

Issues of Translating Legal Documents in the Field of Financial Services from English into Croatian and from Croatian into English in the Process of Alignment of Croatian Legislation with the Acquis Communautaire

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SVEUČILIŠTE JOSIPA JURJA STROSSMAYERA U OSIJEKU

FILOZOFSKI FAKULTET

Diplomski studij anglistike i germanistike - prevoditeljsko usmjerenje

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Issues of Translating Legal Documents in the Field of Financial Services
from English into Croatian and from Croatian into English in the
Process of Alignment of Croatian Legislation with the *Acquis*
Communautaire

Diplomski rad

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Osijek, 2011.

ABSTRACT

This paper is a study of the issues translators face while translating legal documents in the field of financial services in the process of alignment of the Croatian legislation with the *aquis communautaire*. For this purpose two regulations were translated beforehand, one from English into Croatian and the other from Croatian into English. They serve as the corpus for this study; therefore all examples were taken from these translations. The paper lists all the difficulties that occurred in the translation process and explains the methods applied and the steps that were taken in order to overcome them. It summarises the most useful tools and other sources that are helpful for translating documents in the field of financial services. Furthermore, the paper clarifies why legal translation is important, especially in the process of alignment; which skills a legal translator needs to possess and why accuracy is important in legal translation.

Key words: legal translation, financial services, translation issues, translation tools

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1. Introduction

The aim of this paper is to highlight the difficulties while translating legal documents in the field of finance, and to explain the methods applied to solve these difficulties. Two acts were translated and used as the corpus for this paper – one from English into Croatian and the other from Croatian into English. The first document is a European Union act, the *Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009 establishing a Guarantee Fund for external actions*. The second document is a Regulation of the Republic of Croatia – *Regulation on the Implementation of funding measures for economic recovery and development*.

The first chapter clarifies the purpose of translating legal documents in the European Union and the Republic of Croatia. This chapter also discusses the theory of legal translation in order to provide for a better understanding of legal translation and its purpose and importance. Beside the skills a translator of legal documents needs to have, the theory of legal translation focuses on the general issues translators of legal texts may face. Further on, the importance of translating legal documents accurately is emphasized and the importance of accuracy is explained.

The main part of this paper focuses on the translation process. First, the translation from English into Croatian is analysed with hints on how to translate legal documents into Croatian and details about the differences between the forms and formulae of European Union acts and the acts of the Republic of Croatia. The analysis of the translation from Croatian into English focuses on the difficulties a non-native speaker of English faces when translating into English, especially when translating legal documents. Furthermore, it highlights the issues occurring while translating financial terminology from Croatian into English.

In conclusion, a comparison of the two analyses explains which translation was more demanding and which were the most useful translation tools in each case. The summary gives guidance on how translators should prepare, what tools they need and what skills are desirable for translating European Union documents into Croatian and documents of the Republic of Croatia into English in the field of finance.

2. Theory of legal translation

Legal translation shall clarify which duties emanate from a legal document of a certain legal system. A country might be multilingual or a legal system might be multilingual, as in the case of the European Union. This chapter shows why legal translation is important in general and why it is relevant in the European Union and the Republic of Croatia. After its purpose is explained, it will become clear that legal translation has to be taken very seriously and that translators of legal texts have a great responsibility.

2.1. The purpose of translating Croatian legislation into English

This paper is written within the framework of the course Translation and European Integration. Therefore, an explanation follows as to why legal translation is important in the context of the accession of the Republic of Croatia to the European Union.

By signing the Stabilisation and Association Agreement in the accession process to the European Union, the Republic of Croatia took on the responsibility to implement the principles and rules of EU legislation into its own legislation. The alignment process of Croatian legislation is carried out by State Authorities, which are preparing legislative proposals in order to align the legislation of the Republic of Croatia with the *aquis communautaire* of the European Union.

Once the legislative proposals are adopted by the Croatian Government they become the laws of the Republic of Croatia. The representatives of the European Commission have to examine whether these laws are in compliance with EU laws, therefore, these documents have to be translated into English.

2.2. The purpose of translating European Union legislation into Croatian

Since the European Union acknowledges the official languages of all of its Member States as official languages of the EU, Croatian will become an official language of the EU, after the Republic of Croatia becomes a Member State. For this reason the EU legislation needs to be translated into the Croatian language.

In the next chapter the translations of two Regulations are going to be analysed. It seems that the translation of EU Regulations is very important, because they are equally important for all

EU Member States, which is evident in the next quote from the *Manual for Translating Legal Acts of the European Union*:

Regulations are addressed to all Member States; they are legally binding in their entirety and directly applicable without being transposed into national law. (Šarčević 10)

The Croatian translation has to be as clear as the English original about what that specific act allows, forbids, enables, restricts, whom it empowers and so on. When Croatia becomes a Member State of the European Union, the Croatian translations of EU acts will be promulgated in the EU Official Journal; this way they will become acts in force.

2.3. The importance of accurate legal translation

When translating a legal document one has to pay close attention to the differences between the source legal system and the target legal system because the accuracy of the translation is of immense importance. Accuracy means that the translation should be target language oriented; namely, it should be adjusted to the legal language that the target legal system uses. In the *Manual for Translating Legal Acts of the European Union* emphasises accurate translation, because legal texts themselves constitute the law – translation, once adopted, becomes a law too.

In accordance with Council Regulation No 1, EU legislative texts are drafted and published in all official languages. All language versions are vested with the force of law and are equally authentic. From the legal point of view, all texts are regarded as “originals”, not as translations. In fact, the term “translation” is not used at all. (Šarčević 10)

2.4. Difficulties while translating legal texts

This chapter explains why translating legal documents is a demanding task and what skills a proficient translator needs to have to be able to translate legal texts properly. The English writer David Crystal¹ comments on legal language as follows:

Legal language has always been pulled in different directions. Its statements have to be so phrased that we can see the general applicability, yet be specific enough to apply to individual circumstances. (...) Above all, they have to be expressed in such a way that people can be certain about the intention of the law respecting their rights and duties. No other variety of language has to carry such a responsibility. (Crystal)

¹ David Crystal held chair at the University of Reading for 10 years, and is now Honorary Professor of Linguistics at the University of Wales, Bangor.

Crystal obviously thinks that legal language is a language of its own because it has a specific responsibility. It is a language that differs from the everyday language, therefore, a translator of legal language, besides being fluent in a foreign language, has to be familiar with the legal register of the foreign languages he/she is translating to or from.

What makes it demanding are not only the linguistic differences between the two languages, but rather the structural differences between the two legal systems. For instance, in bilingual or multilingual countries, such as Belgium, Finland or Switzerland, it is not an issue to translate into the different languages that are official languages of the same country, because the translations are based on the same legal system and their purpose is to serve citizens of the same country. On the other hand, English is the official language in a lot of countries but the legal systems in those countries differ, therefore, they do not share the same legal register. In other words, when translating legal texts into English, translators have to make sure to choose the legal register of that legal system for which they are translating.

In addition, the English language is the most used language in the authorities of the European Union, therefore, all legal documents from each Member State, which are of importance for the EU, are being translated into English. At the same time, all the documents of the European Union, which are of importance to all Member States, are being translated into each of the 23 official languages of the EU. Since these translations are versions of the same acts, they must have the same legal effect in every language. The EU has its own legal system hence its own legal language as well, which is why, according to the Dutch professor Gerard-René De Groot, it should be possible to find equivalents for a certain term in every official language of the EU. If the equivalents did not exist before a country joined the EU, they definitely should be created, since all countries will be involved in the same legal system. Nevertheless, if a translator considers that there is no need to create a neologism, because a certain concept does not exist in his/her country, therefore there has never been the need to introduce a term embodying this concept, he/she can explain the term in order to make it comprehensible to the target readers. More on strategies applicable in the event of absence of a concept in the target language is mentioned later in this chapter.

De Groot is a Professor of Comparative Law and Private International Law at the University of Maastricht who has published books on the problems of legal translation and, therefore, is considered to be an expert on Comparative Law. What makes Comparative Law relevant in the contexts of legal translation is illustrated by the following quote:

It is the study of the diverse legal systems around the world and the differences and similarities between them. Comparative Law provides the foundation to create bilingual dictionaries that try to find equivalence among the elements of the source and the target legal texts. (Melo)

Since De Groot is an expert in this field, his opinions and suggestions are quoted very commonly. He has been quoted in Marcus Galdia's text *Comparative Law and Legal Translation* in the European Legal Forum; this quote states his opinion on equivalence in legal translation:

A complete equivalence between the terms of two legal systems can only be attained if both legal languages refer to the same legal system, positing an acceptable equivalence between two legal systems and not two languages. If no equivalence can be established, *De Groot* suggests several alternatives: citation of the nontranslated term, paraphrasing, the creation of neologisms or a combination of these. (qtd. Galdia 2)

What can be concluded from De Groot's suggestions is that it is better to paraphrase or not translate but explain a term, than to translate it in a wrong way. In this part of the chapter his subsidiary solutions are explained, which are: preserving the source term, paraphrasing and introducing neologisms. Those are the strategies one can apply when there is no equivalent concept in the target language, so the translator has to decide which strategy to use to approximate it to the target language reader.

2.5. Strategies used in the absence of an equivalent in the target language

2.5.1. Preserving the source term

The next quote by De Groot illustrates in what ways a translator could preserve a source term in the target text. He suggests two possibilities, both including further explanation of the source term:

There will be *no translation* and the source term or its transcribed version is used. If needed, the term may be explained by adding information in parentheses or in a footnote in the form of a literal translation or a remark such as "comparable to...". (De Groot 176)

He also explains what he means by 'literal translation' and adds that some authors consider literal translation to be a separate alternative, which could actually be understood as an additional strategy in legal translation. Nonetheless, if a literal translation is used, it should be marked as such, for the readers to know that this term does not exist in their native language. Moreover, the literal translation of source term elements might be comprehensive only to experts who are familiar with the legal systems of the source and the target text or at least one of them.

For laymen, an explanation would be better because if they wanted to understand the term correctly, they would need to search for it themselves.

By such a literal translation is meant: a translation of elements, focusing on the ordinary usage of the source and target language, which form the building blocks of the source language legal term to be translated. Some authors list such a "literal" or "word-for-word" translation as a separate alternative in the event of the absence of an equivalent concept. (De Groot 176)

De Groot also states that it is not advisable to use the source term too often because the aim of a translation is to make it understandable to the native speakers of the target language. He also mentions in which cases the source term should be avoided completely – when there is a high possibility that the readers of the target language would not understand the source term. In such cases, it is recommended to explain the term.

...it may be concluded that using an untranslated term from the source language in the target language must be avoided in particular, where there is little or no etymological correspondence between the two languages. (De Groot 176)

2.5.2. Paraphrasing

The second suggestion by De Groot is to paraphrase the source term that cannot be translated. What can be concluded is that a good paraphrase would consist only of several words – a so called descriptive paraphrase. Translators carry a lot of responsibility because they have to decide which of these solutions would be best in a certain case, namely, which solution would put across the meaning of the source term the best. They have to make their decisions according to the purpose of the translation, as De Groot puts it.

A paraphrase is used to describe the source language term. If the paraphrase in the target language is a virtually perfect definition of the source language concept, such a paraphrase approximates an equivalent consisting of several words. (...) The legal entity thus described does not exist as such in the target language legal system, but the combination of its elements makes the term accessible to a lawyer trained in that system. (...) The desirability and the usefulness of paraphrasing as a subsidiary solution are contingent on the length and complexity of the paraphrase, and the purpose of the translation. (De Groot 177)

2.5.3. Neologism

The third and last suggestions that De Groot made, regarding concepts that do not have an equivalent in the target language, is to introduce a neologism. However, to introduce a neologism

would only make sense if that concept has also been introduced to the target legal system and, therefore, needs its proper name in the target language. Although this would be the logical approach, De Groot suggests neologisms for nonexistent target language concepts as well.

A term is used in the target language that does not form part of the terminology of the target language legal system, if necessary in combination with an explanatory footnote. (De Groot 177)

He also explains his view on how to choose a neologism. According to De Groot it is important to establish that the neologism, the translator is suggesting, does not already exist for a concept with a completely different meaning.

The neologism must be chosen in such a way that the content of the source term is shown to some extent, without using a term which is already used in the target language legal system. From the latter, it can be concluded first that the translator must make sure that the target term does not exist in the target language legal system. All terms even remotely connected with that legal system must be counted out. For instance, the use of the French "*droit commun*" as a translation for the term "common law" must be rejected, because the former is already in use in a sense very different from that of "common law". (De Groot 177)

A practical advice is to introduce a term that is already functioning in the same language but in another legal system, of course, if that term is not used for another concept. This can on one hand bring two legal systems closer if the term chosen represents the same concept in the legal language from which it was taken and for which it was taken. On the other hand, it can cause even more confusion if, for instance, a term that is used in the legal language of the United Kingdom is introduced to the legal language of South Africa, but in each legal language the same term represents a different or a similar concept. Then the question is to what extent the usage of the term differentiates in both legal systems. This shows how difficult it is for legal translators to decide upon an equivalent and that they always have to check the definition of terms they are not familiar with.

Often terms can be used which, although they do not function in the target language legal system as legal terms, do function in another legal system which uses the same language as its legal language. (...) If the target language serves as a legal language in several legal systems, a choice must be made for one particular national legal terminology. Translators should not use the terminology of system A at one point and the terminology of system B at another. Once a fundamental choice has been made for the terminology of system A, but some acceptable equivalents are lacking, it is allowed to employ as neologisms acceptable equivalents from another legal system. In that case, it is necessary to mark such terms as neologisms, for instance by expressly referring to the legal system from which the neologisms in question were borrowed. (De Groot 178)

De Groot adds that, if the translator thinks the readers of the target text might be unfamiliar with the chosen term because they are unfamiliar with the legal system and consequently with the legal language from which a neologism was taken, the translator can add an explanatory footnote. Because of this additional advice it could be said that the first and this last strategy overlap to a certain extent. In the first strategy it was suggested to keep the source term but to explain it, for example in a footnote. The explanation can as well consist of a literal translation, which could also be considered a neologism. But it has been stated that the literal translation might not be clear enough and that further explanation might be necessary. In the third suggestion the neologism is introduced in the target text itself and the explanation can be added in the footnote. Although it is the opposite approach it seems to be the same strategy. Maybe the translator, who chooses the first strategy, does not want to make the decision of declaring a term as a neologism, but another might stumble across that 'literal translation' and use it again. Eventually the literal translation becomes a neologism if it is used over and over again in the same sense. Therefore, translators have to be careful when choosing a neologism because it could be that a neologism has already been used for the same concept. De Groot advises to adopt previously used neologisms in order to avoid confusion.

If it can be assumed that some users of the target text already encountered at some point or another these neologisms chosen by others in publications to express the terms in question from the source language legal system, it is advisable seriously to consider adopting the choice of earlier translators. One should be aware that choosing one's own neologisms could lead to confusion. (De Groot 178)

2.6. Skills required for legal translation

For legal translation, it is important to have a reliable dictionary which not only provides the equivalents of a certain term but also provides the context in which one can find each translation. Additionally it would be advisable to have monolingual dictionaries with legal terminology for both the source and the target language in order to look up the meaning of legal terms if one is not a specialist in law.

Nevertheless, there are translators who become experts in a certain field. After first working in the field of law, some, who may be fluent in another language than their native, start translating legal texts. This is just one possibility and there are countless more, but such experts have something in common – they have gained experience in a specific field, therefore they master a specific terminology. The question is whether that makes them skilled translators. There

seem to be certain expectations on what skills a proficient translator of legal texts needs to have. However, to meet all of these expectations is somewhat difficult.

Done well, it requires a variety of advanced skills to be present in the translator: first, complete mastery of both source and target languages; second, a good knowledge of the two legal systems involved; third, knowledge of the relevant sub-areas of law; fourth, an awareness of any other relevant disciplines and subject matter, (e.g. steel making, if the documents of a case concern a steelworks); fifth, training in the art of translation itself. (Crystal)

It is not easy to find a translator who possesses all of these skills, especially because it takes years of experience to become an expert and to acquire all of these skills. Often a degree in translation studies is not enough and further training or another degree is desirable. The right training would certainly be training conducted by an institution which needs translators for a specific purpose. However, as a rule, translators have to acquire the knowledge in a certain field of terminology on their own, by doing research.

Since this paper is written within the course Translation and European Integration, the institution that needs to be mentioned is the European Commission, which is already conducting trainings for their future translators. Another institution that has to be mentioned is the Croatian Ministry of Foreign Affairs and European Integration, which published manuals and glossaries as an aid for Croatian translators who are working on the translations in the process of the alignment of the Croatian legislation with the EU legislation. First, the *Glossary of the Stabilization and Association Agreement* was published, then the manuals for translating legal acts followed: the *Manual for Translating Legal Acts of the European Union* and the *Manual for Translating Legal Acts of the Republic of Croatia into English*; the last glossary to be published was the *English-Croatian Glossary of Banking, Insurance and other Financial Services*, which was especially useful for the translations done for the purpose of this paper.

