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ACT**concerning terms re: founding and functioning of Representations of foreign persons in the Republic of Croatia****I. GENERAL PROVISIONS****Article 1.**

This document defines the terms for founding and functioning of representation (offices) of foreign persons in the Republic of Croatia (hereafter: representations).

Provisions of this Act do not apply for the representations of those foreign persons in the Republic of Croatia the functioning of which has been regulated by special acts.

Article 2.

Representation in the Republic of Croatia can be founded by a foreign person dealing with the economic/business activity and [by] the national or international business corporation.

Article 3.

A foreign person can found/establish a representation for a market research, for public relations and information purposes.

Businesses that are referred to in the Section 1. of this Article cannot include those that are fundamental for the activities of the founder, nor can [the representation] contract businesses for the founder.

In addition to the Section 1 and 2 of this Article, representations of foreign airline companies can sell transportation related documents in accordance with the international contracts of which the Republic of Croatia is a part, and in accordance with the international agreements.

Article 4.

A representation is a part of the foreign person and does not have a status of legal person.

A representation engages in activities described in the Article 3. of this Act upon instructions given by the founder.

A representation functions under the name of the founder, with acknowledgment that it is a representation.

Article 5.

A foreign person with a representation in the Republic of Croatia can found one or more branches of the representation.

Founding, activity and closing of any of the branches follow the rules of the founding, activity and closing of the representation.

II. LISTING IN THE REGISTER OF THE REPRESENTATION**Article 6.**

A Representation is listed in the Register of representations of foreign persons in the Republic of Croatia (hereafter: Register), which is established at the Ministry of economy.

A representation can start its activity after it has been listed in the Register.

Article 7.

- The following data and changes of data are being listed in the Register:
- name and the headquarters of the founder (state, city and the address)
 - headquarters of the representation in the Republic of Croatia
 - activities of the representation
 - name, last name, address and the i.d. number, or for the foreigners the passport number/the state which issued the passport, of the responsible person at the representation
 - register and the number under which the founder is documented and the country which has issued this documentation
 - deletion of the representation

Article 8.

Registration for the listing entails:

- name, headquarters and the activity of the founder
- headquarters of the representation in the Republic of Croatia
- basic data about the person responsible for the functioning of the representation (name, last name, i.d. number, and for the foreigners the passport number and the state which has issued it.)

Registration form the Section 1 of this Article can be submitted by the foreign person directly, or by its authorized representative.

Article 9.

Enclosed to the registration form as defined in the Article 8, the foreign person is obliged to submit:

- the copy of the act stating the founding of the representation in the Republic of Croatia,
- document that gives the listing in the register of the founder in the country where its headquarters are, or another valid document issued in that country which states the founder's legal character and the date when it has been founded,
- description of activities and of the representation in the Republic of Croatia,
- decision about the appointment of the person responsible for the functioning of the representation in the Republic of Croatia (its director),
- proof that the legal fees have been paid.

Documents listed in the Article 8 of this Act, and in the Section 1 of this Article must be both in the original language and in the authenticated translation in Croatian.

Article 10.

The Ministry of economy will list the representation in the Register within thirty days after the request and the documentation as defined in the Article 9 have been submitted.

Article 11.

The Ministry of economy will refuse to list the representation if the founder fails to submit requested documents as defined in Articles 8 and 9 of this Act.

The Ministry of economy will also refuse to list the representation if the founder fails to prove that:

- it has been founded legally and that it is functioning in the country where its headquarters are.

- that there is a reciprocity in terms of founding of representations between the country of the founder and the Republic of Croatia, i. e. that the Croatian institutions can act in the founder's country according to the rules similar to those by which the foreign founder can act in Croatia.

III. FUNCTIONING OF THE REPRESENTATION

Article 12.

A representation is represented by the person which was nominated by the founder.

The founder should register any changes of data listed in articles 8 and 9 of this Act.

A representation is obliged to follow in its functioning the legal regulations of the Republic of Croatia.

Control of compliance with the legal regulations of the Republic of Croatia is performed by the market inspectorate as well as by other inspectorates within the limits authorized by law.

Article 13.

Labor relations, salaries and other work conditions of the Croatian citizens who are employed by the representation are to be regulated by the labor laws of the Republic of Croatia.

The foreign person will sign a work contract with the person from the Section 1 of this Article, by which neither the lesser rights nor less favorable conditions can be stated than those defined by the law and by the collective contract.

Foreigners and persons without the [Croatian] citizenship working in the representation are obliged to obtain work permit according to the special regulations.

IV. DELETION FROM THE REGISTER

Article 14.

The Ministry of economy will decide to delete the representation from the Register if:

- the founder decides to close the representation,
- the founder ceases to exist in the country where it has its headquarters.
- there is no appointed person responsible for the functioning of the representation for more than two months after the previous person has been demoted.

- the representation does not meet the requirements stated by this Act and defined by the decision about the listing in the Register.
- the representation does not function in accordance with the legal regulations of the Republic of Croatia
- by the Court ruling the foreign person -- the founder of the representation has been found guilty of business related crime more than twice in the last two years of its functioning.
- the representation does not function in accordance with the Article 3 of this Act.

Decision as in the Section 1 of this Article will specify the deadline for the end of functioning of the representation, which can not be longer than six months.

TRANSITIONAL AND FINAL REGULATIONS

Article 15.

Representations founded in the Republic of Croatia after October 8 of 1991 and listed in the Register at the responsible Ministry continue its activities.

The foreign person which has founded the representation in the Republic of Croatia before the October 8 of 1991, which has not been listed in the Register according to the Section 1 of this Article, is obliged to do so within 60 days after this Act has becomes valid.

If the founder of the representation does not act in accordance with the Section 2 of this Article, the representation must stop its activity within the deadline as stated in the Section 2 of this Article.

Article 16.

Representations which do not perform economy-related activities and which are listed in the Register can continue to work after this Act becomes valid and in accordance with it, until the new regulations for their functioning in the Republic of Croatia are established.

Article 17.

This Act replaces the [previous] Act on conditions for the founding and functioning of representations of foreign persons in the Republic of Croatia ("Narodne novine" No. 53/91)

Article 18.

This Act becomes valid on the eight day after the publication in "Narodne Novine."

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President:
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