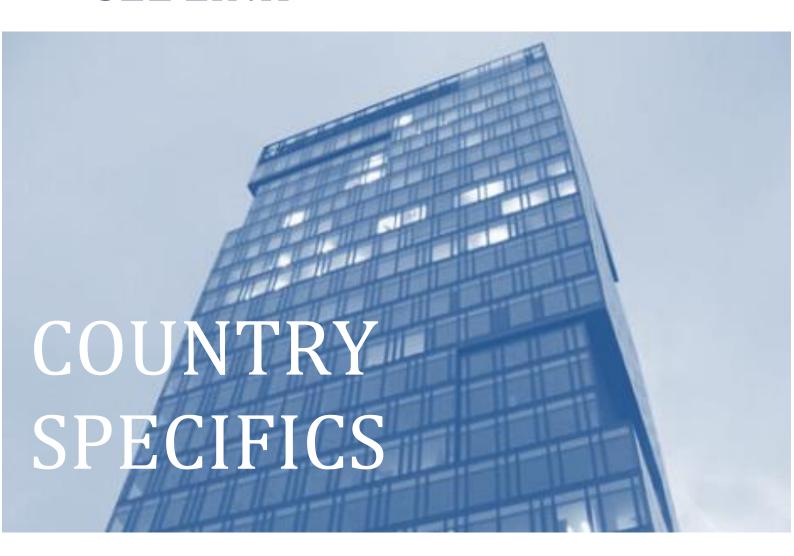


SEE LINK



CROATIA







Content

General Market Information

Setting Up A Trading Account

Opening An Account With A Local Broker

Trading

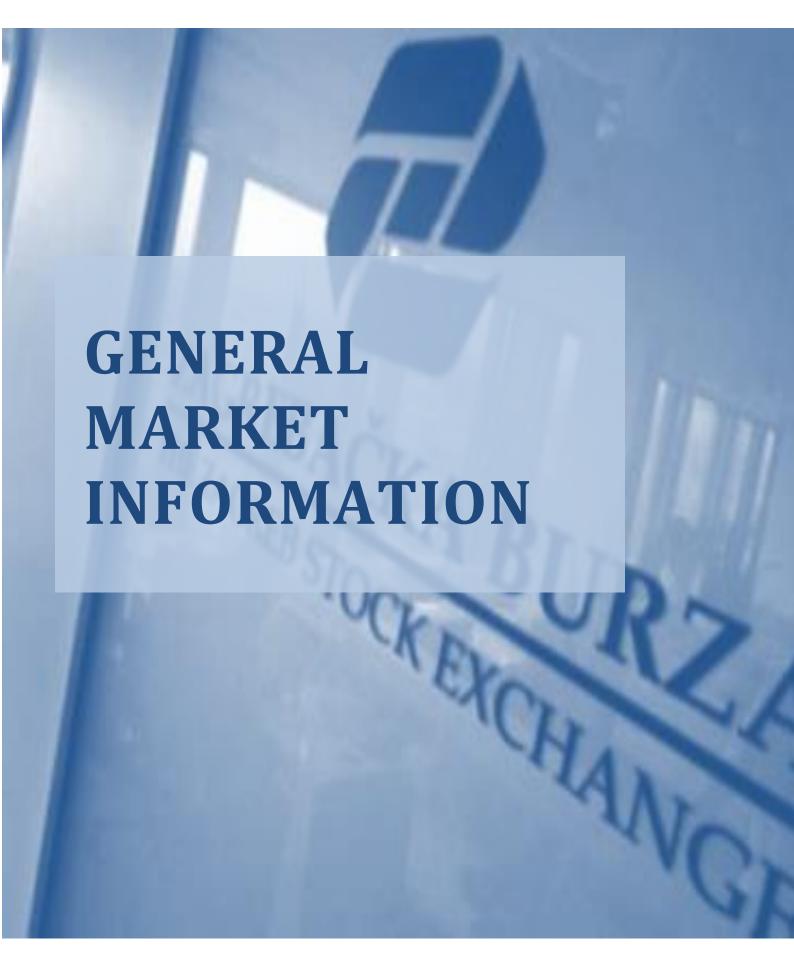
Post-Trading (Settlement)

Cash and Security Guarantee. Anti-Money-Laundering Requirements

Corporate Events

Taxation







MARKET OPERATOR

Zagreb Stock Exchange (ZSE). Website: http://zse.hr/

FINANCIAL REGULATOR

Croatian Financial Services Supervisory Agency. Website: http://www.hanfa.hr/en/mainpage.html

LIST OF LICENSED INVESTMENT FIRMS

List of the licensed investment firms can be found on Financial Supervision Commission's website: http://www.hanfa.hr/registar/2

