SECURITISATION ACT

SECTION I
GENERAL PROVISIONS

Subject of the Act
Article 1

This Act regulates the means of and conditions for the performance of securitisation, the rights and obligations of participants in the securitisation, the way of keeping and the contents of the securitisation registry, as well as other matters relevant for the performance and supervision of securitisation transactions.

Application of the Act
Article 2

This Act applies to securitisation performed by securitisation entities having their seat in the Republic of Croatia. Securitisation funds whose management company has been registered on the territory of the Republic of Croatia, regardless of where the securitised assets being managed are located, will be deemed to have their seat in the Republic of Croatia.

This Act applies to securitisation performed by foreign securitisation entities with respect to securitisation business performed in the Republic of Croatia.

This Act applies with respect to originators having their seat in the Republic of Croatia, even if all securitisation business is performed abroad. In such case, all provisions of this Act related to the debtors of transferred receivables will apply as well.

Terms
Article 3

Terms have the following meanings in this Act:

(a) *Securitisation* is a transaction or a set of legal transactions having a common economic goal realised by transfer of securitised assets from the originator onto the securitisation entity and/or transfer of credit risk from the securitised assets for the purpose of issuing securities or contracting derivatives.

(b) *Securitised assets* are the assets with respect to which the securitisation is performed.
(c) *Credit risk* denotes the risk of collection of securitised assets.
(d) *Regulator* is the Croatian Financial Services Supervisory Agency.
(e) *Investor* is the holder of a security issued by the securitisation entity or a credit risk derivative acquired pursuant to an agreement entered into with the securitisation entity.

Forms of securitisation
Article 4

The forms of securitisation are:

(a) Traditional securitisation – securitisation effected by transfer of the title to securitised assets from the originator onto the special purpose vehicle for the purpose of securities issue based on the transferred securitised assets, out of which no obligations arise for the originator;

(b) Synthetic securitisation – securitisation effected by issue of securities or by contracting guarantees or derivatives by the securitisation entity with the purpose of transferring credit risks arising for the originator under the securitised assets to the investors, whereby the securitised assets remain in the balance of the originator. In case of the synthetic securitisation, the same person can be both the originator and the securitisation entity.

Participants in the securitisation
Article 5

Participants in the securitisation are:

- Originators
- Securitisation entities
- Investors
- Servicers
- Sponsors
- Fiduciary representatives
- Other participants in the securitisation.

Securitised assets
Article 6

Securitised assets may be receivables in general, as well as entirety of similar receivables classified by type [class], source, time of creation and/or other common characteristics. Any other kind of assets or entirety of related assets classified by type [class], source, time of creation and/or other common characteristics can also constitute securitised assets.

Future receivables and future assets can also constitute securitised assets, provided they meet the requirements set forth in the previous paragraph hereof, as well as special requirements set forth by this Act with respect to the transfer thereof.

By way of derogation from paragraphs 2 and 3 hereof, receivables and assets that cannot be assigned and/or transferred and/or pledged in accordance with specific regulations cannot be securitised.

Supervision of securitisation transactions
Article 7

The regulator supervises the participants in the securitisation and securitisation transactions.

The supervision comprises measures and activities aimed at determining of whether the participants in securitisation meet the requirements for granting such rights after the entry into the securitisation registry or after issuing decision on the approval of prospectus.

The participant to the securitisation shall, after being delivered the decision on commencing the supervision procedure, allow the regulator to access its business premises, submit for inspection and deliver any requested documents and materials, give statements and declarations and secure other conditions required for conducting the supervision.

After having determined irregularities and/or cases of unlawfulness, the regulator shall order actions aiming at establishing lawfulness, i.e. it shall order measures provided by this Act.

By the order referred to in the preceding paragraph, the regulator shall determine the deadline for completing actions and delivery of evidence thereof.

After having determined irregularities and/or cases of unlawfulness, the regulator shall undertake one or several measures listed below:

1. order the elimination of determined irregularities and/or illegalities;

2. issue a public warning to the participant in the securitisation in which the irregularity and/or illegality has been determined;
3. forbid performance of securitisation transactions to individual participant in the securitisation;
4. submit appropriate reports against respective participant to the competent authorities;
5. publicly announce all measures adopted and penalties ordered in relation to the established irregularities and/or cases of unlawfulness.

SECTION II
PARTICIPANTS IN SECURITISATION

Originator
Article 8

Originator is a legal person disposing of its assets or the credit risk for the purposes of securitisation.

Any legal person may be an originator in regard to its present and/or future assets or credit risk it disposes of, except legal persons that pursuant to a specific regulation are not allowed to or those that dispose with the assets which pursuant to this Act or other regulation cannot be securitised, but only in regard to such assets.

Securitisation entities
Article 9

Securitisation entities are legal persons that by means of securitisation transactions acquire or dispose of securitised assets, based on which they issue securities or contract derivatives, i.e. perform only some of these transactions.

Securitisation entities can be:

(a) Special purpose vehicles for implementation of the securitisation which may be organised as:

- securitisation companies;
- securitisation funds;

(b) Originators, in case of synthetic securitisation, without participation of a special purpose vehicle.

Securitisation companies
Article 10

Securitisation companies are special purpose vehicles incorporated solely for the purpose of conducting securitisation, and can be incorporated as limited liability companies or joint stock companies.

The Company Act will apply to incorporation, organisation and operations of securitisation companies, unless otherwise provided by this Act.

Securitisation companies may perform only securitisation transactions and must in their incorporation acts specify and register with the company registry exclusively and explicitly the performance of securitisation transactions as their business activities.

A single securitisation company can perform only one securitisation at a time. For the purposes of this Act one securitisation shall mean a securitisation governed by one securities' issue prospectus or the same relevant characteristics of derivatives within the meaning of Article 46, paragraph 3 hereof, and it lasts from the moment of approval of the prospectus for the issue of securities issued for the purpose of securitisation to the settlement of liabilities against all investors, i.e. from the moment of contracting the derivatives to the settlement of all liabilities arising therefrom.

Securitisation funds
Article 11

Securitisation funds are special purpose vehicles for securitisation comprising securitised assets as separate assets without legal personality, organized and operating with a view to issue securities based on such assets, as provided by this Act.

Securitisation funds are organised and managed by securitisation fund management companies.

Securitisation fund management companies
Article 12

A securitisation fund management company is a limited liability company or a joint stock company incorporated solely for the purpose of incorporation, management and representation of securitisation funds.

