the moment the judgement becomes final, if further performance of certain activities or transactions would be a danger to life, health or security of persons, or hazardous to property, or economy, or if the legal person has already been punished for the same or similar criminal offence.

(3) A ban on performance of certain activities or transactions may not be imposed on units of local and regional self-government and political parties.

*Ban on obtaining of licenses, authorizations, concessions or subventions*

Article 17

(1) Ban on obtaining of licenses, authorizations, concessions or subventions as issued by government bodies or units of local and regional self-government may be imposed on the legal person in case of a threat that such obtaining of licenses, authorizations, concessions or subventions might instigate the same to commit another criminal offence.

(2) The security measure referred to in paragraph 1 of this Section shall be imposed for a period of one to three years after the court judgement becomes final.

*Ban on transaction with beneficiaries of national or local budgets*

Article 18

(1) A ban on transactions with beneficiaries of the national or local budgets may be imposed on the legal person in case of a threat that such operations might instigate the same to commit another criminal offence.

(2) The security measure referred to in paragraph 1 of this Article shall be imposed for a period of one to three years after the court judgement becomes final.

*Confiscation*

Article 19

The security measure of confiscation is imposed under the conditions referred to in Article 80 of the Criminal Code.

*Confiscation of illegally gained benefit*

Article 20

(1) The court shall confiscate from the legal person the illegally gained benefit as a proceeds of the criminal offence.

(2) The illegally gained benefit referred to in paragraph 1 of this Article means any increase or prevention of a decrease of the legal person's property in consequence of the commission of a criminal offence.

(3) The illegally gained benefit obtained in consequence of the commission of a criminal offence shall be confiscated on the basis of the judgement which establishes the commission of the criminal offence. The amount of the illegally gained benefit shall be determined by the court after studying the entire property of the legal person and relation of the same to the offence committed..

(4) Should it be established that it is impossible to confiscate the illegally gained benefit consisting in money, rights or objects, the court shall oblige the legal person to pay the full replacement value in money. In determination of such value in money the court shall take into consideration the market value of material assets or rights at the moment of judgement.

(5) The illegally gained benefit shall be confiscated also in cases when it is kept by third persons on the basis of any right whatsoever, if under the circumstances of such gain the same knew or could know and was/were supposed to know that the value was gained in consequence of the commission of a criminal offence.

*Public pronouncement of judgement*

Article 21

(1) Public pronouncement of judgement may be determined by the court in cases when it is established on the basis of the significance of the criminal offence that there are good reasons to inform the public of the final judgement.

(2) The court shall decide that the judgement should be publicized in its entirety or in parts, and determine the period of such publication. A publicized judgement may contain the injured party's name only with its consent.

(3) The court shall decide in which media the judgement referred to in paragraph 1 of this Article. The media shall publicize the above mentioned judgement at the expense of the sentenced legal person.

*Notification on pronounced punitive measure*

Article 22.

(1) The court shall, after the judgement convicting the legal person becomes final, by virtue of its office, inform the competent body for keeping of the criminal records, court or other registry in which this legal person is entered into, in order to register the criminal offence or the punitive measure.

(2) In the notifications referred to in paragraph 1 of this Article, it shall be stated the following data exclusively: name of the court, number of judgement and the date of proclamation of final judgement, name of the company, i.e. name of the legal person, seat and the registry number of the legal person, criminal offence, penalty and the security measure, if pronounces.

IV. CRIMINAL PROCEDURE

*Joinder*

Article 23.

(1) For a criminal offence committed by the legal person and the responsible person, joined proceedings shall be conducted and a single judgement shall be passed.

(2) If no criminal proceedings may be instituted or conducted against the responsible person for legal or any other reasons whatsoever, the proceedings shall be instituted and conducted against the legal person only.

*Decision on criminal prosecution as per principle of purposefulness*

Article 24

A public prosecutor may act pursuant to Article 175 of the Criminal Procedure Act in case that the legal person possesses no property or the same is so insignificant that it would not be sufficient to cover the costs of the criminal proceedings, or if bankruptcy proceedings are conducted against the legal person.

*Territorial jurisdiction*

Article 25

(1) If it is uncertain within which jurisdictional territory the criminal offence has been committed or if the offence has been committed outside the territory of the Republic of Croatia, jurisdiction shall have the court within the jurisdictional territory of which the domicile or residence of the accused is located, i.e. the accused legal person is seated.

(2) A private charge may as well be filed with the court within the jurisdictional territory on which the accused legal person is seated.

*Institution of criminal proceedings upon motion*

Article 26

If the motion for prosecution has been submitted only against the responsible person, the



public prosecutor can by virtue of the office institute the criminal proceedings for the same criminal offence against the legal person as well.

*Representative of the accused legal person*

Article 27

(1) The accused legal person in the criminal proceedings shall be represented by its representative who is authorized to undertake all actions which can be undertaken by the accused.

(2) The accused legal person can have only one representative. The representative of the accused legal person may be any legally competent physical person who speaks the Croatian language.

(3) The representative shall be designated by the legal person's body or the persons representing the legal person pursuant to the law, a decision made by the authorized governmental body, the articles of association, the memorandum of incorporation or a decision made by the legal person's body. If the representative is not authorized to represent the legal person by virtue of any other right, the same shall be authorized to represent the legal person on the basis of a power of attorney in writing. Such power of attorney may also be recorded in the minutes of the court conducting the proceedings.

(4) The court is obliged to establish the identity of the legal person's representative and to inspect his/her power of attorney to participate in the proceedings. The legal person is obliged to serve a brief to the court, by which it has designated its representative, and the proof of his/her authority.

(5) The legal person's representative may not be the person summoned as a witness in the same proceedings or the person against whom the criminal proceedings are conducted for the same criminal offence.

*Designation of the representative*

Article 28

(1) In the first summons the court shall warn the legal person that it is obliged to designate its representative within eight days upon receipt of the summons.

(2) If the legal person fails to designate its representative within the time referred to in paragraph 1 of this Article the same shall be designated by the court before which the proceedings are conducted.

(3) If the legal person ceases to exist before the judgement becomes final, i.e. before completion of the criminal proceedings, and has its general legal successor, the successor shall be obliged to designate its representative within eight days upon cessation of the legal person. Otherwise, the representative shall be designated by the court before which the proceedings are conducted.

(4) If the legal person designates its representative contrary to Article 27 paragraphs 2 and 5 of this Act, the court conducting the proceedings shall summon the same to designate another representative within eight days and to serve the appropriate brief to the court. If the legal person fails to designate its representative within the above mentioned time, the same shall be designated by the court before which the proceedings are conducted.

(5) The representative of the accused legal person shall be designated by the president of the court on the basis of a resolution served to the person designated as the representative and to the legal person. These persons have the right to appeal against the resolution, which does not postpone the execution of the same.

*Delivery of resolutions and letters to the legal person*

Article 29

The resolutions and letters addressed to the legal person are delivered to the address of its representative or to the legal person's seat or its subsidiary.

*Bringing in*

Article 30

If the duly summoned representative fails to appear and to justify his/her absence, the court may issue a warrant to bring in, provided that it has been clearly indicated in the summons that in case of failure to appear the same shall be brought in.

*Costs of the representative*

Article 31

(1) The fee and necessary expenses of the representative shall be part of the costs of the criminal proceedings.

(2) Necessary expenses of the designated representative in the proceedings for the criminal offences for which the same is prosecuted by virtue of the office shall be advanced from the budget of the authorities conducting the criminal proceedings and are later refunded by the persons obliged to refund the same pursuant to the provisions of the Criminal Procedure Act.

*Defense counsel*

Article 32

(1) The accused legal person may have a defense counsel. The power of attorney for the defense counsel is given by the persons authorized to represent the legal person as referred to in Article 27 paragraph 3 of this Act.

(2) The legal person and the responsible person against whom the criminal proceedings are conducted for the same criminal offence may have one and the same defense counsel, provided that it is not contrary to the interests of their defense.

(3) The provisions of the Criminal Procedure Act regarding mandatory defense shall not apply to the accused legal person.

