

# **REPUBLIC OF CROATIA**

## **MINISTRY OF DEFENSE**

On the basis of Article 27.b paragraph 2 of the Law on the Production, Overhaul and Trade of Weapons and Military Equipment ("Narodne novine", no. 33/02, 173/03, 146/08 and 17/19), I adopt

# **ORDINANCE**

## **ON THE CODIFICATION OF ARMAMENTS AND MILITARY EQUIPMENT**

**(consolidated text)**

### **I. GENERAL PROVISIONS**

#### **Article 1.**

(1) This Ordinance defines the basic principles, competences and responsibilities of the organizational units of the Ministry of Defense (hereinafter referred to as the Ministry) and the Armed Forces of the Republic of Croatia (hereinafter referred to as the Armed Forces) in the implementation of the acquisition of information on weapons and military equipment and the implementation of procedures for the identification and codification of weapons and military equipment in the Ministry and the Armed Forces, which are considered material assets by this Ordinance.

(2) The provisions of paragraph 1 of this Article also apply to material assets that, by definition, are not weapons and military equipment, but are necessary for the functioning of the defense system.

(3) Tangible assets are long-term and short-term assets that the competent organizational units of the Ministry and the Armed Forces define as necessary for use and maintenance during their life cycle, regardless of the type of tangible asset: equipment, intangible assets, consumables, small inventory or other assets.

### **II. IDENTIFICATION AND CODIFICATION SYSTEM**

#### **Article 2.**

(1) In the system of identification and codification of material resources, NATO normative documents of the Agreement on standardization are used (NATO Standardization Agreement, hereinafter referred to as STANAG) which have been adopted as the Croatian Military Standard (hereinafter referred to as HRVN STANAG):

- HRVN STANAG 3150 Codification – Unified Asset Classification System
- HRVN STANAG 3151 Codification – Unique Asset Identification System.

(2) The organizational unit of the Ministry responsible for the identification and codification of material assets has the competence of the national codification office of the Republic of Croatia and represents the Republic of Croatia in the work of the NATO Group of National Directors on Codification.

#### **Article 3.**

(1) The aim of implementing the identification and codification of material assets in the Ministry and the Armed Forces is to secure data on material assets from suppliers who provide the defense system with the necessary information for managing the life cycle of material assets in order to enable the harmonisation of logistical communication, data exchange and interoperability, the aim of which is to increase the efficiency of the logistics and supply chain management system.

(2) Identification within the meaning of this Ordinance is a procedure in the implementation of the codification process that defines the characteristics necessary to identify a tangible asset and represents the

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minimum amount of data necessary to determine its basic characteristics, i.e. those characteristics that give the asset its unique character and make it different from any other tangible asset.

(3) Codification within the meaning of this Ordinance is the procedure for assigning a codification designation in the NATO codification system and the national codification system so that the marking, classification, naming and description of a material asset ensures unambiguity. The codification designation consists of the numerical part of the designation, the description of the material asset and the unit of measurement.

(4) The fundamental principle of codification is that material means, in accordance with the norms HRVN STANAG 3151 and HRVN STANAG 3150, are assigned one codification mark if they meet the following criteria:

- have an identical or nearly identical shape
- have the same method of use or installation location
- have identical functionality.

Article 4.

Material assets for which identification and codification will be carried out in accordance with the provisions of this Ordinance and which are prescribed in Article 1 of this Ordinance include:

- armaments and military equipment, as well as material assets that do not have the characteristics of armaments and military equipment, if their codification is required by the tactical and technical authorities responsible for that group of assets according to the rules of the NATO codification system or if they have been codified by the producing country that is a NATO member state or a beneficiary country of the NATO codification system that has the same rights and obligations as NATO member states (hereinafter referred to as Tier 2 status)
- material assets whose codification is required by the national codification offices of the member states of the NATO codification system, and the manufacturer or supplier is from the Republic of Croatia, despite the fact that the material assets are not in use in the Ministry and the Armed Forces
- material assets that are the basic means and subject of the material organization of the Armed Forces
- material assets that are parts and assemblies of the basic asset and are subject to the material organization of the Armed Forces
- tangible and intangible assets that are the subject of inventory and warehouse stocks
- dangerous substances and goods
- ammunition and mines and explosives.

Article 5.

