

THE CROATIAN NATIONAL BANK

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Pursuant to Article 27, paragraph (10) of the Act on the manner, conditions and procedure for the servicing and sale of claims (Official Gazette 155/2023) and Article 43, paragraph (2), item (10) of the Act on the Croatian National Bank (Official Gazette 75/2008, 54/2013 and 47/2020), the Governor of the Croatian National Bank hereby issues the

Decision on the authorisation of credit servicers

I GENERAL PROVISIONS

Subject matter

Article 1

This Decision prescribes in detail:

- 1) the conditions referred to in Article 26, paragraph (1) of the Act on the manner, conditions and procedure for the servicing and sale of claims (Official Gazette 155/2023, hereinafter referred to as the 'Act') that the applicant must fulfil in order to obtain authorisation as a credit servicer;
- 2) conditions to be assessed by credit servicers when assessing the suitability of members of the management and supervisory body;
- 3) the content of the policy referred to in Article 27, paragraph (8) of the Act
- 4) the dynamics of assessing whether members of the management and supervisory body meet the necessary conditions;
- 5) the documentation to be enclosed with the application for authorisation;
- 6) the amount of the authorisation fee; and
- 7) time limits for storing personal data.

Entities subject to the Decision

Article 2

(1) The provisions of this Decision shall apply to applicants for the performance of credit servicing activities submitting the application for authorisation to the Croatian National Bank under Article 25 of the Act and to credit servicers authorised by the Croatian National Bank.

(2) The provisions of this Decision shall also apply to credit servicers who, in addition to performing credit servicing activities, also perform other activities.

Terms used in this Decision

Article 3

(1) Individual terms used in this Decision shall have the meaning defined in Part Two of the Act.

(2) The terms used in this Decision that have a gender-specific connotation shall refer to both the male and female genders.

(3) '*Management body in its managerial function*', for the purposes of this Decision, means the body of the credit servicer which was appointed in accordance with the regulation governing companies and which directs the company's operations and represents the company and is used in this decision as equivalent to the term 'management body'.

(4) '*Management body in its supervisory function*', for the purposes of this Decision, means the management or the supervisory body of a credit servicer which supervises the operations of the company and is used in this decision as equivalent to the term 'supervisory body'.

(5) '*Member of the management and supervisory body*', for the purposes of this Decision, means a person who is a proposed or appointed member of the management or the supervisory body.

II CONDITIONS FOR THE ISSUE OF AUTHORISATION

Requirement that the applicant is a legal person having its registered office in the Republic of Croatia

Article 4

(1) An applicant for authorisation may be a legal person who is a company with a registered office within the territory of the Republic of Croatia, established in accordance with the law governing the establishment, dissolution and status changes of companies, established to perform economic or any other activity.

(2) An applicant for authorisation may be a company under establishment.

Assessment of the suitability of members of the management and supervisory body

Article 5

(1) Before submitting an application for authorisation, the applicant shall carry out an (initial) assessment of:

1) whether the members of the applicant's management and supervisory body are of good repute;

2) whether the members of the applicant's management and supervisory body collectively have the adequate knowledge and experience to independently and autonomously direct and supervise the activities of the credit servicer, in particular to understand the credit servicer's activities and material risks.

(2) The initial assessment of the fulfilment of the conditions shall be carried out by the applicant in accordance with the provisions of this Decision.

(3) As appropriate, the assessment of the collective knowledge and experience of the members of the management and supervisory body referred to in paragraph (1) of this Article should be carried out prior to the appointment of individual members.

(4) As appropriate, the management body in its supervisory function shall be responsible for carrying out the final assessment.

Requirement of good repute of members of the management and supervisory body

Article 6

(1) When assessing whether a member of the management and supervisory body meets the requirement of good repute referred to in Article 26, paragraph (1), subparagraph (2) of the Act, the Croatian National Bank shall verify whether the requirements that the credit servicer is required to assess in accordance with this Decision are met.