DEPOSITORY INSTITUTION

Central Depository & Clearing Company Inc. Website: http://www.skdd.hr/portal/f?p=100:10

INVESTOR COMPENSATION FUND

Investor Compensation Fund (ICF). Website: http://www.skdd.hr/portal/f?p=100:77:1556861051760301::NO::::

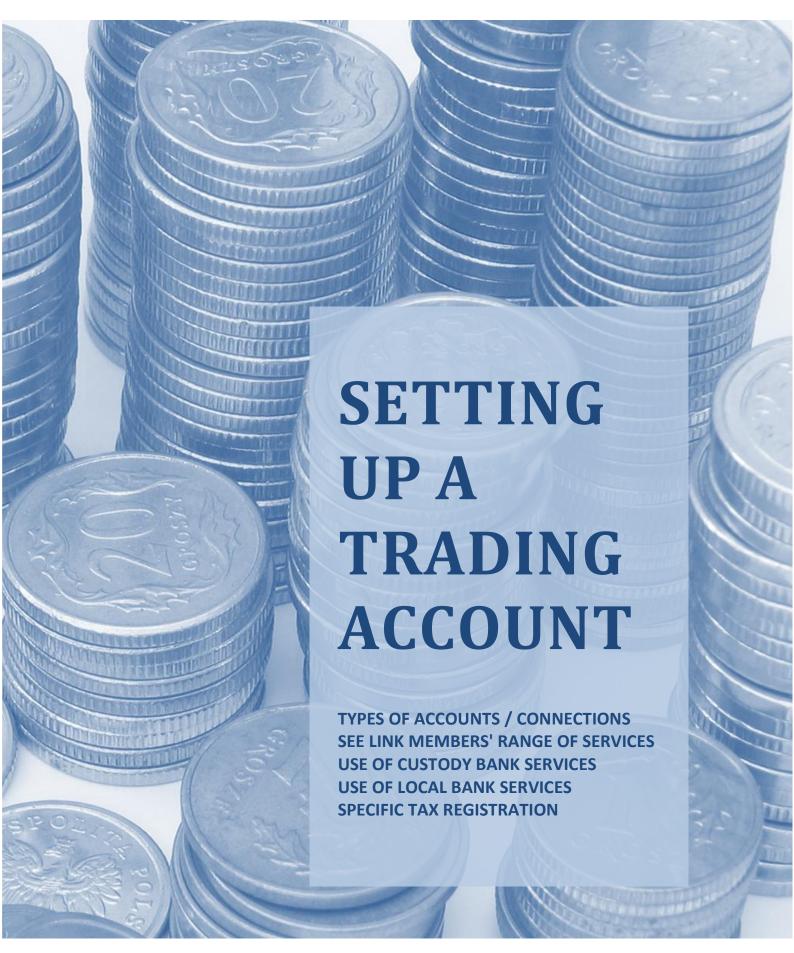
WEB SITES PROVIDING CORPORATE INFO AND FINANCIAL REPORTS

Mainly http://www.zse.hr/default.aspx?id=122

OTHER MEDIA PROVIDING COUNTRY AND MARKET INFO IN ENGLISH

https://seenews.com/news/?country=504







Types of accounts / connections

Possible options for Croatia:

- Originating Broker Executing Broker
- Originating Broker Executing Broker + Custody bank (securities and money)

CAN A SEE LINK MEMBER PROVIDE FULL RANGE OF SERVICES IN ORDER TO SET UP A TRADING ACCOUNT?

Yes, all Croatian investment firms participating in SEE Link have the necessary license to provide full range of services – execution, settlement, custody of securities and money, corporate action management, tax issues etc.

IS IT OBLIGATORY FOR A SEE LINK MEMBER TO USE CUSTODY BANK SERVICES?

No, it is up to the SEE LINK participant to choose whether to use or not custody bank services. All Croatian investment firms granted with a full license from the local regulator can act as custodian institutions keeping both clients' money and securities.

IS IT OBLIGATORY FOR A SEE LINK MEMBER TO USE A LOCAL BANK SERVICES IN ORDER TO TRADE ON THE LOCAL STOCK EXCHANGE AND RECEIVE PAYMENTS RELATED WITH CORPORATE ACTIONS (DIVIDENDS, COUPONS, ETC.)?

No, in Croatia all money transfers, corporate actions payments and trade settlement transfers can be performed by a single brokerage account opened with the local executing broker. The investment firms are obliged to segregate their proprietary assets from clients' assets and clients' money are kept in special clients' account in a bank institution.

IS THERE A SPECIFIC TAX REGISTRATION REQUIRED?