In addition to the tools, it would be of immense help if translators had contact with experts in the field of Croatian and EU law. In conclusion, it can be claimed that translators who are trained in legal translation or have experience in the field of law, are more likely to be proficient translators of legal translation. Nevertheless, it is also possible to acquire a certain standard of proficiency by doing research while translating; in the end one submits an accurate translation, it is just more time-consuming at the beginning.

3. Analysis of the Translation from English into Croatian

The original document, which has been translated from English into Croatian for the purposes of this paper, is a European Union Regulation. The title of the Regulation is *Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009 establishing a Guarantee Fund for external actions* translated as *Uredba Vijeća (EZ-a, Euratom) br. 480/2009 od 25. svibnja 2009. o osnivanju Jamstvenog fonda za programe za pomoć trećim zemljama*.

Prior to the analysis of the translation, it is explained what was done before the beginning of the translation. In the analysis itself, several issues are highlighted together with the methods that were applied to reach a solution. Firstly, the translation of the title is addressed. Secondly, an elaborate analysis of the Regulation text follows and finally the most useful methods are summed up. The most frequent problems occurring while translating a legal text in the field of finance are the financial terms in English and Croatian because it is often difficult to find an equivalent, as well as the collocations and the different tenses used in Croatian and EU legal texts.

3.1. Preparation preceding the translation

First, the Regulation was read with the aim to learn from which field the vocabulary is. After it was understood that its subject matter is a Guarantee Fund and hence a lot of financial vocabulary occurs, it was unquestionable that a glossary or dictionary, or both, containing financial vocabulary will be needed. Nonetheless, the first step was to look for advice in the *Manual for Translating Legal Acts of the European Union (Priručnik za prevođenje pravnih akata Europske unije)*, which, for the most part, consists of the translation of the *Manual of Precedents for Acts Established within the Council of the European Union* compiled by legal and linguistic experts from the Council of the European Union. It is an immensely helpful tool for translating European Union acts into Croatian. Not only does it comprise templates of EU acts with their Croatian translations, but it also provides advice on which other tools to use while translating. In the preface it was mentioned that a glossary will be compiled that would be of great help for this translation – the *English-Croatian Glossary of Banking, Insurance and other Financial Services*². Of course, the *Glossary* was searched for and found on the Internet page of

² The Manual was published in 2002. At that time the Glossary was still not compiled.

the Croatian Ministry of Foreign Affairs and European Integration and it was a very useful tool for translating both the Regulation from English into Croatian and from Croatian into English.

Since the act translated for this analysis is an amendment to the *Council Regulation (EC, Euratom) No 2728/94 of 31 October 1994 establishing a Guarantee Fund for external actions*, it was very important to determine whether the previous version has already been translated. It is from 1994, which lead to the assumption that it has probably been translated. The English title was copied and searched for on Google, and the link of the page of the Croatian Ministry of Foreign Affairs and European Integration was picked. This page contains a list of EU budget acts with their translations into Croatian, therefore, it was simple to find the right act according to the English title and its CELEX number³. It is essential to do such research because, if the acts are related in the EU legislation, the Croatian translation has to show that they are linked, and that should be obvious from their titles.

3.2. Translation of the Regulation title

The translation of the title caused the first difficulty because this Regulation is an amendment to a Regulation written in 1994, which is almost the same as the one from 2009, except for the date and the number of course: *Council Regulation (EC, Euratom) No 2728/94 of 31 October 1994 establishing a Guarantee Fund for external actions*, whereas the Croatian translation differs from the translation done for the purpose of this paper: *Uredba Vijeća (EZ, Euratom) br. 2728/94 od 31. listopada 1994. o osnivanju jamstvenog fonda za vanjske poslove*. The correct version would be the translation done for this paper because in the Croatian language cases are marked with endings, even acronyms are inflected according to their pronunciation, that is why the translation of the acronym *EC* into *EZ* should be *EZ-a*, since it is in the genitive case. Another difference is the fund mentioned in the title; since it is its name, the first word should be capitalised: *Guarantee Fund – Jamstveni fond*. This conclusion was drawn because another fund was found in the *Manual – European Agricultural Guidance and Guarantee Fund*, which is translated as: *Europski fond za smjernice i jamstva u poljoprivredi*.

³ The CELEX (Communitatis Europaeae Lex) group of databases was the computerized documentation system for European Union law that was used by all of the institutions of the Union. It was originally intended only for in-house use by EU institutions and EU civil servants, but has been available to the public since 1981. Each document in the CELEX databases has been assigned a unique document number (e.g. 31997L0044), which usually contains ten characters.

An additional issue that needed to be considered is the phrase *external actions* because something specific is meant by this – programmes which the EU finances in third countries. According to the glossary on the Internet page of the Central Finance and Contracting Agency, which is the main promoter of the EU rules and procedures on procurement and link between the Delegation of the European Commission in Croatia and other national authorities, the proper translations would be 'programi za pomoć trećim zemljama' meaning *programmes for aid to third countries*. Nevertheless, the translation from 1994 did not elaborate on the meaning and did not try to explain the phrase, so the literal translation was used. As a translator one needs to bring such errors to the attention of the Translation service of the Ministry; hence the more precise phrase 'programi za pomoć trećim zemljama' was chosen.

3.3. Differences between European Union and Croatian Acts

There are numerous formal differences between the Acts of the European Union and of the Republic of Croatia, such as the form of the documents, the rules for capitalising terms, tense used etc. Fortunately, there is one tool, referred to before, that provides guidelines for translating legal Acts of the EU into Croatian – it is the *Manual for Translating Legal Acts of the European Union*. If it had not been for the *Manual*, the difficulties would have been countless, bearing in mind that the translator is not specialised in translating legal documents.

3.3.1. Commonly Used Phrases in Legal Documents

There are phrases which repeatedly occur in acts, therefore, their translations have been determined and written down in the templates of the *Manual for Translating Legal Acts of the European Union*. Additionally, one can look up whole sentences which occur at the beginning and at the end of legal acts. This method is timesaving since some of these phrases and sentences always occur in EU acts so it is useful to know that their translations can be found in the *Manual*. These standardized forms are used for the purpose of simplicity and consistency:

... EU legislative texts are characterized by a considerable degree of standardization. For the sake of uniformity, the formal structure of Community acts is the same in each language, and phrases and entire sentences expressing repetitive legal actions are standardized in all languages. (Šarčević 11)

This quote from the *Manual* shows that these phrases and sentences are standardised for a plausible reason. The following table illustrates the standardised phrases and sentences that occurred in the translated Regulation:

Example table 1

Having regard to the Treaty establishing the European Community, and in particular Article 308 thereof	uzimajući u obzir Ugovor o osnivanju Europske zajednice, a posebno njegov članak 308.
Whereas	budući da
has adopted this regulation	donijela je ovu uredbu
This Regulation shall enter into force on the 20th day following its publication in the Official Journal of the European Union.	Ova Uredba stupa na snagu 20 dana od objave u Službenom listu Europske unije.
This Regulation shall be binding in its entirety and directly applicable in all Member States.	Ova Uredba u cijelosti obvezuje i neposredno se primjenjuje u svim državama članicama.
Done at Brussels, 25 May 2009.	Sastavljeno u Bruxellesu, 25. svibnja 2009.
as provided for in Article 12 of Council Regulation	kako je predviđeno člankom 12. Uredbe Vijeća
hereinafter referred to as the "EIB"	u daljnjem tekstu 'EIB'
the Fund should be subject to audit by the Court of Auditors	biti podložno reviziji Revizorskog suda
took effect from 1 February 2007	proizvodi pravne učinke od 1. veljače 2007.
pursuant to Article 5	iz članka 5./prema članku 5.
amended	izmijenjena i dopunjena

3.3.2. Capitalisation

3.3.2.1. Names of institutions, acts and other EU-bound terms

While in the documents of the European Union all the components in the names of institutions, treaties, etc. are capitalised, except for articles and prepositions, in the Croatian translation, either only the first word of the phrase is written with a capital letter or none of them. Most of the examples from the table were found in the templates of the *Manual*.

Example table 2

European Community	Europska zajednica
European Atomic Energy Community	Europska zajednica za atomsku energiju
Opinion of the European Parliament	mišljenje Europskog parlamenta
European Council	Europsko vijeće
European Union	Europska unija
Interinstitutional Agreement	Međuinstitucijski sporazum
European Investment Bank	Europska investicijska banka
Court of Auditors	Revizorski sud

Member State	država članica
Official Journal	Službeni list
Proposal from the Commission	prijedlog Komisije
Council Regulation	Uredba Vijeća
pursuant to Article 308 of the EC Treaty	iz članka 308. Ugovora EZ-a
Annex II	Prilog II.

3.3.2.1. Article and paragraph

A frequently mentioned noun in acts is ‘Article’, written with a capital letter, unlike the Croatian equivalent ‘članak’. The word ‘paragraph’ is not capitalised, and neither is ‘stavak’ in Croatian.

Note: ‘Article’ is always followed by a cardinal number, whereas the Croatian ‘članak’ is always followed by an ordinal number. E.g.: Article 1 – članak 1.

3.3.2.2. Common phrases at the beginning of acts

As mentioned before, certain phrases are always repeated at the beginning of acts, but these phrases begin with a capital letter in the EU acts, while in Croatian they do not.

English: Having regard to..., Whereas...

Croatian: uzimajući u obzir..., budući da...

3.3.3. Tense

Another piece of advice taken from the *Manual* is related to the tense used in Croatian acts. In EU acts the simple future tense is used to describe what was adopted with the act, but in Croatian acts it is translated with the present tense. If it was translated into Croatian with the future tense, it would have a completely different legal effect.

English: In order to calculate the amount of the reduction, the percentage rate referred to in the second paragraph of Article 3 applicable on the date of accession *shall be applied* to the amount of those operations outstanding on that date.

Croatian: Kako bi se izračunao iznos smanjenja, postotak naveden u drugom stavku članka 3., primjenjiv na datum pristupanja, *primjenjuje se* na iznos poslovanja koji su nenamireni na taj datum.

From this example it is obvious that the Croatian legal register not only uses the present instead of the future tense, but also prefers the active voice to the passive. The passive voice is very commonly used in EU documents, while the Croatian translation is mostly in the active voice as the next example shows:

English: If the Guarantee Fund exceeds the target amount, the surplus should be paid back to the general budget of the European Union.

Croatian: Ako Jamstveni fond bude veći od ciljanog iznosa, višak bi se trebao vratiti u opći proračun Europske unije.

3.4. Reference to other documents

The contents of the acts usually refer to other acts. This particular Regulation, for instance, is referring to *Decision 2000/597/EC, Euratom on the system of the Communities' own resources*. As stated before, when the title of this Regulation was translated, it needed to be ascertained whether it had been translated before, especially because this Regulation is an amendment. The procedure was simple: the title was translated; then it was copied and looked up on Google. The Croatian version with its English original was found in exactly the same form under the link of the Croatian Ministry of Foreign Affairs and European Integration. However, this was not the only possibility. An even shorter and easier method would have been to look for the original on the Internet page of the Ministry and the translation would have been found immediately. The original only needed to be copied to Google and then the hit with the page of the Ministry needed to be picked.

3.5. Financial Vocabulary

The most obvious problem while translating from English into Croatian were the technical terms from the financial field because the terms were unknown, could not be translated literally or their equivalents could not be found in the *English-Croatian Glossary of Banking, Insurance and other Financial Services* or any of the available dictionaries. Laymen are not familiar with such terms; neither in their own language nor in the target language, so almost everything has to be checked. Nevertheless, one dictionary has to be mentioned beforehand, because it was used for a number of financial terms when they could not be found in the *Glossary*. It was the *Trilingual Dictionary of Banking and Finance* (original: *Trojezični rječnik bankarstva i*

financija) by Mato Karačić, published in March 2009 in Zagreb, which contains an extremely broad financial vocabulary in Croatian, English and German.

Even for professional translators of financial texts there are some difficulties, especially concerning the translation of neologisms in the field of finance. These neologisms are created very commonly so translators have to create a standard translation. In this case they have to decide themselves which word or phrase is adequate for a certain document and the target language and target country.

In the Council Regulation translated from English into Croatian there were many financial terms that caused problems, which are the focus of this part of the chapter. They are divided into several groups according to the type of problems.

3.5.1. Unfamiliar financial terms

This group concentrates on financial terms, phrases or collocations that were completely unfamiliar. Some terms from the Regulation just needed to be looked up in the *English-Croatian Glossary of Banking, Insurance and other Financial Services*, which can be found on the Internet page of the Croatian Ministry of Foreign Affairs and European Integration, or they were looked up in the *Trilingual Dictionary of Banking and Finance*. In most of the following examples neither was enough and none of the terms were found in the *Glossary* or the *Dictionary* exactly as they occurred in the Regulation. The examples are listed according to the order they occurred in the Regulation.

- 1) The simplest example in this group is the phrase ‘to draw on’, which was looked up in the *English-Croatian Glossary of Banking, Insurance and other Financial Services*, but the phrasal verb itself could not be found in it. Then only ‘draw’ was looked up and the result was ‘drawing on the general account’ for which the translation was ‘povlačenje s općeg računa’ so it could be concluded, that ‘draw on’ means ‘povlačiti’.

English: This need can be met by the establishment of a Guarantee Fund which may be drawn on to pay the Communities’ creditors direct.

Croatian: Taj se cilj može postići osnivanjem Jamstvenog fonda iz kojeg se mogu povlačiti izravna plaćanja vjerovnicima Zajednica.

- 2) Something similar happened with the verb ‘endow’ since the meaning that was found in the ordinary dictionaries could not fit in this context: “The Fund shall be endowed by...“. It was essential to understand the meaning of this word so it was looked up in the online Oxford Dictionaries (*oxforddictionaries.com*) and one of the meanings was: *give or bequeath an income or property to (a person or institution)*. Still, the suitable Croatian word was missing and a second source was used – the *Trilingual Dictionary of Banking and Finance*, where the translation was ‘pomagati novčano, subvencionirati’. These translations helped to understand the meaning of the word even better and the sentence was translated as follows: “Fond se financira...“.
- 3) The next example was the most difficult in this group because it includes a whole cluster of words causing difficulties:

English: ...any surplus shall be paid in one transaction to a special heading in the statement of revenue in the general budget of the European Union of the year n + 1.

Croatian: ...sav se višak uplaćuje jednom transakcijom u posebnu stavku izvješća o prihodima u općem proračunu Europske unije za godinu n+1.

The sentence was very difficult to understand since it was not clear what ‘special heading’ represents – it would have not been difficult to translate individual words or phrases, but the phrases are an integral part of a very complex sentence (*special heading in the statement of revenue*) which could not be comprehended. The German and Slovenian versions of the Regulation had to be consulted. These acts can be found by the CELEX number of the act on Google’s search engine. After consulting both the German and the Slovenian translation it was still not completely understandable, given the context this phrase was in. The word ‘heading’ was looked up in the online dictionary *rjecnik.net*, then the offered results were compared to the Slovenian act and it was concluded that it has to be translated as ‘stavka’. Moreover, it was concluded that ‘special heading’ has to be translated as ‘posebna stavka’. Then the phrase ‘statement of revenue’ was translated literally and checked on Google; it was established that the phrase ‘izvješće o prihodima’ is a commonly used phrase in Croatian articles on finance. The last detail that was determined was whether the ‘heading in the statement’ exists in the Croatian language. Therefore ‘stavka izvješća’ was looked up on Google and the result were plenty hits with articles containing this collocation.

- 4) In the next example the phrase *external mandate* was the issue and it is listed under financial vocabulary because it is linked to the EIB (European Investment Bank). The phrase could not be found in the *Glossary* or in the dictionaries, only in other EU documents and on the Internet page of the EIB. But instead of reading other documents, while hoping to realize what this phrase could mean, which would have been a waste of time, it was looked up in the German version of the act. From that document it became clear what *external mandate* connected with the EIB means. It was translated as follows:

English: The Guarantee Fund covers defaults under loans issued by the EIB for which the Communities provide a guarantee under the EIB's external mandate.

Croatian: Jamstveni fond pokriva neplaćanje zajmova EIB-a za koje Zajednice osiguravaju jamstvo unutar mandata EIB-a u kojem je odgovoran za zajmove trećim zemljama.

- 5) The word 'tranches' was a completely unknown word from the field of banking. It was found in the *Glossary*, therefore, it was not really an issue, but rather newly acquired vocabulary. It is evident from the translation that the term was literally translated into Croatian – tranše – it was only adjusted to the Croatian orthography.

English: ... the amount exceeding EUR 100 million shall be paid back into the Fund in annual tranches...

Croatian: ... iznos koji prelazi 100 milijuna eura vraća se u fond u godišnjim tranšama...

3.5.2. Financial collocations

In this group of examples, the difficulty was to find the adequate collocation in Croatian since the individual components could not be translated literally. Even though, one of the components was always translated literally but the other needed to be adjusted to the Croatian financial vocabulary.

- 1) The phrase 'to honour a guarantee' could not be found in the *English-Croatian Glossary of Banking, Insurance and other Financial Services*, therefore the *Trilingual Dictionary of Banking and Finance* was consulted. The exact phrase was not found in the dictionary, but the phrase 'honour a bill' was found which was translated with four different verbs and that again helped to conclude how to translate the next sentence:

English: The Fund should subsequently also receive interest on its invested resources and amounts recovered from defaulting debtors where the Fund has already honoured the guarantee.