(1) In the Ministry and the Armed Forces, the following codification marks of material resources are applied:

- national codification mark
- NATO codification mark
- nomenclature code.

(2) The national codification mark is assigned to the material means defined in Article 1, Paragraph 3 of this Ordinance, which are in charge and use in the Ministry and the Armed Forces, behind which material records are kept.

(3) The national codification mark is not assigned to real estate in the Ministry and the Armed Forces.

(4) The national codification mark consists of the codification number and other codification data (name, description, unit of measure, reference, manufacturer's code, etc.).

(5) The NATO codification designation shall be assigned to the material assets referred to in Article 1 of this Ordinance in accordance with the rules and procedures of the NATO codification system under the jurisdiction of the organizational unit of the Ministry responsible for the identification and codification of material assets.

(6) The NATO codification code shall be used in its unaltered form upon its adoption, as a national codification code, in the logistics information system and material records of the Ministry and the Armed Forces.

(7) The nomenclature designation consists of the nomenclature number and other codification data (name, description and unit of measure) and is used for non-perspective material assets that are in use and in charge of the Ministry and the Armed Forces until the end of the life cycle management and logistics and supply chain of the material assets in question.

### **III. STRUCTURE OF CODIFICATION NUMBERS USED IN THE MINISTRY AND THE ARMED FORCES**

#### **Article 6.**

(1) The NATO codification designation consists of a thirteen-digit number where the first four digits indicate the classification group and subgroup in accordance with the division defined in the NATO catalogue of material assets groups and subgroups in the NATO codification system.

(2) The digit in the fifth and sixth place of the NATO codification mark represents the numerical designation of the country that implemented the codification and assigned the NATO codification mark. The list of country codes in the NATO codification system can be found on the NATO Support website and Procurement Agency .

(3) The digits from the seventh to the thirteenth position are generated by a computer application for codification in the NATO codification system, where that part of the NATO codification designation is sequentially increased regardless of the group and subgroup in which the asset is classified, thus ensuring unambiguous identification without repeating the national identification number of the material asset within different groups and subgroups.

#### **Article 7.**

(1) The national codification number consists of thirteen numerical and letter codes, where the first four digits of the national codification number indicate the classification group and subgroup in accordance with the division defined in the NATO catalogue of material assets groups and subgroups in the NATO codification system.

(2) The fifth and sixth positions contain the letter "HR", indicating that this is a Croatian national codification number.

(3) The digits from the seventh to the thirteenth position are generated by a computer application for codification in the national codification system, where that part of the national codification number is sequentially increased regardless of the group and subgroup in which the asset is classified, thus ensuring unambiguous identification without repeating the national identification number of the tangible asset within different groups and subgroups.

#### **Article 8**

(1) The nomenclature number consists of thirteen digits, where the first four digits of the nomenclature number indicate the classification group and subgroup in accordance with regulations in the field of material resources management.

(2) The digits from the fifth to the twelfth place of the nomenclature number represent the identification part of the material asset and are generated by a computer application for assigning nomenclature numbers, where that part of the nomenclature number increases sequentially depending on the group and subgroup in which the asset is classified.

(3) The thirteenth digit of the nomenclature number represents the control digit of the entry into the computerized material accounting system.

#### **IV. CLASSIFICATION OF MATERIAL ASSETS**

##### **Article 9.**

(1) The material assets of the Ministry and the Armed Forces are classified in the national and NATO codification system into groups and subgroups based on their purpose and characteristics in accordance with the NATO catalogue of groups and subgroups of material assets in the NATO codification system.

(2) For material assets in the status of unpromising that retain their nomenclature designation, the existing division into groups and subgroups will be applied in accordance with regulations in the field of material resources management.

(3) The list of groups and subgroups in databases at the international level is updated in accordance with the NATO Codification Manual.

(4) Updating the list of groups and subgroups referred to in paragraph 3 of this Article and implementing changes to the national codification system is the responsibility of the organizational unit of the Ministry responsible for the identification and codification of material assets.

(5) The organizational unit of the Ministry responsible for material resources shall prescribe the implementation of the codification of material resources by means of an instruction.

#### **V. IMPLEMENTATION OF THE CODIFICATION OF MATERIAL ASSETS IN THE MINISTRY AND THE ARMED FORCES**

##### **Article 10.**

(1) The codification process is an integral part of the material resources management system and is under the responsibility of the organizational unit of the Ministry responsible for material resources.