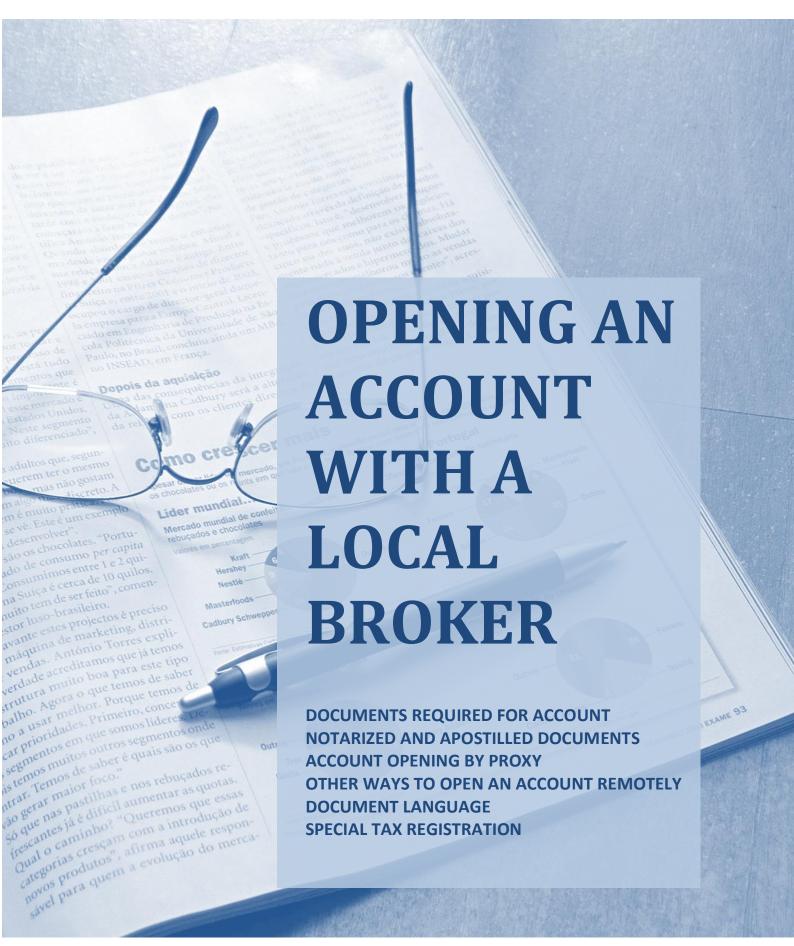
Yes, according to Croatian Act on the personal identification number holders of the personal identification number, to whom a personal identification number is designated and assigned, are: Croatian citizens, legal persons with registered offices on the territory of the Republic of Croatia and foreign natural and legal persons where the occasion for monitoring on the territory of the Republic of Croatia has arisen.

- (1) The Tax Administration of the Ministry of Finance shall ex officio designate and assign the personal identification number on the basis of information which is the subject of official records of a competent body, immediately following the receipt of the data.
- (2) The personal identification number shall be designated and assigned to Croatian citizens on the basis of information of the competent body on the entry into the register of births, or for Croatian citizens who are not entered into the register of births on the basis of information on entry into the book of citizens.
- (3) The personal identification number shall be designated and assigned to legal persons with registered offices on the territory of the Republic of Croatia on the basis of information of the competent body on the registration of newly founded legal persons in the official records.



- (4) The personal identification number shall be designated and assigned to a foreign person on the basis of information of the competent bodies and legal persons on the occurrence of the occasion for monitoring such foreign person on the territory of the Republic of Croatia.
- (5) The competent bodies and legal persons from paragraphs 2, 3 and 4 of this Article are obliged to immediately, within 15 days of the completed entry of the person in the official records at the latest, and within 15 days of the occurrence of the occasion for monitoring of the foreign person at the latest, deliver such information to the Tax Administration of the Ministry of Finance.







DOCUMENTS REQUIRED FOR OPENING AN ACCOUNT FROM THE SEE LINK PARTICIPANT

The criteria for checking order validity when recording new foreign investor are as follows:

- 1. for foreign natural persons: name and surname, citizenship, gender, date of birth, and OIB;
- 2. for foreign legal entity: company name, abbreviated company name, country of establishment, and OIB.

Documents that need to be submitted are:

- 1. for foreign natural persons: copy of an OIB* certificate, copy of a valid personal ID card or passport; bank account number (SWIFT and IBAN)
- 2. for foreign legal entity: copy of an OIB* certificate, excerpt from court or other appropriate registry, translated into Croatian by authorised court interpreter, in original or copy/transcript certified in accordance with the law and international regulations (Apostille the Hague Convention of 5 October 1961 on Abolishing the Requirement of Legalization for Foreign Public Documents or in the case if country of origin is not signatory of Convention, full legalization of document is required), bank account number (SWIFT and IBAN)

*OIB is an obligatory data in forms for entities obliged to have OIB numbers, in accordance with the Personal Identification Number Act (domestic natural and legal entities, and foreign natural and legal entities with the reason for monitoring in the territory of the Republic of Croatia). Only OIB assigned by the Tax Administration of the Ministry of Finance of the Republic of Croatia shall be recorded.