*Contents of indictment*

Article 33

Apart from the parts prescribed by the Criminal Procedure Act, the indictment against the accused legal person shall contain also the company name, its registered seat, the company registration number, name and surname of its representative, date of birth, and address and citizenship and the number of passport if the representative is a foreign national

*Main trial*

Article 34

(1) At the main trial, in the joined proceedings against the legal person and the responsible person, the first person to be asked to enter his/her plea on each count of the charge shall be the responsible person and then the representative of the legal person.

(2) The order of production of evidence at the main trial in the joinder against the legal person and the responsible person shall be determined in accordance with the responsible person's plea to the charge, regardless of the plea of the representative of the legal person. The first person to be interrogated shall always be the responsible person and then the representative of the legal person.

(3) Upon the completion of production of evidence, the prosecutor's and the injured party's closing arguments, the defense counsel of the legal person presents his/her argument first, and

then the representative of the legal person, the defense counsel of the responsible person and the responsible person.

(4) The court may decide that after the plea of guilty of the legal person the main trial could take place in the absence of the representative of the legal person who was duly summoned, provided that his/her presence is not much needed.

### *Contents of judgement*

#### Article 35

Apart from the parts prescribed by the Criminal Procedure Act, the judgement passed in the proceedings against the accused legal person shall also contain the following:

1) in the introductory part of the judgement, the company name of the accused legal person, its registered seat, the company registration number, name and surname of its representative, date of birth and the address, country issuing the passport and passport number if the representative is a foreign national,

2) in the sentence, the company name of the accused legal person and its registered seat.

### *Precautions against the legal person*

#### Article 36

(1) If distinctive circumstances support the concern that the accused legal person could repeat the criminal offence or complete the attempted offence or perpetrate the offence it threatens to commit, the court shall order the following precautions:

- 1) ban on performance of certain activities or transactions,
- 2) ban on transactions with beneficiaries of the national or local budgets,
- 3) ban on obtaining of licenses, authorizations, concessions or subventions.

(2) The court may decide on a precaution referred to in paragraph 1 item 1 of this Article if further performance of certain activities or transactions would be a danger to life, health or safety of people or hazardous to property, or economy. This measure may not be imposed on units of local and regional self-government, political parties or unions.

(3) The court may upon motion of the public prosecutor or by virtue of the office issue a resolution for the purpose of banning all status changes that might lead to termination of the accused legal person. Such ban shall be entered into the register of companies or other register.

(4) The resolution on precaution shall be entered into the register of companies or other register by virtue of the office.

#### Article 37

This Act shall come into force six months as of the date of its publication in »National Gazette «.

Class: 740-02/02-01/02

Zagreb, 11<sup>th</sup> September 2003

## **(8) Act on Mutual Legal Assistance in Criminal Matters**

### Chapter I

#### GENERAL PROVISIONS

##### Article 1

(1) This Act regulates mutual legal assistance in criminal matters (hereinafter: «mutual legal assistance»), unless provided otherwise by an international treaty.

(2) Mutual legal assistance is provided in respect of criminal acts the punishment of which, at the time of the request for assistance, falls within the jurisdiction of the judicial authorities of the requesting state.

(3) Mutual legal assistance may also be afforded in misdemeanour proceedings brought by the administrative authorities, in respect of acts which are punishable under the Croatian law by pecuniary fine, by virtue of being infringements of the rule of law and where in such proceedings the decision of the administrative authority may give rise to proceedings before a court having subject matter jurisdiction in criminal matters.

(4) Mutual legal assistance is also afforded in criminal proceedings referred to in paragraph 2 of this Article, and misdemeanour proceedings referred to in paragraph 3 of this Article, which are brought against legal persons.

(5) Mutual legal assistance is also afforded in respect of the European Court of Human Rights and the European Court of Justice, as well as in respect of other international and supranational organisations whose member the Republic of Croatia may become, if so stipulated in an international treaty.

#### *Meaning of terms in this Act*

##### Article 2

Terms and expressions used herein shall have the following meanings:

1. *domestic competent authority* – Ministry of Justice of the Republic of Croatia and/or domestic judicial authorities acting upon requests for mutual legal assistance,

2. *domestic judicial authority* – courts and state attorney's offices authorised by a special law to afford mutual legal assistance. In the context of this Act, a domestic judicial authority is also any administrative authority referred to in Article 1 paragraph 3 of this Act,

3. *requesting state* – a foreign state whose competent authority has transmitted the request for mutual legal assistance,

4. *foreign competent authority* – authority of the foreign state having jurisdiction, either pursuant to that country's law or pursuant to an international treaty, to transmit and receive requests for mutual legal assistance and/or the foreign judicial authority referred to in point 5 of this Article,

5. *foreign judicial authority* – foreign courts and other judicial authorities having jurisdiction, pursuant to the law of the foreign state, to act in criminal matters, including the foreign administrative authorities having jurisdiction in misdemeanour proceedings subject to conditions referred to in Article 1 paragraph 3 of this Act,

6. *foreigner* – a person of any other nationality other than Croatian,

7. *extradited person* – prosecuted or convicted person in the extradition proceedings, as of the moment of his placement under detention for the purpose of extradition.

##### Article 3

(1) In particular, this Act shall regulate the following:

1. mutual legal assistance in criminal proceedings pending in the Republic of Croatia or a foreign country (procuring and transmitting articles to be produced in evidence, service of writs and records of judicial verdicts, appearance before the court of witnesses for testimony

and other acts necessary to carry out the court proceedings),

2. procedures of extradition to the Republic of Croatia of prosecuted or convicted persons based on verdicts of domestic courts,

3. acts of extradition of foreigners prosecuted or convicted based on judicial verdicts of the state requesting extradition,

4. acts of taking over and surrendering criminal prosecution,

5. acts of enforcement of foreign judicial verdicts in criminal matters.

(2) This Act shall not apply to arrests, the enforcement of verdicts or offences under military law which are not offences punishable under ordinary criminal law.

#### Article 4

Mutual legal assistance is afforded in the widest sense, in compliance with the principles of domestic legal order, principles of the European Convention for the Protection of Human Rights and Fundamental Freedoms and the International Covenant on Civil and Political Rights.

#### Article 5

A domestic competent authority shall decide on suitability and manner of execution of an act of mutual legal assistance from the request of a foreign judicial authority, unless provided otherwise by the provisions of this Act or an international treaty.

### Chapter II

#### MUTUAL LEGAL ASSISTANCE IN CRIMINAL PROCEEDINGS PENDING IN THE REPUBLIC OF CROATIA OR A FOREIGN STATE

##### *Authorities competent to afford mutual legal assistance and the channels of communication*

#### Article 6

(1) Domestic judicial authorities transmit the requests for mutual assistance and information referred to in Article 18 paragraph 1 of this Act to foreign competent authorities through the Ministry of Justice.

(2) The Ministry of Justice has jurisdiction to receive requests for mutual assistance of foreign competent authorities, and transmit them without delay to domestic judicial authorities, unless evident that the request should be refused.

(3) The Ministry of Justice may return the request to the foreign competent authority for corrections or supplements and determine an appropriate deadline for delivery of so corrected, i.e. supplemented request. After the expiry of the deadline, the request shall be executed according to the status in the judicial record.

(4) As an exception to paragraph 1 of this Article, domestic judicial authorities may directly address the request for mutual legal assistance to a foreign judicial authority, when so explicitly provided by the provisions of this Act and subject to condition of reciprocity, or when such a communication is envisaged by an international treaty (direct communication).

(5) In cases of direct communication referred to in paragraphs 4 and 7 of this Article, a domestic judicial authority shall communicate a copy of the request for mutual legal assistance to the Ministry of Justice.

(6) In urgent cases and subject to reciprocity, the Ministry of Justice may transmit and receive requests for mutual legal assistance through the Interpol.

(7) In cases of direct communication referred to in paragraph 4 of this Article, domestic judicial authorities may, provided they fulfil the obligation referred to in paragraph 5 of this Article, transmit and receive requests for mutual legal assistance through the Interpol.

(8) The Ministry of Justice shall transmit and receive through the Ministry of Foreign Affairs the requests for mutual legal assistance to/from a foreign state that has no international treaty in force with the Republic of Croatia, as well as in cases when an international treaty envisages use of special diplomatic channels.

*Service of documents by post*

Article 7

(1) Domestic judicial authorities may, subject to condition of reciprocity or if so envisaged by an international treaty, address procedural documents and judicial verdicts to the persons who find themselves abroad directly by mail.

