

# Anti-money laundering and counter-terrorist financing measures

## Croatia

### 3rd Enhanced Follow-up Report & Technical Compliance Re-Rating

November 2025

Follow-up report



**The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism - MONEYVAL** is a permanent monitoring body of the Council of Europe entrusted with the task of assessing compliance with the principal international standards to counter money laundering and the financing of terrorism and the effectiveness of their implementation, as well as with the task of making recommendations to national authorities in respect of necessary improvements to their systems. Through a dynamic process of mutual evaluations, peer review and regular follow-up of its reports, MONEYVAL aims to improve the capacities of national authorities to fight money laundering and the financing of terrorism more effectively.

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The 3rd Enhanced Follow-up Report and Technical Compliance Re-Rating on Croatia was adopted by the MONEYVAL Committee through written procedure (3 November 2025).

## *Croatia: 3rd Enhanced Follow-up Report*

### **I. INTRODUCTION**

1. The mutual evaluation report (MER) of Croatia was adopted in December 2021. Given the results of the MER, Croatia was placed in enhanced follow-up.<sup>1</sup> First enhanced follow-up report (FUR1) of Croatia was adopted in December 2023 and second enhanced follow-up report was adopted in October 2024 (FUR2). The report analyses the progress of Croatia in addressing the technical compliance (TC) deficiencies identified in its MER or subsequent FURs. Re-ratings are given where sufficient progress has been made. Overall, the expectation is that countries will have addressed most if not all TC deficiencies by the end of the third year from the adoption of their MER.<sup>2</sup>

2. The assessment of Croatia request for technical compliance re-ratings and the preparation of this report were undertaken by the following Rapporteur team (together with the MONEYVAL Secretariat):

- Guernsey.

3. Section III of this report summarises the progress made by Croatia in improving technical compliance. Section V sets out the conclusion and a table showing which Recommendations have been re-rated.

4. In line with MONEYVAL's Rules of Procedure, the follow-up process is desk-based – using information provided by the authorities, including revised legislation. It does not address what progress a country has made to improve the effectiveness of changes introduced by the country.

### **II. BACKGROUND, RISK AND CONTEXT**

5. According to authorities, there have been no changes in co-ordination arrangements and competent authorities.

6. To address the deficiencies under Recommendation (R). 8 Croatia has conducted non-profit organisations (NPOs) risk assessment leading to identifying the NPOs at terrorist financing (TF) risks. In addition, outreach activities have been conducted to relevant agencies concerning TF issues in NPOs sector. Furthermore, steps have been taken by the authorities on co-operation between state competent authorities and the NPO sector in developing and refining best practices to address TF risks, as well as, Guidance has been issued on a risk-based approach to supervision.

### **III. OVERVIEW OF PROGRESS TO IMPROVE TECHNICAL COMPLIANCE**

7. This section summarises the progress made by Croatia to improve its technical compliance by addressing its deficiencies identified in the MER<sup>3</sup> and applicable subsequent FUR<sup>4</sup> for which the authorities have requested a re-rating (R.8).

8. For the rest of the Recommendations rated as partially compliant (PC), (R.18, R.24 and R.38) the authorities did not request a re-rating.

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1. Regular follow-up is the default monitoring mechanism for all countries. Enhanced follow-up involves a more intensive process of follow-up.

2. Croatia's submission of the country report for this FUR preceded a Plenary decision to amend the Rules of Procedure for the 5th Round of Mutual Evaluations. Therefore, the 2013 version of the Methodology applies to this technical compliance re-rating exercise.

3. Mutual evaluation report, available at <https://rm.coe.int/moneyval-2021-24-mer-hr-en/1680a56562>.

4. First and second enhanced follow-up reports, available at <https://www.coe.int/en/web/moneyval/jurisdictions/croatia>.