(2) The organizational unit of the Ministry responsible for the identification and codification of material assets is responsible for managing the material assets codification systems and implementing codification in the national and NATO codification system of the Ministry and the Armed Forces.

(3) The tasks of the organizational unit of the Ministry responsible for the identification and codification of material assets are:

- assigning a codification code to material assets in accordance with the national codification system of the Ministry and the Armed Forces
- assigning NATO codification designations for material assets under its jurisdiction in accordance with the rules of the NATO codification system defined in the NATO Codification Manual
- updating the logistics system database with NATO codification codes for foreign-produced material assets received by the Ministry and the Armed Forces by accepting the NATO codification code as the national codification code
- implementation of the obligations undertaken from the NATO codification system according to the decisions of the NATO Group of National Directors for Codification
- authority and responsibility for the use of computer applications to implement updates and exchange of codification data in the NATO codification system
- responsibility for managing the database of Croatian NATO codes of legal entities and natural persons, craftsmen, and updating their database of member states of the NATO codification system in NATO and Tier 2 status in the application for codification in the NATO codification system
- management of the revision of the current base of nomenclature marks.

(4) The organizational unit for the management of logistics data of the Armed Forces is responsible for supplementing codification data with data that are not codification data, and are important for the functioning of the logistics system and material accounting of the Ministry and the Armed Forces.

(5) The tasks of the organizational unit for managing logistics data of the Armed Forces are:

- allocation and maintenance of logistic and other data necessary for the functioning of the logistics system of the Ministry and the Armed Forces
- conducting a revision of the database of nomenclature codes and identification of material assets in use and in charge

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– preparation of data for the implementation of codification in the national codification system for material assets for which the need for conversion will be determined by reviewing the nomenclature code database.

(6) The organizational units of the Ministry and the Armed Forces, in their capacity as technical bearers, are responsible for obtaining and preparing codification data for material assets under their jurisdiction that have been acquired in public procurement procedures and for their submission to the organizational unit of the Ministry responsible for the identification and codification of material assets. The technical bearers, in cooperation with the organizational unit of the Ministry responsible for the identification and codification of material assets, decide whether the said material assets will be codified in the national codification system or the NATO codification system.

(7) The organizational units of the Ministry and the Armed Forces, in their capacity as tactical bearers, are responsible for obtaining, preparing and submitting codification data for material assets acquired under their jurisdiction. The tactical bearers, in cooperation with the organizational unit of the Ministry responsible for the identification and codification of material assets, decide whether the said material assets will be codified in the national codification system or the NATO codification system.

(8) Based on the requests for the procurement of goods and services from the competent technical authorities, the organizational unit of the Ministry responsible for the implementation of public procurement procedures is obliged to ensure the implementation of the provisions on the collection of data in relation to the codification clause in accordance with HRVN STANAG 4177 in contracts for the procurement of material resources for the needs of the Ministry and the Armed Forces, in order to ensure the availability of data necessary for the implementation of codification in the national system or the NATO codification system.

(9) When submitting bids in the public procurement process, bidders may request explanations of the provisions of the codification clause contained in HRVN STANAG 4177. Explanations on the quality and quantity of necessary data for identification and codification are prepared and delivered by the organizational unit of the Ministry responsible for the identification and codification of material assets.

(10) According to the provisions of the codification clause, the supplier is obliged to provide the data necessary for the identification and codification of tangible assets in cases where:

- the supplier has a NATO codification mark for the material asset
- the supplier does not have a NATO codification designation for the material asset, but the country of manufacture is included in the NATO codification system with NATO and Tier 2 status
- the supplier does not have a NATO codification designation for the material asset, and the manufacturer is from the Republic of Croatia, from a country included in the NATO codification system without the right to codify at the international level, or from a country not included in the NATO codification system.

(11) For the unambiguous identification and codification of material assets in the Ministry and the Armed Forces, it is necessary to ensure a necessary and sufficient set of data on the technical characteristics and purpose of material assets, regardless of whether they were acquired through public procurement procedures or acquired by organizational units of the Ministry and the Armed Forces, which have the role of executive units of material and financial bodies responsible for the implementation of logistical support (higher-level material and financial bodies in the Ministry and the Armed Forces), and in accordance with the defined purpose of the procurement.