Securitisation fund management companies may perform as their business activities and must in their incorporation acts specify and enter with the company registry exclusively and explicitly incorporation, management and representation of securitisation funds.

All share interests or shares in the securitisation fund management company are to be fully paid up in cash prior to registration of incorporation of the securitisation fund management company or increase of the share capital thereof with the court registry.

The Company Act will apply accordingly to incorporation, organisation and business operations of a securitisation fund management company, unless otherwise provided by this Act.

Formation of a securitisation fund
Article 13

The management company sets up a securitisation fund by the resolution on its formation and by passing of the fund's Articles.

The fund's Articles must contain the following provisions:

(a) name or company name of the fund and indication whether it is a securitisation fund,
(b) date of incorporation and duration of the fund,
(c) purpose of incorporation of the securitisation fund,
(d) description of the type of fund's assets, indication of their value and, in case of securitisation of future receivables or assets, the expected lowest and highest value of the fund's assets,
(e) indication that securities are issued on the basis of fund's assets,
(f) indication of the type of securities that will be issued,
(g) brief information about tax regulations applying to the fund, if relevant for the holder of a security issued on the basis of fund's assets,
(h) duration of the fiscal year,
(i) date of adoption of the Articles,
(j) data on the management company,
- company name, legal form, registered office of the management company and the location of the management, if not the same as the registered office, the number of approval by the regulator, as well as the date of incorporation and entry into the court registry,
- if the management company also manages other securitisation funds, the list of such funds,
- amount of the share capital of the management company,
(k) amount of the annual compensation, as well as the management and operation fees that the management company may charge to the fund,
(l) indication of location where semi-annual and annual statements or additional information about the fund can be obtained,
(m) the way of liquidation of the fund after the securitisation has been completed, i.e. specification of other circumstances resulting in liquidation of the fund and the way of distributions of assets of the fund in liquidation

remaining after settlement of receivables by the investors and other creditors.

The fund may begin its operations on the day of its registration with the securitisation registry.

The regulator's decision on approval of the securities' issue prospectus, of which the issuer is the securitisation fund, will have the significance of the decision on approval of formation of that securitisation fund.

Management and representation of securitisation funds
Article 14

Management and representation of securitisation funds includes all operations required and usually performed so as that securitisation funds could operate in compliance with the law and purpose for which they have been organised and in particular include:

(a) any legal transactions and relations with originator, investors, servicer and other participants to the securitisation;
(b) management of securitised assets and legal transactions regarding collection and value preservation thereof;
(c) supervision and instructions to all participants to the securitisation performing transactions for securitisation funds;
(d) operations regarding the issue, promotion and sale of securities issued in the securitisation process;
(e) relations with the regulator;
(f) administrative tasks (bookkeeping and making of financial reports, keeping of registry of issued securities, announcements and reports to the participants of the securitisation and other persons and bodies, payment of securities, etc.).

The securitisation fund management company represents the securitisation fund in all relations and transactions in its name and for the account of the securitisation fund; therefore, all rights and obligations related to the securitisation fund as the securitisation entity or as the special purpose vehicle pursuant to this Act will be exercised by the management company in its own name and on behalf of the securitisation fund.

The securitisation fund management company issues securities of securitisation funds in its name and on behalf of the securitisation fund managed by it.

One securitisation fund management company is entitled to manage several securitisation funds.

Composition of bodies of securitisation companies and securitisation fund management companies

Article 15

The management board of a securitisation company, as well as of the securitisation fund management company, must have at least two members, whereby one of them must have at least three years of experience on the leading positions in financial transactions.

The management board members of a securitisation company or a securitisation fund management company cannot include:

(a) persons legally sentenced for the criminal offence of causing bankruptcy, violation of the bookkeeping obligation, causing damage to creditors, inequitable preference of creditors, abuse in the bankruptcy proceedings, unauthorised disclosure or discovery of the trade or production secret, as well as fraud, until they have been deleted from the criminal records,
(b) persons that ceased to be members of a professional association due to the non-compliance with the rules of association, or persons whose license for performance of securities' transactions was revoked by the regulator or a relevant authorised body.

The regulator is entitled to take insight into the criminal records for the purpose of determining whether the requirements referred to in paragraph 2(a) of this Article have been met.

Company name of securitisation companies and securitisation fund management companies
Article 15a.

Company name and abbreviated company name of a securitisation company must, in addition to mandatory elements, indicate the words "*for securitisation*" as indication of the subject-matter of its business.

A company name of a securitisation fund management company must, in addition to mandatory elements, contain the words "*for management of securitisation funds*" as indication of the subject-matter of its business.

Only the securitisation companies and securitisation fund management companies may use the words or derivatives of the word »securitisation«, as well as other words indicating the performance of securitisation transactions, in their company names.

Operation of special purpose vehicles
Article 16

Special purpose vehicles have a duty to organise and perform their activities having in mind above all the principle of protection of investor's interests.

Special purpose vehicles are authorised to perform only securitisation related activities, i.e. transactions based on and in connection with agreements with other participants in the securitisation and the regulator.

Special purpose vehicles may not use securitised assets, either directly or indirectly, for performance of transactions creating benefit for the securitisation company outside transactions referred to in paragraph 2 hereof, i.e. for the account of the securitisation fund management company or for any kind of benefit for itself or its employees or any other purpose other than in favour of the securitised assets and the investors.

Transactions entered into by the special purpose vehicles contrary to paragraph 2 hereof are valid, but the creditors can not collect their receivables arising under such transactions from securitised assets, but only from the securitisation company's own assets, or own assets of the securitisation fund management company and only if such collection would not directly or indirectly lead to creation of grounds for bankruptcy of the special purpose vehicle.

Servicer
Article 17

Servicer is a legal person that may be authorised by the securitisation entity to perform operations of collection of securitised assets, sale of securitised assets, management and collection of collaterals, issue of certificates to the debtors on performance of obligations, payments to the investors and other operations in regard to securitised assets and securitisation.

Transactions which the servicer is authorised and obliged to perform and the scope of rights and obligations vested in it in connection to performance of those transactions are regulated by the agreement between the securitisation entity and the servicer.

The servicer can not be authorised to perform transactions which have by this Act been explicitly assigned into the competence of another participant in the securitisation.

The servicer authorised by the securitisation entity to perform the collection of securitised assets is also authorised to conduct enforcement proceedings for collection of such assets.

Several servicers can be authorised in one securitisation for the same or different operations.

Who can be a servicer
Article 18

A bank can be a servicer without a special approval by the regulator.