Croatian: Fond bi zatim trebao ostvarivati dobit od kamata na uložena sredstva i iznose vraćene od neurednih dužnika, gdje je fond već izvršio isplatu jamstva.

- 2) The collocation ‘honouring guarantees’ was used in another sentence as well, but in that one it caused even more confusion because not even the translation used in the previous example was suitable in this sentence. The German and Slovenian acts were consulted again and in this particular example the German version clarified the meaning of the collocation. The unclear part of the sentence was translated from German directly, since this version was more understandable.

English: Mechanisms exist for honouring guarantees when they are activated, in particular by drawing provisionally on cash resources...

Croatian: Prema postojećim mehanizmima mogu se financirati jamstva kada se aktiviraju, posebno koristeći se likvidnim sredstvima...

- 3) The collocation ‘issue a guarantee’ is not included in the *English-Croatian Glossary of Banking, Insurance and other Financial Services*; nevertheless, its translation was not very troublesome. The verb ‘issue’ was looked up and the solution was clearly ‘izdati’ in this context, but another research was undertaken. The collocation ‘izdati jamstvo’ was copied to Google in order to determine whether this collocation is used commonly. The result were 67,600 hits, among which a lot of Croatian pages occurred, hence the conclusion was affirmative.
- 4) A difficult financial collocation to translate was ‘receive interest’. It was clear that the collocation means ‘to make profit because of interest’. Nevertheless, in the Croatian financial language there is no verb that can express the same concept; in other words, the meaning needed to be translated. Several solutions were checked on Google in order to learn which the appropriate collocation in Croatian is. The collocation with the most hits was chosen and the sentence was translated as follows:

English: The Fund should subsequently also receive interest on its invested resources...

Croatian: Fond bi nakon toga trebao ostvarivati dobit od kamata na uložena sredstva...

- 5) A financial term that was troublesome to understand was ‘defaulting debtors’ because ‘defaulting’ could not be translated literally since it is linked to ‘debtors’. The word ‘default’ was found in the *English-Croatian Glossary of Banking, Insurance and other Financial Services* and it led to the conclusion that the collocation could be translated as ‘dužnici koji ne izvršavaju obveze’. Furthermore, the *Trilingual Dictionary of Banking and Finance* was consulted with the aim to find a phrase that is more concise and the collocation itself was found there.

English: ... amounts recovered from defaulting debtors where the Fund has already honoured the guarantee.

Croatian: ... iznosima vraćenim od neurednih dužnika, gdje je fond već izvršio isplatu jamstva.

- 6) Another collocation that needed to be searched for is ‘provisioning amount’. It was looked up in the *Trilingual Dictionary of Banking and Finance*, where the noun ‘provision’ was found and from its translation the meaning of the adjective ‘provisioning’ could be deduced.

English: ... the required provisioning amount shall be paid into the Fund in one transaction in the year $n + 1$ from the general budget of the European Union.

Croatian: ... zahtjevani rezervirani iznos uplaćuje se jednom transakcijom u godini $n+1$ iz općeg proračuna Europske unije u fond.

- 7) The term ‘capital liabilities’ represented one of the biggest difficulties in this translation. It was looked up in the *Glossary* and on *Eurovoc* but was not found as a collocation. ‘Liabilities’ implies two different meanings, hence both translation suggestions were checked on Google, but no search results were found, neither for ‘kapitalne obveze’ nor for ‘kapitalne pasive’. Then it was looked up in the *Trilingual Dictionary of Banking and Finance*, in particular the word ‘capital’. It was immediately clear that ‘capital’ shall be translated as an adjective, meaning ‘kapitalno’ or ‘financijski’ in Croatian. Although the translation ‘kapitalne obveze’ was found only in one hit on Google, this one was sufficient because it was mentioned in a presentation on new financial trends in Europe for 2011. The conclusion was that it is a neologism and that it is a financial concept with which Croatian financial experts should be familiar. Moreover, the translation

‘financijske obveze’ was also looked up on Google, but among the many hits there was also a hit from the *European Dictionary* (eudict.com), where this term was translated as ‘financial liabilities’, so this solution could be excluded as well.

English: The target amount shall be 9 % of the Communities’ total outstanding capital liabilities arising from each operation, increased by unpaid interest due.

Croatian: Ciljani iznos je 9 % cjelokupnih nenamirenih kapitalnih obveza Zajednica nastalih prilikom svakog poslovanja, povećan neplaćenim obvezama za kamate.

- 8) The collocation 'smoothing mechanism' was very difficult to translate because its equivalent could not be found anywhere, since neither of the two words is obviously belonging to the financial vocabulary. But in the context of the Regulation it represents a mechanism that is supposed to repay a certain amount in a specific time frame. Therefore 'smoothing' was looked up in an online dictionary (rjecnik.net) for all of its meanings and the one that was the most adequate, considering the context, was chosen. Nevertheless, it was also checked on Google in order to ascertain whether this term exists in Croatian. The term in question is ‘mehanizam izjednačavanja’ and there were some hits of Croatian pages containing exactly this term; a couple of them were even connected to finance. Although it did not seem to be a very common term, the decision was made to use it, since it is suitable for this particular context and it clarifies the meaning of the sentence.

English: ... the amount exceeding EUR 100 million shall be paid back into the Fund in annual tranches starting in year $n + 1$ and continuing over the following years until full repayment (smoothing mechanism).

Croatian: ... iznos koji prelazi 100 milijuna eura vraća se u fond u godišnjim tranšama počevši od godine $n+1$ i nastavlja se u nadolazećim godinama dok ne bude cjelokupni iznos vraćen (mehanizam izjednačavanja).

- 9) The translation of the compounds ‘revenue and expenditure account’ included only a few simple steps. The terms ‘revenue’ and ‘expenditure’ were found in the *Glossary*, even though the latter was a previously known word. The phrase was translated literally as ‘račun prihoda i rashoda’ and checked on Google. The search results affirmed that it is a commonly used phrase in Croatian financial and political articles.

There was another financial compound in the same sentence – ‘balance sheet’ – but did not cause any difficulty, since it is listed as a compound in the *Glossary*.

English: The revenue and expenditure account and the balance sheet relating to the Fund shall be attached to the Communities' revenue and expenditure account and balance sheet.

Croatian: Račun prihoda i rashoda i bilanca koja se odnosi na fond prilažu se računu prihoda i rashoda i bilanci Zajednica.

10) The noun phrase 'cash resources' was not considered to be difficult to translate, but it was checked for the purpose of this paper and something interesting was established. First it was translated as 'novčana sredstva' and there were even plenty of pages on Google including this collocation. But when, for example, the first hit on Google was selected, which was the page of the *European Dictionary* (eudict.com), it was established that 'novčana sredstva' was not translated as 'cash recourses'. The *Trilingual Dictionary of Banking and Finance* was consulted and there it was found rendered as – 'likvidina sredstva'.

English: Mechanisms exist for honouring guarantees when they are activated, in particular by drawing provisionally on cash resources...

Croatian: Prema postojećim mehanizmima mogu se financirati jamstva kada se aktiviraju, posebno koristeći se privremeno likvidnim sredstvima...

3.5.3. Financial terms with obvious translations

There was a list of phrases for which the translation equivalent was obvious but they still needed to be ascertained. Examples are illustrated in the example table:

Example table 3

budgetary management	upravljanje proračunom
financial discipline	financijska disciplina
financial mechanism	financijski mehanizam
budgetary discipline	proračunska disciplina
general budget	opći proračun
target amount	ciljani iznos
amount of the reduction	iznos smanjenja

The reason why these expressions needed to be affirmed is that even the Croatian equivalents are unknown to laymen and are not widely spread among Croatian speaking people. They mostly enter the Croatian language as literal translations from English originals. These

collocations are not part of the everyday speech; as a result, native speakers who are not working or studying in the field of finance never use collocations such as ‘upravljanje proračunom’ and although it might be logical that one *manages* the budget, laymen might not be aware of the usage of the collocation.

The process was simple; the phrases were translated literally and copied to Google. If there were hits, it was determined whether those were Croatian pages and what the subject matter of the page was. If the phrases occurred in the same or similar context as their English equivalents, they were used.

The word ‘operation’ in the context of banking was found in the *English-Croatian Glossary of Banking, Insurance and other Financial Services* and the results were three words: ‘poslovanje, posao, operacija’. Each of the three nouns seemed to be used in a similar context according to the *Glossary* but the question was which of these words would sound the most natural in this translation. Again, it was looked up on Google and the results showed that ‘poslovanje’ is by far more frequently used than the other two, when Croatian financial texts are considered. In addition, this one seemed to be the most appropriate in this Regulation, taking into account the ‘operations’ that are mentioned in the Regulation.

3.5.4. General vocabulary

There were some terms that caused confusion or were unknown and hence needed to be looked up in a dictionary. These issues were solved in various ways, as the issues in the previous groups.

- 1) In this example the word 'direct' caused confusion, since the sentence would be easier to understand if it was not an adjective, but an adverb of the verb 'to pay'. Nonetheless, considering its word order, it could not even be an adjective, because it is placed after 'creditors'. After consulting the German act, it became evident that 'direct' was supposed to be an adverb referring to the verb 'to pay' – the translation was again derived from the German version of the Regulation.

English: This need can be met by the establishment of a Guarantee Fund which may be drawn on to pay the Communities’ creditors direct.

Croatian: Taj se cilj može postići osnivanjem Jamstvenog fonda iz kojeg se mogu povlačiti izravna plaćanja vjerovnicima Zajednica.

- 2) In the Regulation even the word ‘execute’ caused some difficulty because ‘projects were executed’. In the Croatian language ‘izvršiti projekt’ sounds unnatural, this is why it was looked up in one of the online dictionaries (*rjecnik.net*) for all of its possible translations. Among them was ‘provoditi’, which was chosen because it was the most adequate for this context.
- 3) Although the word ‘replenish’ refers to ‘the Guarantee Fund’, it is not listed under the financial vocabulary because its meaning is not obviously linked to finance. Therefore it was not found in the *English-Croatian Glossary of Banking, Insurance and other Financial Services*, but it was found in the online dictionary referred to before (*rjecnik.net*).

English: ... the Commission shall submit a report on exceptional measures that may be required to replenish the Fund.

Croatian: ... Komisija dostavlja izvješće o izvanrednim mjerama koje će možda biti potrebne kako bi se fond dopunio.

- 4) One term that is not so general, but rather a legal term in the context it appeared in, is ‘repeal’. It was found in the online dictionary used previously (*rjecnik.net*), but an additional method was applied as well. There is another manual for translating Croatian legislation into English, which was consulted to establish which of the offered terms to choose. The Manual was also compiled by the Croatian Ministry of Foreign Affairs and European Integration and is simply called *Manual for Translating Legal Acts of the Republic of Croatia into English*. Two solutions were rendered in the *Manual* and by looking those up on Google it was affirmed which verb forms a collocation with the noun ‘uredba’.

English: References to the repealed Regulation shall be construed as references to this Regulation and be read in accordance with the correlation table set out in Annex II.

Croatian: Napomene o opozvanoj Uredbi tumače se kao napomene ove Uredbe i čitaju se u skladu s tablicom navedenij u Prilogu II.

In the same sentence the word ‘construed’ occurred, which was found in the online dictionary (*rjecnik.net*). The compound ‘correlation table’ caused more difficulties because there is no translation for that compound in Croatian. Since it was not of

importance what kind of table it is, the first element, 'correlation', was simply left out since it is still understood to which table it refers.

3.6. The most useful tools

The analysis has shown that good preparation can save a lot of time. The *Manual for Translating Legal Acts of the European Union* includes in the preface alone useful advice for translating EU acts into Croatian. Not only does the *Manual* provide the templates for translating EU acts into Croatian, but it also names other tools that are necessary in the translation process, such as the *English-Croatian and Croatian-English Glossary of the Stabilisation and Association Agreement*, *Eurovoc* and the *English-Croatian Glossary of Banking, Insurance and other Financial Services*. The first glossary was compiled according to the translation of the Stabilisation and Association Agreement with the purpose to produce standardized translations from there on. It was barely used for this translation, since the *Manual* itself provides the translations of most legal terms used in EU acts. *Eurovoc* is a multilingual thesaurus of the European Union, which contains Croatian and Serbian terms in addition to the terms in 22 official languages of the EU. Nevertheless, it was not very useful either, for the same reason as the glossary previously referred to. The most useful was, of course, the *English-Croatian Glossary of Banking, Insurance and other Financial Services*, and the analysis shows that it was used to a high extent.

Further on, it was necessary to find another tool that would help in the translation of financial terms, since they caused the most problems. Obviously, it needed to be a technical glossary or dictionary and the easiest way to find them was at the Faculty of Economics in Osijek. The *Trilingual Dictionary of Banking and Finance* (original: *Trojezični rječnik bankarstva i financija*) was extremely helpful, although it did not always include the exact term that was searched for, but it helped in several cases to conclude how to translate the term in question.

When terms, phrases or sentences in the English act were incoherent and none of the tools were sufficient to find the proper translation, the German or Slovenian act were consulted, which is even recommended in the *Manual for Translating Legal Acts of the European Union*:

Wherever the English ST is ambiguous or unclear, translators are obliged to consult one or more of the other authentic texts, preferably the French text. In fact, it can be argued that translators should always consult one or more other official language versions, especially when the English ST is a subsequent translation made and authenticated after the adoption of the originals. (Šarčević 14)

Finally, the general vocabulary was looked up in one of the numerous online dictionaries. While this translation was done, two were used: *eudict.com* and *rjecnik.net*. In addition to them, a monolingual dictionary was used as well to look up the definitions of certain words – the Oxford Dictionaries (*oxforddictionaries.com*).

4. Translation from Croatian into English

The Croatian act that was translated for the purpose of this paper is a regulation adopted by the Croatian Government. The original title is *Uredba o provedbi jamstvenih mjera za gospodarski oporavak i razvitak*, adopted by the Croatian Government on 4 March 2010 and translated into English as *Regulation on the Implementation of funding measures for economic recovery and development*. This act contains 15 pages, whereas the act translated from English into Croatian contains only five. Not only because of the number of pages was this act more demanding to translate, but also because a lot more details needed to be checked this time. The most common issue were the prepositions that need to be used in English since the inflection of nouns is not marked with endings.

Since this Regulation is also an act from the field of finance same as the first one, the preparation process was shorter because most of the tools were already known and used during the first translation. Only this time the other manual compiled by the Croatian Ministry of Foreign Affairs and European Integration was used, which was mentioned in the first analysis since it was used once during the first translation as well. The manual in question is the *Manual for Translating Legal Acts of the Republic of Croatia into English* that was as helpful for this translation as the *Manual for Translating Legal Acts of the European Union* was for the translation from English into Croatian. The biggest issue was again the financial terminology, which was even more challenging while translating this Regulation, therefore, it was concluded that other European Union acts from the field of finance need to be consulted to make sure whether certain translation solutions are really used in the EU financial terminology and whether there are used for the same concepts. This method is elaborated in the analysis with concrete examples.

4.1. Preparation preceding the translation

As the title of the act reveals, the Regulation involves a guarantee fund, hence the same tools that had been used in the process of translating the first regulation were used again, in addition to the *Manual for Translating Legal Acts of the Republic of Croatia into English*. The preface of the *Manual* was read in order to obtain some useful advice on translating Croatian legal acts into English with the aim of saving time while translating. An interesting piece of advice was to use a common word instead of a technical English term when there is no determined English equivalent for a Croatian technical term. It became clear that additional attention had to be paid

to the financial vocabulary because it needed to be ascertained whether a translation solution is suitable or not; in other words, whether the term in English refers to the same concept as the Croatian term.

4.2. Differences between the Croatian act and the English translation

4.2.1. Phrases looked up in the Manual

The table below illustrates the phrases, sentences and words that were looked up in the *Manual*, except for the examples already listed in the first analysis. The *Manual* is a convenient and timesaving tool since most of these examples occur in every Croatian act.

Example table 4

1. Na temelju članka 19. Zakona	Pursuant to Article 19 of the Act
2. »Narodne novine«, broj 20/2010	Official Gazette 20/2010
3. Vlada Republike Hrvatske je na sjednici održanoj 4. ožujka 2010. godine donijela	the Government of the Republic of Croatia, at its session on 4 March 2010, adopted the following
4. I. OPĆE ODREDBE	I. GENERAL PROVISIONS
5. Iznimno	By way of derogation
6. iz članka 4. ove Uredbe	referred to in Article 4 of this Regulation
7. sukladno Zakonu i ovoj Uredbi	pursuant to the Law and this Regulation
8. neovisno o	notwithstanding
9. u okviru	in compliance with
12. V. ZAVRŠNA ODREDBA	V. FINAL PROVISION
13. Ova Uredba stupa na snagu danom objave u »Narodnim novinama«.	This Regulation shall enter into force on the day of its publication in the Official Gazette.