(2) Procedural documents and judicial verdicts referred to in paragraph 1 of this Article shall be accompanied by a report stating that the addressee may obtain information regarding his or her rights and obligations concerning the service of documents.

(3) Procedural documents and judicial verdicts shall be transmitted to the persons who find themselves abroad in the Croatian language.

(4) If a domestic judicial authority knows or has reasons to believe that the addressee understands only some other language, the documents shall be accompanied by a translation into that other language.

(5) Domestic regulations shall apply to the validity of service.

*Form and mandatory contents of the request*

Article 8

(1) Domestic judicial authority shall act upon the request for mutual legal assistance of a foreign judicial authority if the request was transmitted in writing. The request, as well as attached documents, have to be accompanied by the translation into Croatian, and if this is not possible, into English. The translations have to be officially certified.

(2) A domestic judicial authority shall act upon a request for mutual legal assistance of a foreign judicial authority even if the request was transmitted via electronic or some other telecommunications means which provide written record, if it may establish its authenticity and if the foreign competent authority is willing, upon request, to deliver a written evidence on the manner of transmission and the original request.

(3) Unless provided otherwise by an international treaty or the provisions of this Act, the request for mutual legal assistance shall indicate the following:

1. place of issuance and the name of the competent authority making the request,
2. legal grounds to afford mutual legal assistance,
3. detailed description of an act of mutual legal assistance sought and the reason for the request,
4. legal title, short factual and legal description of the criminal offence (unless the request refers to service of judicial verdicts, depositions of parties, documents and alike),
5. exact data and nationality of the person concerned and his status in the proceedings,
6. in case of service of judicial writs, also the type of the writ to be served.

Article 9

(1) In the mutual legal assistance proceedings, the prosecuted person may have a defending attorney.

(2) Third persons concerned by the measure or act of mutual legal assistance may have proxies in the mutual legal assistance proceedings.

(3) An appeal may be lodged against the decisions of domestic judicial authorities in the proceedings of affording mutual legal assistance.

(4) An appeal against the decision issued pursuant to this Act does not delay its enforcement, unless it concerns a decision:

1. of the county court of the Republic of Croatia, determining existence of legal preconditions for extradition, or
2. granting return of articles or monetary gain to a foreign country.

*Particularities in the manner of executing the request*



#### Article 10

(1) When affording mutual legal assistance, domestic judicial authority shall comply with the formalities and procedures expressly indicated in the request as necessary pursuant to the law of the requesting state, unless provided otherwise by an international treaty and provided that such formalities and procedures are not contrary to the principles of the domestic legal order.

(2) Domestic judicial authority executes the request of a foreign judicial authority without delay, taking into account procedural deadlines, as well as other specially determined deadlines explained in the request.

(3) If a domestic judicial authority may foresee that it shall not be able to observe a specially determined deadline for execution of the request, while the explanation referred to in paragraph 2 of this Article expressly indicates that each postponement will lead to significant disruption of procedure before a foreign judicial authority, the domestic judicial authority shall indicate without delay the required time to execute the request. Domestic and foreign judicial authorities may thereafter agree on further acts required to be undertaken in connection with the request.

(4) If the request of a foreign judicial authority may not be executed, or may not be executed fully in compliance with the required conditions, the domestic judicial authority shall without delay inform the foreign judicial authority to this effect, indicating the conditions under which such request may be executed.

#### Article 11

(1) Upon explicit request of a foreign judicial authority, the domestic judicial authority shall inform of the place and date of execution of the request for mutual legal assistance.

(2) Upon explicit request of a foreign judicial authority, the domestic judicial authority may allow presence of a foreign official during the execution of the request for mutual legal assistance.

(3) A request referred to in paragraph 2 of this Article shall not be refused if this would likely avoid the need for supplementary requests for assistance.

#### *Refusal of the request*

#### Article 12

(1) Domestic competent authority may refuse the request for mutual legal assistance:

1. if the request concerns an offence which is considered to be a political offence, an offence connected with a political offence,
2. if the request concerns a fiscal offence,
3. if the execution of the request would prejudice the sovereignty, security, legal order or other essential interests of the Republic of Croatia,
4. if it may reasonably be assumed that a person whose extradition is claimed would be in case of extradition criminally prosecuted or punished on account of his race, religious beliefs, nationality, affiliation with a particular social group or on account of his political beliefs, i.e. that that person's position may be prejudiced for any of these reasons,
5. if it concerns an insignificant criminal offence.

(2) Criminal offences or attempts to commit criminal offences against the values protected by international law, and participation in execution of such criminal offences, may not serve as basis for refusal of the request for mutual legal assistance in the context of paragraph 1 point 1 of this Article.

(3) Request for mutual legal assistance concerning the fiscal offence referred to in paragraph 1 point 2 of this Article shall not be refused solely based on the grounds it concerns an offence which is considered to be a fiscal offence pursuant to domestic law.

#### Article 13

(1) A domestic judicial authority shall refuse the request for mutual legal assistance:

1. if the prosecuted person has been acquitted in the Republic of Croatia for the same criminal offence based on the substantive-legal grounds or if a procedure against him has been discontinued, or if he was acquitted of the punishment, or if a sanction was executed or may not be executed pursuant to the law of the country in which the verdict has been passed,

2. if criminal proceedings are pending against the prosecuted person in the Republic of Croatia for the same criminal offence, unless the execution of the request might lead to a decision releasing the prosecuted person from custody,

3. if the criminal prosecution, execution of a sanction or of a security measure or protective measure pursuant to the domestic law would be barred due to the absolute statute of limitation.

(2) The provisions referred to in paragraph 1 points 1 and 3 of this Article shall not apply in cases of reversal of the final verdict in the requesting state.

#### Article 14

The decision refusing the request to afford mutual legal assistance must give reasons for such a decision, unless provided otherwise by an international treaty.

#### *Postponed execution of the request*

#### Article 15

Domestic judicial authority may postpone execution of the request for mutual legal assistance if such action would prejudice the course of the investigation, prosecution or proceedings pending before a domestic judicial authority, which are connected to the request. The domestic judicial authority shall inform the foreign judicial authority that transmitted the request.

#### *Partial execution of the request*

#### Article 16

If the request for mutual legal assistance concerns several facts which may fall under several domestic criminal-law provisions, and there are reasons to refuse some of them, the request shall be executed only in respect of the facts lacking the grounds for refusal.

#### *Reciprocity*

#### Article 17

(1) Domestic judicial authorities shall afford assistance in respect of the request for mutual legal assistance to a judicial authority of the state that has no international treaty on legal assistance in force with the Republic of Croatia, only if it may be expected based on the assurances provided by the requesting state that this state would execute corresponding request of the domestic judicial authority.

(2) Assurances referred to in paragraph 1 of this Article shall not be sought for the purpose of service of judicial verdicts, deposition of parties and other documents.

#### *Spontaneous exchange of information*

#### Article 18

(1) Without prejudice in any way to their own investigations or proceedings and subject to condition of reciprocity, domestic judicial authorities may, without prior request, forward to the competent foreign judicial authorities information obtained within the framework of their own investigations, which relate to criminal offences or breach of the rule of law referred to in Article 1 paragraph 3 of this Act, when they consider that the disclosure of such information might assist the receiving state in initiating or carrying out investigations or court proceedings or might lead to a request for mutual assistance by that state.

(2) Domestic judicial authority shall request from the foreign judicial authority to which it transmitted the information referred to in paragraph 1 of this Article, the communications on any action undertaken upon such information, as well as transmission of issued decisions,



and it may also impose other conditions for the use of such information at the receiving state.

(3) Information referred to in paragraph 1 of this Article shall be forwarded through the Ministry of Justice.

### *Costs*

#### Article 19

(1) Remuneration of costs incurred in respect of afforded mutual legal assistance shall not be claimed, except:

1. costs incurred by the expert testimony,
2. costs incurred by a temporary transfer of persons deprived of liberty,
3. costs of substantial or extraordinary nature.

(2) Costs referred to in paragraph 1 point 3 of this Article shall be remunerated according to an arrangement between the Ministry of Justice and the competent authority of the foreign state in each individual case separately.