An originator may, without special approval by the regulator, be the servicer in respect of its own securitised assets or assets that have originated from its performance of permitted business activity.

Other legal persons can be servicers if they meet the following requirements:

- if they have the share capital in minimum amount of HRK 1.000.000,00;
- if prior to entry into the agreement with the securitisation entity, they have actually performed the transactions with which they will be entrusted;
- if in the their financial statements for the three preceding years they have not declared loss.

Relation between the servicer and other participants in the securitisation
Article 19

The servicer must deposit all amounts collected in connection with the performance of the mandate entrusted to it regarding performance of securitisation into a separate bank account of the securitisation entity, unless otherwise stipulated by the agreement between the securitisation entity and the servicer. If the mandate refers to assets different from money, the servicer must keep such assets separated in the most appropriate manner from its own assets. The separate bank account must be identified as the account for collection of securitised assets, while the assets different from money must be recorded and such a record has the character of a credible deed. The servicer must keep record of transactions regarding securitised assets, which must be separated from the records of its own transactions.

All payments collected by the servicer in connection to the performance of the mandate entrusted to it represent the assets of the securitisation entity and do not constitute the servicer's assets and the servicer's creditors may not conduct enforcement over those funds. The same applies to assets different from money which the servicer, within the meaning of the preceding paragraph, must separate and record.

The servicer must, immediately following the first invitation of the securitisation entity, to present to it the account of performed transactions and deliver whatever it has collected by performance of those transactions, and is also obliged following the first invitation of the securitisation entity to submit to it the report on the state of operations it has been entrusted with.

The manner of determination and payment of the fee and costs to the servicer are set forth by the agreement with the securitisation entity. Notwithstanding the general rules of obligations' law. unless the agreement between the securitisation entity and the servicer

provides otherwise, the servicer shall not have the statutory pledge over the amounts collected by performing the mandate of the securitisation entity or over its other assets.

The securitisation entity must deliver to or provide access to the servicer to all documents regarding the entrusted operations and is in particular obliged to supply it with appropriate powers of attorney for performance of entrusted activities in relation to third parties.

In relations with third parties and in respect of operations it has been entrusted with, the servicer is, within limits of its authorisation, an agent of the securitisation entity.

If due to the nature of the operations entrusted to the servicer, personal information regarding securitised assets is also transferred to it, the agreement with the servicer referred to in Article 17 must also contain the provisions regulating, within meaning of the regulations providing for protection of personal information, rights and obligations of the servicer as the subject performing operations in connection to processing of personal information.

The relation between the securitisation entity and the servicer is the relation under a mandate agreement, thus if this Act or the agreement do not provide otherwise, the rules of the Obligations Act referring to the mandate agreement will accordingly apply to their relation.

Sponsor
Article 20

A sponsor is a legal entity authorised for the performance of activities of an agent and/or patron of the securities issue according to the rules regulating the securities market, other than the originator, which may be appointed by the originator and the securitisation entity for the purposes of performing operations in connection to origination, organisation, structuring and management of the securitisation operations.

The relations regarding the appointment of the sponsor, transactions performed by it and its rights and obligations are provided for by the agreement.

The operations in regard to which the sponsor has been appointed and specification of its rights and obligations in regard to those operations must be included in the prospectus.

Investors' Assembly
Article 21

Investors can establish an assembly as a body for protection of their rights with respect to other participants in the securitisation.

The assembly is established by the investors of the same securities' issue constituting at least one half of the nominal value of such issue. Upon the establishment, each investor is entitled to participate in the work of the assembly. The assembly adopts the rules of procedure, a copy of which must be delivered to the regulator and the securitisation entity.

The assembly will decide on:

(a) change of the fiduciary representative, which decision is passed with majority of the votes cast in the presence of investors constituting at least one half of the nominal value of such issue;
(b) change of the special purpose vehicle or the securitisation fund management company, which decision is passed with majority of at least three quarters of total number of votes;

One security of the same issue and the same nominal value will give the right to one vote in the assembly.

The assembly decides on the change of the special purpose vehicle or the securitisation fund management company if there is an important reason to do so. Important reasons include in particular if the investor's right of settlement under the collection terms provided for by the prospectus is endangered by actions lying on the side of the special purpose vehicle or the securitisation fund management company, if the special purpose vehicle or the securitisation fund management company becomes incapable of performing the business activity due to the imposed protective measure and in other cases when it is evident that the special purpose vehicle or the securitisation fund management company will not be able to fulfil its obligations. The provisions of this act relating to transfer of securitised assets to another special purpose vehicle or the transfer of the securitisation fund to another securitisation management company apply to the decision of the assembly regarding change of the special purpose vehicle or the securitisation fund management company.

The invitation to the assembly is sent to the investors in accordance with the procedure provided by the assembly rules of procedure, at least [10] days prior to the session thereof. The fiduciary representative may not represent the investors in the assembly.

Fiduciary representative
Article 22

Fiduciary representative is a legal or natural person independent of other participants in the securitisation, appointed for the purposes of protection of the investor's interest in regard to other participants in the securitisation.

The fiduciary representative is appointed in the securities' issue prospectus. Upon subscription or purchase of the security it is deemed that the investors have accepted the appointment of the fiduciary representative.

One fiduciary representative represents all investors.

In addition to the authorities that are explicitly specified by this Act, the fiduciary representative has other authorities for the representation of investors specified by the issue prospectus or granted to him by the investors at the appointment in the investors' assembly.

The licensed auditors and lawyers as well as other persons meeting the conditions that might be provided by the regulator for performance of the activities of fiduciary representative may also act as fiduciary representatives. Fiduciary representatives must be registered with the Securitisation Registry.

SECTION III
SECURITISED ASSETS

Transfer of securitised assets or credit risk for the purpose of securitisation in general
Article 23

The transfer of securitised assets or credit risk from the originator to the special purpose vehicle for the purpose of securitisation effected pursuant to this Act is performed on the basis of an agreement entered into between them, which agreement has to be made in accordance with this Act and the special regulations regulating the relations with respect to the securitised assets.

The agreement referred to in the previous paragraph regulates the terms and conditions of securitisation, the means of evaluation of the securitised assets, the amount of compensation to be paid to the originator for the transfer of such assets or the credit risk, the deadline for the payment thereof, and other relations between the originator and the special purpose vehicle in respect of securitisation.

The transfer agreement has to contain the list of all securitised assets being transferred with information necessary for identification of each part thereof. The agreement on transfer of future securitised assets or the credit risk from the future securitised assets has to contain at least a designation of the type and class of assets being transferred and the time period within which the future assets have to be created in order to be considered transferred.