4.2.2. Capitalisation

In the analysis of the English-to-Croatian translation, the rules for capitalisation were already laid down; nevertheless, these examples illustrate how they were applied in the Croatian-to-English translation. The examples are divided into three groups and within them they are listed in accordance with their order of appearance in the Regulation.

- 1) all the components are written the same in both languages:

Example table 5

1. prema ovoj Uredbi	pursuant to this Regulation
2. odredbe ove Glave	provisions of this Title
3. Vlada Republike Hrvatske	Government of the Republic of Croatia

4. državni proračun	state budget
5. Okvirni ugovor	Framework contract
6. Nacrt Okvirnog ugovora	Draft of the Framework contract

The first three examples were found in the *Manual* and it was clear how to apply the capitalisation rules. However, the fourth example is a phrase that was more troublesome since it appears in the *Manual* as Croatian official document where it is written with capital letters, but it appears as a generic term as well, where both components are written with small letters. Since in the Regulation the term ‘državni proračun’ does not refer to the act determining the ‘state budget’, it was deemed to be a generic term and as such has to be written with small letters.

The term ‘Framework contract’ was found on the Internet page of the European Commission and it was established that the first component is written with a capital letter when the title refers to a particular contract. ‘Draft of the Framework contract’ seemed to be a document title since the word ‘Nacrt’ (Draft) is also written with a capital letter in Croatian, therefore ‘Draft’ was also capitalised.

- 2) only the first component of the Croatian names of institutions and documents is written with a capital letter, whereas almost all the English components are capitalised:

Example table 6

1. Hrvatska banka za obnovu i razvitak	Croatian Bank for Reconstruction and Development
2. Odluka o objavljivanju pravila o državnoj potpori u obliku jamstava	Decision Promulgating the Rules on State Aid in Form of Guarantees
3. Zakon o računovodstvu	Accounting Act
4. Zakon o jamstvenom fondu za gospodarski oporavak i razvitak	Act Establishing a Guarantee Fund for Economic Recovery and Development
5. Priopćenje Komisije o Privremenom okviru Zajednice za mjere državnih potpora	Communication from the Commission on Temporary Community framework for State aid measures
6. Ured za statistiku Europske unije	Statistical Office of the European Union
7. Ministarstvo financija	Ministry of Finance

- 3) Phrases and names where neither of the Croatian components is written with a capital letter:

Example table 7

1. europska međubankovna kamatna stopa	Euro Interbank Offered Rate (EURIBOR)
2. državna potpora	State aid
3. ministar financija	Minister of Finance
4. prilog	Annex

The acronym EURIBOR, from the first example, appeared in the Croatian act as well, therefore, it was copied to Google and the first hit was the Internet page of the European Banking Federation, where the acronym was explained and it became evident what it represents. The term ‘State aid’ was checked on Google, where the first hit was the page of the European Commission and there the term was found to be written with its first component capitalised. The last two examples were found in the *Manual*; nonetheless, special attention has to be drawn to ‘Minister of Finance’, since it is written completely different than the Croatian equivalent.

4.2.3. Different tenses

As established in the previous analysis, the tenses used in Croatian and European Union acts differ – while provisions in Croatian acts are mostly expressed with the present tense and active voice, in English the future form *shall*, most frequently in the passive voice, is used. To confirm this statement, three examples from the original with its translations are listed beneath. Examples a) and b) illustrate that the Croatian acts prefer the present tense, whereas the European Union acts use *shall* and the passive voice. In example c) even in the Croatian act the simple future tense was used since this provision is referring to the future.

- 1) Croatian: Jamstva *se daju* ukupno do visine dodijeljene jamstvene kvote iz stavka 1. Ovoga članka prema odredbama ove Uredbe.

English: Guarantees *shall be issued* altogether up to the amount of the issued guarantee ratio referred to in paragraph 1 of this Article pursuant to the provisions of this Regulation.

- 2) Croatian: Nominalni iznos danog jamstva *smanjuje se* razmjerno otplati glavnice kredita.

English: The face amount of the issued guarantee *shall be reduced* in proportion to the repayment of the loan principal.

- 3) Croatian: Banka će naknadu iz stavka 1. ovoga članka, u ime korisnika kredita, *plaćati* kvartalno i to na sljedeći način:

English: The bank, on behalf of the loan beneficiary, *shall pay* the fee referred to in paragraph 1 of this Article quarterly and as described here:

4.3. Issues faced by non-native speakers of English

The most demanding issues while translating this Regulation from Croatian into English are summed up in this part of the chapter. These difficulties include seemingly simple constituents of the text but are in fact a major problem for non-native speakers of English. The analysis of the second translation is somewhat different from the first analysis; this one focuses more on the general problems non-native speakers of English have while translating into English. Of course, the financial vocabulary was again the most difficult part of the translation, but not only because the terms are unfamiliar, but because it is difficult for a non-native speaker to know, which the right collocation is. If the collocation in English does not consist of the same elements as in Croatian, translators have to learn the proper collocation in English, which is especially demanding when this collocation is from the financial field because this terminology is not used in everyday speech.

Although prepositions build collocations with various parts of speech, they are singled out in a separate group because they are considered to be a different group of issues. With which parts of speech they collocate was irrelevant for this analysis; relevant was which tools were used to find the appropriate preposition. The examples show that the same preposition in Croatian is not always translated with the same preposition in English and vice versa.

4.3.1. Collocations

This group of issues renders all the collocations that were difficult to translate. Non-native speakers cannot assume whether two words cohere or not, unless they have been thought them or they have heard them. If neither is the case, collocations need to be checked if one wants the translation to sound as natural as possible to native speakers. In most of the examples it was obvious how to translate individual words, but the question was always whether the words form a collocation.

The collocations are divided into several subgroups: *verb + noun*, *adjective + noun*, *adverb + adjective and noun + noun*. The first subgroup contains examples of *verb + noun collocations*, where the collocations were looked up in the *Oxford Collocations Dictionary* or on the Internet.

4.3.1.1. Verb + noun collocations

First a somewhat unusual example is highlighted because the whole paragraph was found on Google in a European Union act (*EAGCP Commentary on European Community Rescue & Restructuring Aid Guidelines*). Once the paragraph was translated, its phrases were copied to Google in order to ascertain whether their verbs and nouns collocate. Unexpectedly, the entire paragraph was found, from which not only the collocations were adopted, but also some other structures. It would have never been translated including the phrases ‘stem losses’ and ‘condemn them to go out of business’, if they had not been found in EU documents, since they are generally used seldom and therefore non-native speakers are usually not familiar with them. This paragraph repeatedly occurs in EU documents, which allows the deduction that it is a standardised form. The original Croatian paragraph occurs in various documents on the Internet, which leads to the conclusion that it was translated and afterwards also adopted as a standardised form.

Croatian: ...ako nije bio sposoban vlastitim sredstvima ili sredstvima koja može pribaviti od svojih vlasnika/dioničara ili vjerovnika *spriječiti gubitke*, a koji bi, bez vanjske intervencije države, gotovo sigurno kratkoročno ili srednjoročno *ugrozili njegov opstanak*...

English: ...if the entrepreneurs were unable to *stem losses* through their own resources or with the resources that can be provided by their owners/shareholders or creditors and these losses would, without outside intervention by the State, almost certainly *condemn them to go out of business* in the short or medium term...

4.3.1.1.1. Collocations found in the *Oxford Collocations Dictionary*

This subgroup lists collocations which were all looked up in the *Oxford Collocations Dictionary*. Sometimes it was sufficient to look up a noun in the *Dictionary* in order to establish which verbs collocate with it. In other cases the verb was previously looked up either in the *English-Croatian Glossary of Banking, Insurance and other Financial Services*, or the *Trilingual Dictionary of Banking and Finance*, or in one of the online dictionaries.

1) Croatian: ...***sklapanje okvirnog ugovora*** o dodjeli jamstvene kvote s bankama...

English: ...*conclude a Framework contract* with the banks on the guarantee ratio issuing...

- 2) Croatian: HBOR *provodi poslove* davanja jamstava...

English: The HBOR shall *conduct* the guarantee issuing *operations*...

- 3) Croatian: Standardizirani obrazac i popis potrebne dokumentacije *sastavni je dio* Uputa iz članka 18. stavka 3. ove Uredbe.

English: The standard form and the list of the required documentation *form an integral part* of the Guidelines referred to in Article 18 of this Regulation.

- 4) Croatian: Korisnici kredita iz stavka 1. ovoga članka *ostvaruju pravo* na jamstvo sukladno odredbama ove Uredbe i pravilima o državnim potporama u obliku jamstava...

English: Loan beneficiaries referred to in paragraph 1 of this Article *gain the right* to a guarantee pursuant to the provisions of this Regulation and the rules on State aid in form of guarantees...

- 5) Croatian: ... te *daje* konačnu *potvrdu* zahtjeva i upućuje zahtjev Ministarstvu financija na naplatu.

English: ...and it shall *give the final confirmation* of the request and send the request to the Ministry of Finance for collection.

- 6) Croatian: Poziv na aukciju, na kojeg prethodnu *suglasnost daje* ministar financija, HBOR će dostaviti bankama

English: The invitation to an auction, to which the Minister of Finance shall previously *give his approval*, shall be delivered to the banks by the HBOR...

- 7) Croatian: Na *aukcijama koje* u ime i za račun Republike Hrvatske *provodi* Hrvatska banka za obnovu i razvitak (dalje u tekstu: HBOR)...

English: At *auctions, held* by the Croatian Bank for Reconstruction and Development (hereinafter: HBOR) on behalf of and for the account of the Republic of Croatia...

- 8) Croatian: ...za korisnike kredita koji *vode poslovne knjige* u skladu sa Zakonom o računovodstvu...

English: ...to loan beneficiaries who *keep accounts* in accordance with the Accounting Act...

- 9) Croatian: Banka je dužna *provести osiguranje* za cjelokupni iznos kredita...

English: The bank is obliged to *obtain insurance* for the total loan amount...

- 10) Croatian: Banke *dostavljaju ponude* na način i u roku kako je određeno u pozivu na aukciju.

English: The banks shall *submit the bids* in the manner and before the deadline specified in the invitation to the auction.

- 11) Croatian: HBOR *ispostavlja* bankama *obračun* naknade iz stavka 1. ovoga članka do petnaestog u prvom mjesecu kvartala za koji se naknada obračunava.

English: The HBOR shall *submit the accounts* of fees, referred to in paragraph 1 of this Article, to the banks until the fifteenth of the first month of the quarter for which the fee is being accrued.

- 12) Croatian: Ako banka u roku iz stavka 7. ovoga članka ne dostavi HBOR-u primjerak ugovora o kreditu, smatrat će se da je banka *odustala od zahtjeva* za jamstvo za navedenog korisnika kredita...

English: If the bank does not deliver a copy of the loan agreement to the HBOR within the period referred to in paragraph 7 of this Article, it shall be considered that the bank *withdrew the application* for the loan for the aforementioned loan beneficiary...

4.3.1.1.2. Collocations found on the Internet

The following examples of collocations might be too general and therefore are not included in the *Collocations Dictionary*. However, it was established whether these verbs and nouns collocate by checking them on Google. It was taken into account on what kind of websites they occurred to make sure that they are reliable sources.

The verb ‘nullify’ from the third example was found in the *Glossary* and it was looked up in the online *Oxford Dictionary*, where its definition and the given examples confirmed that this verb is used in the right context.

- 1) Croatian: ...obvezu *provodenja naplate potraživanja* Republike Hrvatske...

English: ...the obligation to *conduct the receivables collection* of the Republic of Croatia...

- 2) Croatian: ...HBOR *dostavlja* Ministarstvu financija i *ugovor o kreditu te drugu dokumentaciju*...

English: ...the HBOR shall *deliver the loan agreement and all other documentation* to the Ministry of Finance...

- 3) Croatian: Ako sve banke dostave ponude koje su u dijelu kamatne marže značajno iznad trenutnih tržišnih uvjeta, HBOR neće prihvatiti niti jednu ponudu banaka te će *poništiti aukciju*.

English: If all banks deliver bids with an interest margin that is significantly higher than the current market conditions, the HBOR shall not accept any of the bank bids and it shall ***nullify the auction***.

- 4) Croatian: Banka je obvezna u roku 5 dana od poziva HBOR-a, dostaviti i drugu dokumentaciju, s kojom se dokazuje ispunjenje uvjeta za ***dobivanje jamstva*** propisanih Zakonom i ovom Uredbom.

English: The bank is obliged within 5 days from the invitation of the HBOR to deliver the other documentation, which shall prove the fulfilment of the conditions for ***obtaining a guarantee*** as provided by the Act and this Regulation.

4.3.1.2. Adjective + noun

The issues in the following examples, although there are just few of them, demanded the help of various tools. The adjective ‘povoljan’ from the first example was looked up in the *Croatian-English Dictionary (Veliki hrvatsko-engleski rječnik)* by Željko Bujas. Subsequently it was determined whether ‘favourable’ collocates with the noun ‘term’ by looking it up in the *Collocations Dictionary*.

- 1) Croatian: banka je dužna korisniku kredita osigurati *povoljnije uvjete* (duži rok i niža kamatna stopa) nego po kreditu koji se reprogramira.

English: the bank is obliged to ensure *more favourable terms* (extended time period and lower interest rate) than according to the rescheduled loan for loan beneficiaries.

The *Croatian-English Dictionary* was again consulted to translate the adjectives ‘unovčen’ and ‘naplaćen’ from the second example; whether they collocate with the noun ‘guarantee’ was checked on Google.

- 2) Croatian: ...izvješćivanje Ministarstva financija o danim, *unovčenim i naplaćenim jamstvima*...

English: ...reporting to the Ministry of Finance on the issued, *realised and collected guarantees*...

The term ‘kumulativa neto primitka’ from this example was translated by consulting the *Trilingual Dictionary of Banking and Finance*, and the collocation ‘financial flow was found in the Glossary.

- 3) Croatian: ...zbroj *kumulativa neto primitaka* u *financijskom toku*...

English: ...the sum of *cumulative net receipts* in the *financial flow*...

The adjective 'jednokratan' from the last example was looked up in the Trilingual Dictionary, then it was ascertained whether the collocation 'one-off fee' is used by checking on Google.

- 4) Croatian: Za dana jamstva banka, u ime korisnika kredita, plaća i *jednokratnu naknadu* u iznosu 0,25 posto na iznos jamstva...

English: The bank, on behalf of the loan beneficiary, shall pay for the issued guarantees a *one-off fee* in the amount of 0.25 per cent of the guarantee amount...

4.3.1.3. Noun + noun

This group of examples is the most comprehensive since it contains many financial terms that needed to be looked up and the analysis of the first translation showed that the translation of the financial terms is the most demanding task during this type of translation. The examples are divided into general and financial collocations. Not all of the examples are analysed specifically, but all the tools or the combination of tools that were applied are named.

4.3.1.3.1. General collocations

These are the collocation consisting of components which belong to the everyday speech and, therefore, are not particularly recognised as financial or economic vocabulary. Several translation solutions were considered for each collocation, hence they were checked on Google; the solution with the most hits was chosen.

- a) Croatian: ...*način utvrđivanja* i rokovi plaćanja naknada koju plaćaju banke u ime korisnika kredita.

English: *manner of ascertaining* and the dates of the fee payment which is paid by the bank on behalf of the loan beneficiary.

- b) Croatian: ...banke s važećim *odobrenjem za rad* u Republici Hrvatskoj (dalje u tekstu: banke), nadmeću se za jamstvene kvote.

English: ...banks with valid *work approval* in the Republic of Croatia (hereinafter: banks) shall bid for guarantee ratios.

4.3.1.3.2. Financial vocabulary

The examples listed in this group are divided into subgroups according to the tools that were used to reach a solution. In the first subgroup the *English-Croatian Glossary of Banking, Insurance and other Financial Services* was used, in the second the *Glossary* and the Internet

and in the third the Glossary in addition to the online EU legislation. For the examples of the fourth subgroup the *Trilingual Dictionary of Banking and Finance* was consulted and if that was not sufficient, the Internet was consulted as well, and in the last subgroup, there are examples which were solved by searching on the Internet.

1) Use of the Glossary

The first tool that was consulted was, of course, the *English-Croatian Glossary of Banking, Insurance and other Financial Services* where the following translation equivalents were found:

- a) Croatian: *Nominalni iznos* danog jamstva smanjuje se razmjerno otplati glavnice kredita.
English: *The face amount* of the issued guarantee shall be reduced in proportion to the repayment of the loan principal.
- b) Croatian: *...neto dobit* na zadnji izvještajni dan...
English: *...net profit* on the last reporting day...
- c) Croatian: *...neto sadašnja vrijednost (NSV)* projekta...
English: *...net current assets (NCA)* of the project...
- d) Croatian: *...pokazatelj pokrića duga* (zbroj kumulativa neto primitaka u financijskom toku i anuiteta kredita u odnosu na anuitet kredita) je minimalno 1,2: 1
English: *...the debt coverage ratio* (the sum of *cumulative net receipts* in the financial flow and the *loan annuity* in relation to the loan annuity) shall be minimum 1.2: 1
- e) Croatian: *Osnovicu za obračun* naknade iz stavka 1. ovoga članka koja se plaća odmah po davanju jamstva predstavlja odobreni i potvrđeni iznos glavnice kredita za koje je dano jamstvo...
English: The *accrual basis* of the fee referred to in paragraph 1 of this Article, which shall be paid immediately after the guarantee was issued, represents the granted and reaffirmed amount of the loan principal for which the guarantee was issued...