### *Special cases of communicating information on criminal offences*

#### Article 20

(1) When the request for mutual legal assistance concerns a criminal offence related to trafficking in humans and slavery, money laundering, counterfeiting money, illicit production, processing and sale of narcotic substances and poisons, production and dissemination of pornographic material, criminal offences related to organized crime and terrorism, and other criminal offences for which centralisation of data has been provided under international agreements, the domestic judicial authority conducting criminal proceedings, i.e. authority affording mutual legal assistance, shall be bound immediately to transmit the data on such criminal offences and perpetrators to the Ministry of Interior, while the first-instance court shall in addition transmit a final verdict.

(2) If the request for legal assistance concerning the criminal offences referred to in paragraph 1 of this Article was forwarded to or received directly within the context of Article 8 paragraph 2 of this Act, the domestic judicial authority shall also transmit without delay the data referred to in paragraph 1 of this Article to the Ministry of Justice.

(3) At least once a year, the Ministry of Justice shall notify the foreign competent authority of all criminal convictions and measures in respect of nationals of that foreign state, entered into judicial records, unless provided otherwise by an international treaty.

(4) Upon a request of a foreign competent authority, the Ministry of Justice shall transmit in each individual case a transcript of the verdicts and measures on which it delivered notification, in the context of paragraph 3 of this Article, and it may also deliver other information that it deems might be useful for subsequent measures at the requesting state.

### *Confidentiality*

#### Article 21

(1) Upon a request of a foreign judicial authority, the Ministry of Justice and the domestic judicial authority shall keep confidential the request for mutual assistance and its substance, except to the extent necessary to execute the request.

(2) If the confidentiality condition referred to in paragraph 1 may not be upheld, the Ministry of Justice, i.e. domestic judicial authority shall notify the foreign judicial authority on this fact, without delay.

#### Article 22

Third persons who prove having legal interest may be present in the proceedings of mutual legal assistance and they are entitled to inspect the file, except:

1. if this is in the interest of criminal proceedings pending abroad,
2. for protection of essential interests of a foreign state, upon its request,
3. due to the nature or urgency of the measure undertaken,

4. due to the protection of justified interests of the parties to the proceedings,
5. if in the interest of criminal proceedings pending in the Republic of Croatia.

*Provisional measures*

Article 23

(1) Upon a request of a foreign judicial authority, the competent domestic judicial authority may issue a decision ordering provisional measures for securing the evidence, protection of endangered legal interests and other measures in compliance with the domestic law.

(2) Appeal against the decision referred to in paragraph 1 of this Article does not postpone its execution.

(3) Domestic judicial authority may partially grant the request referred to in paragraph 1 of this Article, or it may condition execution of such a request by time limitation.

Article 24

Upon a request of a foreign judicial authority, the domestic judicial authority may order measures temporarily restricting certain constitutional rights, subject to conditions provided by the Criminal Procedure Act.

*Hearing of a person domiciled abroad*

Article 25

(1) A person domiciled abroad, appearing in the Republic of Croatia on a summons by the domestic judicial authority, to testify as a witness or expert witness in the criminal proceedings, shall not be criminally prosecuted, or subject to any other restriction of his personal liberty due to reasons anterior to his arrival.

(2) The immunity provided for in paragraph 1 of this Article shall cease when the person upon leaving the state territory of the Republic of Croatia either returns or does not leave the state territory of the Republic of Croatia upon expiry of eight days as of the testimony.

*Temporary transfer for testimony*

Article 26

(1) Upon a request of a foreign judicial authority, a person who has been deprived of liberty in the Republic of Croatia, including Croatian nationals, may be temporarily transferred to a foreign judicial authority for the purpose of testimony as witness or for confrontation purposes, provided that the person is returned to the Republic of Croatia within a deadline determined by the domestic judicial authority, and provided that:

1. the person consents to temporary transfer,
2. the presence of a person is necessary at the criminal proceedings pending in the foreign state,
3. the temporary transfer is not liable to prolong his or her deprivation of liberty,
4. there are no other overriding grounds against temporary transfer.

(2) Person referred to in paragraph 1 of this Article who was temporarily transferred to a foreign judicial authority, shall remain in custody during the whole stay abroad, unless the domestic judicial authority applies for his or her release.

Article 27

When a person placed in custody based on a decision of a foreign judicial authority has been transferred to a domestic judicial authority, for the purpose of hearing in the criminal proceedings, the decision of the foreign judicial authority on placing in custody abroad shall also apply in the Republic of Croatia.

*Treatment of the temporarily seized articles*

Article 28

(1) Articles, documents or monetary gain which have been temporarily seized to be presented as evidence, as well as records and decisions, shall be made available to a foreign judicial authority upon its request, after the completion of the mutual legal assistance proceedings in the Republic of Croatia.

(2) Should a third person who acquired the right in good faith, the state authority or the injured party domiciled in the Republic of Croatia claim his/her right in the articles, documents or monetary gain referred to in paragraph 1 of this Article, such articles, documents or monetary gain shall be delivered only if the competent foreign authority guarantees their return free of charge after the completion of its proceedings.

(3) Delivery may be postponed, as long as the articles, documents or monetary gain are necessary at the criminal proceedings pending in the Republic of Croatia.

#### Article 29

(1) Articles or monetary gain which have been temporarily seized for security purposes may be delivered to a foreign judicial authority, upon its request, upon completion of the mutual legal assistance proceedings, for the purpose of seizure or return to an authorised person.

(2) Articles and monetary gain referred to in paragraph 1 of this Article encompass:

1. articles used to commit the criminal offence,
2. products of the criminal offence or their counter-value,
3. gain resulting from the criminal offence or their counter-value,
4. presents and other gifts as an incentive and reward to commit a criminal offence or their counter-value.

(3) Delivery may follow in any stage of foreign criminal proceedings, and it may only be executed based on a final and enforceable decision of a foreign judicial authority.

(4) Articles or monetary gain may be permanently detained in the Republic of Croatia if:

1. the injured person is domiciled in the Republic of Croatia, and the objects have to be returned to that person,
2. state authority claims the right of the Republic of Croatia in such objects,
3. person not participating in the offence, whose claims have not been guaranteed through the requesting state, proves that he/she has acquired in good faith the right in such articles or monetary gain either in the Republic of Croatia or abroad, and the person is domiciled in the Republic of Croatia,
4. if the articles or monetary gain are necessary to carry out the criminal proceedings pending in the Republic of Croatia or to apply the seizure measure in the Republic of Croatia.

(5) If an authorised person claims rights in the articles or monetary gain referred to in paragraph 4 of this Article, their delivery to the requesting state shall be postponed until resolution of the legal issues. Disputed articles or monetary gain may be delivered to an authorised person:

1. if the requesting state consents,
2. if the state authority consents, in cases referred to in paragraph 4 point 2 of this Article,
3. if the domestic court has acknowledged authority to claim.

#### Article 30

When a domestic judicial authority deems that mutual legal assistance has been afforded in whole or partially, it shall issue a decision containing reasons to that effect.

#### Article 31

(1) A domestic judicial authority may condition affording the mutual legal assistance in whole or partially, by prior settlement of certain charges (taxes, surtaxes, fiscal stamps and alike).

(2) The Ministry of Justice determines an appropriate term for the competent foreign authority to state opinion on accepting or refusing payment of charges referred to in

paragraph 1 of this Article. In case of refusal or silence of a foreign judicial authority, mutual legal assistance shall be afforded in respect of the part of the request which is not connected to the charges.

### Chapter III

## EXTRADITION

### Part One: PRECONDITIONS

#### *Extradition of a Croatian national*

#### Article 32

(1) A Croatian national may not be extradited for criminal prosecution or enforcement of a prison sentence in a foreign state, nor he may be transferred as a convicted person from the Republic of Croatia to another state for the purpose of serving the prison sentence.

(2) The provision of paragraph 1 of this Article shall not apply in cases of temporary transfer of a Croatian national to the domestic judicial authority for the purpose of undertaking certain actions within the criminal proceedings in the Republic of Croatia.

#### *Extradition of a foreigner*

#### Article 33

A foreigner may be extradited to another state for the purpose of criminal prosecution or enforcement of a sanction implying deprivation of liberty, if that state requested extradition or has taken over criminal prosecution or enforcement of a criminal verdict, upon request of the Republic of Croatia, i.e. with its consent.

