

Tip Contract

Contract of participation in AIPS (Albania Interbank Payment System)

Article 1 – Parties

This agreement is executed by and between Bank of Albania with the head office: Sheshi “Skënderbej”, Nr. 1, Tirana, legally represented in this agreement by the First Deputy Governor Mr. _____;
and _____ bank (hereinafter referred to as “Direct participant”) with principal address _____, represented by its executive manager Mr. _____.

Article 2 - Object

This contract shall establish the rights and obligations of Bank of Albania, arising in the framework of supplying the services of Gross Interbank Payment Settlement in AIPS, acting as the sole operator and administrator of this system, as well as of the rights and obligations of _____ bank acting as direct participant in this system.

Article 3 – Legal Ground

This contract is compiled in accordance with:

- a) The provisions stipulated by the Law No. 7850, dated 29.07.1994” ”Civil Code of Republic of Albania”, amended;
- b) Law No. 8269, dated 23.12.1997 “On the Bank of Albania”, as being amended;
- c) Law No. 9662, dated 18.12.2006 “On Banks in the Republic of Albania”;
- d) Regulation No. 53 dated 26.09.2007 “On the functioning of gross interbank payments system – AIPS (AIPS regulations), adopted by the Supervisory Council of the Bank of Albania; and
- e) Other regulative by-laws issued by the Bank of Albania.

Article 4 – Definitions and interpretations

- 4.1. The terms used throughout in this contract are in line with the terms established in AIPS Regulation, adopted by the Supervisory Council of Bank of Albania.
- 4.2. In any event of unclear term or formulation encompassed in this contract, it shall be interpreted in the context of AIPS Regulation and from the view point for which this contract is executed between and by the counterparties.
- 4.3. The applicable provisions and AIPS Regulation shall apply on all issues which are not clearly defined in this contract.

Article 5 – Term of agreement

This contract shall enter into force upon its signing by both parties for an undefined period of time.

Article 6 – *Parties commitment*

AIPS direct participant and Bank of Albania are committed on the implementation of the conditions stipulated in this contract related to the supply of AIPS services by the Bank of Albania and the participation of commercial banks in this system to settle gross interbank payments and on the implementation of the changes occurring in the contract upon the prior approval of parties.

Article 7 – *Irrevocability of payment instructions in AIPS*

Upon the settlement of a payment under an available payment instruction, the debiting and crediting in the respective settlement accounts are final and irrevocable, by the moment they are accepted in AIPS.

Article 8 – *Participant liquidation effect on settled payments*

- 8.1. Liquidation procedure of participant and/or participants in AIPS do not have retroactive power either payments\ orders or netting settlement received in AIPS, prior of the date it is taken the decision on the liquidation and assignment of participant and/or participants' liquidator of AIPS.
- 8.2 Point 8.1 is implemented also relevant to the payments orders and netting requests entered in AIPS, upon the decision disclosure on the liquidation and assignment of liquidator and further, only if, following the settlement, the settlement agent and/or agent/clearing house certifies to not own any knowledge on this decision.
- 8.3. A payment instruction is considered to enter in AIPS upon receiving the status "Incoming" from AIPS.
- 8.4 Bank of Albania enjoys the right to use as collateral the participant's securities placed in liquidation, to meet its duties versus other participants of system, only if this securities are not used as an instrument to guarantee the execution of other obligations.

Article 9- *Rights and obligations Bank of Albania*

Bank of Albania, acting as owner, organiser, administrator, operator, supervisor, settlement agent and participant, is vested with all rights and obligations as stipulated under the AIPS Regulation.

Article 10 – *Rights and obligations of participant*

Direct participant in AIPS, enjoys all rights and obligations as stipulated under AIPS Regulation.

Article 11 – *Notice means*

- 11.1. Any information, request or any other communication type between parties shall occur via official recorded mail, fax, e-mail and in cases the communication via the above mentioned means becomes impossible, by telephone in the addresses, telephone numbers and contact persons of respective parties.

- 11.2. Each party shall inform the other one on the potential changes of addresses, telephone numbers and contact persons, within 5 (five) business days from their change.
- 11.3. In any event the information or request reach the addressee (recipient) after 16.30 of business day, notwithstanding the above paragraphs, this information shall be considered as received at 08.30 of the next business day.

Article 12 – Amendments to contract

- 12.1. This Contract may not be amended except by a written request, the will and consent of both parties.
- 12.2. Any amendment, addition or either full or partial cancellation of this contract shall not be applied if it is not achieved in written form and signed by the authorised representatives of both parties.

Article 13 – Contract termination

- 13.1. Each party enjoys the right to terminate the contract, immediately providing a written notice to the other party at least 15 (fifteen) days prior of the date they would like to terminate the contract, requesting the meeting of all the financial obligations originating from this contract.
- 13.2. This contract could terminate as specified in point 1 of this article following the approval of the written request by the Bank of Albania, of direct participant to withdraw from participation in AIPS presented within the term under point 13.1. The contract is considered as terminated within the date being established priority in the request, date on which this participant intends to withdraw from participation in AIPS.
- 13.3. Upon receiving the request in line with point 13.2., Bank of Albania within 10 business days either rejects or approves the request and informs all AIPS participants on the withdrawing date of this direct participant. In the event Bank of Albania adopts the request, the direct participant is not allowed to initiate new payment instructions with a value date after the date being established in the decision on its withdrawing approval.
- 13.4. Bank of Albania, at the day of the participant's withdrawing from AIPS, closes the settlement account of the withdrawn participant, upon the collection of charges or fees of payable interest and following the settlement of all obligations by the withdrawn participant related to the available instructions, already accepted.

13.5. Debiting balance of the settlement account at its closure moment is qualified as payable obligation versus participants in AIPS and/or to Bank of Albania.

Article 14 – Dispute resolution

14.1. Parties operate in compliance with applicable Albania legislation and try to resolve in good understanding all the disputes arising during the contract’s implementation period.

14.2. Any of parts concluding the presence of a dispute informs the other through providing a complete description of the issues to be resolved.

14.3. The authorised persons of parties included in disputes should either personally or by their representatives make efforts to work out the disagreement, based on the principle of maintaining work continuity.

14.4. If either the authorised persons or the representatives of parties fail to work out this dispute, within 14 (fourteen) days from the notice receiving or for a longer period approved by both parties, one part informs the other that the issue is not resolved.

14.5. In any event of failing to resolve the dispute in good understanding, then Court of Tirana shall be competent authority to address the issue. .

Article 15 - Entry into force

15.1. This contract shall be executed into 4 (four) original copies in the Albanian language. Each counterpart shall hold one copy.

15.2. This contract once is read by both parties, is considered as redacted under their concession and was signed under their free will.

15.3. This contract shall enter into force at the day of signature by both parties.

Original contacts

Contacting details of parties are as follows:

Bank of Albania

On the attention of:

Banka e Shqipërisë

Sheshi “Skënderbej”, Nr. 1, Tiranë, Shqipëri

Tel: 04 2

Fax: 04 2

Participant:

On the attention of:

.....
.....
.....
Tel :
Fax :

This contract is signed by :

On behalf of BANK OF ALBANIA

.....
Name and signature of the authorized person
In presence of:

.....
Name and signature of witness

On behalf of PARTICIPANT

.....
Name and signature of authorized person

In presence of:

.....
Name and signature of witness