2) Use of the Glossary and the Internet

Sometimes the *Glossary* did not provide the whole term, but instead it provided the individual components of the term, therefore, it was determined whether the considered translation solutions are used on the Internet and in what kind of articles they occur. In some cases the online dictionaries *rjecnik.net* or *eudict.com* were used to look up one of the

components and afterwards its definition was ascertained by consulting the online dictionary *oxforddictionaries.com*.

- a) Croatian: ...za korisnike kredita koji nemaju kreditnu povijest ili ocjenu zasnovanu na *bilančnom pristupu naknada* se utvrđuje u iznosu od 3,8 posto godišnje na iznos jamstva.

English: ...for loan beneficiaries, who do not have a loan history or a rating based on a *balance sheet approach*, the fee shall be established at the amount of 3.8 per cent of the guarantee amount annually.

- b) Croatian: HBOR je odgovoran za *postupak povrata sredstava* s osnova naplaćenih jamstava.

English: The HBOR is responsible for the *resource return proceedings* on the basis of the collected guarantees.

- c) Croatian: ...*koeficijent zaduženosti* na zadnji izvještajni dan...

English: ...the *indebtedness ratio* on the last reporting day...

- d) Croatian: ...*pokazatelj tekuće likvidnosti* na zadnji izvještajni dan...

English: ...the *current liquidity ratio* on the last reporting day...

- e) Croatian: ...banka je dužna, u skladu sa svojim općim aktima, provesti *postupak naplate potraživanja* Republike Hrvatske s osnova naplaćenog jamstva...

English: ...the bank is obliged, in accordance with its general acts, to carry out the *collection procedure for the receivables* of the Republic of Croatia from the basis of the collected guarantee...

- f) Croatian: HBOR obavlja poslove prijema i pregleda zahtjeva banke za naplatom jamstva za pojedinu *kreditnu obvezu* korisnika kredita u dijelu iznosa *ostatka glavnice* za koju je dano jamstvo...

English: The HBOR shall carry out the reception and review of the bank request for collection of the guarantee for individual *loan liabilities* of the loan beneficiary in the amount of the *principal arrear* for which a guarantee was issued.

- g) Croatian: ...odredbe o uvjetima *prijenosa jamstva* iz članka 30. ove Uredbe...

English: ...provisions on the conditions of the *transfer of the guarantee* referred to in Article 30 of this Regulation...

- h) Croatian: Nakon izvršenog plaćanja, Ministarstvo financija šalje presliku dokaza o plaćanju HBOR-u zajedno sa *zahtjevom za povrat* naplaćenog jamstva.

After the payment, the Ministry of Finance shall send a copy of the proof of payment to the HBOR together with the *request for reimbursement* of the collected guarantee.

3) *Use of the Glossary and EU acts*

As in the last subgroup, the following terms could not be found in their exact form in the *Glossary*, just their individual components. However, when they were checked on Google, there were no or almost no search results. Therefore EUR-Lex was consulted which is an Internet page of the European Union containing the entire EU legislation. The easiest and fastest way to reach the EU legislation on EUR-Lex is to search for it on Google, then pick the first hit with the page of EUR-Lex or go directly to the *simple search* of EUR-Lex, which can be found under the second hit. The database can be searched by terms, the document number, the CELEX number etc.

The following examples illustrate the collocations that were found in the EU acts – they were all found by search terms. It has to be emphasized that it was always established whether the term in the EU act represents the same concept as the translation solution of the Croatian concept.

- a) Croatian: Odredbe ove Glave odnose se na jamstva koja se daju *korisnicima kredita* koji nisu bili u teškoćama prije 1. srpnja 2008. godine...

English: The provisions of this Title refer to the guarantees which shall be issued to *loan beneficiaries* who were not in difficulty before 1 July 2008...

- b) Croatian: Jamstvo za pojedinačni kredit može iznositi najviše 50 posto iznosa *glavnice kredita*, ali ne više od 60 milijuna kuna.

English: The guarantee for an individual loan may amount to a maximum of 50 per cent of the amount of the *loan principal*, but not more than HRK 60 million.

- c) Croatian: Ako ukupni iznos više jednako rangiranih ponuda banaka prelazi iznos *jamstvene kvote* ili preostali iznos ove kvote, ista se dijeli između tih banaka proporcionalno njihovim ponudama.

English: If the total amount of several equally ranked bank bids exceeds the amount of the *guarantee ratio* or the remaining amount of this ratio, the ratio shall be divided among these banks in proportion to their bids.

4) *Use of the Trilingual Dictionary*

The following examples include the collocations found in the *Trilingual Dictionary of Banking and Finance*.

- a) Croatian: Jamstva se daju za kredite odobrene u kunama uz *valutnu klauzulu* vezanu za euro, kamatnu stopu vezanu uz tromjesečnu europsku međubankovnu kamatnu stopu (EURIBOR), uvećanu za *kamatnu maržu* banke.

English: Guarantees shall be issued for loans granted in kuna together with a *currency clause* regarding the euro, interest rate linked to a three-month European Interbank Offer Rate (EURIBOR), increased by the bank *interest margin* of the bank.

- b) Croatian: Banka je dužna iz iznosa dobivenih naplatom od korisnika kredita i iz *instrumenata osiguranja*, namiriti sebe i Republiku Hrvatsku, proporcionalno iznosima podjele rizika (*pro rata*).

English: The bank is obliged to defray itself and the Republic of Croatia proportional to the amounts of the risk division (*pro rata*) from the amounts gained by collecting from the loan beneficiaries and from the *securities*.

- c) Croatian: ...temeljem važećih propisa ispunjavao uvjete za pokretanje *stečajnog postupka*.

English: ... the criteria for instituting the *insolvency proceeding* were met pursuant to legislation in force.

- d) Croatian: ...podatke o *blokadama računa* iz registra u kojem se vode računi otvoreni u bankama i od banaka...

English: ...information on *account freezes* from the registry in which all the accounts opened in banks and by the banks are recorded...

5) Use of the Trilingual Dictionary and EU acts

The exact term cannot always be found in dictionaries, but instead, a similar expression or one of the components in another collocation can be found, which helps to determine how to translate the term correctly. After a conclusion had been drawn with the help of the *Trilingual Dictionary of Banking and Finance*, the translation solution was checked in EU acts on EUR-Lex and it was established that it is used in EU acts.

Croatian: Jamstva se daju korisnicima kredita iz članka 9. ove Uredbe uz uvjet ograničenja najvišeg iznosa kredita koji se odobrava uz jamstvo i koji ne može iznositi više od ukupnog godišnjeg *iznosa plaća* korisnika kredita za 2008. godinu...

English: Guarantees shall be issued to loan beneficiaries referred to in Article 9 of this Regulation subject to the condition that the maximum loan shall be determined. The loan shall be granted if there is a guarantee and it may not exceed the total annual *wage bill* of the loan beneficiary for 2008...

6) *Use of the Internet*

Three examples are listed in this group to illustrate that some terms were translated only with the help of the Internet since they could not be found in the *Glossary* or the *Trilingual Dictionary*. There were two solutions considered for the first example: ‘guarantee duration’ and ‘guarantee period’. Although the results on Google showed that both collocations are used and that there are more hits for ‘guarantee duration’, it was also checked on EUR-Lex. This research established that only ‘guarantee period’ is used in EU acts; therefore this term was adopted.

- a) Croatian: Za dano jamstvo banka, u ime korisnika kredita, plaća naknadu na dio glavnice kredita za koju je dano jamstvo, za svaku godinu *trajanja jamstva*, koja je prihod državnog proračuna.

English: The bank pays for the issued guarantee, on behalf of the loan beneficiary, a fee for the outstanding amount of the loan principal for which a guarantee was issued, for each year of the *guarantee period*; the fee shall be State Budget revenue.

The second example was more troublesome because it is a phrase from the field of accounting, but not all of the components were found. First ‘davanja iz plaće’ was looked up in the online dictionaries and it was found in *eudict.com*, where it was translated as ‘deduction at source’. ‘Davanja na plaću’ could not be found, therefore the meanings in Croatian and English were looked up on Google and it became clear that both phrases stand for the percentage of the salary that is deducted for taxes, insurance, etc. The research also showed that ‘davanja iz i na plaće’ represents the whole amount that is deducted from the salary, which in English is expressed with ‘deduction at source’. It was also checked on EUR-Lex to ascertain whether this term can really be used and it was found there in the same meaning as in this Regulation.

- b) Croatian: Godišnji iznos plaća korisnika kredita uključuje i sva *davanja iz i na plaće*.

English: The annual wage bill of the loan beneficiary includes *the deduction at source*.

The third example of this subgroup contains a whole range of financial collocations. Their components were looked up in the online dictionaries and afterwards the solutions were checked on Google to determine whether they are in use. The last collocation was causing some difficulty – it was translated as ‘zero net asset value’ since ‘net asset value’ was immediately found in the dictionary and there were plenty hits on Google including this term. However, ‘nulta’ was translated literally as ‘zero’ and added in front of ‘net asset value’ but it could not be

found on Google. It was looked up on EUR-Lex and even though it was mentioned in only one act, this one was sufficient to conclude that this collocation can be used.

- c) Croatian: ...ako su bili prisutni tipični pokazatelji da se radi o poduzetniku u teškoćama, kao npr. *rast gubitaka, smanjenje ukupnog prihoda, rast zaliha, višak kapaciteta, smanjenje novčanih tokova, rast duga, porast troškova kamata i pad ili nulta neto vrijednost imovine.*

English: ...if there were the typical indicators showing that it is regarding an entrepreneur in difficulty, such as *loss increase, reduction of the total revenue, inventory growth, capacity overload, reduction of cash flows, debt growth, growth of interest expenses* and decline in or *zero net asset value.*

4.3.2. Prepositions

One of the most difficult tasks while translating this Regulation was to choose the right preposition in the English translation. For non-native speakers of English it is often challenging to decide which preposition coheres with a particular noun or verb. The first tool that was used the *Oxford Collocation Dictionary* – although it is a comprehensive dictionary, most of the prepositions were not provided because it contains various types of collocations and is not specialized in prepositions. Therefore the *Oxford Advanced Learners Dictionary* was consulted, which was a resourceful tool. However, a few collocations could not be found in either of the dictionaries, hence they were checked on the Internet.

Sometimes it was uncertain which preposition to use because the *Collocations Dictionary* offered two or none. While translating the following sentence into English, three prepositions emerged that caused difficulties:

Croatian: Iznimno, jamstvo za obveze korisnika kredita može se dati i u iznosu višem od 60 milijuna kuna, ali ne više od 50 posto iznosa glavnice kredita *o* čemu **odlučuje** Vlada Republike Hrvatske **na prijedlog ministra financija**.

The first collocation was ‘odlučivati o’, where it was uncertain whether to use ‘decide on’ or ‘decide upon’ since the *Collocations Dictionary* suggests both, nevertheless, ‘decided upon’ was deemed to be the more suitable one since it sounds formal.

The second collocation included a completely different preposition in the Croatian sentence than the first collocation – *na prijedlog* – however, it was translated with ‘upon’ again since the Google results showed that the collocation ‘upon proposal’ is used in the same sense.

The third preposition was actually not a constituent of the Croatian sentence since cases can be expressed by inflection in the Croatian language and in this particular sentence it is the genitive case denoting that something has been done *by someone*. It needed to be affirmed whether ‘proposal by’ or ‘proposal of’ is correct, which was concluded with the help of the Google hits. The whole sentence was translated as follows:

English: By way of derogation, a guarantee for liabilities of a loan beneficiary may amount to more than HRK 60 million, but not more than 50 per cent of the amount of the loan principal, **upon** which the Government of the Republic of Croatia shall **decide upon proposal by** the Minister of Finance.

There is one exceptional example because it was looked up and found in the *Manual*. The collocation in question was ‘uz uvjet’, which could have been translated as ‘under the condition’, but it sounded informal, hence the *Manual* was consulted. At the end of the *Manual* there is a glossary where the expression ‘uz izrečene uvjete’ was found, with its English equivalent: ‘subject to the conditions stated’. The expression was adjusted to the collocation from the Regulation and the sentence was translated as follows:

Croatian: Jamstva se daju korisnicima kredita iz članka 9. ove Uredbe **uz uvjet** ograničenja najvišeg iznosa kredita...

English: Guarantees shall be issued to loan beneficiaries referred to in Article 9 of this Regulation **subject to the condition** that the maximum loan is determined.

All the other examples from the Regulation are listed in three subgroups according to the tool consulted for the translation. Mostly only fragments of the sentences are copied to illustrate the collocation in which the preposition occurred. However, sometimes it was necessary to copy the entire sentence to clarify to what the collocation relates and why this particular preposition was difficult to translate.

4.3.2.1. Collocations Dictionary

The *Oxford Collocation Dictionary* is both reliable and very easy to use. In this subgroup each Croatian preposition was translated with a different English preposition, whereas in the last example there was no preposition in the original, because the cohesion between the two nouns is expressed by the genitive case.

- 1) **na** was translated as **in**

Pravo **sudjelovanja na aukciji** – The right to **participate in the auction**

- 2) **u** was translated as **into** since 'classification into' is listed in the *Collocations Dictionary* and then it was also confirmed by looking for examples on the Internet za korisnike kredita koje je banka **razvrstala u** stupanj kreditne kvalitete 1 – loan beneficiaries whom the bank has **classified into** loan category 1
- 3) **o** was translated as *on*
suglasnost banke za objavu **podataka o** rezultatima aukcije – the approval of the bank to publish **data on** auction results
- 4) **uz** was translated as **with**
uz prethodnu **suglasnost** – **with** prior **approval**
- 5) Croatian **genitive** case without a preposition was translated as **by**
bez vanjske **intervencije države** – without outside **intervention by the State**

4.3.2.2. Advanced Learners Dictionary

Collocations that could not be determined with the help of the *Collocations Dictionary* were looked up the *Oxford Advanced Learners Dictionary*. Some of the Croatian prepositions were translated with different English prepositions in each example they occur, which shows how difficult the translation of prepositions is. On the other hand, for different Croatian prepositions sometimes the same English preposition was used, which becomes evident from the examples. Again there were cases when there was no preposition in the original, but the cohesion between words was expressed by the genitive and dative case, whereas prepositions had to be added in the English translation.

- 1) **za** was translated as **by** or as **for**
 - a) Jamstva se daju za kredite odobrene u kunama uz valutnu klauzulu vezanu za euro, kamatnu stopu vezanu uz tromjesečnu europsku međubankovnu kamatnu stopu (EURIBOR), **uvećanu za kamatnu maržu banke**.

Guarantees shall be issued for loans granted in kuna together with a currency clause regarding the euro, interest rate linked to a three-month Euro Interbank Offered Rate (EURIBOR), **increased by the bank interest margin**.
 - b) **Ugovor o kreditu, za koji se daje jamstvo** sukladno Zakonu i ovoj Uredbi, mora pored uobičajenih odredbi sadržavati i odredbe: o valuti kredita na koji se dodjeljuje jamstvo...

In addition to the usual provisions, *the loan agreement, for which a guarantee shall be issued* pursuant to the Act and this Regulation, has to include: on the currency of the loan for which the guarantee is issued...

2) *na* was translated as *for, in* and *to*

a) Za dano jamstvo banka, u ime korisnika kredita, plaća *naknadu na nedospjeli iznos* glavnice kredita za koju je dano jamstvo...

The bank pays for the issued guarantee, on behalf of the loan beneficiary, *a fee for the outstanding amount* of the loan principal for which a guarantee was issued...

b) *osjetljivost* projekta *na* likvidnost i rentabilnost – the project *sensitivity to* liquidity and profitability

c) Poziv na aukciju, *na* kojeg prethodnu *suglasnost daje* ministar financija – The invitation to an auction, *to* which the Minister of Finance shall previously *give* his *approval*

3) *od* was translated as *from*

Ministarstvo financija može *od HBOR-a tražiti* ... dodatne podatke – the Ministry of Finance may *request from the HBOR* to deliver additional information

4) *iz* was translated as *of*

uvjete iz Zakona i ove Uredbe – the *conditions of* the Act or this Regulation

5) *o* was translated as *on*

podatke o banci – *information on the bank*

6) the *genitive case* was translated as *in*

a) *rast materijalnih rashoda* u visini 5% – *growth in material expenditures* at the amount of 5%

b) porast troškova kamata i *pad* ili nulta *neto vrijednost imovine* – growth in interest expenses and *decline in* or zero *net asset value*

7) the *dative case* was translated as *to*

a) HBOR je *odgovoran Vladi Republike Hrvatske* – the HBOR is *liable to the Government of the Republic of Croatia*

b) smanjuje se *razmjerno otplati* glavnice kredita – reduced *in proportion to the repayment* of the loan principal

4.3.2.3. Internet

The Internet offers a wide range of websites, articles but also forums and blogs, therefore, one has to be careful when checking a collocation on the Internet. Not only was the number of hits important, but also whether the pages, the collocation occurred in, contain some serious articles or just forums, and with which topics these articles dealt. The first three examples were found by looking them up on Google and checking whether they are used in scholarly articles and the result was satisfying. There were not so many Google hits for the collocations from the fourth and the fifth example and the texts they occurred in were not reliable enough. Therefore, another option offered by the Internet was used – a native speaker who studies law was asked whether these prepositions and nouns cohere and the answer was affirmative.