DOCUMENTATION NECESSARY FOR THE DETERMINATION AND ASSIGNMENT OF PIN (OIB)

FOREIGN NATURAL PERSON

- 1. Application for the determination and assignment of PIN (OIB)
- 2. Passport the original is to be presented for inspection, and a copy thereof should be attached to the Application

In exceptional cases, if the foreign natural person does not hold a passport, they shall attach to the Application the following documents:

- European Identity Card (citizens of the European Union) or
- Identification document issued by their state of citizenship with proof of citizenship

FOREIGN LEGAL ENTITY

- 1. Application for the determination and assignment of PIN (OIB)
- 2. Deed of Establishment (decision or registry extract from the competent court, in the Croatian language or translated into the Croatian language by a certified court interpreter)

If the Application is submitted by an AGENT acting in the name of a foreign entity (natural or legal), besides the above mentioned documents (document copies), they shall also submit a power of attorney.

THE POWER OF ATTORNEY shall be issued for the procedure of determination and assignment of PIN. Since Croatian is the official language of the Republic of Croatia, the power of attorney shall be drawn up in the Croatian language or translated into the Croatian language. The Power of attorney will be kept at the competent Tax Administration office and shall be certified by a notary public only in exceptional cases, if there is doubt of its credibility. If the power of attorney was issued to a notary public, attorney, body established under public law, or bank, the certification of the power of attorney is not necessary. If the Application is submitted by a natural person for a foreign person, the certification of the power of attorney is necessary.

Documentation necessary for determining and assigning of the PIN number to foreign entities can be found in Croatian and German and an application for determining and assigning personal identification number



can be downloaded in Croatian, English and German at the website of Croatian Ministry of Finance's Tax Administration: https://www.porezna-uprava.hr/en/Pages/PIN.aspx

All the other necessary information can be found at the respective website as well.

WHICH OF THE REQUIRED DOCUMENTS MUST BE NOTARIZED AND APOSTILLED?

Excerpt from court or other appropriate registry for foreign legal entity.

Croatia is a party to the Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents.

Croatia has also signed bilateral agreements with number of countries (Italy, Slovenia, BiH, Serbia, Montenegro, Austria, Macedonia, Hungary, Greece, Bulgaria, Romania etc.) regulating the release of legalization.

CAN A PROXY OPEN AN ACCOUNT AND, IF YES, BASED ON WHAT ADDITIONAL DOCUMENTS?

Yes, proxy can open an account. He needs to have a special power of attorney.

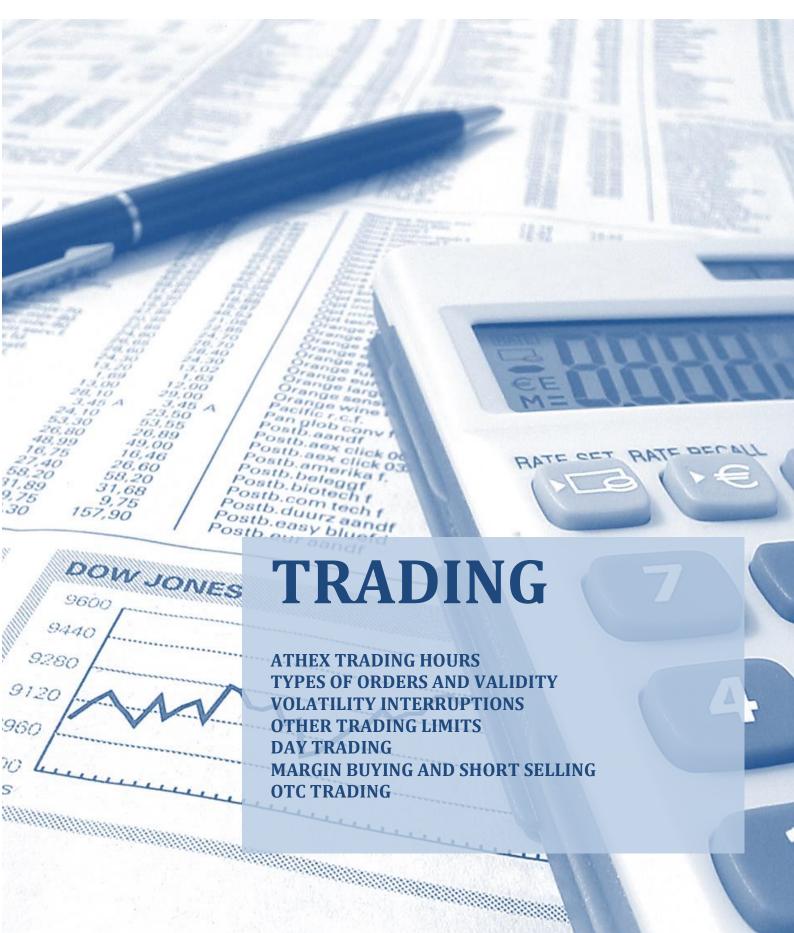
WHAT ARE OTHER WAYS TO OPEN AN ACCOUNT REMOTELY?

