Pursuant to Article 1, paragraph 4 (b), Article 21 and Article 43 (c) of the Law No. 8269, dated 23.12.1997 “On the Bank of Albania”, as amended; and Article 4, paragraph 47, Article 126 and Article 129 of the Law No. 9662, dated 18.12.2006 “On Banks in the Republic of Albania”, as amended, having regard to the proposal from the Supervision Department and the Payment Systems, Accounting and Finance Department, the Supervisory Council of the Bank of Albania,

DECIDED:

1. To adopt the regulation “On electronic payment instruments”, as specified in the text attached to this decision.
2. The Payment System Department and the Supervision Department are responsible for the implementation of this Decision.
3. Upon the entrance into force of this decision, the Regulation “On electronic payments" approved by the decision No.101, dated 19.12.2000 of the Supervisory Council and any other provision that differs with the provisions of this regulation are abrogated.
4. The Department of Foreign Relations, European Integration and Communication is in charge of the publication of this decision in the Official Bulletin of the Bank of Albania and in the Official Gazette of the Republic of Albania.
5. This decision shall enter into force upon 15 (fifteen days) following the day of its publication in the Official Gazette of the Republic of Albania.

SECRETARY
Ylli Memisha

CHAIRMAN
Ardian Fullani
The purpose of this regulation is to set out:

1. The transparency standards versus the client on the terms, the rules and the procedures of carrying out the payments through the electronic payment instruments on the Republic of Albania.
2. The types of electronic payment instruments on the Republic of Albania; and
3. The means of data protection and reporting the information throughout the use of electronic payment instruments.

This regulation is issued in compliance with:

c) The Regulation “On the Payment System and Instruments”;
d) The Regulation “On the supervision of the banking transactions via electronic way; and

e) The other bylaws issued by the Bank of Albania.

1. This regulation shall apply to the banks and/or foreign banks branches and
electronic money institutions, licensed by the Bank of Albania.

2. The provisions of this Regulation shall not be applied on the following cases:

a) in the event of payments via cheque, cambial and any other paper-based payment instrument;
b) in the event of the electronic payment transactions initiated by the banks on carrying out the reciprocal payments in the inter-banking settlement systems.

Article 4
Definitions

1. For the purpose of this Regulation the following terms shall have these meanings:

a) **Electronic payment** – is the payment transaction, carried out through a card containing a magnetic strip, a micro circulation or an identifying code and that is used in an electronic payments terminal, in a POS terminal, etc; or via a banking application by using electronic means of communication.
b) **Electronic Payment Instrument (EPI)** – implies the instrument that enables the holder to perform electronic payments. Here are included remote access payment instruments as well as electronic money instruments.
c) **Remote access payment instrument** – is an instrument, which provides to the holder the possibility to access funds of his bank account, usually through the personal identification number and/or other identification means. Here are included banking cards and the other banking electronic services.
d) **Banking card** – is the electronic payment instrument, issued by a bank being granted a licence to carry out banking transactions with predetermined functions.
e) **Other electronic bank services** – are the banking services provided online, such as: home banking, which may be accessed by the clients of entities envisaged in this Regulation, through the use of various mediums of telecommunications, such as telephone, cellular phone, terminals, and personal computers.