(2) When assessing the fulfilment of the requirements referred to in Article 26, paragraph (2), items (1) and (2) of the Act, the Croatian National Bank shall take the following into account:

- whether a member of the management and supervisory body was convicted by a judgement with final force and effect or whether criminal proceedings have been initiated against him or have commenced for any of the criminal offences referred to in Article 26, paragraph (2), item (1) of the Act;

- the frequency of committed misdemeanours or breaches of law, their severity, the personal contribution of the member of the management and supervisory body to the commission of misdemeanour or breaches of law;

- the circumstances of the misdemeanour committed or of breach of law

in order to assess whether the judgement with final force and effect for criminal offences or misdemeanours or breaches of law undermine the good repute of a member of the management and supervisory body.

(2) When assessing the fulfilment of the requirements referred to in Article 26, paragraph (2), item (3) of the Act, the Croatian National Bank shall take the following into account:

- information such as the refusal or revocation of approvals to perform managerial functions or to pursue professional occupations or activities;

- if available, an analysis shall be performed of the reasons for employment contract termination, removal from a managerial function requiring a high level of independence and bans on directing the business or representing legal persons imposed by a competent authority and

- any other relevant information or evidence available

in order to determine whether circumstances exist that indicate that the person's professional work to date points to unfair or non-transparent conduct or failure to cooperate with competent authorities.

(4) When assessing the fulfilment of requirements referred to in Article 26, paragraph (2), item (4) of the Act, the Croatian National Bank shall take into account the financial and business results of the company in which the member of the management or supervisory body has or had significant holdings, in which he performed the function of a member of the management or the supervisory body or some other managerial function before it was established that the company had committed a major irregularity or a breach of law governing capital markets, securities, payment operations or money

laundering or regulations governing the provision of financial services or consumer protection in its operation, before pre-bankruptcy settlement proceedings have been carried out against the company, bankruptcy proceedings initiated, a decision on winding-up rendered, extraordinary administration proceedings initiated or the company's authorisation revoked, taking into account the extent to which the conduct of the member of the management and supervisory body affected said events, i.e. whether the member could have influenced said events, and if so, whether he undertook all measures to prevent said events from occurring.

Assessment of the knowledge and experience of members of the management and supervisory body

Article 7

(1) For the purpose of assessing the fulfilment of requirements referred to in Article 26, paragraph (1), subparagraph (3) of the Act, credit servicers shall carry out the assessment referred to in Article 5, paragraph (1), item (2) of this Decision by assessing whether a member of the management or the supervisory body individually has the adequate knowledge and experience to determine that all members, as a whole, have the adequate knowledge and experience to ensure the effective functioning of the body, including that each member has the ability to present their views, discuss strategies and business objectives, and that the collective decision-making process includes appropriate discussion and oversight.

(2) In order to ensure the effective functioning of the management and supervisory body, the management and supervisory body should have a sufficient number of members with knowledge in each area, allowing discussion of decisions to be made.

(3) When assessing the adequate knowledge and experience of a member of the management and supervisory body referred to in paragraph (1) of this Article, credit servicers shall take into account the theoretical and practical experience related to its activity, including, in particular:

- 1) relevant legal and regulatory requirements, including requirements for the provision of credit servicing and debt collection;
- 2) insolvency and bankruptcy proceedings;
- 3) protection of consumers and debtors;
- 4) data protection requirements;
- 5) obligations relating to the prevention of money laundering and terrorist financing in accordance with the law governing the prevention of money laundering and terrorist financing.

(4) The assessment of adequate knowledge and experience referred to in paragraphs (2) and (3) of this Article shall take into account areas where a general understanding is required for the purpose of the day-to-day management of credit servicing activities, including areas related to:

- 1) an assessment of the effectiveness of the credit servicer's governance, oversight and internal controls;
- 2) banking and financial activities;
- 3) contractual law;
- 4) accounting and audit;

5) interpreting financial information, identifying key issues based on such information and relevant controls and measures;

6) managerial knowledge.

(6) When assessing the experience referred to in paragraphs (3) and (4) of this Article, acquired in previous job positions, credit servicers shall take into account:

1) the hierarchical level of previous job positions;

2) length of service;

3) nature and complexity of work in each job position, including its organisational structure;

4) knowledge acquired in each job position;

5) scope of competences, decision-making powers and responsibility in each job position;

6) number of subordinate employees in each job position;

7) additional knowledge acquired as a result of academic activity.