Transfer of receivables for the purpose of securitisation
Article 24

The receivables are transferred for the purpose of securitisation by their assignment from the originator to the special purpose vehicle pursuant to the agreement in accordance with the rules of the obligations law.

Transfer of future receivables for the purpose of securitisation
Article 25

The future receivables are receivables that have not been created at the moment of entry into the agreement on the transfer thereof, but are expected to be created in the future.

The future receivables can be transferred for the purpose of securitisation, provided that they come into existence and meet the requirements specified in Article 6 hereof that the receivables or assets normally have to meet in order to constitute securitised assets.

When the future receivables come into existence, in relation to the contractual parties of the transfer, investors that acquired the securities on the basis of securitisation of such future receivables, as well as in relation to third parties, the effects of the transfer agreement shall be considered created at the moment of entry into such agreement. The same particularly applies to the statutory pledge over securitised future receivables that the investor acquired by the purchase of securities issued on the basis of such future receivables.

What has been provided here for future receivables, applies accordingly to the securitisation of other future assets if such assets normally meet the requirements specified in Article 6 hereof.

Determination of value of the securitised assets
Article 26

The value of securitised assets must be determined by evaluation.

The evaluation is made by independent evaluator. For the purpose of application of this Act, auditors will be considered independent evaluators.

Originators and securitisation entities have a duty to present and make directly available to the independent evaluator all data and documents that could be of importance for or affect the evaluation of the securitised assets.

The evaluation is made on the basis of all presented data and documents referred to in the previous paragraph, as well as the information available to the evaluator which can objectively lead to the determination of a realistic and fair value of the securitised assets, such as the overview of data on volume, profit and yield thereof, or comparable types of

receivables or assets of the same originator or its market competitors during certain time period, disclosure of statistical data, etc.

The evaluation must be prepared in writing and finally signed by the independent evaluator and contain the following declaration made by the evaluator:

> "In our opinion and according to all information and data we dispose of, we declare that the value of securitised assets expressed in this evaluation represents a realistic and fair value thereof, as well as that this evaluation represents a complete and authentic account of all facts and circumstances relevant for the determination thereof, and that no facts that might affect the completeness and authenticity thereof have been omitted during the its preparation."

The identity of the evaluator, the evaluation of the securitised assets, as well as the summary thereof with indication of the method and basic data used for the evaluation have to be indicated in a prospectus or a short prospectus.

In case of a joint securitisation pursuant to Article 30 of this Act, the value of securitised assets of each originator participating in the securitisation will be determined by a unique evaluation by the same independent evaluator applying the same evaluation method.

Transfer of ancillary rights
Article 27

By virtue of conclusion of the agreement on the transfer of receivables between the originator and a special purpose vehicle, in accordance with the general rules on the transfer of ancillary rights, all ancillary rights such as the hypothecation, pledge, rights under the agreement with the guarantor and co-debtors, and any other rights that constitute security for each individual transferred receivable, as well as the right to interests, contractual penalty, and other ancillary rights are also transferred to the extent and in the manner regulated by special regulations, without special legal ground and the means of acquisition.

At the transfer of receivables, the originator has a duty to deliver to the special purpose vehicle for each transferred receivable all documents related to their existence, change and amount, as well as all documents relating to the security for the so transferred receivables.

Transfer of rights and performance of authorities relating to security over the real property
Article 28

The rights relating to security over the real property and authorities relating to security over the real property that pursuant to special regulations may be exercised only upon

entry into the land registry, shall be acquired and exercised by the special purpose vehicle pursuant to such special regulations.

The agreement on transfer of securitised assets will constitute a ground for registration of rights relating to the security over real property in favour of the special purpose vehicle, provided such agreement contains the data and meets the requirements of the special regulations.

The originator and the special purpose vehicle are authorised to stipulate that the requirements necessary for the registration of rights relating to the security over the real property with the land registry for transferred securitised assets will not be met simultaneously with the transfer of such assets to the special purpose vehicle, but later, i.e. only with respect to individual parts of such assets or in case of a need for enforcement against such security instruments.

If the agreement on transfer of securitised assets does not comply with special laws for the registration of rights to such security in favour of special purpose vehicle, the originator and the special purpose vehicle are entitled to stipulate by the agreement the conditions, the means and terms of the entry of rights related to the security over the real property with the land registry, as well as their rights and obligations with respect thereto.

Transfer of the title to real property as security
Article 29

Notwithstanding the rules regulating the enforcement, the transfer of the title to real property for the purpose of securing the receivables or other assets *(fiduciary ownership)* is permitted before the receivable being secured has become due, if the transfer is performed for the purpose of securitisation.

Upon settlement of the receivable transferred for the purpose of securitisation and secured by the fiduciary title to real property, the special purpose vehicle or its successor shall enable the return of the title to such real property to the original debtor or its successor.

For the purpose of fulfilling the obligation referred to in the previous paragraph, simultaneously with the entry into the transfer agreement between the originator and the special purpose vehicle the originator has a duty to deliver to the special purpose vehicle the documents necessary for the return of the title to the real property and entry of such title into the land registry in favour of the original debtors or their successors, after the transferred receivables have been settled, and in fact separately for each real property, the title to which was transferred for the purpose of securing the securitised assets.

The transfer of the fiduciary title to real property from the originator to a special purpose

vehicle within the framework of the securitisation and the return of such title to the debtor or its successor are not subject to taxation.

Transfer of assets for the purpose of joint securitisation
Article 30

Several originators may transfer their assets related by type, source, time of origin and/or other common characteristics to a single special purpose vehicle for the purpose of joint securitisation. In that case, each originator will enter into a separate agreement on transfer of the assets to the special purpose vehicle for the purpose of securitisation, whereby all originators together will enter into a joint securitisation agreement with the special purpose vehicle.

Transfer of securitised assets or a securitisation fund to another securitisation entity or another management company
Article 31

The securitised assets owned by the securitisation entity can be transferred in whole to another securitisation entity, but only together with an adequate change of the securities' issue prospectus approved by the regulator.

What applies to the transfer of securitised assets to another securitisation entity applies also to the transfer of a securitisation fund to another securitisation fund management company to be managed by it.

No change of the securities' issue prospectus or approval of the regulator will be needed for the transfer of securitised assets to another securitisation entity, i.e. for the transfer of a securitisation fund to another securitisation fund management company to be managed by it, if such transfer is specified by the securities' issue prospectus and if the deadline for transfer specified by the prospectus is less than 6 months upon the date of the securities issue.