(12) The minimum set of data referred to in paragraph 11 of this Article that must be submitted is:

- proposal for the name of the material asset
- proposal for a description of the tangible asset
- manufacturer and supplier data (NATO codes of legal entities and natural persons of tradesmen if they exist)
- reference (product catalog number, part number, etc.)
- standard designation for standardized material assets
- unit of measure
- belonging to the material asset for spare parts and assemblies, if applicable.



(13) The organizational unit of the Ministry and the Armed Forces responsible for carrying out the tasks of developing, maintaining and improving the computer program for implementing the codification of material assets in the national codification system shall be defined by a special decision or order.

(14) The organizational unit for the management of logistics data of the Armed Forces, which is responsible for supplementing data that is not codification data, and is important for the functioning of the logistics system, is defined by a special decision or order.

## **VI. IMPLEMENTATION OF IDENTIFICATION AND CODIFICATION OF MATERIAL ASSETS IN ACCORDANCE WITH THE NATO CODIFICATION SYSTEM**

### **Article 11**

(1) In accordance with the policies and procedures of the NATO Codification System described in the NATO Codification Manual, the organizational unit of the Ministry responsible for the identification and codification of material assets is responsible for and has obligations and responsibilities for the exchange of identification and codification data with NATO member states, Tier 2 states and the NATO Support and Procurement Agency for:

- tangible assets produced in the Republic of Croatia
- material resources of suppliers from the Republic of Croatia
- legal and natural persons in accordance with the Manual for NATO codification.

(2) The organizational unit of the Ministry responsible for the identification and codification of material assets is responsible for and has obligations and responsibilities for the exchange of identification and codification data with NATO member states, Tier 2 states and the NATO Support and Procurement Agency in cases where:

- the buyer is the Republic of Croatia, and the manufacturer is from a NATO member state or sponsored member state in Tier 2 status
- the buyer is the Republic of Croatia and the manufacturer is from the Republic of Croatia
- the buyer is a NATO member state or a sponsored member in Tier 2 status, and the manufacturer is from the Republic of Croatia
- the buyer is the Republic of Croatia, and the manufacturer is not from a NATO member state and a sponsored member in Tier 2 status
- the buyer is a NATO member state or sponsored member in Tier 2 status, and the manufacturer is not from a NATO member state and sponsored member in Tier 2 status and where the Republic of Croatia has implemented codification.

(3) The implementation of identification and codification in the NATO codification system and the methods of international exchange of identification and codification data in the cases specified in paragraph 2 of this Article are defined in the NATO Codification Manual and the Manual for the Use of the Computer System for the International Exchange of Codification Data.

## **VII. OBLIGATIONS AND RESPONSIBILITIES OF ECONOMIC OPERATORS**

### **Article 12**

(1) Legal entities and natural persons who are craftsmen and who are considered producers and suppliers of goods and services for the purposes of this Ordinance must be registered in the NATO Catalogue of References for Logisticians database with a correct and active NATO code of legal entities and natural persons who are craftsmen.

(2) The procedure for initiating registration in the NATO Reference Catalogue for Logisticians is the responsibility of applicants for the NATO code of legal entities and natural persons who are craftsmen and is carried out through an online application within the NATO Support and Procurement Agency.

(3) It is the obligation of the searcher of the NATO code of legal entities and natural persons of tradesmen to enter data in the mandatory fields of the online application and the subject's personal identification number (OIB) in the optional field » Identification number « (IDN) in the application form. If the entity has an active

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registration and a business registration number (DUNS number), it must be entered in the "DUNS – Dun&Bradstreet " field in the form.

(4) It is the obligation of the applicant for the NATO code of legal entities and natural persons who are craftsmen to define the status of urgency for the assignment of that code, which can be "normal", where the deadline for the competent national codification office to create the NATO code of legal entities and natural persons who are craftsmen is ten calendar days, and "urgent", where the deadline for the competent national codification office to create the NATO code of legal entities and natural persons who are craftsmen is three working days. In the case where the applicant's intention is to participate in a public procurement procedure where active NATO is mandatory for legal entities and natural persons who are craftsmen, defining the status "urgent" is permitted only in exceptional cases.