(6) The assessment of knowledge and experience shall not be limited to the member's degree of education or evidence of a certain period of service in the credit servicing area or areas pertaining to the management of credits or non-performing loans.

(7) Credit servicers shall perform an in-depth analysis of a member's experience considering their credit servicing activity as the knowledge acquired in previous positions depends on the nature, scope and complexity of work and the function performed by the member.

(8) When assessing the knowledge and experience, credit servicers shall:

1) collect information through various channels and instruments (e.g., diplomas and certificates, letters of recommendation, curricula vitae, interviews, questionnaires);

2) require the person being assessed to provide accurate information and to provide evidence of that information, where necessary;

3) confirm, to the extent possible, the accuracy of the information provided by the person being assessed;

4) where applicable, evaluate assessment results within the managing body in its supervisory function; and

5) where necessary, identify necessary corrective measures.

(9) Credit servicers shall, in relation to members of the management and supervisory body whose suitability was assessed, adequately document all suitability assessment procedures referred to in this Article and specify the results of the suitability assessment in relation to knowledge and experience and the results of the assessment of good repute.

Requirement of adequate collective knowledge and experience of the management and supervisory body

Article 8

(1) When assessing the fulfilment of the requirement referred to in Article 26, paragraph (1), item (3) of the Act regarding the adequate collective knowledge and experience of members of the management and supervisory body necessary to independently and autonomously direct and supervise the credit servicing activities, in particular to understand credit servicing activities and related material risks, the Croatian National Bank shall verify whether the requirements that credit servicers are obliged to assess under this Decision are met.

(2) When assessing whether the requirement referred to in paragraph (1) of this Article is met, the Croatian National Bank shall deem that the requirement is not met where members of the management and supervisory body individually do not possess adequate knowledge and experience related to areas referred to in Article 7 of this Decision and where they collectively do not possess the knowledge or experience in the following areas:

- 1) overall business activities of the credit servicer and the management of the associated main risks, including the detection and prevention of fraud in the context of credit risk management;
- 2) legal and regulatory environment;
- 3) accounting framework and financial reporting;
- 4) risk management, compliance function and internal audit;
- 5) information technology and security;
- 6) local and cross-border markets, where applicable;
- 7) managerial skills and experience;
- 8) strategic planning.

(3) In determining whether the circumstances referred to in Article 26, paragraph (2), item (3) exist, the Croatian National Bank shall take into account whether the collective knowledge and experience of the members of the management and supervisory body are adequate for directing business in a competent and responsible manner in accordance with the activities carried out by the credit servicer and for ensuring the protection and fair treatment of borrowers.

(4) In determining whether the circumstances referred to in Article 26, paragraph (2), item (3) exist, the Croatian National Bank shall take into account whether the composition of the management and supervisory body reflects adequate knowledge and experience to take on all their responsibilities, including whether the management and supervisory body collectively have an appropriate understanding of areas for which they are collectively accountable and by which it is ensured that all business activities are managed in a competent and responsible manner.

Requirement of good repute of holders of qualifying holdings and largest shareholders

Article 9

(1) When assessing whether holders of qualifying holdings of the applicant, or, where there are no holders of a qualifying holdings, the ten largest shareholders or holders of holdings of the applicant are of good repute, as referred to in Article 26, paragraph (1), item (4) of the Act, the Croatian National Bank shall verify whether the requirements that the credit servicer is required to assess under this Decision are met.

(2) When assessing the fulfilment of the requirements referred to in Article 26, paragraph (2), items (1) and (2) of the Act, the Croatian National Bank shall take into account whether holders of qualifying holdings of the applicant, or, where there are no holders of qualifying holdings, the ten largest shareholders or holders of holdings of the applicant have been convicted by a judgement with final force and effect or whether criminal proceedings have been initiated against them or have commenced, as well as the frequency of committed criminal offences, misdemeanours and breaches, their severity, the personal contribution to the commission of the criminal offence, misdemeanour or

breach of law and the aggravating and mitigating circumstances of the committed criminal offence, misdemeanour or breach.