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1 Added by the Supervisory Council of the Bank of Albania, Decision No. 03, dated 17.01.2013.
2 Amended by the Supervisory Council Decision of Bank of Albania, Decision No. 03, dated 17.01.2013,
3 Repealed by the Supervisory Council Decision of Bank of Albania, Decision No. 03, dated 17.01.2013,
4 Repealed by the Supervisory Council Decision of Bank of Albania, Decision No. 03, dated 17.01.2013,
5 Repealed by the Supervisory Council Decision of Bank of Albania, Decision No. 03, dated 17.01.2013,
6 Repealed by the Supervisory Council Decision of Bank of Albania, Decision No. 03, dated 17.01.2013,
j) PIN (Personal Identification Number) – is the numeric code, used to verify the holder’s identity. In electronic transactions, it is considered as the equivalent of an authorised signature.
k) Issuer – is the bank/or foreign bank branch, or electronic money institution, which issues EPI according to a contract with the holder of the EPI.
l) Acquirer – is the bank and/or foreign bank branch, being granted a licence from the Bank of Albania that based on a contract with the merchant, accepts electronic payments initiated by the holders via an EPI and carried out at the merchant via POS/EFTPOS or virtual POS. The acquirer can be simultaneously issuer and vice-versa.
m) Holder – is the person, who holds the EPI, based on the respective contract with the issuer.
n) Merchant – is the natural or legal person, that based on the contract signed with the acquirer, accepts the electronic payments via EPI, carried out using POS/EFTPOS/virtual POS devices.
o) ATM (Automated Teller Machine) – is the electromechanical device that permits to withdraw or to deposit cash, to carry out payments of services, to transfer funds among the accounts, to create account statements, etc. ATM may be operated either online, where the database is accessible in real-time, or offline.
p) POS Terminal (POS/EFTPOS) – is the device that permits the use of the banking cards at a retail location (point of sale). The payment information is captured either by paper vouchers, or by electronic terminals. In the latter case, where the electronic transfer of the information takes place simultaneously, the term refers to an “electronic funds transfer at the point of sale” (EFTPOS).
q) Virtual POS Terminal (virtual POS) – is the device similar to POS terminal, that permits to carry out transactions via Internet networks or via phone lines, using banking cards operating online.
r) Online regime – is the regime where the transactions carried out via EPI, through electronic means of communication between the system where this transaction takes place and the authorized system of the card issuer or the service operator, are immediately approved by the latter, by freezing the funds in the account of the EPI holder.
s) Offline regime – is the regime where the processing and approval of a transaction with EPI, in a terminal, is accomplished without contacting the issuer.
t) Agent/clearing house – is the institution/unit that calculates the net multilateral positions of the payments with banking cards and compiles the request for settlement in AIPS system.
u) Payment Card Industry (PCI) on PIN security requirements – are standards established by the Payment Card Industry Security Standards Council, for the secure management, processing and transmission of PIN data. The Payment Card Industry Security Standards Council consists of key players in the card industry, in order to guarantee the security and efficiency of this market.8

7 Amended by the Supervisory Council Decision of Bank of Albania, Decision No. 03, dated 17.01.2013,
8 Added by the Bank of Albania's Supervisory Council Decision No.17, dated 07.02.2018
2. In this regulation the words in singular may be interpreted in plural and vice-versa, whenever deemed necessary due to the provision or context content.

3. The definitions used in masculine imply also the feminine and vice-versa.

Article 5
Types of EPIs

1. EPI-s are the payment instruments, which permit the EPI holder to access the funds at a banking account or the money registered or saved electronically. EPI-s enable to carry out operations such as: cash depositing/withdrawal, payments and/or transfers of funds, deposit placements, reloading with monetary value, etc, through the technical and electronic means.

2. EPI-s are classified as follows:

   a) Remote access payment instruments, providing to the holder the possibility to access funds in his banking account, by using electronic and/or technical means, such as:
      i. Banking cards; and
      ii. Other electronic banking services.

   b) Electronic money instruments.

CHAPTER II
Transparency and consumer protection standards related to the terms, rules and procedures carried out on the payments via EPI-s

SUBCHAPTER I
Relations on the issue and use of EPI

Article 6
Contract relations on the issue and use of EPI

The contract concluded by the issuer with the holder, is in writing, and sets out the relations on the issue and use of EPI.

Article 7
Transparency terms versus the EPI holder

1. Banks and/or foreign bank branches and electronic money institutions\(^9\), being licensed by the Bank of Albania, which issue EPI-s, apply the transparency requirements versus the holder, as follows:

   a) The contract for issuing the EPI is compiled in the Albanian language, in compliance with the applicable Legislation;

   b) The issuer communicates to the possible holder of the EPI the contractual terms, including mutual rights and obligations, prior to the signing of the contract. The EPI contract, contains at least the following information:

      i. parties to the contract,
      ii. the type of the issued EPI, type of the equipment/device where the EPI could be used;
      iii. types of the transactions that could be carried out via EPI;
      iv. the duration of the usage or the validity term of the EPI;
      v. restrictions in carrying out transactions;
      vi. the applicable security procedures and the obligations and liabilities of the parties to the contract;
      vii. the normal period within which the holder settles all the liabilities arising from transactions executed through EPI;
      viii. types and the value of the charges and commission fees relevant to the use of EPI as well as the conditions for their change;
      ix. rules on carrying out the transactions denominated in foreign currency and the terms for their change;
      x. rules on the calculation of the interest rates, if applicable on the issued EPI;
      xi. the right to claim on the use of the EPI, as well as procedures for filing them;
      xii. the terms and conditions for the contract renewal;
      xiii. the way, term of notice, conditions for terminating the contract; and
      xiv. procedures and consequences in the cases of a lost, destroyed, distorted, stolen or falsified/copied EPI.

   c) The following documents shall be attached to the contract:

      i. the list of the limited amounts to carry out the transactions, charges, fees, and the applicable interest rates, as well as the reference on the quotation date of the applicable exchange rate for the use of EPI-s, in foreign currency; and
      ii. the list of the places where the EPI can be used, as well as a short

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\(^9\) Added by the Supervisory Council of Bank of Albania, Decision No. 03, dated 17.01.2013
description of the way of using EPI and the device where it is used.