(5) The right to assign NATO codes to legal entities and natural persons who are craftsmen and to update their database according to the NATO Agency for Support and Procurement for legal entities and natural persons from the Republic of Croatia defined in paragraph 1 of this Article is within the exclusive jurisdiction of the organizational unit of the Ministry responsible for the identification and codification of material assets, which represents the authorized body of the Republic of Croatia at the international level for performing these obligations and which are defined in the NATO Codification Manual and the NATO publication for codification support.

(6) Registered legal and natural persons with an active NATO code of legal persons and natural persons of tradesmen are obliged to timely submit essential changes and additions to their data (status, registration changes, changes in the management and ownership structure, etc.), as well as information of essential importance for the assigned NATO codification marks associated with their NATO code of legal persons and natural persons of tradesmen.

(7) Registered legal and natural persons defined in paragraph 1 of this Article are responsible for submitting data to the organizational unit of the Ministry responsible for the identification and codification of material assets in accordance with the signed codification clause or contractual obligations with NATO member states, sponsored member states in Tier 2 status and the NATO Support and Procurement Agency, which appear as buyers of material assets from the Republic of Croatia.

(8) Priorities in implementing the codification of material assets in the NATO codification system and the national codification system are:

- international projects in which the Republic of Croatia is involved
- national projects in which the Ministry and the Armed Forces participate
- codification of material resources in the Ministry and the Armed Forces according to the requirements of technical and tactical stakeholders
- other codification tasks.

**VIII. OTHER OBLIGATIONS AND PROCEDURES OF THE MINISTRY'S ORGANIZATIONAL  
UNITS RESPONSIBLE FOR THE IDENTIFICATION AND CODIFICATION OF MATERIAL  
ASSETS**

**Article 13.**

The organizational unit of the Ministry responsible for the identification and codification of material resources is responsible for:

1. Up-to-date management of the computer system for international codification data exchange in accordance with NATO procedures and within prescribed deadlines by downloading incoming data (L-DIC) and uploading outgoing data (K-DIC) to NATO member states and sponsored members in Tier 2 status and the NATO Support and Procurement Agency.

2. Use of a computer system for submitting information regarding the NATO codification system for the purpose of data exchange such as: organizational changes in the organizational unit of the Ministry responsible for the identification and codification of material assets, updating of NATO publication tables for codification support, submission of national positions on topics of the NATO Group of National Directors for Codification meeting.

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3. Use of the application for codification transactions (OMT) and the implementation of transactions defined in the requirements and deadlines in accordance with the tables of the NATO Codification Manual and NATO Codification Support Publications.

4. Use of the NATO computer system for monitoring and quality control of codification data and transactions (MIS) to eliminate deficiencies identified in periodic MIS reports.

5. Implementing procedures to change the existing "Northern American Derivatives Exchange" (NADEX) record format to the new " Extensible" Markup Language « (XML) format for NATO codes of legal entities and natural persons of tradesmen and NATO codification marks, in the terms and in the manner determined by the NATO Committee of National Directors for Codification and the NATO Agency for Support and Procurement.

**IX. TRANSITIONAL AND FINAL PROVISIONS**

**Article 14.**

(1) The organizational unit of the Ministry responsible for the identification and codification of material assets is responsible for assigning codification codes for material assets in accordance with the NATO codification system and the national codification system in the Ministry and the Armed Forces.

(2) Assigning different markings to material assets or using a different method of marking material assets of other users in the Ministry and the Armed Forces is prohibited.

(3) The use of different designations for material assets kept in material documents in the Ministry and the Armed Forces or the use of a different method of designating material assets of other users in the Ministry and the Armed Forces is prohibited.

(4) The organizational units of the Ministry and the Armed Forces, except for the organizational unit referred to in paragraph 1 of this Article, have the right and duty to add exclusively attributes in the national marking system for material assets within their jurisdiction.

(5) The Ministry's organizational unit responsible for the identification and codification of material assets is responsible for the assignment of codification marks and other codification data in accordance with the NATO codification system, as well as the exchange of codification data between NATO member states and sponsored members in Tier 2 status, as defined in the NATO Codification Manual, in the Ministry and the Armed Forces.

**Article 15**

Within six months from the date of entry into force of this Ordinance, heads of organizational units are obliged to adopt implementing acts within their jurisdiction in accordance with the provisions of this Ordinance.

**Article 16**

This Ordinance shall enter into force on the eighth day following its publication in the Official Gazette.

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Zagreb, November 26, 2020.

Minister

**Mario Banožić , PhD , mp**