Transfer in case of bankruptcy of the originator
Article 32

If a bankruptcy procedure is instituted against the originator upon entry into the agreement on transfer of the assets or credit risk for the purpose of securitisation, whereby the special purpose vehicle has made a counterperformance in favour of the originator pursuant to the transfer agreement or is willing to make it within 3 months upon the invitation of the bankruptcy court, the transfer of assets for the purpose of securitisation within the meaning of bankruptcy regulations will be considered a cash transaction that can be contested only on conditions specified by bankruptcy regulations

for contestation of such legal actions.

If, at the moment of institution of the bankruptcy procedure against the originator, the agreement on transfer of the assets or credit risk for the purpose of securitisation has not been fulfilled at all or in whole, the bankruptcy administrator has no choice, pursuant to the rules regulating the bankruptcy, with respect to the fulfilment of the remaining obligations of the originator under such agreement, but instead he has a duty to fulfil the agreement in whole instead of the bankruptcy debtor, as well as request the fulfilment of the remaining obligations under the agreement by the special purpose vehicle in such case.

If, in case referred to in the previous paragraph, the bankruptcy administrator is not able to fulfil all obligations of the originator under the transfer agreement, the special purpose vehicle or investors, if the originator is at the same time the securitisation entity, are authorised to request a compensation due to the non-fulfilment of the agreement as bankruptcy creditors.

Separation of securitised assets
Article 33

Securitisation entities are obliged to keep the securitised assets separate from their own assets.

Securitised assets comprising money must be kept in separate bank accounts that must be identified as accounts for securitised assets. In case of securitised assets other than money, they must be separated in the most appropriate manner and recorded, whereas a record of securitised assets certified by the signature of the legal representative and the seal of the special purpose vehicle has the character of a credible deed.

The securitisation entity has a duty to deliver to each investor, regulator and fiduciary representative at their request without delay a certified excerpt from the account balance of securitised assets with the banks, or a certified copy of the record of securitised assets other than money, updated on the date specified in the request.

A securitisation fund management company must keep the securitised assets of each securitisation fund it manages separate from the assets of other funds it manages and from its own assets, as set forth by this Article.

Securitisation entities must keep business records and records of transactions regarding securitised assets separately from the records of their own transactions and securitisation fund management companies must keep them separately from transactions of other funds.

The way of settlement from the securitised assets

Article 34

The securitised assets serve the purpose of settlement of investors' receivables under the securities issued by the securitisation entity, thus only receivables of investors based on the securities issued for the purpose of securitisation and the securitisation costs in the amount and for purposes specified by the securities' issue prospectus can be settled from the securitised assets.

The creditors of securitisation entity under operations regarding securitisation based on agreements entered into with the securitisation entity may collect their receivables either from the securitisation entity's own assets or from the securitised assets, but always in amount and in the manner provided for by the securities' issue prospectus.

All other receivables, the settlement of which is not provided for by the securities' issue prospectus within the meaning hereof, are settled from the securitisation entity's own assets.

If the securitisation entity is a securitisation fund, the assets of the management company will be considered the fund's own assets.

Restriction of costs
Article 35

The amount, purpose and the manner of settlement of costs of the securitisation specified by the securities' issue prospectus can be changed only by an adequate change of the prospectus for such issue. The regulator will approve such change of the prospectus if the following is attached to the request for a change:

(a) certified written consent of the fiduciary representative to the requested change of the prospectus,
(b) audited financial statements of the securitisation entity not older than 30 days from the submission of the request for a change of the prospectus, together with a separate disclosure of the new evaluation of the securitised assets, as well as an opinion indicating that the requested change of the amount, purpose and the way of settlement of costs will not affect the settlement of investor's receivables.

The costs of incorporation of the securitisation entity cannot be settled from the securitised assets.

Statutory pledge of the investor
Article 36

By purchase of the security issued for the purpose of securitisation and full payment of the price thereof, the investors obtain the statutory pledge over securitised assets in portion and amount as published in the securities' issue prospectus and if the prospectus does not contain provisions on the matter, in proportion to the nominal value of the security held by them in relation to the nominal value of the total issue of the respective securities.

The statutory pledge referred to in the preceding paragraph entitles the investors to collect their receivables against the special purpose vehicle as the issuer from the securitised assets, in case their receivables are not settled upon maturity.

Contractual interest
Article 37

If the debtors of transferred receivables have a duty to pay the contractual interest at the rate determined from time to time by the originator or a third party, the interest rate stipulated in this way will continue to apply after the transfer of receivables to the special purpose vehicle.

Collective notification to debtors
Article 38

The debtors of transferred receivables will be notified about the transfer in accordance with the general rules of the obligations' law.

If, upon the transfer of receivables for the purpose of securitisation, the originator continues to collect the transferred receivables for the securitisation entity pursuant to an agreement entered into with such entity, the duty to notify the debtor of the transferred receivables will be considered fulfilled if the notification about transfer is published in the Official Gazette and one daily newspaper published in the Republic of Croatia as a collective notification for all debtors of such transferred receivables.

The collective notification referred to in the previous paragraph will identify the transferred receivables according to the type, class, time of origin, amount and/or other common characteristics appropriate for their identification, without indication of data on individual debtors and receivables owed by them. By the collective notification, the debtors will be instructed to continue settling the transferred receivables to the originator. The debtors of receivables notified about the transfer by a collective notification will be considered notified about the transfer upon the expiry of 8 days from the notification date of the later of the two notifications referred to in paragraph 2 of this Article.

SECTION IV
SECURITIES ISSUE AND CONTRACTING OF DERIVATIVES

Securities issue
Article 39

The securitisation entity issues only the debt securities on the basis of the value of securitised assets.

Unless otherwise provided by this Act, the provisions regulating the securities market, as well as other provisions regulating the issue of corresponding types of securities will apply accordingly to the issue of securities by the securitisation entity.

Securities issue prospectus and short prospectus
Article 40

The securitisation entity is authorised to issue securities by a public bid and private offering.

When issuing the securities, the securitisation entity has the duty to publish the prospectus of the issue for a public bid, or a short issue prospectus for the private offering. Unless otherwise provided, whatever is regulated for the prospectus in this Act, applies accordingly to the short prospectus.