Any participant member can open an account for foreign natural person directly in CDCC's system. This is not an option for foreign legal persons.

IS IT OBLIGATORY TO PROVIDE ANY DOCUMENTS IN LOCAL (CROATIAN) LANGUAGE?

CDCC needs to have court excerpt for foreign legal persons translated to Croatian solely.







ZSE TRADING HOURS

- 09:00 09:15 Pre-opening phase (plus a variable ending which may take 5 minutes at most)
- 09:15 16:30 Main trading session
- 11:00 13:00 Auction Modality
- 11:00 12:00 Public Auction fixed ending auction (variable ending auction from 11:00 until end. End is randomly determined by trading system between 12:00 and 12:15.)

All times are Croatian Time (GMT+01:00)

Types of orders and validity

Basic order types, supported by SEE Link:

- Market orders: orders to buy or sell a particular amount of financial instruments at the best price on the exchange market at the time of entering the orders into the Exchange trading system;
- Limit orders: orders to buy or sell a particular amount of financial instruments at a specified limit price;

Additional order types, supported by SEE Link:

• Iceberg Orders - good-for-day limit orders, which are characterized by an overall volume and by a peak volume and in which only the peaks remainder is visible in the System at any time.

In terms of validity, orders can vary from good for day up to 365 days.

VOLATILITY INTERRUPTIONS

The volatility interruption mechanism is used in share, structured products and openend investment fund units trading.

The Exchange will set limits of price change in respect of each share and open-end investment fund unit according to liquidity and/or criteria of the market on which the share or unit is listed.

More info available in ZSE Rules: http://www.zse.hr/userdocsimages/legal/Rules-2016-06-new.pdf

OTHER TRADING LIMITS

Hard limit: To reduce the possibility of inadvertent error in order entry in the trading system in order to protect market integrity and market participants, the Exchange will prevent order entry at considerably higher than market prices of financial instruments.

DAY TRADING

Day Trading is allowed.

MARGIN BUYING AND SHORT SELLING

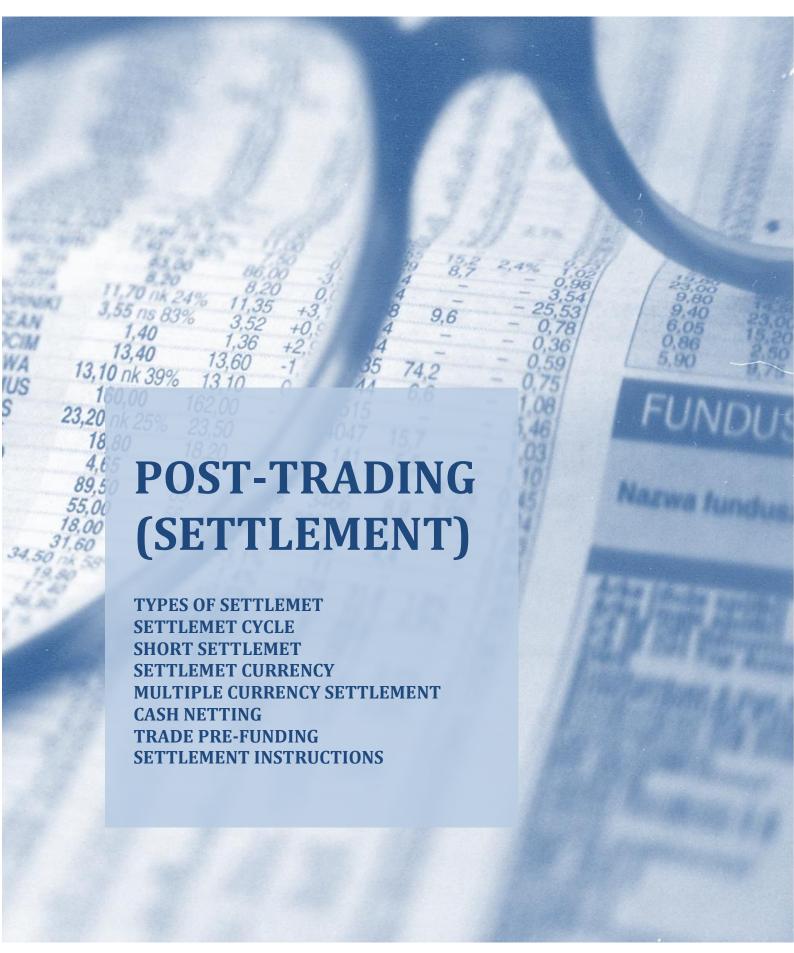
Not present on the market. Legally possible but conditions are hard to meet and no central clearing of such trades is currently performed by the CSD.