9. This report takes into consideration only relevant laws, regulations or other anti-money laundering and combating the financing of terrorism (AML/CFT) measures that are in force and effect at the time that Croatia submitted its country reporting template – at least six months before the FUR is due to be considered by MONEYVAL.<sup>5</sup>

#### IV. PROGRESS TO ADDRESS TECHNICAL COMPLIANCE DEFICIENCIES IDENTIFIED IN THE MER AND SUBSEQUENT FURS

10. Croatia has made progress to address the technical compliance deficiencies identified in the MER. As a result of this progress, Croatia has been re-rated on R.8.

11. Annex A provides a description of the country's compliance with each recommendation that is reassessed, set out by criterion, with all criteria covered. Annex B provides the consolidated list of remaining deficiencies of the re-assessed recommendation.

#### V. CONCLUSION

12. Overall, in light of the progress made by Croatia since its MER and applicable subsequent FURs were adopted, its technical compliance with the Financial Action Task Force (FATF) recommendations has been re-rated as follows.

**Table 1. Technical compliance with re-ratings, November 2025**

R.1 LC (FUR2 2024) <del>PC (FUR1 2023)</del> <del>PC (MER)</del>	R.2 LC (FUR2 2024) <del>PC (FUR1 2023)</del> <del>PC (MER)</del>	R.3 LC (MER)	R.4 LC (MER)	R.5 LC (MER)
R.6 C (FUR2 2024) <del>PC (MER)</del>	R.7 C (FUR2 2024) <del>PC (MER)</del>	<b>R.8 LC (FUR3 2025) <del>PC (MER)</del></b>	R.9 C (MER)	R.10 LC (FUR1 2023) <del>PC (MER)</del>
R.11 LC (MER)	R.12 LC (MER)	R.13 C (FUR1 2023) <del>PC (MER)</del>	R.14 LC (MER)	R.15 LC (FUR2 2024) <del>PC (FUR 2023)</del> <del>PC (MER)</del>
R.16 LC (MER)	R.17 LC (FUR1 2023) <del>PC (MER)</del>	R.18 PC (FUR2 2024) <del>PC (MER)</del>	R.19 LC (MER)	R.20 LC (MER)
R.21 LC (MER)	R.22 LC (FUR1 2023) <del>PC (MER)</del>	R.23 LC (FUR1 2023) <del>PC (MER)</del>	R.24 PC (FUR1 2023) <del>PC (MER)</del>	R.25 LC (MER)
R.26 LC (MER)	R.27 LC (MER)	R.28 LC (MER)	R.29 C (MER)	R.30 C (MER)
R.31 LC (MER)	R.32 LC (FUR1 2023) <del>PC (MER)</del>	R.33 LC (FUR2 2024) <del>PC (MER)</del>	R.34 C (MER)	R.35 LC (FUR2 2024) <del>PC (MER)</del>
R.36 LC (FUR4 2024) <del>PC (MER)</del>	R.37 LC (MER)	R.38 PC (MER)	R.39 LC (MER)	R.40 LC (FUR1 2023) <del>PC (MER)</del>

*Note:* There are four possible levels of technical compliance: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC).

5. This rule may be relaxed in the exceptional case where legislation is not yet in force at the six-month deadline, but the text will not change and will be in force by the time that written comments are due. In other words, the legislation has been enacted, but it is awaiting the expiry of an implementation or transitional period before it is enforceable. In all other cases the procedural deadlines should be strictly followed to ensure that experts have sufficient time to do their analysis.

13. Rule 23 of the Rules of Procedures for the 5th Round of Mutual Evaluations<sup>6</sup> applies to Croatia. In line with the same Rule, a recommendation would have been made for Croatia to report back in two years' time. However, given that MONEYVAL's onsite visit for the 6th round mutual evaluation of Croatia is scheduled for April 2030, the country would not be subject to the 5th Round follow-up process (Rule 23, paragraph 5 of the Rules of Procedures for the 5th Round of Mutual Evaluations). Consequently, Croatia is no longer subject to the 5th Round follow-up process.

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6. Rule 23, paragraph 1 of the Rules of Procedure for the 5th Round of Mutual Evaluations.