4. The issuer grants to the holder the EPI only after being assured that the client was informed and cleared on the terms, mutual rights and obligations stipulated in the contract, and after the signature of the contract compiled in line with this Article.

### Article 8

**Requests on the issue and use of EPI**

1. The subjects of this regulation have the right to issue EPI-s and to provide the service of electronic payments via EPI-s, only upon being granted a license by the Bank of Albania on this purpose.

2. The subjects of this regulation, applying to issue a new type of EPI, prior to provide this new service on the electronic payments, notify in writing the Supervision Department in the Bank of Albania, in line with the regulation “On the supervision of the banking transactions via electronic means”.

3. The Bank of Albania gives the consent on the issue of a new type of EPI and authorises the providing of the electronic payments service with it, only upon being assured that the respective subject meets the conditions, as stipulated in the Regulation “On the supervision of the electronic banking transactions”.

4. When issuing EPI, the issuer ensures to meet the following terms:

   a) provide to the holder the possibility to carry out transactions with EPI;
   b) submit the PIN in a closed envelope or other electronic means that comply with PCI standards on PIN security requirements, to anyone else except the cardholder;\(^{10}\)
   c) provide confidential data on the banking transactions only to the holder, based on the legal acts on data protection and banking secret;
   d) not to issue payment instruments if not requested by the holder, except when the issuer replaces an existing EPI (banking card) used by the holder;
   e) record each transaction and save the recordings for a sufficient period of time, to make possible the identification of the performed transactions and the correction of errors in the cases as being defined in the contract;
   f) upon the publication of the change occurring in the interest rates, inform

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\(^{10}\) Amended by the Bank of Albania’s Supervisory Council Decision No.17, dated 07.02.2018
in writing the holder as well;
g) provide to the holder any information relevant to his transactions, upon the request of this last one;
h) inform in writing the holder on the proposal of the amendments to the provisions of this contract;
i) provide to the holder the possibility to inform on the loss, steal, abuse and/or the destruction of EPI-s, throughout the 24 hours of the day, during the 7 days of the week, via the available means of communication;
j) identify the person that perform the notification upon letter “i”, to be assured that he is the EPI’s holder himself;
k) record and save all the data concerning the receipt of notification, relevant to the cases being stipulated in letter “i” of this Article, including the receipt of the data on the identifying number of EPI, the informing person, the correct date and time of receiving information and the other additional circumstances;
l) following the receipt of the notification as specified in letter “i” and the identification of the person as specified in letter “j” of this article, immediately take the necessary measures to stop further use of EPI-s, even when the holder has acted with a complete negligence or fraudulence; and
m) implement the requirements established in the Law “On the prevention of Money Laundering” during the issuing and monitoring process of EPI use.

5. The issuer provides at the place of his trade activity and/or via the mass media, free of charge accessible information on:

a) the applicable interests rates; and
b) the amount of applicable charges and commissions fees, as well as the commissions fees charged to the holder, when the EPI is used in the devices supplied by the acquirers different from the issuer.

6. The issuer provides to the holder monthly information relevant to the transactions performed through EPI. This information should be in writing, wherever possible, transmitted also via electronic means, and should contain:

a) a reference to allow the holder to identify the transactions, including information on the merchant and/or the place the transaction took place, as well as the type, date, time and the reference number of the executed transaction;
b) the transaction amount by which the holder’s account has been debited, including the amount denominated in the original foreign currency;
c) the interest rates, the possible commissions fees and/or charges for each transaction, if applicable; and
d) the new services provided relevant to the EPI-s.
Article 9
Standards on the consumer protection, holder of the EPI

1. To protect the holder’s interests, the issuer should:

   a) accurately record and enter into the holder’s account each transaction carried out by the holder via EPI; and
   b) ensure the prevention of the technical obstacles or other deficiencies, during the normal execution of the transactions with EPI;

