

ATTACHMENT FOR THE REPUBLIC OF CROATIA

1. QI is subject to the following laws and regulations of the Republic of Croatia governing the requirements of QI to obtain documentation confirming the identity of QI's account holders.

1. ***Anti Money Laundering and Terrorist Financing Law (Official Gazette 87/2008) and ordinances of the Republic of Croatia and the Ministry of Finance based on the Law on the Prevention of Money Laundering and the Financing of Terrorism:***
 - a) *Article 7, paragraph 5 – Ordinance on the determination of conditions under which obligated persons have to identify customers as customers who pose a negligible threat in terms of money laundering or terrorist financing*
 - b) *Article 15, paragraph 2 – Ordinance on the content and type of data on the payer accompanying electronic funds transfer, the obligations of payment services provider and on exemptions from the obligation to collect data in funds*
 - c) *Article 16, paragraph 2 and Article 40 – Ordinance on the obligation to report cash transactions of HRK 200,000.00 or above to the Office for Money Laundering Prevention and on the conditions under which the obligated persons are not obligated to report cash transactions of individual customers to the Office for Money Laundering Prevention*
 - d) *Article 16, paragraph 2 and Article 42 – Ordinance on the obligation to report suspicious transactions and persons to the Office for Money Laundering Prevention*
 - e) *Article 28, paragraph 6 – Ordinance on the conditions under which persons subject to the Law on the Prevention of Money Laundering and the Financing of Terrorism may outsource customer due diligence measures to third persons*
 - f) *Article 54 and Article 81, paragraph 6 – Ordinance on the manner and the time limits for reporting suspicious transactions and persons to the Office for Money Laundering Prevention and on the keeping of records by lawyers, law firms, public notaries, audit firms and independent auditors and legal and natural persons engaged in accounting and tax counselling activities*
 - g) *Article 74 and Article 81, paragraph 6 – Ordinance on the control of domestic and foreign currency cash taken in and out of the country across the state borders*
 - h) *Article 82, paragraph 2 – Ordinance on the manner and the time limits for submitting data on criminal activities of money laundering and terrorist financing to the Office for Money Laundering Prevention*
 - i) *Article 82, paragraph 3 – Ordinance on the manner and the time limits for*

submitting data on misdemeanour procedures to the Office for Money Laundering

2. QI represents that the laws identified above are enforced by the following enforcement bodies and QI shall provide the IRS with an English translation of any reports or other documentation issued by these enforcement bodies that are relevant to QI's functions as a qualified intermediary.

The Ministry of Finance

The Office for Money Laundering Prevention

The Financial Inspectorate of the Republic of Croatia

The Tax Administration

The Croatian National Bank

The Croatian Financial Services Supervision Agency

3. QI represents that the following penalties apply to failure to obtain, maintain, and evaluate documentation obtained under the laws and regulations identified in item 1 above.

Anti Money Laundering and Terrorist Financing Law:

A pecuniary penalty ranging from HRK 50,000.00 to HRK 700,000.00 may be imposed on legal persons.

A pecuniary penalty ranging from HRK 6,000.00 to HRK 30,000.00 shall be imposed on members of management board or other legal person's responsible person for the infringements referred to in paragraph 1 of this Article.

A pecuniary penalty ranging from HRK 35,000.00 to HRK 450,000.00 shall be imposed on a natural person craftsman or a natural person involved in other independent business activity for the infringements referred to in paragraph 1 of this Article.

(Article 90. of the Anti Money Laundering and Terrorist Financing Law).

In instances when a special law shall envisage the issuance of an approval for the performance of certain arrangements, the competent body shall be entitled to recall the approval for the performance of such arrangements from legal or natural persons in breach of the provisions contained in the Law for the period of three months to one year.

(Article 99. of the Anti Money Laundering and Terrorist Financing Law).

*According to the **Criminal Code**: for Money Laundering up to 10 years of imprisonment; in case of non-performance of Reporting Obligations up to 3 years of imprisonment.*

(Article 279.)

*According to the **Act on the International Restriction Measures**: in case of non-performance of Reporting Obligation a fine is up to HRK 1.000.000,00; in case of not acting in accordance with the Government's decision determining the restrictive measures up to 5 years of imprisonment. (Article 15. and 16.)*

4. QI shall use the following specific documentary evidence (and also any specific documentation added by an amendment to this item 4 as agreed to by the IRS) to comply with section 5 of this Agreement, provided that the following specific

documentary evidence satisfies the requirements of the laws and regulations identified in item 1 above. In the case of a foreign person, QI may, instead, use a Form W-8 in accordance with section 5 of this Agreement. Either QI, or a banking or securities association in the Republic of Croatia, may request an amendment of this item 4.

For natural persons:

- *National identity card*
- *Passport*

For legal persons:

- *Extracts of public registers*
- *Articles of Association or other organizational documents.*

5. QI shall follow the procedures set forth below (and also any procedures added by an amendment to this item 5 as agreed to by the IRS) to confirm the identity of account holders that do not open accounts in person or who provide new documentation for existing accounts other than in person. In the case of a foreign person, QI may, instead, use a Form W-8 in accordance with section 5 of this Agreement. Either QI, or a banking or securities association in the Republic of Croatia, may request an amendment to this item 5.

(i) QI shall not open an account by any means other than by establishing in person the identity of a customer through the account holder's own identity documents, except as permitted in (ii), (iii) and (iv) below.

(ii) QI may obtain by mail or otherwise a copy that is an exact reproduction of the specific documentary evidence listed in item 4 above from another person that is subject to know-your-customer rules that have been approved by the IRS for purposes of qualified intermediary agreements, provided that the laws and regulations listed in item 1 permit QI to rely on the other person to identify the account holder.

(iii) QI may obtain a photocopy of the specific documentary evidence listed in item 4 by mail or otherwise remotely from the account holder or a person acting on behalf of the account holder, provided that the photocopy has been certified as a true and correct copy by a person whose authority to make such certification appears on the photocopy, and provided that the laws and regulations listed in item 1 permit QI to rely on the certified photocopy to identify the account holder.

(iv) (a) QI may obtain by mail or otherwise a copy that is an exact reproduction of the specific documentary evidence listed in Item 4 from an affiliate of QI or a correspondent bank of QI, provided that the affiliate or correspondent bank has established in person the identity of the account

holder and the laws and regulations listed in Item 1 permit QI to rely on documentation provided by that affiliate or correspondent bank to identify the account holder.

(b) For accounts opened prior to January 1, 2001, if QI was not required under its know-your-customer rules to maintain originals or copies of documentation, QI may rely on its account information if it has complied with all other aspects of its know-your-customer rules regarding establishment of an account holder's identity, it has a record that the documentation required under the know-your-customer rules was actually examined by an employee of QI, or an employee of an affiliate of QI or a correspondent bank of QI, in accordance with the know-your-customer rules, and it has no information in its possession that would require QI to treat the documentation as invalid under the rules of section 5.10(B) of this Agreement.