Obligatory contents of a prospectus
Article 41

A prospectus must contain the following:

(A) the data on securities that the prospectus refers to, as well as on the way and conditions of their issue:
   1. indication of the type and description of characteristics of securities, the total number thereof and the description of rights that such securities carry,
   2. date of opening and the duration of subscription and payment,
   3. the way and the place of subscription and payment,
   4. description of the way of distribution of securities if more than the quantity issued is subscribed,
   5. the name, registered office and business address of the issue agent,
   6. the name, registered office and business addresses of persons liable for obligations of the issuer related to a security,
   7. names and addresses of institutions through which the issuers settle the financial liabilities against the investors,
   8. the price or the way of determining the price of securities,

(B) the data on the originator of securitisation:

1. company name, registered office, business address, date of incorporation, legal form, the name of the court keeping the registry that it has been entered with, as well as the number (MBS) of entry into such registry,
2. the data on the assets and indebtedness, financial position, as well as the profit and loss for the last three years and for the current year, including the last quarter preceding the submission of the request for approval of the prospectus:

   (i) its own or consolidated financial statements in accordance with the accounting standards,

   (ii) name or company name of the person responsible for the audit of financial statements and, if such person refused to perform the audit or sign it, or included certain restrictions into the audit, such facts must be indicated together with the reasons that made such person do so,

(C) the data on securitisation entities (for securitisation funds also data on the management company):

1. company name, registered office, business address, date of incorporation, legal form, the name of the court keeping the registry that it has been entered with or that the securitisation fund management company has been entered with, as well as the number (MBS) of entry into such registry,
2. the list of founders of the securitisation entity with indication of shares in the share capital and voting rights in the assembly,
3. description of securitisation transactions it performed, or the list of securitisation funds managed by it,
4. the data on assets and indebtedness, financial position, as well as the profit and loss for the last three years and for the current year, including the last quarter preceding the submission of the request for approval of the prospectus, unless the securitisation entity has been in existence for a short time, i.e.:

   (i) its own or consolidated financial statements in accordance with the accounting standards,

   (ii) name or company name of the person responsible for the audit of financial statements and, if such person refused to perform the audit or sign it, or included certain restrictions into the audit, such facts must be indicated together with the reasons that made such person do so,
5. indication of risk factors it is exposed to, which can affect the exercise of rights arising from securities that the prospectus refers to and their price at the market, in particular the risk that certain debtors of securitised assets might fulfil their liabilities before maturity or might not fulfil them upon maturity,
6. the data on court or other disputes or other legal proceedings that could significantly affect its financial position,
7. the data on responsible persons of the securitisation entity.

(D) the data on securitised assets and participants in the securitisation:

1. description of securitised assets pursuant to Article 6 of the Act,
2. evaluation of securitised assets, the summary thereof, together with indication of the method and main data that were used during the evaluation,
3. the name or company name of the evaluator,
4. indication of the essentials-provisions of the agreement on transfer of securitised assets entered into between the originator and the special purpose vehicle
5. for servicers – company name, registered office, business address, date of incorporation, legal form, the name of the court keeping the registry that it has been entered with, as well as the number (MBS) of entry into such registry,
6. indication of the essentials-provisions of agreements entered into with servicers,
7. for sponsors – company name, registered office, business address, date of incorporation, legal form, the name of the court keeping the registry that it has been entered with, as well as the number (MBS) of entry into such registry,
8. indication of transactions with respect to which the sponsor was appointed, as well as the rights and obligations of the sponsor in relation to such transactions.

(E) special information important for the securitisation

1. elaboration of the investment policy in regard to the cash flow surplus,
2. the disclosure of all data about relations and circumstances that could lead to a conflict of interests between the participants in the securitisation, or responsible persons in those participants, as well as measures by which this will be prevented, in particular disclosures and restrictions related to:
   (i) major transactions between participants that are not related to securitisation,
   (ii) involvement of directors and members of the Supervisory Board of the securitisation entity in the ownership structure and voting rights of other participants in the securitisation or membership in their bodies and involvement of employees, directors and members of the Supervisory Board of other participants in the securitisation in the ownership structure and voting rights of the securitisation entity,
   (iii) the intention of purchase of issued securities included in the prospectus by directors and members of the Supervisory Board of the securitisation entity.
3. indication of the amount, purpose and method for the creditors of the securitisation entity in regard to the securitisation transactions to collect their receivables from the securitisation entity and restrictions to apply in that regard,

4. data on the fiduciary representative and its authorities,
5. indication of place and term in which the prospectus and documents attached to the request for approval of the prospectus can be reviewed.

(F) statement of the persons executing the prospectus, reading:
"According to our belief and to the best of our knowledge and information available to us, we declare that all data contained in this prospectus form a complete and true presentation of the assets and liabilities, profit and loss, financial situation, business operation and other facts referred in it in regard to the originator, securitisation entity and other participants in the securitisation and rights pertaining to the respective securities and that the facts that might affect completeness and truthfulness of this prospectus have not been omitted."

The following documents must be attached to the request for approval of the prospectus in the original or certified copy:

1. Agreement on transfer of securitised assets including all required attachments, except for the attachments, disclosure of which would be contrary to the data confidentiality rules.
2. Evaluation of the securitised assets.
3. Decision on appointment of the fiduciary representative, its general and contact information and its written statement on acceptance of the appointment.
4. Agreement with the servicer.
5. Evidence that the servicer referred to in Article 3 paragraph 3 meets the prescribed requirements.
6. Decision on establishing of the securitisation fund and the fund's Articles if the issuer of the securities is a securitisation fund.

The prospectus is executed by:

(a) the securitisation entity as the issuer and all its directors and members of the Supervisory Board or other corresponding bodies. It is sufficient that the prospectus be executed by one person authorised to represent the issuer or several persons authorised for joint representation if the prospectus states the reasons why the prospectus has not been executed by other members,
(b) statutory representative of the originator and the sponsor, if applicable.

If one or more persons have issued the guarantee or other security for fulfilment of the obligations arising from the securities included in the prospectus, the prospectus must, with respect to such persons, contain the data referred to in paragraph 1 item (B) hereof, and the conditions for the use of such security.

Obligatory contents of a short prospectus
Article 42

A short prospectus contains data referred to in Article 41, paragraph 1. item (A), item (B), indent 1, item (C), indents 1 and 2, item (D), indents 1 and 2, item (E), indents 3, 4 and 5,

item (F), whereby the data on assets and liabilities, financial situation and profit and loss of the respective participants in the securitisation refer only the preceding and the current year, including the latest quarter preceding filing of the application for the approval of the prospectus.

The short prospectus must in any other respect meet the requirements referred to in Article 41 of the Act.