- 1) kredit *osiguran s jamstvom* – the loan *insured by the guarantee*
- 2) HBOR *prema* banci *postupa* sukladno odredbama Zakona – the HBOR shall *act towards* the bank pursuant to the provisions of the Act, this Regulation
- 3) *po otkazu* ugovora o kreditu – *upon cancellation* of the loan agreement
- 4) naknada se utvrđuje *u iznosu od* 3,8 posto – the fee shall be established *at the amount of* 3.8 per cent
- 5) Okvirni *ugovor o* dodjeli jamstvene kvote – a Framework *contract on* issuing a guarantee ratio

4.4. The most useful tools

The second translation was generally more demanding since it was a translation from Croatian into English, i.e. from the native language into a foreign language. This analysis emphasised the difficulties translators come across while translating collocations and most of all with the prepositions as an issue that was not faced in the first translation. A tool that was not used during the English-to-Croatian translation was the *Oxford Collocations Dictionary*, in which many prepositions and *verb + noun collocations* were found. Additionally, the *Oxford Advanced Learners Dictionary* was consulted to look up the prepositions not included in the *Collocations Dictionary*. Collocations as an issue are highlighted because non-native speakers often do not know when a collocation sounds unnatural; therefore, they are more likely to make mistakes when translating into a foreign language.

In addition to the tools mentioned in the first analysis – the *English-Croatian Glossary of Banking, Insurance and other Financial Services*, the *Trilingual Dictionary of Banking and Finance* and the online dictionaries – another manual compiled by the Croatian Ministry of Foreign Affairs and European Integration was used. The *Manual for Translating Legal Acts of the Republic of Croatia into English* was of immense help for translating the standardised sentences and phrases and to look up the proper form of translated acts. It provides necessary guidelines and is hence indispensable when translating Croatian acts into English for the purposes of the European Union.

On the other hand, this translation was easier in terms of choice of tools; therefore, much time was saved, because it was clear which tools need to be used. Due to the practice acquired during the first translation, the steps were already known, except that this time the act could not be consulted in other languages. Other European Union acts contained in the EUR-Lex were consulted instead. Not only can this method help to establish whether a translation solution is actually used, but it can also clarify whether the term is used for the same concept as the Croatian equivalent. If the term occurs in EU acts but expresses another meaning, it would be incorrect to adopt it because it would change the meaning of the Croatian original.

5. Conclusion

Since the Republic of Croatia is currently in the process of alignment of its legislation with the *aquis communautaire* of the European Union, the process of translating European Union acts into Croatian and acts of the Republic of Croatia into English is ongoing. Therefore, the Croatian Ministry of Foreign Affairs and European Integration has compiled two manuals, which help to produce translations with standardised forms and formulae. Not only has the Ministry published manuals, but also glossaries, with the aim of creating unique terminology for different fields. Furthermore, these manuals and glossaries are useful tools for translators who can save much time by looking up standardised sentences, phrases and various formalities, as the analyses have shown. Translating legal documents is a demanding task that brings great responsibility with it; hence translators need guidance and training. The Ministry, or to be more precise, its Translation service, has done the first steps to make this task easier and enhance translation quality.

This paper is written within the framework of the course Translation and European Integration, which also contributes to the training process of future translators by making them aware of the differences and similarities in translating EU and Croatian acts. Students learn about the tools one can use while translating these acts and apply the acquired knowledge while translating authentic acts. It is important to know where to search for the proper vocabulary because the aim of the tools compiled so far by the Translation service of the Croatian Ministry of Foreign Affairs and European Integration is to create a unique vocabulary that is going to be used whenever translating EU acts into Croatian or Croatian acts for the purposes of the EU. It is crucial that one term always represents one and the same concept; on the contrary, it would lead to confusion and acts could be misinterpreted which might entail legal consequences.

The analyses have shown that numerous issues occur while translating legal acts, especially legal acts in the field of finance. However, all difficulties can be overcome if one knows which tools to apply. The first tools to be consulted are the manuals and the glossaries published by the Croatian Ministry of Foreign Affairs and European Integration because they contain many useful guidelines as well as advice on which other tools to use while translating this type of documents. Furthermore, it is essential to use proper LSP dictionaries for the technical terms, but in spite of the translations rendered in them, one has to ascertain what a certain term means and whether it represents the same concept in Croatian as in English.

The *Manual for Translating Legal Acts of the Republic of Croatia into English* and the *Manual for Translating Legal Acts of the European Union* were not only helpful for the form and formulae, but they are so comprehensive that no other tool that is specified for legal terminology needed to be consulted. The templates show how the act has to be structured, one can copy the standardised phrases, and the glossaries offer plenty of legal vocabulary that has already been translated. Owing to the manuals, general legal terminology was not so troublesome to find, but what caused the most problems was the financial terminology. The first tool consulted was the *English-Croatian Glossary of Banking, Insurance and other Financial Services* which was a very resourceful glossary for both translations, since it offers words, phrases and compounds, hence some collocations were found in it as well. Along with the *Glossary* the *Trilingual Dictionary of Banking and Finance* was also immensely useful for the translation of the financial terminology in both translations.

A useful method was to look up the German and Slovenian versions of the Regulation that was translated from English into Croatian on EUR-Lex, because they clarified the meaning of some vague sentences. During the second translation, EUR-Lex was also consulted because it offers the possibility to look up acts in English, which was another effective method when it needed to be ascertained whether a financial term actually exists in the European Union financial terminology. This was deemed to be very important because if it was proved in any example that a certain translation solution is not used in EU acts or that it represents another concept, that particular translation solution was rejected and the term was translated differently or paraphrased.

For the Croatian-into-English translation, additional tools were needed to look up all the collocations and as well unknown words. The *Oxford Collocations Dictionary* and the *Oxford Advanced Learners Dictionary* represent two really comprehensive and useful tools which render numerous collocations including prepositions. In addition, unknown vocabulary was looked up in the *Croatian-English Dictionary (Veliki hrvatsko-engleski rječnik)*. The online dictionaries *eudict.com* and *rjecnik.net* were used in both translations, but when vocabulary was translated into English every word was checked for its meaning on *oxforddictionaries.com*.

In general, the Internet is also very helpful and can be consulted at any time, but it is not as reliable as the tools issued by the Ministry or as the hard copy dictionaries, hence everything that is found on the Internet has to be checked carefully. Nevertheless, EUR-Lex can be consulted only on the Internet, which proved to be a useful tool in both translations.

The most important is that a translator of legal acts masters the steps that will help to draw conclusions and find the correct translation equivalents. Both analyses illustrate the steps to be taken and the most useful tools one can apply when facing different issues, which helps to save time in future translations. This paper has shown that it is of immense importance to develop proper methods for the translation of legal documents in order to look for solutions more effectively and reach them in a shorter period of time. In conclusion it can be claimed that specialisation in a certain field contributes to speed and quality of translation, nevertheless, well-trained translators, despite not being experts in a specific field, can also translate technical documents properly owing to the available translation tools and practice.

THE GOVERNMENT OF THE REPUBLIC OF CROATIA

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Pursuant to Article 19 of the Act on the Guarantee Fund for Economic Recovery and Development (Official Gazette 20/2010), and Article 10 paragraph 4 of the Act on the Croatian Bank for Reconstruction and Development (Official Gazette 138/2006), the Government of the Republic of Croatia, at its session on 4 March 2010, adopted the following

REGULATION

ON THE IMPLEMENTATION OF FUNDING MEASURES FOR ECONOMIC RECOVERY AND DEVELOPMENT

I. GENERAL PROVISIONS

Article 1

This Regulation regulates the conditions for participation in auctions, the fundamental elements of a bank bid and the criteria for the guarantee ratio granting, the evaluation process of the received bids of banks, the guarantee ratio granting to banks, the criteria and the manner of issuing a guarantee to loan beneficiaries who are not in difficulty and for loan beneficiaries who are in difficulty after 1 July 2008, the manner of reporting and the dates of reports by the Ministry of Finance and the types, the amount, the manner of ascertaining and the dates of the fee payment which is paid by the bank on behalf of the loan beneficiary.

Article 2

(1) At auctions, conducted by the Croatian Bank for Reconstruction and Development (hereinafter: HBOR) on behalf of and for the account of the Republic of Croatia, banks with valid working approval in the Republic of Croatia (hereinafter: banks) shall bid for guarantee ratios.

(2) Guarantees shall be issued altogether up to the amount of the issued guarantee ratio referred to in paragraph 1 of this Article pursuant to the provisions of this Regulation.

Article 3

(1) The guarantee for a loan may amount to a maximum of 50 per cent of the amount of the loan principal, but not more than HRK 60 million.

(2) By way of derogation, a guarantee for liabilities of a loan beneficiary may be issued in the amount of more than HRK 60 million, but not more than 50 per cent of the amount of the loan

principal, upon which the Government of the Republic of Croatia shall decide upon proposal by the Minister of Finance.

(3) The face amount of the issued guarantee shall be reduced in proportion to the repayment of the loan principal.

(4) Pursuant to this Regulation the guarantees shall be issued until the 31 December 2010.

II. GUARANTEE MEASURE FOR LOAN BENEFICIARIES WHO ARE NOT IN DIFFICULTY

Article 4

(1) The provisions of this Title refer to the guarantees which shall be issued to loan beneficiaries who were not in difficulty on the last official reporting day before the submission of the application for loan granting.

(2) The total amount of guarantees for the needs of the implementation of the measure referred to in this Title shall amount up to a billion kuna.

(3) Loan beneficiaries referred to in paragraph 1 of this Article attain the right to a guarantee pursuant to the provisions of this Regulation and the rules on State aid in form of guarantees (point 3.4. Guarantee Programmes in the Decision Promulgating the Rules on State Aid in Form of Guarantees, Official Gazette 39/2009).

Article 5

(1) Guarantees may be issued to loan beneficiaries who, among others, fulfil the following criteria:

a) to loan beneficiaries who keep accounts in accordance with the Accounting Act:

- the indebtedness ratio on the last reporting day (total liabilities/assets) ≤ 0.9

- the current liquidity ratio on the last reporting day (short term assets/short term liabilities) ≥ 0.8

- net income on the last reporting day or on 31 December 2007 or 31 December 2008 ≥ 0.0

b) to the other loan beneficiaries:

-the revenue on the last reporting day or on 31 December 2007 or 31 December 2008 ≥ 0.0

c) projects of the loan beneficiaries referred to in the points a) and b) of this paragraph have to fulfil the following criteria as well:

-net current assets (NCA) of the project > 0

- the debt coverage ratio (the sum of cumulative net receipts in the financial flow and the loan annuity in relation to the loan annuity) shall be minimum 1.2: 1

- the project sensitivity to liquidity and profitability – a project shall be considered acceptable when it fulfils the criteria from the first and second indent of this point, together with a revenue decline or growth in material expenditures in the amount of 5% or more.

(2) The bank shall ascertain if the criteria referred to in Article 10 paragraph 1 of the Act Establishing a Guarantee Fund for Economic Recovering and Development and paragraph 1 of this Article are fulfilled (hereinafter: the Act).

Article 6

(1) The guarantees referred to in Article 4 of this Regulation shall be issued for loans aimed to finance new investments and to finish already started investments, which in their structure may contain loans necessary for the sustainability of the investment, including the financing of a part of the current assets and rescheduling of loans issued for investments and current assets, contracted after 1 July 2008.

(2) The financing of the current assets and the rescheduling of loans referred to in paragraph 1 of this Article may individually not amount to more than 15 per cent of the loan amount, namely not more than 30 per cent of the amount of one loan for which a guarantee shall be issued.

(3) Guarantees shall be issued for loans granted in kuna together with a currency clause regarding the euro, interest rate linked to a three-month European interbanking interest rate (EURIBOR), increased by the bank interest margin.

(4) Guarantees shall not be issued for rescheduling already rescheduled loans which were issued before 1 July 2008.

(5) For loans contracted after 1 July 2008, which shall be rescheduled pursuant to paragraph 1 of this Article, the bank is obliged to ensure for loan beneficiaries more favourable terms (extended time period and lower interest rate) than according to the rescheduled loan.

Article 7

(1) The bank pays for the issued guarantee, on behalf of the loan beneficiary, a fee for the outstanding amount of the loan principal for which a guarantee was issued, for each year of the guarantee duration; that fee is revenue of the State Budget.

(2) The bank, on behalf of the loan beneficiary, shall pay the fee referred to in paragraph 1 of this Article quarterly and as described here:

a) for loan beneficiaries whom the bank has classified into loan category 1, an annual fee in the amount of 0.4 per cent of the guarantee amount,

b) for loan beneficiaries whom the bank has classified into loan category 2, an annual fee in the amount of 0.6 per cent of the guarantee amount,

c) for loan beneficiaries whom the bank has classified into loan category 3, an annual fee in the amount of 0.8 per cent of the guarantee amount,

d) for loan beneficiaries whom the bank has classified into loan category 4, an annual fee in the amount of 2.0 per cent of the guarantee amount,

e) for loan beneficiaries, who do not have a loan history or a rating based on a balance sheet approach, the fee shall be established in the amount of 3.8 per cent annually of the guarantee amount.

(3) The bank, on behalf of the loan beneficiary, shall pay for the issued guarantees a one-off fee in the amount of 0.25 per cent of the guarantee amount, which is at least HRK 500.00 (five hundred). The fee shall be collected before or simultaneously with the guarantee issuing for expenses coverage of the application processing for guarantee issuing and it shall be the revenue of the HBOR.

Article 8

(1) The fee amount referred to in Article 7 of this Regulation is determined in accordance with the market prices; if they are according to the market conditions shall be re-examined annually on the ground of the real loss rate in an economically acceptable time period, with the goal to maintain the level which covers the usual risks linked to guarantee issuing.

(2) The Ministry of Finance shall re-examine the fee amount referred to in paragraph 1 of this Article on the ground of an analysis performed by the HBOR and it may suggest to the Government of the Republic of Croatia to change the fee amount referred to in Article 7 paragraph 2 of this Regulation.

III. GUARANTEE MEASURES FOR OTHER LOAN BENEFICIARIES

Article 9

(1) The provisions of this Title refer to the guarantees which shall be issued to loan beneficiaries who were not in difficulty before 1 July 2008, but were at the time of the submission of the application for a guarantee considered entrepreneurs in difficulty pursuant to the provisions of Article 10 of this Regulation as a result of the global financial and economic crisis (hereinafter: loan beneficiaries in difficulty).

(2) The total amount of guarantees for the needs of the implementation of the measure referred to in this Title shall amount up to a billion kuna.

Article 10

(1) Loan beneficiaries are in difficulty, pursuant to the rules on State aid, if:

a) more than half of the registered or equity capital disappeared and more than a quarter of that capital has been lost over the preceding twelve months; or

b) the criteria for instituting the insolvency proceeding were met pursuant to legislation in force.

(2) Besides the criteria referred to in paragraph 1 of this Article, if it is regarding large-scale entrepreneurs, they are considered loan beneficiaries in difficulty in the following cases:

a) if the entrepreneurs were unable to stem losses through their own resources or with the resources that can be provided by their owners/shareholders or guarantees, and these losses would, without outside intervention of the State, almost certainly condemn them to go out of business in the short or medium term; or

b) if there were the typical indicators showing that it is regarding an entrepreneur in difficulty, such as loss increase, reduction of the total revenue, inventory growth, capacity overload, reduction of cash flows, debt growth, growth of interest expenses and decline in or zero net asset value.

(3) Guarantees may be issued to loan beneficiaries who, among others, shall fulfil the following criteria:

a) to loan beneficiaries who keep accounts in accordance with the Accounting Act:

- the indebtedness ratio on the last reporting day (total liabilities/assets) ≤ 0.9

- the current liquidity ratio on the last reporting day (short term assets/short term liabilities) ≥ 0.8

- net income on the last reporting day or on 31 December 2007 or 31 December 2008 ≥ 0.0

b) to the other loan beneficiaries:

-the revenue on the last reporting day or on 31 December 2007 or 31 December 2008 ≥ 0.0

c) projects of the loan beneficiaries referred to in the points a) and b) of this paragraph have to fulfil the following criteria as well:

-net current assets (NCA) of the project > 0

- the debt coverage ratio (the sum of cumulative net receipts in the financial flow and the loan annuity in relation to the loan annuity) shall be minimum 1.2: 1

- the project sensitivity to liquidity and profitability – a project shall be considered acceptable when it fulfils the criteria from the first and second Indent of this point, together with a revenue decline or growth in material expenditures in the amount of 5% or more.

(4) The bank shall ascertain if the criteria referred to in Article 10 of the Law and paragraphs 1 to 3 of this Article are fulfilled.