## Annex A: Reassessed Recommendations

### *Recommendation 8 – Non-profit organisations*

	Year	Rating and subsequent re-rating
<b>MER</b>	2021	PC
<b>FUR1</b>	2023	PC (upgrade not requested)
<b>FUR2</b>	2024	PC (upgrade not requested)
<b>FUR3</b>	2025	↑ LC (upgrade requested)

1. In its 2021 MER, Croatia was rated PC with R.8. Following deficiencies were identified: i) subset of NPOs that fall under the FATF definition and are likely to be at risk of terrorist financing (TF) abuse was not identified (c.8.1(a)); ii) Croatia had not identified the nature of threats posed by terrorist entities to the non-profit organisations (NPOs) which are at risk, as well as how terrorist actors abuse those NPOs (c.8.1(b)); iii) Croatia had not reviewed the adequacy of measures, including laws and regulations that relate to the subset of NPO sector that may be abused for TF support (c.8.1(c)); iv) not enough measures were taken to promote public confidence in the administration and management of NPOs (c.8.2(a)); v) outreach conducted by Croatia did not sufficiently cover the risks to which NPOs are exposed in their business activity (c.8.2(b)); vi) no outreach and educational programmes to raise and deepen awareness among the donor community on the potential vulnerabilities of NPOs to TF abuse and TF risks was provided (c.8.2(b)); vii) no targeted outreach and educational programmes to raise and deepen awareness among the NPOs on their potential vulnerabilities to TF abuse and TF risks, and on measures that NPOs can take to protect themselves against such abuse was provided (c.8.2(b)); viii) Croatia did not co-operate with the NPO sector in developing and refining best practices to address TF risks (c.8.2(c)); ix) cash restriction requirement that also applied to NPOs did not constitute encouragement to use regulated financial channels when conducting transactions below the set threshold (c.8.2(d)); x) Croatia did not demonstrate that risk-based supervisory measures apply to NPOs at risk of TF abuse (c.8.3); xi) measures foreseen under paragraph 6b(v) of INR.8 were not implemented (c.8.3); xii) supervisory measures did not focus specifically on implementation of the R.8 by the NPOs (c.8.4(a)); xiii) no specific sanctions were available for non-compliance of NPO with R.8 requirements (c.8.4(b)); and xiv) Croatia had not identified specific points of contact and procedures to respond to international requests for information regarding particular NPOs suspected of TF or involvement in other forms of terrorist support (c.8.6).

#### 2. **Criterion 8.1 –**

- (a) National risk assessment of Croatia on ML and TF risks, adopted in 2023 (2023 NRA), followed by an analysis of general NPO data held on the Registers in April 2024, have identified (using all relevant sources of information) a subset of NPO's considered to fall within the FATF definition of NPO.

Croatia have identified 1 201 NPOs that are considered to be at a higher risk of TF threat, although overall this risk was assessed as low. This figure was identified by the analysis of the different NPO activity types, origin and destination of financial flows and operational information available to the authorities. In undertaking the analysis known methods of NPO misuse were considered as well as materiality issues Croatia considers relevant to its jurisdiction.

- (b) Within their national risk assessment (NRA) Croatia identify and describe the nature and methodologies of TF abuse of NPOs how that may be carried out by terrorist entities and actors. This was reinforced by the presentation issued in July 2024 on the findings of the NRA.
- (c) According to Croatia, the legal framework was taken into account when the risks of the NPO sector were assessed. This included a review of registration requirements, availability of data, financial reporting requirements, transparency of financial operations, transparency of beneficial ownership, supervision and the sanctioning regime. However, the extent to which Croatia reviewed the adequacy of the measures specifically in relation to the subset of the NPO sector that may be abused for TF support was not demonstrated.
- (d) The assessment of the NPO sector is conducted within the scope of the NRA. The Anti-Money Laundering and Terrorism Financing Law (AMLTFL) sets out the legal requirement for Croatia to carry out the NRA every four years, or earlier if deemed necessary (Art. 5 (1)). At EU level, the regular review of new information and assessment of the sector is executed through the SNRA, which, based on Art. 6(1) of the Directive 2015/849, shall be updated every two years, or more frequently if appropriate.