Special clauses of the prospectus
Article 43

By a single issue prospectus it may be specified that the issuer issues the securities in several tranches, whereby each tranche provides the holder of securities with different rights, e.g. with respect to the price of security, interest it bears, the guaranteed yield, limitation of holder's right to the payment in certain cases, etc.

Tranches within the meaning of this Article also include the segments of credit risk, provided for by the agreement or the prospectus, whereby the situation of the investor in a specific segment includes a risk of loss different than the risk relating to the same amount of exposure in another segment, without respect to the possible collaterals provided by third parties in favour of the investor in any segment.

A prospectus can also specify that the receivables of certain investors or creditors of securitisation entities will fall due only after the receivables of other investors or creditors have been paid in whole, as well as that, until their receivables have fallen due, they will not be authorised to institute enforcement or other proceedings against securitisation entities for the purpose of collection of their receivables or a bankruptcy procedure against the securitisation entity.

A prospectus can specify that, if the securitised assets would not be sufficient for the payment upon maturity of the amounts that would be due to the holders of debt securities of the issuer in accordance with the prospectus, the holders would not be able to institute a bankruptcy procedure or enforcement against the issuer, if the securitised assets would still be sufficient for the settlement of their receivables in amount or percentage of the nominal value of such security specified in the prospectus.

Special rights or conditions related to the holders of different tranches of issues or to the receivables of individual investors have to be published in the prospectus.

Upon the purchase of a security, the prospectus of which contains special stipulations, the investors will be deemed to have accepted such special stipulations.

Approval of the prospectus
Article 44

The securitisation entity as the issuer of securities has a duty to submit to the regulator application for the approval of the prospectus or the short prospectus before the prospectus has been published or delivered to the investors. To the application, the securitisation entity must attach the prospectus, the decision on the securities issue, as well as other specified attachments by which the facts that have to be indicated in the prospectus pursuant to Articles 41 and 42 are substantiated.

The regulator acknowledges by a decision that the prospectus contains all data required by the law and that it may be published and with respect to the securitisation fund as the issuer, that the fund's Articles contain the provisions specified in Article 13, paragraph 2 hereof. The regulator shall not examine the accuracy and completeness of announcements made in the prospectus or a short prospectus, or the legality of the resolutions on the securities issue and the contents of other attachments.

The regulator will approve the prospectus by a decision, if all required attachments are attached to the application and if the prospectus and the Articles of the securitisation fund meet all requirements provided for by the preceding paragraph hereof.

The decision on the approval of the prospectus contains also decisions on entries with the securitisation registry referred to in Article 49, paragraph 2 hereof.

If the regulator fails to pass the decision by which the prospectus is approved or the application rejected within [60] days upon the receipt of a valid and complete application referred to in paragraph 1 hereof, the prospectus will be considered approved.

By way of derogation from the provisions contined in paragraphs 2 and 3 hereof, the regulator may refuse the application for approval of the prospectus if according to the facts contained in the prospectus or according to the common knowledge or if it is known to the regulator and it has reliable evidence in that respect, that the approval of the prospectus may endanger the market stability or the position of individual participants in such market, and in particulat if there is evidence:

- of irregularity of the originator's business operation,
- of the conflict of interest of the evaluator and/or fiduciary representative,
- of the withholding of disclosures in the prospectus regarding affiliation of the participants in the securitisation and the conflict of interest.

Listing of the securitisation securities on the stock exchange
Article 45

By way of derogation from the rules regulating the securities market, for the purposes of listing of the debt securities issued for securitisation into the first quotation of the stock exchange the rules on the share capital amount and issuer's reserves in the last financial year and publication and submitting of the issuer's financial reports for the minimum period of the last three financial years will not apply.

The debt securities issued for securitisation or individual tranches of issues of such securities may be listed into the first quotation on the stock exchange if the issue or the tranche of the issue has been awarded rating by one of the leading rating agencies.

The role and the qualifications of the rating agencies will be defined in greater detail by the stock exchange by the listing rules.

Upon listing of the securities issued for securitisation into the first quotation of the stock exchange, the securitisation entity will be obliged to act in accordance with its obligations which in regard to the issuer of securities listed with the stock exchange arise from the rules regulating securities market and in accordance with the rules of the stock exchange.

Contracting of derivatives
Article 46

The securitisation entity involved in a synthetic securitisation is authorised to contract derivatives or guarantees related to securitised assets.

Derivatives may be contracted only within the private offering.

Contracting derivatives in the framework of securitisation is not subject to issue of the prospectus within meaning of the Section of the Act, however the securitisation entity must inform in writing the potential investors on important characteristics of the derivative contracted, or derivative offered.

The provisions of the rules regulating the securities market, and relate to the derivatives in general, apply correspondingly to the derivatives transaction in the framework of the securitisation.

SECTION V
SECURITISATION REGISTRY

Securitisation registry
Article 47

The securitisation registry is kept for the purposes of uniform implementation of this Act and supervision of the securitisation transactions and the participants in the securitisation.

The securitisation registry is kept by the regulator.

By the rules, the regulator can specify in more detail the way and form of keeping the securitisation registry.

Data entered with the securitisation registry
Article 48

The following data will be entered with the securitisation registry in respect of each securitisation transaction:

(a) General data for all participants in the securitisation:
- name and registered office;
- date and name of the incorporation act, date of entry of incorporation into the court registry and registry number (MBS);
- names and family names and address of management board and supervisory board members and their dates of birth;
- date and number of decision on entry and indication of capacity in which it is entered.

(b) Special data for securitisation entities:
- date and number of the regulator's decision on approval of the securities' issue prospectus;
- names and dates of formation of all securitisation funds managed by a single securitisation fund management company;
- data of opening and closing of the liquidation of the special purpose vehicle, as well as the number and date of the decision on opening and closing of the liquidation.

All changes of data specified in the previous paragraph must be entered with the securitisation registry as well, whereby the participants in the securitisation have a duty to report them to the regulator for the purpose of entry immediately and within 5 days upon the occurrence of the change at the latest.

Application for entry into the securitisation registry
Article 49

The entry of the securitisation entity into the securitisation registry is conducted pursuant to the application to which the securitisation entities enclose the excerpt from the court registry not older than 7 days and the consolidated text of the incorporation act in original or certified copy:

The following participants in the securitisation are entered with the securitisation registry without a special application, simultaneously with passing of the decision on approval of the securities' issue prospectus in which they participate:

(a) securitisation funds;
(b) servicers;
(c) synthetic securitisation originators;
(d) fiduciary representatives.