OTC TRADING

It is possible to submit instruction for OTC transactions to the broker (not supported by SEE Link).







TYPES OF SETTLEMENT ALLOWED FOR ON-EXCHANGE TRANSACTIONS

DVP BIS model 1 (gross securities, gross cash) or BIS model 3 (multilateral netting) will be moved to the CCP during 2016.

SETTLEMENT CYCLE

T+2

IS SHORTER SETTLEMENT POSSIBLE

It is possible only for OTC transactions (DvP, FoP, DvD). Not available for on-exchange transactions.

SETTLEMENT CURRENCY

Croatian Kuna (HRK).

IS MULTIPLE CURRENCY SETTLEMENT POSSIBLE?

Multiple currency settlement is not possible.

CASH NETTING

Cash netting - for BIS model 3 settlements only.

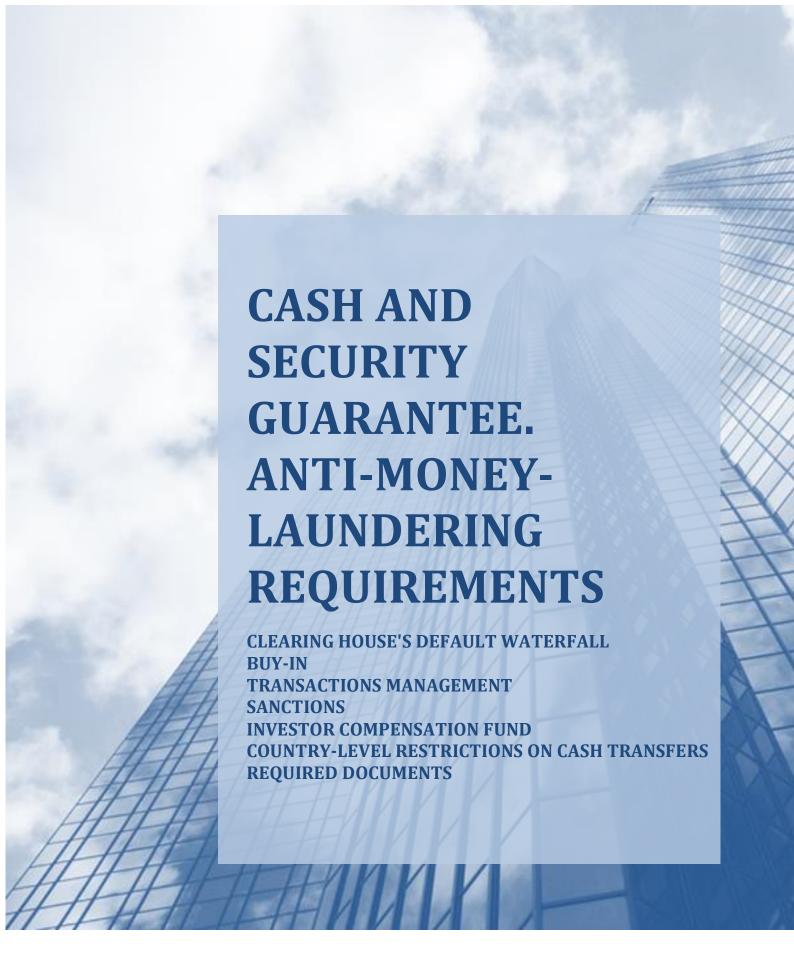
TRADE PRE-FUNDING (BOTH CASH AND STOCK)?

CDCC has no trade pre-funding defined.

IN CASE CUSTODIANS ARE INVOLVED IN TRANSACTION, WHO IS REQUIRED TO SEND SETTLEMENT INSTRUCTIONS?

In case custodian is involved in transaction, the custodian is required to send settlement instructions.







CLEARING HOUSE'S DEFAULT WATERFALL

As a central counterparty the CDCC shall assume responsibility to meet obligations to buyer/receiver members and seller/deliverer members, but solely from funds ensured by members' contributions, i.e. their payments into guarantee fund, and not from its own capital.