### 3. **Criterion 8.2 –**

- (a) The Financial Operations and Accounting of Non-Profit Organisations Law (FOA NPOs Law) was adopted in 2014 which envisages essential requirements for NPOs related to the financial operations and accountancy, financial management system, preparation and execution of financial plans, business records, double-entry bookkeeping principle, list of assets and liabilities, principles of declaring asset, commitments and own resources, principles of recognising revenues, expenditures, receipts and expenses, financial reporting, publication of audit reports and annual financial statements, supervision of financial transactions and accounting (Chapters I-V, VIII, IX of the FOA NPOs Law). The Register of NPOs is a central source of data on NPOs necessary for the determination and monitoring of the obligation of preparing and submitting financial statements, determining their financial position and business operations and earmarked use of budget funds. This electronic register is maintained by the Ministry of Finance (MoF).
- (b) Following the adoption of the NPO risk assessment in April 2024 the Anti Money Laundering Office (AMLO) organised a co-ordinating meeting with multiple agencies to determine NPO sector outreach, this also included outreach to the donor community. A series of 4 workshops have been held with emphasis on the following:
  - international standards for preventing abuse of NPOs for TF purposes (NPOs that fall under the FATF definition, a subset of NPOs that, based on their activities, may be vulnerable to TF abuse, ways in which NPOs can be misused)
  - legal framework for NPOs in Croatia
  - objectives of the conducted risk assessment
  - scope of the risk assessment, data and analysis used
  - ways in which NPOs can protect themselves from TF abuse
  - informing NPOs on the establishment of the Ministry of Foreign Affairs and European Affairs (MFEA's) new database on sanction lists.
- (c) Steps have been taken by the authorities on co-operation between state competent authorities and the NPO sector in developing and refining best practices to address TF risks. Multiple

agencies contributed to the NRA, and this was supported by a questionnaire to the NPO sector. Guidance has been issued on a risk-based approach to supervision.

(d) Natural and legal persons carrying out a registered activity are not allowed to receive a payment or to carry out the payment in cash in the amount of 10 000 euros (EUR) or more. The restriction applied also to smaller linked transactions. Funds should be paid through or transferred to the account opened at a credit institution (AMLTFL, Art. 55). This restriction also applies to NPOs, in effect serving as an encouragement for use of regulated financial channels when transacting funds equal and higher than the set threshold. This, however, does not cover scenarios of transaction below the cash threshold, so would not cover lower-level cash payments which commonly feature in transactions within the NPO sector.

4. **Criterion 8.3** – NPOs are obliged to maintain financial management system, business records, double-entry bookkeeping principle and other requirements related to the financial operations and accountancy stated under c.8.2a. Annual financial statements of NPOs shall be published on the Register of NPOs. In addition, bookkeeping documents, business records and financial statements should be kept in a way, which enables the verification of transactions, determination of financial position and business operations of the NPOs.

5. The Department for Financial and Budgetary Supervision of NPOs and Other Legal And Natural Persons, of the MoF (Department for Financial and Budgetary Supervision), carries out supervision of the NPOs, which comprises *inter alia* the supervision of lawful collection of funds from public and other resources, management of funds and determination if the funds are used consistent with the purpose and objective of the NPOs stated activities (FOA NPOs Law, Art. 38).

6. Supervision includes inspection at supervised person, analysis of business documentation, regulations and general acts in line with which the supervised person operates, examination of business premises, buildings, objects, goods and other stuff, monitoring, collection and verification of bookkeeping documents, business records and financial statements, as well as verification of the system the supervised person uses for data processing regarding the accounting activities (FOA NPOs Law (Art. 39).

7. In May 2025 the AMLO, in co-operation with the Department for Financial and Budgetary Supervision, adopted '*Guidelines on the Risk Based Supervision of Non-Profit Organisations*', which promote applying risk-based measures to NPOs at risk of TF abuse and highlight the importance of taking into account the NRA and any future risk assessments when conducting supervision or monitoring of NPOs.