(3) When assessing the fulfilment of the requirements referred to in Article 26, paragraph (2), item (3) of the Act, the Croatian National Bank shall analyse the information pointing to unfair conduct of holders of qualifying holdings of the applicant or, where there are no holders of qualifying holdings, of the ten largest shareholders or holders of holdings in the applicant in their professional work to date, such as non-transparent conduct and failure to cooperate with the competent authorities, refusal or revocation of authorisation to perform managerial functions or to pursue professional occupations or activities, and, if available, it shall also analyse the reasons for employment contract termination, removal from a managerial function requiring a high level of independence and bans on directing the business or representing legal persons imposed by a competent authority, as well as any other information or evidence indicating that the actions of a particular holder of a qualifying holding or shareholder do not comply with the standards of professional conduct.

(4) When assessing the fulfilment of the requirements referred to in Article 26, paragraph (2), item (4) of the Act, the Croatian National Bank shall take into account the financial and business results of the company in which the holder of a qualifying holding, or, where there are no holders of qualifying holdings, the ten largest shareholders or holders of holdings have or had significant holdings, or of those in which they performed the function of a member of the management or the supervisory board or some other managerial function before it was established that the company had committed a major irregularity or a breach of law in its operation, before pre-bankruptcy settlement proceedings have been carried out against the company, bankruptcy proceedings initiated, a decision on winding-up rendered, extraordinary administration proceedings initiated or the company's authorisation revoked, where this could affect good repute. In doing so, the Croatian National Bank shall assess whether the conduct of individual persons affected the occurrence of these events.

(5) When assessing whether the requirement of good repute referred to in Article 26, paragraph (2), items (1) and (2) of the Act is met, the Croatian National Bank shall, in the event that a legal person is a holder of a qualifying holding or, where there are no holders of qualifying holdings, one of the largest shareholders or holders of holdings, take into account whether that legal person was convicted by a judgement with final force and effect, whether criminal proceedings were initiated against that legal person or have commenced, as well as the frequency of committed criminal offences, misdemeanours and breaches, whether the legal person committed a major irregularity or breach of law in its operation, whether it was imposed a fine, a penalty of dissolution of legal person or any other measure resulting in the dissolution of the legal person, security measure, confiscation of pecuniary gain or objects or public disclosure of judgement, where this could affect good repute.

(6) In determining the circumstances on the basis of which the existence of significant influence is assessed, as well as the manner of determining the size of the holding of the indirect acquirer, the Croatian National Bank shall use the criteria and method laid down in Articles 11 and 12 of the Decision on the approval to acquire a qualifying holding in a credit institution (Official Gazette 25/2018 and 139/2022).

(7) The provisions of this Decision relating to legal persons holding a qualifying holding shall also apply to associations, foundations, funds, institutions, bodies and other entities

which do not have the status of a legal person and which hold shares or holdings in the capital of the applicant in their own name.

Governance processes and procedures and internal control mechanisms of credit servicers

Article 10

The Croatian National Bank shall consider that the requirements referred to in Article 26, paragraph (1), subparagraph (5) of the Act are met if it establishes that the governance process and procedure and the internal control mechanism of the credit servicer are proportionate, adequate, reliable and sufficient because:

- 1) an appropriate organisational structure, adequate control activities and allocation of responsibilities have been established and appropriate internal controls and administrative and accounting procedures have been integrated in business processes and activities;
- 2) the credit servicer effectively manages the risks to which it is or might be exposed in the course of its business; and
- 3) the internal control system, which includes appropriate administrative and accounting procedures, ensures that the borrower's rights under the credit agreement are respected and that personal data are protected in accordance with the regulations governing the protection of personal data.

**Policies, processes, procedures and other requirements for assessing the
fulfilment of conditions
Article 11**

(1) The Croatian National Bank shall consider that the requirement referred to in Article 26, paragraph (1), subparagraph (6) of the Act is not met if the credit servicer does not have in place or does not implement adequate and effective policies and procedures that protect borrowers' rights and fair and diligent treatment of borrowers, including by considering their financial situation and, if necessary, referral of borrowers to debt advice or social services, or if these policies are inadequate or deficient.