BUY-IN

A buy in procedure starts on Intended settlement date (S) + 3.

TRANSACTIONS MANAGEMENT

N/A

SANCTIONS

Participant member can be suspended, and depending on a breach, he can pay following fees: Fee for buy-in procedure, Fee for the procedure of debt coverage of participant's cash clearing account for BIS model 3 settlement, Non-allocating transactions, Fee for a delay in settlement caused by failing to meet obligations in the TFT settlement.

INVESTOR COMPENSATION FUND

Investors Protection Fund was established on 18 June 2009, and the CFSSA granted the CDCC the permit to act as Investors Protection Fund Operator for an indefinite time period. In addition, the Rules of the Investors Protection Fund were approved, the amendments of which were approved by the CFSSA on 23 July 2009.

These Rules define in details the formation and operation of the Fund, contribution payments, the Fund's assets management, and steps to be taken after the occurrence of an insured event.

As of 26 June 2009 there is a special account for the Fund in the Croatian National Bank, account number 1001005-1310010018, IBAN: HR1910010051310010018, in which the Fund's assets are paid and kept.

The purpose of the Fund is to protect the Fund members' claims when a Fund member is not able to pay and/or return to the Client if a bankruptcy proceeding has been initiated against that Fund member or if the CFSSA determines that the Fund member cannot meet its obligations to clients.

Clients' claims are ensured up to the value of HRK 150,000 (around EUR 20,050) per Fund member's client, and Fund members are, in short, all investment companies and credit institutions providing investment services, companies for managing investment funds and some foreign investment companies' branches.

COUNTRY-LEVEL RESTRICTIONS ON CASH TRANSFERS

No specific restrictions apply. The anti-money laundering act provides that investment firms and banks are obliged to identify their clients at the account opening. All transactions reaching and exceeding 200,000 HRK (15,000 EUR) must be reported to the Anti Money Laundering Office by the reporting entities (banks, investment firms and similar). Payments and collections in foreign exchange between residents and non-residents in connection with capital transactions shall be allowed except in the following cases: a) purchase and sale of real estate in the Republic of



Croatia and stakes in companies headquartered in the Republic of Croatia; b) purchase and sale of securities listed or issued in the Republic of Croatia, irrespective of their denomination in HRK or in foreign exchange, except securities issued in the Republic of Croatia which are listed abroad. The prohibition referred to in item b) above shall not apply to any purchase or sale transactions in the primary market of securities issued by the Republic of Croatia denominated in foreign currency. DECISION on Payments and Collections in Foreign Means of Payment in the Country (http://www.hnb.hr/en/-/odluka-o-placanju-inaplati-u-stranim-sredstvima-placanja-u-zemlji)

IF YES, WHAT DOCUMENTS ARE REQUIRED?

N/A i.e. only the bank order form for requesting an outgoing money transfer is required







DIVIDEND RECORD DATE/EX-DATE

In accordance to Company Law dividend record date may be determined by issuer's decision on dividend payment if it is not determined the record date is on the same date when decision is voted. In accordance to Rules of The Zagreb Stock Exchange exdate is determined as follows, "in respect of the holders entitled to a dividend payment, where the ex-date, as the first day of trading in the respective share with no right to a dividend, shall not be earlier than two (2) trading days following the day of public disclosure of the information on the resolution approving the dividend payment".

IS THE CSD RESPONSIBLE FOR DIVIDEND PAYMENTS DISTRIBUTION TO SHAREHOLDERS?

CDCC is not a mandatory paying agent for dividend payments. It depends on issuer's decision to make a contract to use CDCC as paying agent.

PAYMENTS OF DIVIDENDS, COUPONS, UNUSED RIGHTS ETC.

CDCC makes payments to bank accounts of the investors/clients.

CAPITAL INCREASE WITH RIGHTS

Capital increase with rights is regulated the same as the ordinary capital increase.

RECORD DATE/EX-DATE

The record date is determined by issuer's decision on capital increase.

STOCK SPLITS / REVERSE STOCK SPLITS

Stock splits / reverse stock splits is regulated and must be recorded/implemented in the CDCC system.

IS TRADING/SETTLEMENT SUSPENDED IN CASE OF CORPORATE EVENTS AND IF YES, FOR HOW LONG?

Trading/settlement is not suspended in case of corporate events.

Is there an automatic order deletion at the end of Dividend record date?

No.