8. **Criterion 8.4** –

(a) Monitoring, collecting and verifying bookkeeping documents, business records and financial statements are part of the supervision performed by the MoF (see c.8.3). Information is referred to the competent State Attorney's Office (SAO) and Tax Authority (TA) whenever NPOs' actions raise suspicions on criminal matters or tax misdemeanour, accordingly. The Guidelines on the Risk Based Supervision of NPOs include certain risk-based factors that should be taken into account during supervision (see c.8.3), however the application of these factors in practice was not demonstrated.

(b) Croatia has the ability to apply effective, proportionate and dissuasive sanctions for violations of the requirements applicable to NPOs. The FOA NPOs Law prescribes sanctions for NPOs and their legal representatives for failing to comply with requirements of the Law. In the framework of the



supervision, supervisor is authorised to order the removal of irregularities and set the deadline for addressing deficiencies.

*Sanctions for NPOs:*

- double-entry bookkeeping: EUR 660 – EUR 26 540
- simple bookkeeping: EUR 130 – EUR 6 630

*Sanctions for legal representative of a NPOs (persons acting on behalf of NPO):*

- double-entry bookkeeping: EUR 660 – EUR 2 650
- simple bookkeeping: EUR 130 – EUR 1 320.

Various criminal sanctions, including fines, imprisonment, preventative measures such as prohibition of performing certain activities, confiscation can be imposed on the NPOs and their legal representatives prescribed by the Liability of Legal Persons for Criminal Offences Law.

A fine up to EUR 1 328 can be imposed to the institutions, and a fine up to EUR 664 - to the responsible person, in particular, when the institution performs an activity which is not entered in the court register or the profits are not used for the performance and development of the activities of the institution in accordance with the founding act and the statute (Institutions Law, Art. 77). In addition, the term of dissolution and liquidation of the association on the basis of a court decision or other conditions is provided under Associations Law, Art. 48.

**9. Criterion 8.5 –**

- (a) Co-operation, co-ordination and information sharing among all the competent authorities, including SAO, MoF, and AMLO is carried out within the scope of IIWG (AMLTFI, Art. 120(2)). The MoF also should co-operate with: (i) AMLO, in case of detection of ML/TF suspicion (AMLTFI, Art. 89(2) and FOA NPO Law, Art. 44(5); (ii) SAO and TA, whenever NPOs' actions raise suspicions on criminal matters or tax misdemeanour (NPO Law (Art. 44(3-4)). In addition, AMLO should deliver to MoF data on cash transaction and transfer of cash across the state border for supervision and financial investigation purposes (AMLTFI, Art. 124).

Most information concerning NPOs is available online at <https://banovac.mfin.hr/rnoprt/>.<sup>7</sup> Beneficial ownership (BO) information of the associations and foundations held with the BO Register is directly accessible from January 2020. In electronic form, this information is accessible also to all competent authorities.

- (b) The Counter Terrorism Department (CTD) of the Police National Office for Suppression of Corruption and Organised Crime (PNUSKOK), and County SAOs are the designated authorities for preventing, detecting and investigating terrorism and other terrorism-related crimes. There is no specific investigative expertise to examine NPOs suspected of TF, but Croatia applies all respective LEA general powers and tools that the latter are provided with and are in possession, to enable the investigation of NPOs suspected of TF abuse. So far, no links of NPOs to terrorist groups or organisations, terrorism-related individual or TF by exploiting or abusing their capabilities have been detected.
- (c) There are various gateways available for CTD and the County SAOs to obtain information on the administration and management of NPOs. Most information concerning NPOs, as well as BO

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7. This link is accessible only from Croatia. The information related to the foundations and associations can be obtained also from the Register of Foundation available at <https://registri-npo-mpu.gov.hr/#!zaklade> link and from the Register of Association available at <https://registri-npo-mpu.gov.hr/#!ludruga> link. Additionally, information on the companies and institutions are available in the Court Register available at <https://sudreg.pravosudje.hr/registar/?p=150:1> link.

information of the associations and foundations are available in the NPOs and BO Registers. Additionally, information can be obtained also from the MoF, AMLO and TA. In the course of a criminal investigation, information on legal person is available to police officer on the basis of the powers described under the Police Duties and Powers Law (PDPL) (Art. 71). Thus, there are no restrictions for access to information kept by the NPOs.