Article 11

(1) Guarantees shall be issued to loan beneficiaries referred to in Article 9 of this Regulation subject to the condition that the maximum loan shall be determined. The loan shall be granted if

there is a guarantee and it may not exceed the total annual wage bill of the loan beneficiary for 2008, including the employees of the producer, if they are working on a mutual project financed by the loan for which the guarantee was issued.

(2) In the case of the loan beneficiaries referred to in paragraph 1 of this Article established after 1 January 2008, the maximum loan shall not exceed the estimated annual wage bill for the first two years in operation, including the employees of the producer, if they work on a project financed by the loan for which the guarantee was issued.

(3) When calculating the annual wage bill of the loan beneficiary referred to in paragraphs 1 and 2 of this Article, legislation provisions shall be applied that regulate the State aid and the Communication from the Commission on Temporary Community framework for State aid measures to support access to finance in the current financial and economic crisis (2009/C303/09).

(4) The total annual wage bill shall be established by applying the monthly salary basis in the amount of 3.028,00 euro per employee namely according to the last published data of the Statistical Office of the European Union (EUROSTAT), calculated in kuna counter-value according to the central rate of the Croatian National Bank on the day of loan granting.

(5) The annual wage bill of the loan beneficiary includes all the salary appropriations.

(6) The mutual project referred to in paragraph 1 of this Article is a project in which the share of the producer, on the ground of the project documentation, is bigger than 20 per cent of the project value.

Article 12

(1) Guarantees shall be issued for loans aimed to finance new investments and to finish already started investments, which in their structure may contain loans necessary for the sustainability of the investment, including the financing of a part of the current assets and rescheduling of loans issued for investments and current assets, contracted after 1 July 2008.

(2) The financing of the current assets and the rescheduling of loans referred to in paragraph 1 of this Article may individually not amount to more than 15 per cent of the loan amount, namely not more than 30 per cent of the amount of one loan for which a guarantee shall be issued.

(3) Guarantees shall be issued for loans granted in kuna together with a currency clause regarding the euro, interest rate linked to a three-month European interbanking interest rate (EURIBOR), increased by the bank interest margin.

(4) Guarantees shall not be issued for rescheduling already rescheduled loans which were issued before 1 July 2008.

(5) For loans contracted after 1 July 2008, which shall be rescheduled pursuant to paragraph 1 of this Article, the bank is obliged to ensure for loan beneficiaries more favourable terms (extended time period and lower interest rate) than according to the rescheduled loan.

Article 13

(1) The bank pays for the issued guarantee, on behalf of the loan beneficiary, a fee for the outstanding amount of the loan principal for which a guarantee was issued, for each year of the guarantee duration; that fee is revenue of the State Budget.

(2) The bank, on behalf of the loan beneficiary, shall pay the fee referred to in paragraph 1 of this Article quarterly and as described here:

a) for loan beneficiaries whom the bank has classified into loan category 1, an annual fee in the amount of 0.4 per cent of the guarantee amount,

b) for loan beneficiaries whom the bank has classified into loan category 2, an annual fee in the amount of 0.6 per cent of the guarantee amount,

c) for loan beneficiaries whom the bank has classified into loan category 3, an annual fee in the amount of 0.8 per cent of the guarantee amount,

d) for loan beneficiaries whom the bank has classified into loan category 4, an annual fee in the amount of 2.0 per cent of the guarantee amount,

e) for loan beneficiaries, who do not have a loan history or rating based on a balance sheet approach, the fee shall be established in the amount of 3.8 per cent annually of the guarantee amount.

(3) The bank, on behalf of the loan beneficiary, shall pay for the issued guarantees a one-off fee in the amount of 0.25 per cent of the guarantee amount, which is at least HRK 500.00 (five hundred). The fee shall be collected before or simultaneously with the guarantee issuing for expenses coverage of the application processing for guarantee issuing and it shall be the revenue of the HBOR.

Article 14

(1) The fee amount referred to in Article 13 of this Regulation is determined in accordance with the market prices; if they are according to the market conditions shall be re-examined annually on the ground of the real loss rate in an economically acceptable time period, with the goal to maintain the level which covers the usual risks linked to guarantee issuing.

(2) The Ministry of Finance shall re-examine the fee amount referred to in paragraph 1 of this Article on the ground of an analysis performed by the HBOR and it may suggest to the Government of the Republic of Croatia to change the fee amount referred to in Article 7 paragraph 2 of this Regulation.

IV. GUARANTEE ISSUING PROCEDURE

Article 15

The provisions of this Title refer to the guarantee issuing procedure for loan beneficiaries referred to in Title II. and III. of this Regulation.

Article 16

(1) The bank that is registering for the auction shall classify the loan beneficiaries' ratings into risk groups in accordance with the Croatian National Bank Act which regulates the classification of ratings and off-balance-sheet liabilities of loan institutions.

(2) Guarantees shall be issued to loan beneficiaries with all ratings classified into risk group A.

(3) The classification of loan beneficiary ratings in accordance with the paragraphs 1 and 2 of this Article shall be acknowledge if all the ratings of the loan beneficiary at the bank, which is submitting the application for guarantee issuing, are classified into risk group A.

(4) By way of derogation from paragraph 2 of this Article, the loan beneficiary fulfils the criteria for guarantee issuing if on 30 June 2008 or on 23 December 2009 the loan beneficiary was classified into risk group A.

Article 17

(1) The bank shall evaluate the loan capability of the loan beneficiary; furthermore it shall evaluate and arrange insurance.

(2) The bank is obliged to conduct insurance for the total loan amount, notwithstanding the issued guarantee, pursuant to the good banking practice.

(3) In the event of collection of the issued guarantee, and after cancelling the loan agreement, the bank is obliged, in accordance with its general acts, to carry out the collection procedure for the receivables of the Republic of Croatia from the basis of the collected guarantee, together with the fee of their receivables. The bank is obliged to defray itself and the Republic of Croatia proportional to the amounts of the risk division (*pro rata*) from the amounts gained by collecting from the loan beneficiaries and from the insurance instruments.

Article 18

(1) The auction shall be conducted at least once per month.

(2) The auction may be conducted for loans with the maturity of 3 to 5 years and for loans with maturity of 5 to 10 years.

(3) The HBOR shall issue the Instructions for implementing auctions with the prior approval of the Minister of Finance and they shall be published on its internet pages at the latest within 3 days after this Regulation enters into force.

Article 19

(1) The invitation to an auction, to which the Minister of Finance shall previously give his approval, shall be delivered to the banks by the HBOR via electronic mail and it shall be simultaneously published on its internet page at least 3 days before the auction.

(2) The invitation to an auction shall at least constitute of the following elements:

- a) the auction amount,
- b) the loan maturity,
- c) the maximum risk, which for this auction shall be taken over by the Republic of Croatia as the guarantee issuer, and the minimum risk, which must be taken over by the bank,
- d) the number of possible bank bids,
- e) the deadline for the delivery of bids,
- f) the manner of the delivery of bids,
- g) the manner of the evaluation and ranking of the bids,
- h) the contact persons and the manner of communication,
- i) the approval of the bank to publish data on auction results,
- j) the provision on accepting the Draft of the Framework contract referred to in Article 24 of this Regulation,
- h) the other elements.

Article 20

(1) The banks shall deliver the bids in the manner and before the deadline specified in the invitation to the auction.

(2) The auction duration may not be shorter than 4 hours and not longer than 7 hours.

Article 21

(1) The right to participate in the auction shall be acquired by the bank which submitted the bid before the deadline specified in the invitation to the auction and whose bid shall constitute of the following elements:

- a) the amount of the guarantee ratio for which each bank is bidding pursuant to the loan maturity,
- b) the risk level which the bank is ready to take over within the in compliance with the published guarantee ratio for each auction,
- c) the amount of the interest margin on loans for which guarantees are required,
- d) the other elements pursuant to the invitation to the auction.

(2) Fees of the application processing for the loan granting, which are accrued by banks on loans with the maturity of 3 to 5 years, may amount to a maximum of 0.8 per cent, and on loans with maturity of 5 to 10 years, to a maximum of 1.0 per cent of the loan principal. The reservation fee for resources may not amount to more than 0.25 per cent per year.

(3) The interest margin and the bank fee shall not grow in the period of the repayment of loan for which a guarantee was issued.

(4) The HBOR shall not accept a bank bid in which the interest margin is significantly higher than the current market conditions. If all banks deliver bids with an interest margin that is significantly higher than the current market conditions, the HBOR shall not accept any of the bank bids and it shall nullify the auction.

(5) A bank may participate in one auction with a maximum of 3 bids, in accordance with the invitation to the auction.

(6) In the auction banks may participate which are submitting a bid aimed for mutual financing of a specific project (club loan) aimed for one loan beneficiary, in that case the loan organiser (agent) shall submit the bid.

Article 22

(1) The HBOR shall carry out the evaluation of the received bids pursuant to this Regulation and to the methodology established in the Guidelines for conducting an auction.

(2) The criteria for choosing the best bids at the auction for issuing guarantee ratios are the risk percentage which the bank is ready to take over, which is expressed as a whole number and is the multiple of the number 5, as well as the amount of the interest margin rounded to one decimal place.

(3) The manner of evaluating and ranking the bids shall be established in the invitation to the auction.

(4) The guarantee ratio shall be issued to banks starting with the bank which is best ranked towards the lower ranked, until the total amount of the provided guarantee ratio is used up.

(5) If the total amount of several equally ranked bank bids exceeds the amount of the guarantee ratio or the remaining amount of this ratio, the ratio shall be divided among these banks in proportion to their bids.

Article 23

(1) The HBOR shall at the latest within 3 working days from the day of the held auction notify all banks, which have taken part in the auction, and the Ministry of Finance about the results of the auction, and it shall simultaneously publish them on its internet pages.

(2) By way of derogation from the case referred to in Article 9 paragraph 2 of the Law, the HBOR may extend the period referred to in paragraph 1 of this Article with prior approval of the Minister of Finance.

Article 24

(1) After the bids have been chosen in accordance with the provisions of this Regulation, the HBOR and the bank shall sign a Framework contract on issuing a guarantee ratio (hereinafter: Framework contract) approved at the auction within 15 days from the day of the auction.

(2) The Framework contract constitutes of the following essential elements:

a) the amount of the issued guarantee ratio,

b) the obligation of the bank, in case of guarantee collection, to carry out the collection procedure for the receivables of the Republic of Croatia from the basis of the paid guarantee fee, together with the fee of their receivables,

c) provisions on reporting about loan beneficiaries changing the risk group, the loan capacity, the usage and repayment of loans according to each loan agreement for which a guarantee is issued,

d) provisions referring to the loan insurance,

e) provisions on examining the utilisation of loans for specific purposes by the bank and by the loan beneficiary at the time of guarantee duration, namely until the final loan repayment,

f) provisions on the conditions of the transfer of the guarantee referred to in Article 30 of this Regulation,

g) provisions on consequences for the bank in case of violation of the Law, this Regulation and/or the Framework contract.

(3) The HBOR shall submit one copy of the signed Framework contract to the Ministry of Finance.

(4) The HBOR shall publish the Draft of the Framework contract on its internet pages.

Article 25

(1) The Bank is obliged within 45 days after the day of the auction to deliver to the HBOR a list of loans, for which a guarantee is demanded, in a prescribed form with the related documentation.

(2) The standard form and the list with the required documentation are the components of the Guidelines referred to in Article 18 of this Regulation.

(3) The bank is obliged within 5 days from the invitation of the HBOR to deliver the other documentation, which shall prove the fulfilment of the conditions for getting a guarantee as provided by the Law and this Regulation.

(4) If the HBOR shall establish that any of the loans on the list do not fulfil the conditions of the Law or this Regulation, it shall notify the bank. The bank may bid a replacement loan within 5 days after receiving notice but not after the period referred to in paragraph 1 of this Article.

(5) The HBOR has to receive the entire list of loans, including the replacement loan referred to in paragraph 3 of this Article, with the related documentation, at the latest within the period referred to in paragraph 1 of this Article.

(6) The HBOR shall at the latest within 8 days from the period referred to in paragraph 1 of this Article examine if the loans fulfil the conditions of the Law and this Regulation and notify the bank about the acceptance of the list of loans.

(7) The bank shall within 5 days from the notice of the HBOR referred to in paragraph 6 of this Article sign a loan agreement with the loan beneficiary and deliver one original copy of the agreement to the HBOR.

(8) If the bank, within the period referred to in paragraph 3 of this Article, does not deliver the required data and documentation for the specific loan or several loans, or if the loans do not fulfil the conditions of the Law and this Regulation, the loans do not become part of the guarantee ratio; the amount of the approved guarantee ratio shall be reduced by the guarantee amount which was meant for that loan, and the provisions pursuant to Article 26 of this Regulation shall be applied, about what the HBOR shall immediately notify the bank.

(9) If the bank, within the period referred to in paragraph 7 of this Article, does not deliver a copy of the loan agreement to the HBOR, it is deemed to be that the bank cancelled the application for the loan for the aforementioned loan beneficiary; the guarantee ratio of the bank shall be reduced by the guarantee amount which was meant for that loan, and the provisions pursuant to Article 26 of this Regulation shall be applied, about what the HBOR shall immediately notify the bank.

Article 26

(1) If the bank does not use at least 90 per cent of the granted guarantee ratio pursuant to the established conditions, it shall lose the right to participate in the first following auction that is being held after the period referred to in Article 25 paragraph 7 of this Regulation, and about what the HBOR shall notify the bank.

(2) If the bank used less than 30 per cent of the granted guarantee ratio, it shall lose the right to participate in the following three auctions which are being held after the period referred to in Article 25 paragraph 7 of this Regulation, and about what the HBOR shall notify the bank.

(3) After the period referred to in Article 25 paragraph 7 of this Regulation, the amount of the unused guarantee ratio shall be returned to the guarantee fund by the bank.

(4) If the cases referred to in paragraphs 1 and 2 of this Article shall occur, the bank and the HBOR shall sign an Annex to the Framework contract.

(5) The HBOR shall report to the Ministry of Finance on the usage of the provided guarantee ratio after each auction.

Article 27

(1) The loan agreement, for which a guarantee shall be issued pursuant to the Law and this Regulation, has to include, beside the usual provisions, these provisions as well:

- a) on the currency of the loan for which the guarantee is issued,
- b) on the interest rate,
- c) on clearly defined loan expenses and amounts of the commission and of the fees, which the bank, on behalf of the loan beneficiary, shall pay for the issued guarantee to the Republic of Croatia and to the HBOR,
- d) on quality insurance instruments for receivables referred to in the loan agreement in accordance with the good banking practice,
- e) the loan insurance shall cover the overall obligations according to the loan agreement, notwithstanding the issued guarantee,
- f) on the obligation of the loan beneficiary to enable the authorised representative of the bank or of the HBOR to review the accounts and to enable the recording and documentation, regarding the loan insured by the guarantee, in the interest of establishing the correctness of all given statements of the loan beneficiaries and their other responsibilities and obligations, as laid down by the Law, this Regulation and the loan agreement,
- g) on the purpose of the loan which has to be particularly defined in the loan agreement,
- h) on the cancellation of the loan agreement in the event of nonspecific usage and utilisation of the loan,
- i) on the fee for premature loan repayment in accordance with Article 30 of this Regulation,
- j) in the Preamble of the agreement has to be determined that the loan shall be included in the guarantee ratio,
- k) on the grace period for the repayment of the loan principal, which shall not be longer than 12 months,
- l) on the interest payment for interest periods which shall not be longer than six months,
- m) on the prohibition to apply again for a loan in the case of premature loan repayment,
- n) on the consequences in case of violation of the Law and this Regulation.

(2) The loan agreement shall not contain provisions which would lead to immediate collection and payment because of cross default violation of other agreements (*cross default clause*), unless the other loan agreements of the same loan beneficiary contain such provisions as well.

Article 28

(1) The bank shall annex the documentation that is being annexed to the loan agreement and the statement of the loan beneficiary indicating:

a) that the purpose of the loan is in accordance with the purposes referred to in Article 6 and Article 12 of this Regulation,

b) that the beneficiary did not get State aid for the same justified expenses, namely they shall specify the amount and share of the State aid in relation to the share of the justified expenses,

c) that the loan shall not be aimed to buy business shares or stocks or for repayment of existing loans used for the purposes referred to,

d) that the rescheduled loan shall not represent their own share for participation in getting State aid, and

e) that the beneficiary was not an entrepreneur in difficulty on the 1 July 2008.

(2) The bank is obliged to examine and notify the HBOR if the loan beneficiary was in difficulty on 1 July 2008.

Article 29

(1) The guarantee agreement shall be concluded by the HBOR on behalf of and for the account of the Republic of Croatia, the bank to which the guarantee ratio was granted and the loan beneficiary, for each loan agreement, at the latest 10 days after the period referred to in Article 25 paragraph 7 of this Regulation.