(2) The Croatian National Bank shall consider that the requirement referred to in Article 26, paragraph (1), subparagraph (7) of the Act is not met if the credit servicer does not have in place procedures for the recording and processing of borrower protests or if these policies are inadequate or deficient pursuant to the regulation of the Croatian National Bank which ensures the recording and processing of protests.

(3) Where the applicant is subject to the application of the law governing the prevention of money laundering and terrorist financing, the Croatian National Bank shall consider that the procedures referred to in Article 26, paragraph (1), subparagraph (8) of The Act are not in place if the applicant failed to establish a procedure to identify, assess, understand and reduce the risk of money laundering and terrorist financing.

(4) The Croatian National Bank shall consider that the requirement referred to in Article 26, paragraph (1), subparagraph (9) of the Act is not met if the applicant does not have prescribed policies and procedures that enable the timely and accurate preparation and disclosure of annual financial statements, as defined by the regulations governing the accounting of entrepreneurs.

**III POLICY FOR THE SELECTION AND ASSESSMENT OF THE FULFILMENT OF
REQUIREMENTS FOR INDIVIDUAL MEMBERS OF THE MANAGEMENT AND
SUPERVISORY BOARD OF THE CREDIT SERVICER AND MEMBERS OF THE
MANAGEMENT AND SUPERVISORY BOARD AS A WHOLE AND THE DYNAMICS OF
THEIR ASSESSMENT**

**Policy for the selection and the assessment of fulfilment of requirements that
credit servicers assess when assessing the suitability of members of the
management and supervisory body and the dynamics of their assessment
Article 12**

(1) Credit servicers shall, by the policy for the selection and assessment of suitability of members of the management and supervisory body (hereinafter referred to as the 'policy for the selection and assessment of suitability'), set out in detail the requirements for individual members of the management and supervisory body in accordance with the provisions of this Decision, in particular:

- 1) adequate knowledge and experience in accordance with Articles 7 and 8 of this Decision;
- 2) corrective measures referred to in paragraph (6) of this Article;
- 3) procedures which include provisions on:

1. dealing with sudden or unexpected absences or departures of a member of the management and supervisory body from their functions for the purpose of ensuring the continuity of decision-making by the management and supervisory body;
2. selection and assessment of the fulfilment of requirements for members of the management and supervisory body individually and collectively; and
3. a collective reassessment of the suitability of the members of the management and supervisory body;
- 4) the necessary documentation proving the fulfilment of the requirements referred to in Articles 7 and 8 of this Decision.

(2) In its policy for the selection and assessment of suitability, a credit servicer shall take into account its size, internal organisation and the nature, scale and complexity of its activities when assessing the relevant knowledge and experience of its members of the management and supervisory body as a whole, and when setting up and implementing related policies and processes to ensure that those requirements are met. A credit servicer servicing large loan portfolios or more complex loans needs to have more sophisticated policies and processes, while other credit servicers servicing less complex loans may apply simpler policies and processes.

(3) For the purpose of applying the principle of proportionality, a credit servicer shall take into account the following criteria:

- 1) its size in terms of number of employees;
- 2) the amount of debt and the number of credit servicing agreements it manages;
- 3) its legal form;
- 4) whether it is listed for trading on a regulated market;
- 5) whether it is part of a group subject to Directive 2013/36/EU on a consolidated basis and, if so, its share of proportionality in the group;
- 6) whether it provides services in another Member State and the size of operations in each jurisdiction;
- 7) the nature and complexity of all the business activities it performs and its organisational structure;
- 8) the scope and complexity of existing agreements on the outsourcing of credit servicing activities to a credit service provider.

(4) Where applicable, the credit servicer shall, in its policy for the selection and assessment of suitability, prescribe that the composition of the management body is assessed separately in its management and supervisory functions when assessing the collective adequate knowledge and experience.

(5) In its policy for the selection and assessment of suitability, the credit servicer shall prescribe that when an individual member's knowledge and experience are assessed, the collective suitability of the management and supervisory body is assessed at the same time, in particular the knowledge and experience by which an individual member contributes to the collective suitability and, in the event of his departure, the knowledge and experience that may be missing following the change.

(6) A credit servicer shall, in its policy for the selection and assessment of suitability, prescribe appropriate corrective measures where the suitability assessment determines that members of the management and supervisory body collectively do not possess adequate knowledge and experience in order to address those shortcomings in a timely manner.