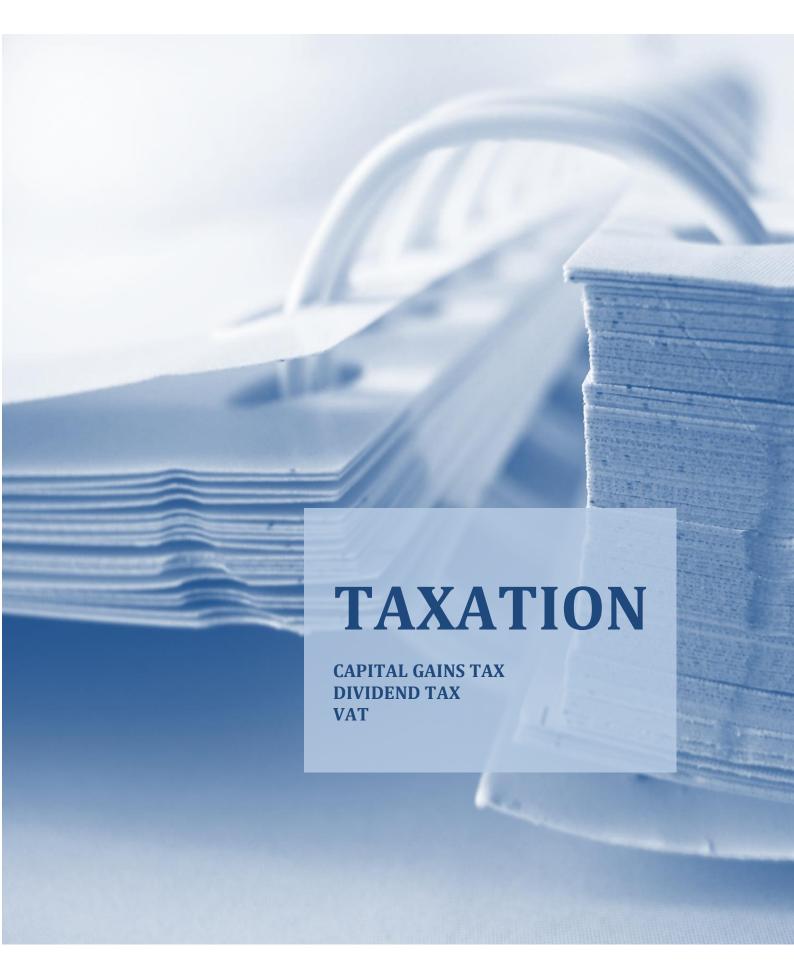
ARE OTHER CORPORATE EVENTS POSSIBLE?

General meetings, cash dividend and payment, issued capital increase, issued capital decrease, distribution with pre-emptive right, stock split, reverse stock split, securities conversion, debt securities new issues, debt securities interests and principal payment, issuing rights and warrants, joint stock companies takeover,



general offer to buy shares of a company other than target company, or to buy no voting shares, securities public offer, debt securities early redemption, squeeze out, mergers and acquisitions, company division or other statutory changes of joint stock companies, securities withdrawal, transferring joint stock company's assets, companies restructuring.







CAPITAL GAINS TAX

Capital gains will be taxed at a rate of 12% plus additional tax (depending on the residence of the taxpayer) the tax base which is the difference between the sale and purchase price of financial assets (stocks and bonds) acquired after 1 January 2016. Taxpayers of the tax on capital income arising from capital gains are natural persons, residents and non-residents, and to all those who make a profit from the sale of assets which increased the value of (stocks and bonds), which was purchased after January 1, 2016.

DIVIDEND TAX

Dividends payable by resident entities to resident natural persons and foreign natural and legal persons are subject to a 12% final withholding tax at the source. Withholding tax on dividends shall not be paid when dividends are distributed to a company taking one of the forms that are subject to the common taxation system applicable to parent companies and subsidiaries of different EU Member states. Dividend tax is subject to the provisions of the Avoidance of Double Taxation Treaties between Croatia and investor's country of origin.

VAT

CSD's, Investment firms' and Stock exchange transaction fees are VAT-exempt.





SEE Link doo Skopje Orce Nikolov No 75 Skopje, Macedonia info@see-link.org www.see-link.net Tel: +389 2 3 122 055 Fax: +389 2 3 122 069 This publication was prepared and published by the SEE Link doo Skopje, Orce Nikolov No 75, Skopje, Macedonia (hereinafter: SEE Link). The publication is intended to provide information to the public and shall not be deemed to constitute an offer or invitation to buy or advice on trade or investment in financial instruments or opinion on the terms of the purchase or sale of any financial instrument mentioned therein whether favourable or not, nor should it be relied on as a substitute for own judgement or assessment by any user of this publication. The SEE Link waives responsibility and liability for any damage which might arise out of the use of information contained therein. Further use of information available in this publication is permitted by the SEE Link provided that the source is cited.

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