#### Article 34

(1) A foreigner who has been prosecuted or convicted based on a decision of a foreign judicial authority of the requesting state, for criminal offences punishable pursuant to the law of that state, shall be extradited to that state, for the purpose of carrying out the criminal proceedings, i.e. enforcement of sanctions which include deprivation of liberty, provided that the domestic law incorporates corresponding essential features of the relevant offences.

(2) Extradition for the purpose of carrying out criminal proceedings may only be granted for offences that are punishable pursuant to the domestic law by prison or security measure implying deprivation of liberty for the longest period of at least one year or by application of a more severe penalty.

(3) Extradition for the purpose of enforcement of sanctions including deprivation of liberty may be granted when, in cases of offences referred to in paragraph 1 of this Article, a final verdict has been issued for the prison sentence or security measure implying detention, determined for a period of at least four months.

(4) As an exception, if the request for extradition covers several separate criminal offences out of which some fail to satisfy the conditions referred to in paragraphs 1 and 2 of this Article in respect of the duration of the penalty that may be determined or if the offences concern only pecuniary fine, the extradition may also be granted for these offences.

(5) Extradition shall be allowed if the requesting state guarantees that it would grant the request of the Republic of Croatia of the same kind.

#### *Refusal to extradite*

#### Article 35

(1) Extradition shall not be allowed:

1. if the person whose extradition is claimed is a national of the Republic of Croatia,
2. if an offence for which the extradition is claimed was committed either on the territory of the Republic of Croatia, or against Croatia or its national,
3. if the offence for which extradition is claimed is not a criminal offence in both domestic

law and the law of the state in which it was committed,

4. if, pursuant to domestic law, a statute of limitation for criminal prosecution or statute of limitation for execution of the punishment has occurred prior to putting the foreigner in detention or prior to his interrogation as a prosecuted person,

5. if a foreigner whose extradition is claimed had already been convicted for the same offence by the domestic court, or if he was finally acquitted in respect of that same offence by the domestic court, unless conditions are met for re-trial as envisaged by the Criminal Procedure Act, or if the criminal proceedings have been initiated in the Republic of Croatia against the foreigner for the same offence committed against the Republic of Croatia. In case of proceedings initiated due to an offence committed towards the national of the Republic of Croatia – if no security has been deposited for realization of material claim of the injured person,

6. if identity of a person whose extradition is claimed has not been determined,

7. if there are no sufficient evidence for reasonable doubt that the foreigner whose extradition is claimed has committed a particular criminal offence and that there exists a final verdict.

(2) Extradition may be refused if the Republic of Croatia may take over the prosecution of an offence or enforcement of the criminal verdict, and this seems to be appropriate considering the social rehabilitation of the prosecuted person.

#### Article 36

A foreigner subject to jurisdiction of the Republic of Croatia may exceptionally be extradited to another state if justified by special circumstances, and particularly by possibility of social rehabilitation.

#### *Rule of speciality*

#### Article 37

(1) Extradition shall be allowed provided that the requesting state, in respect of the extradited person:

1. does not prosecute, punish or extradite that person to a third state for any offence committed prior to extradition, in respect of an offence for which extradition has not been granted,

2. does not restrict his personal rights due to the reasons which have not occurred in relation to extradition,

3. does not bring him before a special court.

(2) Conditions referred to in paragraph 1 points 1 and 2 of this Article shall not apply:

1. if the extradited person expressly waives such conditions, or

2. if the extradited person, despite being warned of the consequences, fails to leave the state territory of the requesting state within 45 days after the probational or final release from detention, although he could have done so, or if he comes back to that territory after leaving the territory.

#### *Additional request for extradition*

#### Article 38

If the extradited person is charged for other criminal offences, the requesting state shall be allowed to carry out the criminal proceedings in respect of these offences, subject to conditions referred to in Articles 34, 35 and 37 of this Act.

#### *Conflicting requests*

#### Article 39

(1) If extradition is requested concurrently by more than one state for the same person and the same criminal offence, the extradition shall be granted to the state in whose territory the offence had been committed, or in whose territory majority of criminal activities have

been committed in case of continuous<sup>1</sup> or permanent criminal offence, or in whose territory the organiser is domiciled in case of organized crime offences.

(2) Should a state request extradition of the same person for different criminal offences, the decision shall be reached having regard to all circumstances of the particular case, especially the seriousness of the offence, the respective dates of the requests, nationality of the person claimed, possibility of better social rehabilitation and subsequent extradition to a third state.

(3) The decision referred to in previous paragraphs of this article shall state the reasons.

#### *Conditions for extradition to the Republic of Croatia*

##### Article 40

(1) If the criminal proceedings are pending in the Republic of Croatia against a person residing in a foreign country or if a domestic court has issued a final verdict against such a person, the Minister of Justice may transmit a request for extradition upon the request of a domestic judicial authority.

(2) If the claimed person is extradited, he shall be criminally prosecuted, i.e. a sanction may be enforced against that person, only for a criminal offence for which the extradition was granted, unless the person waived that right and the extraditing state has not imposed such a condition.

(3) The request referred to in paragraph 1 of this Article shall be supported by documents referred to in Article 43 of this Act.

##### Article 41

(1) If a foreign state granted extradition subject to certain conditions in respect of the type or duration of penalty which may be sentenced, i.e. enforced, and the extradition is accepted subject to such conditions, the court is bound by such conditions in sentencing the penalty. If the matter concerns an enforcement of an already sentenced verdict, the court who adjudicated in the final instance shall reverse the verdict and adjust the sentenced penalty to the conditions for extradition.

(2) If the extradited person was in custody in a foreign state due to a criminal offence that he was extradited for, the period of custody shall be deducted from the punishment.

#### *Transit of the extradited person through the Republic of Croatia*

##### Article 42

(1) If a foreign state claims extradition from another foreign state, and the transit of the extradited person should be through the territory of the Republic of Croatia, the Minister of Justice may allow transit to the requesting state, pursuant to the conditions necessary for granting extradition, referred to in Article 34 and 35 of this Act.

(2) Request for transit of extradited person through the state territory of the Republic of Croatia has to contain all data referred to in Article 43 of this Act.

(3) Costs of transit of the extradited person through the territory of the Republic of Croatia are borne by the state requesting extradition.

### Part Two: PROCEDURE OF EXTRADITION

#### *Request for extradition*

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<sup>1</sup> Continuous criminal offence may summarily be described as an offence in which the perpetrator intentionally commits more of the same type of offences, which considering the manner of commission, time-link and other actual circumstances form a whole, in which case each of the offences will not be tried separately, but will be treated as one offence (such as if an employee repeatedly steals certain amounts of money within the period of several weeks).

Permanent criminal offence is an offence where the perpetrator has caused illegal situation and continues to maintain such a situation, so that as long as this illicit situation persists, the criminal offence is still not finished (such as kidnapping, abuse of narcotics, medical quackery etc).



## Article 43

(1) Request for extradition contains data referred to in Article 8 paragraph 3 of this Act, and the request shall be supported by:

1. means to determine identity of the extradited person (detailed description, photographs, finger prints and alike),
2. indictment or a verdict or a detention order or any other corresponding act, either in original or certified copy, which should state the name and surname of the person whose extradition is claimed and other data necessary to determine his identity,
3. description of the offence, legal title of the offence and evidence for reasonable doubt,
4. excerpt from the text of the criminal act to be applied or has been applied to the extradited person concerning the offence for which extradition is claimed, and if the offence has been committed in the territory of a third county, then also an excerpt from the criminal law of that state.

(2) If the documents referred to in paragraph 1 of this Article have been composed in a foreign language, the request should be supported by the translation into Croatian.

*Request for temporary arrest for extradition*

## Article 44

In addition to the contents provided for in Article 8 paragraph 3 of this Act, the request for temporary arrest for extradition shall contain the following:

1. data to determine identity of a person whose arrest is claimed for extradition,
2. factual and legal description of the criminal offence,
3. statement of the judicial authority concerning existence of a final convicting verdict or a detention order,
4. statement that extradition shall be requested for the person whose arrest for extradition is claimed.

## Article 45

The Ministry of Justice transmits the request for extradition, i.e. request for temporary arrest for the purpose of extradition, to the competent court on whose territory the person whose extradition is claimed either resides or is found.