(2) The guarantee agreement shall contain provisions on:

a) the guarantee amount,

b) the provisions on the loan agreement between the bank and the loan beneficiary, which are not laid down by this Regulation,

c) the obligations to calculate the amount of State aid and to notify the loan beneficiary on the amount of the received State aid,

d) the conditions of the transfer of the guarantee referred to in Article 30 of this Regulation,

e) the obligation to conduct the receivables collection of the Republic of Croatia, in the event of collected guarantees and according to the guidelines of the HBOR.

Article 30

(1) If the loan beneficiary concludes a loan agreement with another bank with the purpose of loan refinancing for which a guarantee was issued pursuant to this Regulation, under more attractive terms (longer repayment period and lower interest rate), the issued guarantee may be transferred to that other bank if the loan agreement fulfils the conditions pursuant to this Regulation.

(2) The guarantee, referred to in paragraph 1 of this Article, shall be transferred in terms of scope and content, including the face account and maturity, according to the amount at the time of transfer.

(3) The fee for premature loan repayment by refinancing and transferring the guarantee may not be more than 1.0 per cent of the outstanding loan principal.

Article 31

(1) The HBOR shall together with the guarantee agreement and the notice on validation of the list of loans deliver to the bank the account number for the fee payment which is revenue of the State Budget for all loan beneficiaries from the list of loans.

(2) The accrual basis of the fee referred to in paragraph 1 of this Article, which shall be paid immediately after the guarantee was issued, represents the granted and reaffirmed amount of the loan principal for which the guarantee was issued, and for the clearance of future fees, the basis is the status of the loan principal, in the part covered by a guarantee on the last day of the quarter of the calendar year which precedes the quarter for which a fee is being paid, in the entire period of guarantee duration.

(3) The fee that is being paid immediately after the guarantee was issued shall be reduced proportionally to the outstanding number of days in that quarter.

(4) The HBOR shall deliver the clearance of fees, referred to in paragraph 1 of this Article, to the banks until the fifteenth of the first month of the quarter for which the fee is being accrued. The HBOR shall deliver to the Ministry of Finance a list of the issued clearances of fees which contain information on the bank, which shall pay the fee, and on the fee amount per each bank.

(5) The banks are obliged to pay the fees, which is the revenue of the State Budget, into the account of the State Budget within ten days after receiving the receipt and at the latest till the twenty-fifth of the first month of the quarter for which the clearance of fees was issued.

(6) The banks are obliged to deliver to the HBOR information on the status of the loan principal at the end of each quarter, as well as other information of the table from the invitation to the auction, at the latest till the tenth of the month after each quarter ending.

(7) If the loan beneficiary did not use the entire amount of the granted loan, for which the guarantee was issued, the accrued commission and paid fee shall not be returned.

Article 32

In the process of issuing a guarantee, the HBOR may request information from all authorities and get them from the registry, in which the annual financial reports are recorded, information on account freezes from the registry in which all the accounts opened in banks and by the banks are recorded, namely the Croatian National Bank's ranking of the loan beneficiary rating, where a loan guarantee is requested.

Article 33

The HBOR shall conduct the guarantee issuing operations, which constitute of the following activities:

a) preparation and publishing of the invitations to the auction,

- b) conduct the auction for a specific guarantee ratio for a specific bank,
- c) review of the list of loans included in an individual bank bid,
- d) review, monitoring and supervision of the fulfilment of the conditions which, in accordance with the Law and this Regulation, have to be fulfilled by a specific loan beneficiary and loan,
- e) conclude a Framework contract with the banks on the guarantee ratio issuing,
- f) conclude a guarantee agreement on behalf of and for the account of the Republic of Croatia,
- g) guarantee issuing,
- h) reporting to the Ministry of Finance on the issued, realised and collected guarantees, and
- i) recording and maintaining documentation regarding the issued guarantees pursuant to the Law and this Regulation and sending the documentation according to the assigned deadlines of the Ministry of Finance.

Article 34

- (1) The HBOR shall carry out the reception and review of the bank request for collection of the guarantee for individual loan liabilities of the loan beneficiary in the amount of the principal balance for which a guarantee was issued. Furthermore it shall carry out the formal review of the request and examination of the calculation of the request, and it shall give the final confirmation of the request and send the request to the Ministry of Finance for collection.
- (2) Together with the request referred to in paragraph 1 of this Article, the HBOR shall deliver to the Ministry of Finance the loan agreement and all the other documentation that is necessary to collect the guarantee.
- (3) The Ministry of Finance shall pay the requested amount after receiving the confirmed request for collection of the guarantee by the HBOR. After the payment, the Ministry of Finance shall send a copy of the proof of payment to the HBOR together with the request for reimbursement of the collected guarantee.

Article 35

- (1) The HBOR is responsible for the resource return proceedings from the basis of the collected guarantees. The collection process shall be carried out by the bank which is the beneficiary of the guarantee issued with due professional care.
- (2) If the HBOR, while supervising the collection process referred to in paragraph 1 of this Article, establishes that the bank did not act with due care, the HBOR shall act towards the bank pursuant to the provisions of the Law, this Regulation and other provisions and pursuant to provisions of the Framework agreement.
- (3) Resources from the basis of the reimbursement of the collected guarantee shall be allocated in favour of the account of the State Budget.

Article 36

- (1) The HBOR reports quarterly to the Ministry of Finance about the issued and collected guarantees and about the reimbursement of the collected guarantees.
- (2) The HBOR is obliged within 3 days after concluding the guarantee agreement to deliver one copy of the guarantee agreement with the Annex to the Ministry of Finance.
- (3) The Ministry of Finance may request from the HBOR to deliver additional information and documentation regarding the issued and collected guarantees and the reimbursement of the collected guarantees, after the deadlines defined in paragraphs 1 and 2 of this Article.

Article 37

- (1) While conducting the operations referred to in the Article 33 to 36 of this Regulation, the HBOR is liable to the Government of the Republic of Croatia.
- (2) The fee for the operations, which the HBOR shall conduct on behalf of and for the account of the Republic of Croatia pursuant to the Law and this Regulation, may be established by the agreement concluded between the Republic of Croatia and the HBOR.

Article 38

The Government of the Republic of Croatia may amend the amounts referred to in Article 4 paragraph 2 and Article 9 paragraph 2 of this Regulation.

Article 39

The bank and the loan beneficiary are obliged to keep all of the documentation regarding the loan, for which the guarantee was issued, ten years from the day the time period, according to which the loan was contracted or the loan liability was paid, expires.

V. FINAL PROVISION

Article 40

This regulation shall enter into force on the day of its publication in the Official Gazette.

Class: 302-01/10-01/01

Reg. no.: 5030120-10-1

Zagreb, 4 March 2010

The President

Jadranka Kosor, LLB, m.p.

UREDBA KOMISIJE (EZ-a) br. 480/2009

od 25. svibnja 2009.

o osnivanju jamstvenog fonda za vanjske poslove

(Kodificirana verzija)

KOMISIJA EUROPSKIH ZAJEDNICA,

uzimajući u obzir Ugovor o osnivanju Europske zajednice, a posebno njegov članak 308.,

uzimajući u obzir Ugovor o osnivanju Europske zajednice za atomsku energiju, a posebno njegov članak 203.,

uzimajući u obzir prijedlog Komisije,

uzimajući u obzir mišljenje Europskog parlamenta [1],

budući da:

(1) Uredba Komisije (EZ, Euratom) br. 2728/94 od 31. listopada 1994. o osnivanju jamstvenog fonda za vanjske poslove [2] nekoliko je puta bitno izmijenjena i dopunjena [3]. U svrhu jasnoće i racionalnosti, spomenutu Uredbu trebalo bi kodificirati.

(2) Opći proračun Europske unije izložen je povećanom financijskom riziku zbog jamstava koja pokrivaju zajmove trećim zemljama.

(3) Europsko je vijeće 11. i 12. prosinca 1992. nakon razmatranja zaključilo da zbog razboritog upravljanja proračunom i financijske discipline treba utvrditi novi financijski mehanizam te bi se prema tome trebao osnovati jamstveni fond kako bi pokrio rizike povezane sa zajmovima i jamstvima koja pokrivaju zajmove odobrene trećim zemljama ili za projekte koji se provode u trećim zemljama. Taj se cilj može postići osnivanjem jamstvenog fonda iz kojeg se mogu povlačiti izravna plaćanja vjerovnicima Zajednica.

(4) Sukladno Međuinstitucijskom sporazumu između Europskog parlamenta, Vijeća i Komisije o proračunskoj disciplini i pravilnom financijskom upravljanju, prihvaćenim 17. svibnja 2006. [4], financiranje jamstvenog fonda predviđeno je kao obvezan izdatak iz općeg proračuna Europske unije u periodu od 2007. do 2013.

(5) Prema postojećim mehanizmima mogu se financirati jamstva kada se aktiviraju, posebno koristeći se likvidnim sredstvima, kako je predviđeno člankom 12. Uredbe Vijeća (EZ-a, Euratom) br. 1150/2000 od 22. svibnja 2000. provodeći Odluku 2000/597/EZ-a, Euratom o sustavu vlastitih sredstava Komisije.

(6) Jamstveni fond trebali bi činiti postupne uplate sredstava. Fond bi nakon toga trebao ostvarivati dobit od kamata na uložena sredstva i iznose vraćene od neurednih dužnika, gdje je fond već izvršio isplatu jamstva.

(7) Dosadašnje iskustvo s jamstvenim fondom ukazuje da bi omjer od 9 % između sredstava fonda i zajamčenih obveza, dodamo li neplaćene obveze za kamate, u pravilu bio prikladan.

(8) Uplate jamstvenom fondu u visini od 9 % iznosa svakog poslovanja čine se dovoljnjima za postizanje ciljanog iznosa. Uvjeti za takve uplate trebali bi se definirati.

(9) Ako jamstveni fond bude veći od ciljanog iznosa, višak bi se trebao vratiti općem proračunu Europske unije.

(10) Financijsko upravljanje jamstvenim fondom trebalo bi se povjeriti Europskoj investicijskoj banci (u daljnjem tekstu 'EIB'). Financijsko upravljanje fonda trebalo bi biti podložno reviziji Revizorskog suda u skladu s postupcima koji su dogovorili Revizorski sud, Komisija i EIB.

(11) Zajednice su odobrile zajmove i jamčile za zajmove državama pristupnicama ili za projekte koji se provode u tim državama. Zajmovi i jamstva pokriveni su jamstvenim fondom i ostatak će nenamireni ili će ostati na snazi nakon datuma pristupanja. Od tog datuma prestat će biti pomoć Zajednica trećim zemljama i bit će stoga izravno pokriveni iz općeg proračuna Europske unije, a ne više iz jamstvenog fonda.

(12) Jamstveni fond pokriva neplaćanje zajmova EIB-a za koje Zajednice osiguravaju jamstvo unutar mandata EIB-a u kojem je odgovoran za zajmove trećim zemljama. Nadalje bi fond trebao u skladu s mandatom EIB-a u kojem je odgovoran za zajmove trećim zemljama, koji proizvodi pravne učinke od 1. veljače 2007., pokrivati i plaćanje jamstava za zajmove odobrene od EIB-a za koje Zajednice osiguravaju jamstvo.

(13) Ugovori predviđaju samo ovlasti iz članka 308. Ugovora EZ-a i članka 203. Ugovora Euratoma za usvajanje ove Uredbe,

DONIJELA JE OVU UREDBU:

Članak 1.

Jamstveni se fond (u daljnjem tekstu 'fond') osniva, a njegova se sredstva koriste za povrat novca vjerovnicima Zajednica u slučaju neplaćanja korisnika zajma, koji su odobrile ili za koji jamče Zajednice, ili jamstva za zajam koji je izdala Europska investicijska banka (u daljnjem tekstu 'EIB') za koji Zajednice osiguravaju jamstvo.

Poslovanja vezana uz uzajmljivanje i jamstva navedena u prvom stavku (u daljnjem tekstu poslovanja) jesu ona koja se provode u korist trećih zemalja ili u svrhu financiranja projekata u trećim zemljama.

Sva poslovanja koja se provode u korist trećih zemalja ili u svrhu financiranja projekata u trećim zemljama, bit će izvan djelokruga ove Uredbe s učinkom od datuma kada ta zemlja pristupi Europskoj uniji.

Članak 2.

Fond se financira:

- jednom godišnjom uplatom iz općeg proračuna Europske unije prema članku 5. i 6.,
- kamatama od uložениh sredstava fonda,
- iznosima vraćenim od neurednih dužnika, gdje je fond već izvršio isplatu jamstva.

Članak 3.

Fond raste do prikladne razine (u daljnjem tekstu ciljani iznos).

Ciljani iznos je 9 % cjelokupnih nenamirenih kapitalnih obveza Zajednica nastalih prilikom svakog poslovanja, povećan neplaćenim obvezama za kamate.

Krajem godine na temelju n-1 razlike između ciljanog iznosa i neto vrijednosti imovine fonda, izračunate na početku godine n, sav se višak uplaćuje jednom transakcijom u posebnu stavku izvješća o prihodima u općem proračunu Europske unije za godinu n+1.

Članak 4.

Nakon pristupanja nove države članice Europskoj uniji, ciljani iznos bit će smanjen za iznos izračunat na temelju poslovanja spomenutih u trećem stavku članka 1.

Kako bi se izračunao iznos smanjenja, postotak naveden u drugom stavku članka 3., primjenjiv na datum pristupanja, primjenjuje se na iznos onih poslovanja koji je nenamiren na taj datum.

Višak se uplaćuje u posebnu stavku izvješća o prihodima u općem proračunu Europske unije.

Članak 5.

Krajem godine na temelju n-1 razlike između ciljanog iznosa i neto vrijednosti imovine fonda, izračunate na početku godine n, rezervirani se iznos uplaćuje jednom transakcijom u godini n+1 iz općeg proračuna Europske unije u fond.

Članak 6.

(1) Ako aktivacija jamstava tijekom godine n-1 zbog jednog ili više neplaćanja prijeđe 100 milijuna eura, iznos koji prelazi 100 milijuna eura vraća se u fond u godišnjim tranšama počevši od godine n+1 i nastavlja se u nadolazećim godinama dok ne bude cjelokupni iznos vraćen (mehanizam izjednačavanja). Iznos godišnje tranše je manji od sljedećeg:

- 100 milijuna eura, ili,

- preostalog iznosa duga u skladu s mehanizmom izjednačavanja.

Bilo koji iznos koji je nastao zbog aktivacije jamstava u godinama prije n-1, koji još nije u potpunosti vraćen zbog mehanizma izjednačavanja, vraća se prije nego mehanizam izjednačavanja može proizvesti pravne učinke za neplaćanja u godini n-1 ili u slijedećim godinama. Takvi preostali iznosi nastavljaju se odbijati od maksimalnog godišnjeg iznosa, koji se prema mehanizmu izjednačavanja vraća iz općeg proračuna Europske unije, dok se cjelokupni iznos ne vrati u fond.

(2) Izračuni temeljeni na mehanizmu izjednačavanja računaju se odvojeno od izračuna spomenutih u trećem stavku članka 3. i u članku 5. Međutim, doznaju ih se zajedno jednom transakcijom godišnje. Sa iznosima koje treba platiti iz općeg proračuna Europske unije prema mehanizmu izjednačavanja postupaju se kao s neto imovinom fonda za izračune u skladu s člankom 3. i 5.

(3) Ako zbog aktivacije jamstava nakon jednog ili više nenamirenih velikih dugova sredstva u fondu budu ispod 80% od ciljanog iznosa, Komisija obavještava tijelo nadležno za proračun o tome.

(4) Ako zbog aktivacije jamstava nakon jednog ili više nenamirenih velikih dugova sredstva u fondu budu ispod 70% od ciljanog iznosa, Komisija dostavlja izvješće o izvanrednim mjerama koje će možda biti potrebne kako bi se fond napunio.

Članak 7.

Komisija povjerava financijsko upravljanje fonda EIB-u u okviru mandata dodijeljenog u ime Zajednica.

Članak 8.

Komisija šalje do 31. svibnja sljedeće financijske godine godišnje izvješće o situaciji fonda i o njegovu upravljanju u prethodnoj godini Europskom parlamentu, Vijeću i Revizorskom sudu.

Članak 9.

Račun prihoda i rashoda i bilanca koja se odnosi na fond prilažu se računu prihoda i rashoda i bilanci Zajednica.

Članak 10.

Uredba (EZ-a, Euratom) br. 2728/94 se opoziva.

Napomene o opozvanoj Uredbi tumače se kao napomene ove Uredbe i čitaju se u skladu s tablicom primjera navedenoj u Prilogu II.

Članak 11.

Ova Uredba stupa na snagu 20 dana od objave u Službenom listu Europske unije.

Ova Uredba u cijelosti obvezuje i neposredno se primjenjuje u svim državama članicama.

Sastavljeno u Bruxellesu, 25. svibnja 2009.

Za Vijeće

Predsjednik

J. Šebesta

[1] Mišljenje od 18. studenog 2008. (nije još objavljeno u Službenom listu).

[2] SL L 293, 12.11.1994., str. 1.

[3] Vidi Prilog I.

[4] SL L 139, 14.6.2006., str. 1.

[5] SL L 130, 31.5.2000., str. 1.

PRILOG I.

Opozvana Uredba s popisom njezinih sljedećih izmjena i dopuna

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