(7) The appropriate corrective measures referred to in paragraph (6) of this Article shall at least include, but shall not be limited to: adjusting responsibilities between members, replacing certain members, recruiting additional members and training individual members so that members of the management or the supervisory body may, as a whole, have adequate knowledge and experience.

(8) In its policy for the selection and assessment of suitability, a credit servicer shall specify the risks, in particular reputational risk, which should be considered in the suitability assessment and which may arise in the event that any weakness is identified that affects the collective suitability of the members of the management and supervisory body.

(9) In its policy for the selection and assessment of suitability, a credit servicer shall prescribe the documentation demonstrating the fulfilment of requirements set out in Articles 7 and 8 of this Decision. To that end, the credit servicer shall:

- 1) collect information through various channels and instruments (e.g., diplomas and certificates, letters of recommendation, curricula vitae, interviews, questionnaires);
- 2) require the person being assessed to provide accurate information and to provide evidence of that information, where necessary;
- 3) confirm, to the extent possible, the accuracy of the information provided by the person under assessment.

(10) A credit servicer shall also assess whether the requirements of the members of the management and supervisory body referred to in Article 8 of this Decision are met in the case of:

- 1) material changes in the composition of the management or the supervisory body, including
 1. cases of appointment of new members of the management or the supervisory body;
 2. cases of termination of membership of one or more members of the management or the supervisory body (by employment termination, resignation, death, etc.)
- 2) material changes in the business model, underlying legal provisions or technologies implemented.

(11) The credit servicer shall prescribe the dynamics of the fulfilment of requirements referred to in paragraph (10) of this Article in greater detail in the policy for the selection and assessment of suitability.

(12) For the purpose of continuous fulfilment of requirements referred to in Article 8, the credit servicer shall lay down the obligation to notify the Croatian National Bank of the proposed appointment of members in its suitability policy.

IV DOCUMENTATION AND INFORMATION TO BE ENCLOSED WITH THE APPLICATION FOR AUTHORISATION

Documentation and information to be enclosed with the application for the authorisation of a credit servicer **Article 13**

(1) The application for authorisation of a credit servicer shall contain the information and documentation referred to in Article 27, paragraph (1) of the Act.

(2) In the course of the decision-making procedure regarding the application, the applicant shall without delay notify the Croatian National Bank of any changes in the information and documentation submitted with the application pursuant to Article 27, paragraph (1) of the Act and the provisions of this Decision.

**Documentation demonstrating the fulfilment of requirements for members of the
management and supervisory body**
Article 14

(1) To prove the fulfilment of requirements referred to in Articles 6 and 8 of this Decision, the application for authorisation shall contain at least the following information on a member of the management and supervisory body:

- 1) information on the position to which the member is appointed (member of the management body or member of the supervisory body), the planned beginning and duration of the term of office, a detailed description of the duties and responsibilities of the member and the business area for which the member will be responsible;
- 2) information on the member's professional experience for the positions or functions that the member held or performed in accordance with Article 8 of this Decision;
- 3) information on the member's professional training, including details such as the area of training, duration and year of completion;
- 4) information on whether criminal proceedings or an investigation has been initiated against the member, and whether the member has been convicted with a judgement having final force and effect of one or more criminal offences, misdemeanours or breaches of law referred to in Article 26, paragraph (2) of the Act and whether the competent supervisory authorities, other public law bodies or courts conducted or are conducting investigations or proceedings against the member due to irregularities or non-compliance with any regulations governing the capital market or governing the provision of financial services or any other relevant regulations, whether there are other negative reports with relevant, credible and reliable information (for example as part of procedures relating to whistleblowing), which may put in doubt the good repute of the member;
- 5) whether a security measure, any other measure or administrative sanction has been imposed against the member; and
- 6) information on whether the member has or had significant holdings or whether the member performed a function in the management or the supervisory body or any other managerial function before pre-bankruptcy settlement proceedings have been carried out against the company, bankruptcy proceedings initiated, a decision on winding-up rendered, extraordinary administration proceedings initiated or the company's authorisation revoked, having regard to the member's influence on the occurrence of these events.