## Article 46

A person whose extradition is sought may be arrested for extradition based on a written request of a foreign judicial authority or, subject to condition of reciprocity, based on an international APB.

*Detention order for extradition*

## Article 47

(1) The competent court issues a detention order for extradition, unless there is likelihood that the extradition shall not be granted, and the foreigner's stay in freedom does not endanger the extradition procedure.

(2) If a foreigner is not capable of being in detention or if justified by other reasons, the competent court may order other measures to guarantee his presence, instead of detention.

*Revocation of detention*

## Article 48

(1) Investigative judge shall release the foreigner from detention when the reasons for detention cease to exist or if the request for extradition is not submitted within a term determined by him, having regard of all the circumstances contained in the request for extradition, and which may not be longer than 40 days as of the day of placement into detention. Detention determined pursuant to Article 44 of this Act may be revoked if the request for extradition is not submitted within 18 days as of the foreigner's detention.

(2) The Ministry of Justice shall notify without delay the requesting state about the deadlines referred to in paragraph 1 of this Article. Upon request of the requesting state, the competent judicial authority may prolong detention for maximum of additional 30 days.

(3) If the extradited person is already in detention on certain other grounds, the deadline referred to in paragraph 1 of this Article will start as of the date of the detention order for extradition.

#### *Prolongation and renewal of the detention*

##### Article 49

(1) After the receipt of the request for extradition, the detention measure shall stay in force during the whole extradition procedure until expiry of the deadline for enforcement of a resolution on the extradition referred to in Article 59 of this Act.

(2) Should the extradited person be released from detention due to expiry of deadlines provided for in Article 48 paragraphs 1 and 2 of this Act, it is allowed to renew the detention for extradition if the requesting state re-submits the request for temporary arrest for extradition or a request for extradition.

#### *Temporary seizure of articles*

##### Article 50

(1) Upon a request of the requesting state, the domestic court may order search of the arrested person and premises.

(2) During the arrest, articles and monetary gain which may serve in the foreign criminal proceedings as evidence or originating from the criminal offence shall be temporarily seized.

(3) Measures referred to in paragraphs 1 and 2 of this Article may last until the issuance of a decision on detention for extradition, but for the maximum of 48 hours following the arrest.

##### Article 51

Notification on arrest, temporary seizure of articles, i.e. search of the arrested person and premises, shall be delivered to the Ministry of Justice without delay.

#### *Right to be heard*

##### Article 52

(1) When issuing a decision on detention for execution, the competent court shall determine whether the extradited person is a person identified in the request, and thereafter the court shall inform him without delay why and based on which evidence his extradition is claimed and invite him to state his defence. The court will explain to him the preconditions for extradition, and will familiarize him with his right to an appeal and right to an attorney, i.e. appoint him a defending attorney *ex officio* in cases of criminal offences for which the Criminal Procedure Act prescribes mandatory defence. He shall also notify the extradited person on the possibility of giving consent to surrender to the requesting state pursuant to the simplified extradition procedure and waiver of right referred to in Article 54 paragraph 1 of this Act.

(2) The extradited person will be questioned summarily on his personal circumstances, nationality and relations towards the requesting state, whether he objects to arrest or extradition and for what reasons. The extradited person's attorney may be present during questioning.

(3) Minutes on the questioning and defence shall be kept.

#### *Pre-investigative actions*

##### Article 53

(1) After the hearing pursuant to Article 52, paragraph 2 of this Act, the investigative judge shall carry out pre-investigative actions if necessary, in order to determine whether



extradition preconditions are met.

(2) If criminal proceedings are pending in the Republic of Croatia against the extradited person, due to the same or other criminal offence, the investigative judge shall note that in the official records.

#### *Simplified extradition procedure*

##### *Article 54*

(1) Extradited person may give consent to be surrendered to the requesting state pursuant to the simplified extradition procedure, as well as waive the right referred to in Article 40 paragraph 2 of this Act, after which the competent court shall approve his extradition, unless there are reasons to the contrary.

(2) Consent and waiver referred to in paragraph 1 of this Article shall be entered into the minutes before a competent court pursuant to the Criminal Procedure Act, in a way which proves that the extradited person acted voluntarily in this and was fully aware of the consequences.

(3) Consent and waiver referred to in paragraph 1 of this Article are irrevocable.

(4) The competent court shall notify the Ministry of Justice on the consent referred to in paragraph 1 of this Article without delay. The Ministry of Justice will, at latest within 10 days as of the extradited person's detention, notify the requesting state, which is not obliged to deliver the request for extradition in that case.

(5) If the extradited person gave his consent referred to in paragraph 1 of this Article, the court shall, after the expiry of the deadline referred to in paragraph 4 of this Article, carry out a simplified extradition procedure if the request for extradition has not been received yet.

(6) If the extradited person gave his consent referred to in paragraph 1 after the expiry of the deadline referred to in paragraph 4 of this Article, and the request for extradition was received in the meantime, the competent court may carry out a simplified extradition procedure.

(7) Simplified extradition procedure has equal effects of extradition and is subject to the same conditions. The requesting state shall be warned about this.

#### *Resolution refusing the request for extradition*

##### *Article 55*

(1) If the competent court finds that statutory preconditions for extradition have not been met, it shall issue a resolution refusing the request for extradition and deliver it without delay to the Supreme Court of the Republic of Croatia, which will either confirm, repeal or reverse the resolution after hearing the competent state attorney.

(2) A final resolution refusing the extradition shall be delivered to the Ministry of Justice, which will notify the requesting state thereof.

#### *Resolution allowing extradition*

##### *Article 56*

(1) When the judges' panel of the competent court finds that the statutory preconditions for extradition have been met, it shall issue a resolution to that effect.

(2) An appeal may be lodged against this resolution within 3 days. The Supreme Court of the Republic of Croatia shall decide on the appeal.

#### *Resolution of the Minister of Justice*

##### *Article 57*

(1) A final resolution determining that the statutory preconditions for extradition have been met, shall be delivered together with the judicial record to the Ministry of Justice.

(2) The Minister of Justice shall issue a resolution whereby extradition is either allowed or not.

(3) In the resolution allowing the extradition, the Minister of Justice shall state the following:

1. that the extradited person may not be criminally prosecuted for another criminal offence committed anterior to extradition, unless he waived this right pursuant to Article 40 paragraph 2 of this Act,

2. that a punishment may not be imposed upon an extradited person for another criminal offence anterior to extradition, unless he waived this right pursuant to Article 40 paragraph 2 of this Act,

3. that the extradited person may not be extradited to a third state for criminal prosecution or enforcement of the prison sentence for an offence committed anterior to extradition, without the permission of the Minister of Justice of the Republic of Croatia.

(4) In addition to the aforementioned conditions, the Minister of Justice may impose other extradition preconditions to the requesting state in a resolution referred to in paragraph 2 of this Article.

(5) The resolution of the Minister of Justice referred to in paragraph 2 of this Article may not be appealed.

#### *Enforceability of the resolution on extradition*

##### Article 58

Resolution on extradition shall become enforceable:

1. when the Minister of Justice issues a resolution provided for in Article 57 paragraph 2 of this Act,

2. in case referred to in Article 54 of this Act, when the extradited person expressly agrees to be extradited.

#### *Enforcement of the extradition*

##### Article 59

(1) The Ministry of Interior is in charge of enforcement of the resolution on extradition, which will agree with the competent authority of the requesting state on the place and time of surrendering the extradited person.

(2) Surrender of the extradited person must be executed at latest within 2 months as of the enforceability of the resolution on extradition.

(3) If the requesting state does not take over the extradited person within eight days as of the agreed day of surrender referred to in paragraph 1 of this Article, the extradited person shall be released from detention. This deadline may be prolonged for the maximum of 30 days based on a justified request of the requesting state.

#### *Postponed surrender and temporary extradition*

##### Article 60

(1) Enforcement of the extradition may be postponed until the completion of the criminal proceedings carried out for another criminal offence in the Republic of Croatia against the extradited person, or until the extradited person completes serving the prison sentence in the Republic of Croatia or a security measure of deprivation of liberty.