Entry into the securitisation registry
Article 50

The decision on entry into the securitisation registry is passed by the regulator.

The decision on entry into the securitisation registry of participants in the securitization that are pursuant to Article 49 paragraph 2 hereof entered without a special application is passed as part of the decision on approval of the securities' issue prospectus regarding the issue in which they participate.

The decision on entry into the securitisation registry of the servicer being neither a bank nor an originator is passed in a special examination administrative proceeding in which the regulator determines whether the applicant meets the requirements set forth in Article 18 paragraph 3 hereof.

Effect of entry into the securitisation registry and the announcement of entry
Article 51

Participants in the securitisation that have to be entered with the securitisation registry can commence with the performance of the securitisation transactions only after they have been entered with the securitisation registry by the regulator.

The decision on entry into the securitisation registry will be published by the regulator in the "Official Gazette".

Deletion from the securitisation registry
Article 52

The regulator will delete from the securitisation registry:

(a) the securitisation entity:
- if it fails to commence its operation within two years from entry into the securitisation registry,
- if it applies for deletion from the securitisation registry pursuant to the decision on discontinuance of performance of securitisation operations or if liquidation proceedings have been validly completed over them,

(b) the servicer:
- if it fails to commence its operation within one year from entry into the securitisation registry,

(c) any participant in the securitisation entered with the securitisation registry:
- if it stops meeting requirements for the entry,
- if it is forbidden to operate pursuant to the decision of the regulator or any other body

(d) the individual entry – if the entry has been effected pursuant to untrue disclosures or documents or in other irregular way.

SECTION VI
SPECIAL PROVISIONS

Confidentiality
Article 53

All participants in the securitisation that learn something about the securitised assets, parts thereof or persons having rights and obligations in regard to such assets, or participants in the securitisation who enter into possession of documents related to such assets and persons, have to keep such information as a business secret in relation to third parties.

If special confidentiality provisions apply to certain types of securitised assets or originator of such assets, the other participants in the securitisation must apply such special confidentiality provisions in relation to third parties.

The transfer of information referred to in this Article is free among the participants in the securitisation.

Cash flow surplus
Article 54

The securitisation entity disposes of the cash flow surplus in accordance with the Cash Flow Surplus Investment Policy specified in the prospectus.

The Cash Flow Surplus Investment Policy must contain in particular the provisions on the principles of protection from risk (hedging). The cash flow surplus may not be invested into equity securities, company shares, real property or investment funds which are permitted to invest in such types of assets.

The accounting of the security entity
Article 55

For the purposes of classification of obliged persons within meaning of the accountancy regulations, the securitisation entities and separate property without legal personality in the securitisation funds are considered large obliged persons.

The securitisation entities must submit the revised annual financial statements within 15 days from adoption thereof to the fiduciary representative, who shall forward them to all investors or publish them, and inform all investors accordingly.

Liquidation of securitisation companies
Article 56

Securitisation companies and securitisation fund management companies conduct liquidation pursuant to the provisions of the Companies Act.

Liquidation of securitisation funds
Article 57

Securitisation funds are liquidated:
(a) by the decision of the management company, upon completion of the securitisation, or after they have fulfilled the purpose for which they were established,
(b) by the decision of the regulator,
(c) by the decision of the court,
(d) in other cases specified by the law or regulator's acts.

The liquidation of the securitisation fund will be conducted by the securitisation fund management company managing the securitisation fund being liquidated, as a liquidator. If the securitisation fund management company has been forbidden to operate or deleted from the securitisation registry, the liquidator will be appointed by the regulator.

Within seven days from the adoption of the decision on liquidation, or from the day of appointment of the securitisation fund liquidator, the liquidator will notify thereof the regulator, the fiduciary representative and all creditors of the securitisation fund.

During the liquidation procedure, the liquidator will conclude the transactions of the fund in progress, which had been entered into up to the date of adoption of the decision on liquidation, as well as collect the receivables and cash the fund's assets, and settle the claims of investors and other creditors that created up to the date of adoption of the decision on liquidation of the fund.

From the date of adoption of the decision on the liquidation, the securitisation fund under liquidation can perform only the activities related to the liquidation procedure.

The liquidator will deliver to the regulator final liquidation reports and the report on the conducted liquidation of the fund.

The remaining net value of the securitisation fund's assets will be distributed as specified by the fund's statute.

The regulator will adopt the rules specifying the procedure, costs and terms of liquidation of securitisation funds.

Exclusion of the application of regulations
Article 58

The provisions of laws governing the insurance shall not apply to the relations with respect to the synthetic securitisation.

Foreign business operation of the securitisation entity having its registered seat in the Republic of Croatia
Article 59

A securitisation entity having the registered seat in the Republic of Croatia is authorised to perform securitisation operations and issue securities for securitisation in foreign countries in compliance with the regulations in force in such countries.

In the event referred to in the preceding paragraph, the securitisation entity having the registered seat in the Republic Croatia must inform the regulator on its intention to perform securitisation operations in foreign countries at least three months prior to commencing performance of such activities, providing detailed description of type, value, duration and other characteristics of securitisation operations to be performed in a foreign country, as well as on a form of organisation in which such activities would be performed in a foreign country, if the special form of organisation is required pursuant to the regulations of such country, supplying all information on that organisation type that must be entered with the public registries.

The securitisation entity having the registered seat in the Republic of Croatia must immediately register with the regulator the securities' issue prospectus for securitisation approved by the regulation of a EU member country, whereby the regulator must acknowledge its effects as if it had been approved by the regulator itself and immediately and without any further formalities or requirements effect the entries with the securitisation registry that are normally effected pursuant to the regulator's decision on the approval of prospectus.

If the regulations of the country of the issue do not require a securities' issue prospectus, a domestic securitisation entity will be obliged to inform the regulator on its intention on issue thereof and submit any data on the issue required pursuant to this Act in regard to a short prospectus and the regulator will grant its approval to such issue and effect required entries with the registry if is deems that if it was an issue in Croatia, is would approve a short prospectus pursuant to the data submitted to it.

The regulator supervises the foreign countries operation of the securitisation entity having the registered seat in the Republic of Croatia and is in performance of the supervision obliged to request from the competent body of another country in which the securitisation entity operates to perform supervision of its operation if this would speed up and simplify the supervision procedure in accordance with the principles of efficiency, efficacy and timeliness.

SECTION VII
MISDEMEANOUR PROVISIONS
Article 60

Final provisions
Article 61