(2) As evidence of the information referred to in paragraph (1) of this Article, the following documents shall be enclosed with the application:

- 1) a decision on the appointment of a member of the management body or a member of the supervisory body;
- 2) minutes of the meeting of the supervisory body or the management body in its supervisory function at which the decision to appoint a member was adopted;

- 3) a copy of the identity card or passport (with a certified translation into Croatian in the case of foreign citizens);
 - 4) the original or a copy of the diploma/certificate or equivalent document certified by the educational institution at which the diploma/certificate was obtained, or copies of the diploma/certificate or equivalent document certified by the foreign educational institution at which the diploma/certificate was obtained;
 - 5) a certificate of the legal person or entity (employer) in which the member acquired the experience referred to in Article 8 of this Decision, stating the knowledge acquired by the member and a description of the nature and complexity of the activities performed by the member;
 - 6) extract from criminal history records and misdemeanour records, as follows:
 1. for the nationals of the Republic of Croatia, a certificate issued by a municipal court on whether criminal proceedings are being conducted against a member, not older than one month from the date of submission of the application for authorisation;
 2. for foreign nationals and the nationals of the Republic of Croatia who have lived outside the Republic of Croatia over the past five years, information showing that the member has not been convicted of a misdemeanour or has not been subject to administrative sanctions, whether criminal or misdemeanour proceedings or proceedings for imposing administrative sanctions have been initiated against the candidate and whether the candidate has been convicted by a judgement with final force and effect of a criminal offence, not older than one month from the date when the application for authorisation was submitted;
 - 7) the member's curriculum vitae, which shall include details of education and professional experience, including academic qualifications and other training, the name and nature of all employers for which the member worked and the nature and duration of the functions performed, highlighting in particular all activities within the scope of the position sought, including but not limited to banking and management experience; and
 - 8) a statement by the credit servicer regarding the outcome of its overall assessment of the collective suitability of the members of the management and supervisory body, including a description of how the overall composition of the management and supervisory body reflects an adequately broad range of knowledge and experience and an identification of any shortcomings or weaknesses and the measures imposed to address them.
- (3) In addition to the documents referred to in paragraph (2) of this Article, the application may be accompanied by other documents attesting to the good repute, knowledge, competence and experience of the member.

**Documentation proving the fulfilment of the requirement of good repute of
holders of (qualifying) holdings and shareholders**

Article 15

(1) In order to prove that the requirements referred to in Article 9 of this Decision are met, the application for authorisation of natural persons shall contain at least the following information for holders of a qualifying holding, or in the event that there are no holders of a qualifying holding, for the ten largest shareholders or holders of holdings of the applicant:

1) information on whether criminal proceedings or an investigation has been initiated against that person, and whether that person has been convicted with a judgement having final force and effect of one or more criminal offences, misdemeanours or breaches of law referred to in Article 26, paragraph (2) of the Act and whether the competent supervisory authorities, other public law bodies or courts conducted or are conducting investigations or proceedings due to irregularities or non-compliance with any regulations governing the capital market or governing the provision of financial services or any other relevant regulations, whether there are other negative reports with relevant, credible and reliable information (for example as part of procedures relating to whistleblowing), which may put in doubt the good repute of the person concerned;

2) information on whether a security measure, any other measure or administrative sanction has been imposed against that person;

3) information on whether that person has or had significant holdings or whether that person performed a function in the management or the supervisory body or any other managerial function before pre-bankruptcy settlement proceedings have been carried out against the company, bankruptcy proceedings initiated, a decision on winding-up rendered, extraordinary administration proceedings initiated or the company's authorisation revoked, having regard to the person's influence on the occurrence of these events.

(2) As evidence of the information referred to in paragraph (1) of this Article, the following documents shall be enclosed with the application:

1) a copy of the identity card or passport (with a certified translation into Croatian if they are foreign nationals),

2) extract from criminal history records and misdemeanour records, as follows:

1. for the nationals of the Republic of Croatia, a certificate issued by a municipal court on whether criminal proceedings are being conducted against that person, not older than one month from the date of submission of the application for authorisation;

2. for foreign nationals and the nationals of the Republic of Croatia who have lived outside the Republic of Croatia over the past five years, information showing that the candidate has not been convicted of a misdemeanour or has not been subject to administrative sanctions, whether criminal or misdemeanour proceedings or proceedings for imposing administrative sanctions have been initiated against the person and whether the person has been convicted by a judgement with final force and effect of a criminal offence, not older than one month from the date when the application for authorisation was submitted (the data should refer to all jurisdictions in which that person has lived over the past five years).