(2) Temporary extradition may be allowed if it will not harmfully influence the criminal proceedings pending before a domestic court and if the requesting state guaranteed to keep the extradited person in detention during his stay in that state and to return the extradited person to the Republic of Croatia within the term determined by the Ministry of Justice.

##### Article 61

The Republic of Croatia shall bear the costs of bringing the extradited person from the requested state, and in case of extradition abroad, the Republic of Croatia shall bear the costs of detention and transport of the extradited person to the agreed location of surrender in the Republic of Croatia.

Chapter IV.  
TAKING OVER AND SURRENDERING PROCEEDINGS

Part One: PRECONDITIONS

*Taking over the proceedings by the Republic of Croatia*

Article 62

Upon request of a foreign judicial authority, the domestic judicial authority may take over carrying out criminal proceedings for a criminal offence committed abroad:

1. when extradition is not allowed,
2. if a foreign judicial authority stated that it shall not further criminally prosecute the prosecuted person after the final decision of the domestic judicial authority.

Article 63

(1) Request of a foreign judicial authority to undertake criminal prosecution against a Croatian national or a person domiciled in the Republic of Croatia for an offence committed abroad is transmitted to the competent state attorney in whose jurisdiction that person is domiciled, accompanied by the criminal record.

(2) If a foreign judicial authority was submitted a property-related claim in the criminal proceedings that were taken over, the domestic judicial authority shall act as though such a request was submitted in the proceedings pending before a domestic court.

(3) A foreign judicial authority that transmitted the request shall be notified through the Ministry of Justice on the refusal to take over criminal prosecution, i.e. final verdict issued in the taken over criminal proceedings.

*Governing law and trial in absentia*

Article 64

(1) An offence committed abroad shall be tried as though committed in the Republic of Croatia.

(2) Foreign law shall apply when it is more lenient for the prosecuted person.

(3) Trial in absentia is not allowed.

*Surrender of the criminal proceedings*

Article 65

(1) If a foreigner domiciled in a foreign country committed an offence in the territory of the Republic of Croatia, criminal prosecution may be surrendered to that country, provided it does not object thereto.

(2) Criminal prosecution may be surrendered for offences with prescribed punishment up to ten years of imprisonment.

Part Two: PROCEDURE

Article 66

Request to surrender criminal prosecution, prepared pursuant to Article 8 paragraph 3 of this Act, shall be supported by the criminal record and all collected evidence.

Article 67

(1) Prior to rendering a decision to conduct an investigation, the competent state attorney issues the decision on surrendering the proceedings.

(2) During the investigation, the decision referred to in paragraph 1 of this Article is rendered by an investigative judge upon a proposal of the competent State Attorney. This decision is rendered by the judicial panel until the commencement of the trial.

(3) If the injured party is a Croatian national, surrender is not allowed if he objects thereto, unless security for realization of his property-related claim was deposited.

(4) If the prosecuted person is in detention, the foreign state shall be requested to answer within the latest of fifteen days whether it surrenders criminal prosecution.

#### Article 68

Each investigative action undertaken by a foreign judicial authority pursuant to the law of the requesting state in the criminal proceedings shall be equal to the corresponding investigative action pursuant to the law of the Republic of Croatia, unless contrary to the provisions of Article 4 of this Act.

#### Article 69

(1) Costs incurred in the surrendered criminal proceedings determined by a foreign judicial authority shall be added to the costs of proceedings incurred in the criminal proceedings before a domestic judicial authority. The costs shall not be remunerated to the foreign judicial authority.

(2) In case of surrender of criminal prosecution, the domestic judicial authority shall notify the foreign judicial authority on the costs of proceedings incurred in the criminal proceedings before a domestic judicial authority, which will not request remuneration of such costs.

### Chapter V

## TAKING OVER ENFORCEMENT OF FOREIGN CRIMINAL VERDICTS

### *Taking over enforcement by the Republic of Croatia*

#### Article 70

(1) A domestic court shall act upon the request of the requesting state for enforcement of the criminal verdict of a foreign court and it shall enforce a final verdict in respect of the sanction determined by a foreign court, in a way that it shall determine a sanction in the verdict pursuant to the criminal law of the Republic of Croatia.

(2) When evaluating punishability and possibility of criminal prosecution, the domestic court is bound by the facts determined in the foreign court's verdict, unless it concerns the facts that are contrary to the public morals and legal order of the Republic of Croatia.

#### Article 71

(1) The domestic court shall include in the statement of the verdict referred to in Article 70 paragraph 1 of this Act, a full statement of the decision and the name of the court from the verdict of a foreign court and it shall determine a sanction. In the statement of reasons, it shall state the reasons that served as basis to pronounce the sanction.

(2) An appeal against the verdict may be lodged by the State Attorney and the convicted person or his/her defending attorney.

#### Article 72

(1) Geographical jurisdiction of the court referred to in Article 70 of this Act is determined according to the last domicile of the convicted person in the Republic of Croatia, and if the convicted person had no domicile in the Republic of Croatia, according to the place of birth of the person concerned. If the convicted person had no domicile, nor was born in the Republic of Croatia, the Supreme Court of the Republic of Croatia shall determine one of the courts having subject matter jurisdiction to act as the trial court.

(2) Subject matter jurisdiction is prescribed by a special law.

(3) The competent court shall reach a decision in a judicial panel, without the presence of the parties.

### *Enforcement of a foreign sanction*

#### Article 73

(1) A sanction pronounced by a foreign judicial authority shall be enforced pursuant to domestic regulations on enforcement of criminal sanctions.

(2) Enforcement shall be discontinued if the statute of limitation for enforcement is to

occur at the requesting state or if the enforcement was revoked.

(3) If only the decision concerning the costs is enforced, the requesting state shall be communicated the amount that was left after the deduction of incurred costs, subject to reciprocity.

(4) A decision of a foreign judicial authority on the costs shall be taken over and enforced if such costs are to be paid at the requesting state.

#### Article 74

A judicial verdict of a foreign court shall not be enforced if:

1. the statute of limitation for enforcement of punishment occurred pursuant to the Croatian law,
2. perpetrator is also subject to Croatian jurisdiction, and the perpetrator pursuant to the Croatian law may not be sentenced with a criminal sanction due to other reasons,
3. a foreign sanction was not pronounced by the competent judicial authority. In case of pecuniary fine, if it was pronounced by an administrative authority whose decisions may be appealed before a court having jurisdiction in criminal matters,
4. the convicted person in the proceedings which serve as basis for the foreign decision was not heard, i.e. was not given the opportunity to state her defence.

#### Article 75

Upon a request of a domestic judicial authority, the Ministry of Justice may request the foreign state to take over enforcement of the criminal verdict of a domestic court if:

1. the Republic of Croatia may not ensure enforcement of a criminal verdict of a domestic court,
2. better social rehabilitation of the convicted person would be expected due to the taken over enforcement.

#### Article 76

Request to take over judicial verdict composed pursuant to Article 8 paragraph 3 of this Act shall be supported by:

1. original or certified photostat copy of the judicial verdict with the certificate of its enforceability,
2. certificate of the duration of the prison sentence served at the requesting state, if needed,
3. original or a certified copy of the criminal record, if so requested by the state of enforcement.

#### Article 77

(1) The Minister of the Republic of Croatia approves the conditions delivered by the country of verdict in the procedure of taking over enforcement of the criminal verdict.

(2) If the Republic of Croatia has jurisdiction, and a sanction proclaimed in a foreign country is more severe than the one envisaged by the domestic law, it is possible to take over enforcement of such a sanction, if so requested by the foreign state expressly, i.e. if it refused to agree to enforcement of a criminal verdict of its court in a manner provided for in Article 70 of this Act.

#### Article 78

(1) If the foreign state takes over enforcement of a criminal verdict of a domestic court, the competent judicial authority shall revoke enforcement, unless the requested state notifies that it shall not carry out enforcement.

(2) The convicted person may be in detention for the purpose of securing taking over enforcement of the judicial verdict.

#### Article 79

A convicted person in custody in the Republic of Croatia may be subject to taking over

enforcement of a criminal verdict only if he consents to this and if it may be expected that the requested state shall follow the conditions determined by the domestic competent authority

#### *Relocation of the convicted person*

##### Article 80

(1) The convicted person serving prison sentence in the Republic of Croatia based on the verdict of a domestic court, may submit a request to serve the sentence in the country of his nationality or domicile. The request may be submitted to the prison management where he is serving the sentence, to the first-instance court or the Ministry of Justice.