- (d) There are multiple measures in place in Croatia that would ensure prompt notification to the competent authorities when there is a suspicion that the NPO is abused for TF or involved in any way, as described in the criterion. In the framework of NPO supervision, in case of suspicion of ML/TF, the MoF is obliged to notify this to: (i) AMLO, in case of detection of ML/TF suspicion (AMLTFL, Art. 89(2) and FOA NPO Law, Art. 44(5); (ii) SAO, whenever NPOs' actions raise suspicions on criminal matters. In addition, REs should file suspicious transaction report to the AMLO in case of TF suspicion, including when the NPO is concerned. The AMLO shall submit the results of its operational analyses and all other relevant information to the competent authorities (Police and SAO) for further action when TF suspicion is detected.

10. **Criterion 8.6** – Croatia has identified specific points of contact and procedures to respond to international requests for information regarding particular NPOs suspected of TF or involvement in other forms of terrorist support. Croatia relies upon existing mechanisms for international co-operation (via MLA, Interpol-Europol-S.I.Re.N.E., FIU-to-FIU and other means for communication).

### **Weighting and Conclusion**

11. Croatia has taken steps to implement a risk-based approach and conduct outreach to NPOs sector concerning TF issues. Croatia has effective information gathering and investigation and mechanism is in place to respond to international requests for information about an NPO of concern. Following shortcomings remain: (i) the extent to which Croatia reviewed the adequacy of the measures specifically in relation to the subset of the NPO sector that may be abused for TF support was not demonstrated (c.8.1(c)); (ii) cash restriction requirement that also applied to NPOs do not constitute encouragement to use regulated financial channels when conducting transactions below the set threshold (c.8.2(d)); and (iii) although the Guidelines on the Risk Based Supervision of NPOs include certain risk based factors that should be taken into account during supervision, the application of these factors in practice was not demonstrated (c.8.4(a). These are in overall and considering the context of Croatia minor issues. Consequently, **R.8 is re-rated LC.**

## Annex B: Summary of Technical Compliance – Deficiencies underlying the ratings

Recommendations	Rating	Factor(s) underlying the rating <sup>8</sup>
8. Non-profit organisations	PC (MER) <b>LC (FUR3 2025)</b>	<ul style="list-style-type: none"> <li>• The extent to which Croatia reviewed the adequacy of the measures specifically in relation to the subset of the NPO sector that may be abused for TF support was not demonstrated (c.8.1(c) – FUR3 2025).</li> <li>• Cash restriction requirement that also applied to NPOs do not constitute encouragement to use regulated financial channels when conducting transactions below the set threshold (c.8.2(d)).</li> <li>• Although the Guidelines on the Risk Based Supervision of NPOs include certain risk-based factors that should be taken into account during supervision, the application of these factors in practice was not demonstrated (c.8.4(a) - FUR3 2025).</li> </ul>

8. Deficiencies listed are those identified in the MER unless marked as having been identified in a subsequent FUR.

## GLOSSARY OF ACRONYMS

AML	Anti-money laundering
AMLTFL	Anti-money laundering and terrorist financing law
AMLO	Anti-Money Laundering Office
BO	Beneficial owner/Beneficial ownership
C	Compliant
CTD	Counter Terrorism Department of the Police National Office for Suppression of Corruption and Organised Crime (PNUSKOK)
EUR	Euro
FATF	Financial Action Task Force
FIU	Financial intelligence unit
FOA NPOs Law	Financial Operations and Accounting of Non-Profit Organisations Law
FUR	Follow-up report
LC	Largely compliant
MER	Mutual evaluation report
MFEA	Ministry of Foreign and European Affairs
ML	Money laundering
MoF	Ministry of Finance
NC	Non-compliant
NPO	Non-profit organisation
NRA	National risk assessment
PC	Partially compliant
PNUSKOK	Police National Office for Suppression of Corruption and Organised Crime
R.	Recommendation
SAO	State Attorney's Office
TA	Tax Authority
TC	Technical compliance
TF	Terrorist financing

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