(3) Where the holder of a qualifying holding, the ten largest shareholders or holders of holdings in of the applicant are legal persons, in order to prove the requirement referred to in Article 9 of this Decision, the application for authorisation shall contain the following information:

1) information on whether criminal proceedings or an investigation has been initiated against the legal person, and whether the member has been convicted with a judgement having final force and effect of one or more criminal offences, misdemeanours or breaches of law referred to in Article 26, paragraph (2) of the Act applicable to legal persons, and whether the competent supervisory authorities, other public law bodies or courts conducted or are conducting investigations or proceedings due to irregularities or non-compliance with any regulations governing the capital market or governing the provision of financial services or any other relevant regulations;

2) whether it was imposed a fine, a penalty of dissolution of legal person or any other measure resulting in the dissolution of the legal person, security measure, confiscation of pecuniary gain or objects or public disclosure of judgement;

3) a list of natural persons who are the ultimate shareholders, i.e., direct and indirect holders of qualifying holdings, holders of holdings or shareholders in a company that is a legal person, showing the total nominal amount of shares and the percentage share in the initial capital of the company.

(4) As evidence of the information referred to in paragraph (3) of this Article, the following documents shall be enclosed with the application:

1) a certificate of no ongoing criminal proceedings for the persons referred to in paragraph (3), items (1) and (3) of this Article, not older than one month from the date of submission of the application for authorisation;

2) a statement by a natural person referred to in paragraph (3), items (1) and (3) of this Article, having the right to represent the legal person concerned, affirming that no criminal offence, misdemeanour or breach of law was committed in the operations of the legal person or that no fine, penalty of dissolution of the legal person, security measure, confiscation of pecuniary gain or objects or public disclosure of the judgment has been imposed against the legal person concerned.

**Documentation demonstrating the fulfilment of the requirements related to
policies, procedures and processes**

Article 16

(1) To prove that the requirements referred to in Articles 10 and 11 of this Decision are met, the application for authorisation shall contain the relevant policies, procedures and processes adopted.

(2) To prove that the requirements referred to in Articles 10 and 11 of this Decision are met, the application for authorisation shall contain drafts of the relevant policies, procedures and processes.

V AMOUNT OF THE AUTHORISATION FEE

Amount of the fee for the authorisation of a credit servicer

Article 17

(1) An applicant for authorisation shall pay an authorisation fee of EUR 5,000.00 to the Croatian National Bank.

(2) The fee referred to in paragraph (1) of this Decision shall be the income of the Croatian National Bank and shall be paid to the credit of the business account of the Croatian National Bank no: HR621001005101111116.

(3) The applicant for authorisation shall be required to pay the fee referred to in paragraph (1) of this Article before submitting the application and shall attach a certificate of payment of the fee to the application.

VI TIME LIMIT FOR PERSONAL DATA STORAGE

Time limits for personal data storage

Article 18

(1) Credit servicers shall store the personal data related to the suitability assessment and authorisation process referred to in Article 27 of the Act and this Decision during the period in which the person they relate to serves as member of the management or the supervisory body or holder of a qualifying holding, shareholder or holder of holding and for five years after the person ceases to be a member of the management or the supervisory body or holder of a qualifying holding, shareholder or holder of holding, or by the time judicial disputes are resolved where they have been initiated based on the exercise of these functions.

(2) Personal data contained in an application for authorisation as a credit servicer shall be stored only for as long as necessary for the purposes for which the personal data are processed.

VII FINAL PROVISION

Entry into force Article 19

This Decision shall enter into force on the eighth day following its publication in the Official Gazette.

No: 18-091/01-24/BV
Zagreb, 22 January 2024

Croatian National Bank
Governor
Boris Vujčić, m. p.