(2) The request is delivered to the Ministry of Justice, which notifies the state where the convicted person wishes to be relocated to continue serving the sentence and it carries out the procedure of relocation of the convicted person based on an international treaty or subject to reciprocity.

(3) The competent court or prison management, where the convicted person is serving sentence, shall inform the convicted person on the possibility of serving the sentence in the country of his nationality, i.e. domicile.

(4) The request may also be submitted by the state of nationality of the convicted person or where the convicted person is domiciled. The request shall be taken under consideration if the convicted person consents to be relocated.

(5) The convicted person may be relocated if at the time of receipt of the request for relocation he has to serve at least another 6 months of the sentenced punishment.

(6) Consent to the relocation of the convicted person is given by the Minister of Justice of the Republic of Croatia, with prior opinion of the State Attorney's Office.

(7) The Croatian national serving a prison sentence in a foreign country may be relocated to the Republic of Croatia to continue serving the prison sentence with the consent of the trial state and the Minister of Justice of the Republic of Croatia, based on the request addressed to the competent authority of the trial state or the Ministry of Justice of the Republic of Croatia, subject to the condition referred to in paragraph 5 of this Article.

#### Chapter VI.

#### FINAL PROVISIONS

##### Article 81

To the extent in which this Act contains no special procedural rules, the provisions of the following acts shall apply accordingly: Criminal Procedure Act, Misdemeanour Act, Act on the Office for Suppression of Corruption and Organized Crime, and the Courts Act.

##### Article 82

Upon entry into force of this Act, the provisions of subparagraphs 1 and 2 of Article 523 of the Criminal Procedure Act shall cease to be valid (published in the Official Gazette »*Narodne novine*«, Nos. 110/97, 27/98, 58/99, 112/99, 58/02, 143/02 and 62/03 – consolidated text).

#### *Transitional provisions*

##### Article 83

Extradition procedures pending on the day of entry into force of this Act, shall be completed pursuant to the provision of Article 523 of the Criminal Procedure Act (The Official Gazette »*Narodne novine*«, Nos. 110/97, 27/98, 58/99, 112/99, 58/02, 143/02 and 62/03 – consolidated text). The same shall apply to taking over of criminal proceedings and execution of foreign criminal verdicts.

#### *Entry into force*

##### Article 84

This Act shall be published in the Official Gazette »*Narodne novine*«, and it shall enter

into force on 1 July 2005.

Class No.: 720-02/04-01/01

Zagreb, 3 December 2004

THE CROATIAN PARLIAMENT

President of the

Croatian Parliament

**Vladimir Šeks**, signed



**(9) Transaction Reporting Form****TRANSACTION REPORTING FORM**

(FORM SHOULD BE FILLED IN PRINTED LETTERS)

<b>TRANSACTION</b>	<input type="checkbox"/>	CASH TRANSACTION AMOUNTING 200.000 HRK OR ABOVE
	<input type="checkbox"/>	LINKED CASH TRANSACTION AMOUNTING 200.000 HRK OR ABOVE
	<input type="checkbox"/>	TRANSACTION RELATED TO LIFE INSURANCE PREMIUM EXCEEDING 40.000 HRK
	<input type="checkbox"/>	SUSPICIOUS TRANSACTION

**A. DESCRIPTION OF TRANSACTION**

1	Transaction's Type of Conducting	
2	Transaction's Purpose	
3	Transaction Date and Time	(DDMMYYYY HH : MM)
4	Currency	
5	Amount in Currency	
6	Amount in HRK	
7	Suspicious Transaction (description in field no. 31)	<input type="checkbox"/> already performed <input type="checkbox"/> not yet performed

**B. ORDERING CUSTOMER**

(for more customers see Annex 1)

8	Family Name	
9	First Name	
	Residence	Street and Number Place and Country
11	ID Number or Birth Date	
	Identification Document	<input type="checkbox"/> ID Card <input type="checkbox"/> Passport <input type="checkbox"/> Other
12	ID Number	
	ID Issuing Entity	
13	Ordering Customer conducts Transaction	<input type="checkbox"/> in her/his name <input type="checkbox"/> for other party

If the customer for whom transaction is conducted is natural person (for more customers see Annex 1)

14	Family Name	
15	First Name	
16	Residence	Street and Number Place and Country
17	ID Number or Birth Date	
18	Birth Place and Country	
	Identification Document	<input type="checkbox"/> ID Card <input type="checkbox"/> Passport <input type="checkbox"/> Other
19	ID Number	
	ID Issuing Entity	

If the customer for whom transaction is conducted is legal person or other (for more customers see Annex 1)

20	Company Name	
21	Head Office	Street and Number Place and Country
22	Registry Number	

**C. BENEFICIARY**

(for more customers see Annex 1)

If beneficiary is natural or legal person or other

23	Family Name / Company Name	
24	First Name	
25	Residence / Head Office	Street and Number Place and Country
26	ID Number or Birth Date / Registry Number	

**D. REPORTING INSTITUTION**

27	Reporting Institution and Organizational Unit of Transaction's Execution	
----	---	--

Contact Officer (identifying person)

28	Family name and First name	
----	----------------------------	--

Reporting Officer (authorized person)

29	Family name and First name	
30	Signature and date (DDMMYYYY)	

AML COPY / REPORTING INSTITUTION COPY







**ANNEX 2**

ANNEX 2 SHOULD BE FILLED IN CASE WHEN ALL TRANSACTIONS CANNOT BE STATED IN FORM,  
I. E. IN CASE OF MULTIPLE LINKED CASH TRANSACTIONS AMOUNTING 200.000 HRK OR ABOVE

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CUSTOMS OFFICE \_\_\_\_\_

CUSTOMS OUTPOST \_\_\_\_\_

BORDER CROSSING POINT \_\_\_\_\_

Registry Class: \_\_\_\_\_

Registry Book Number: \_\_\_\_\_

Date: \_\_\_\_\_

**ANTI MONEY LAUNDERING DEPARTMENT, ZAGREB, ULICA GRADA VUKOVARA 72**  
**FAX 01/6345-452, TEL 01/6345-450**

**NOTIFICATION**  
**OF CROSS BORDER MOVEMENTS OF CASH AND CHECKS IN LOCAL**  
**OR FOREIGN CURRENCY IN VALUE OF 40.000 HRK OR HIGHER**

Based on Article 9 of The Law on Prevention of Money Laundering. (Official Gazette No. 69/97, 106/97, 67/01, 114/01, 117/03 i 142/03), we report following notification:

**BORDER CROSSING POINT** \_\_\_\_\_ **DATE** \_\_\_\_\_ **TIME** \_\_\_\_\_

I. NATURAL PERSON \_\_\_\_\_, ID Number \_\_\_\_\_,  
 (First Name and Family Name)

\_\_\_\_\_, \_\_\_\_\_  
 (ID Issuing Entity) (Nationality, Residence – Address of Person Transporting Currency)

II. IF NATURAL PERSON IS TRANSPORTING CASH AND CHECKS FOR ANOTHER PERSON

A/ For another Natural Person \_\_\_\_\_  
 (First Name and Family Name, Nationality, Residence of Person for whom Transportation is Conducted)

B/ For Legal Person \_\_\_\_\_, \_\_\_\_\_  
 (Company Name) (Head Office)  
 \_\_\_\_\_ (Address)

LEGAL ENTERING INTO RH \_\_\_\_\_

Amount in HRK or Foreign Currency

LEGAL LEAVING FROM RH \_\_\_\_\_

Amount in HRK or Foreign Currency

ATTEMPT OF ILLEGAL ENTERING INTO RH \_\_\_\_\_

Amount in HRK or Foreign Currency

ATTEMPT OF ILLEGAL LEAVING FROM RH \_\_\_\_\_

Amount in HRK or Foreign Currency

PERSON'S DECLARATION ON PURPOSE OF CASH OR CHECKS TRANSPORTED

\_\_\_\_\_  
 (Enter Purpose)

\_\_\_\_\_  
 Customs Officer Signature  
 (officer who wrote notification)

\_\_\_\_\_  
 Head of Customs Outpost