2. The issuer ensures to clearly stipulate in the content of the contract as specified in Article 7 of this Regulation, the terms and conditions on the holder’s protection. As specified in these conditions, the holder should:

   a) use the EPI carefully and in compliance with the terms and conditions, as set out in the contract;
   b) keep secret his PIN and/or his password and take all the necessary measures against access by a different person;
   c) immediately inform the issuer if one of the following events occur:
      i. EPI is destroyed, lost, stolen, falsified/copied,
      ii. remarks an abuse/fraud related to his PIN/password, that could possible allow third persons to access his account,
      iii. a transaction is executed via EPI without the approval of the holder,
      iv. notices an error or mismatches in the maintaining of his account by the issuer;
   d) not write his PIN/password in an easily recognizable form, enabling third person to read it;
   e) not countermand an order which he has given via his EPI, except if the amount was not determined when the order was given;
   f) provide complete and accurate personal data for identification purposes;
   and
   g) immediately inform the issuer on any change of his personal data.

3. The notification under paragraph 2, letter “c” of this article, is made by different means of communication, in line with the definitions stipulated in the contract.

4. The holder bears the loss sustained in consequence of the loss or theft of EPIs, up to the time of notification. As soon as the holder has notified the issuer, he is not thereafter liable for the loss incurred, except when he acted upon fraud circumstances.
5. By derogation from paragraph 4 of this Article, in line with paragraphs 1 and 2 of this Article, the holder is not liable if the EPI has been used without the physical presentation and/or electronic identification of the instrument itself, except where he operates upon fraud/negligence circumstances. The use of a confidential code or any other similar proof of identity is not, by itself, sufficient to entail the holder’s liability.

6. Pursuant to the paragraphs of this Article, the issuer is liable to cover the loss occurred to the holder:

a) for the non-execution or defective execution of the holder’s transactions, even if a transaction is initiated at devices/terminals authorised for use by the issuer, but which are not under the issuer’s direct or exclusive control; and

b) the transactions was not authorised by the holder, as well as for any error or any other irregularity attributable to the issuer, in the maintaining of the holder’s account.

7. Coverage of the financial liability, includes:

a) The amount of the unexecuted or defectively executed transaction, if any, respective interest thereon; and

b) The sum required to restore the holder to the previous position, before the unauthorised transaction took place.

SUBCHAPTER II
The relations on the acceptance of the payments with EPI

Article 10
Establishment of the relations on the acceptance of the payments with EPI

The contract executed between the acquirer and merchant establishes and determines the relations on the acceptance of the payments with EPI.

Article 11
Transparency terms versus the merchant

1. The banks and/or foreign banks branches being granted a licence by the Bank of Albania, which accepts the payments with EPIs, should implement the
requirements on transparency versus the merchant, as follows:

a) the contract for the acceptance of payments with EPIs is compiled in Albanian language, in compliance with the applicable Legislation;
b) prior to the signature of the contract, the acquirer communicates to the merchant the contractual terms providing description on the mutual rights and obligations. The contract should minimally specify the following information:

i. parties to the contract,
ii. types of EPI to be used for operations with the merchant,
iii. applicable procedures, including security procedures and merchant’ obligations related to the performance of operations,
iv. normal period and manner of payment to the merchant by the acquirer,
v. reasons for which the merchant may refuse to accept the payment by an EPI,
vi. reasons of keeping the EPI,
vii. procedures for filing and considering complaints,
viii. terms and conditions on the contract renewal, and
ix. the way, term of notice and conditions on the contract termination.

2. The acquirer, on the acceptance of the payments with EPI, must meet the following criteria:

a) open a banking account on behalf of the merchant/company;
b) provide opportunity on the acceptance and execution of the transactions with EPI;
c) record each transaction and save the registrations for a sufficient period of time, to make possible the identification of the executed transactions and the rectification of the errors, relevant to the cases as stipulated in the contract;
d) implement the security procedures for guaranteeing the safe execution of the transactions with EPI;
e) implement the legal bylaws on data protection and banking secret; and
f) inform in writing the merchant on the changes’ proposals of the contract terms.

3. The contract must contain no exclusive trading clause requiring the trader to operate only one acquirer’s system.

4. Compulsory provisions must be limited strictly to the technical aspects for ensuring the well-functioning of the system.
Requirements for providing the service of accepting payments with EPI

The acquirer, prior to supplying for the first time an electronic device for accepting payments with EPI, informs in writing the Supervision Department in the Bank of Albania.

Article 13
Standards on the consumer protection, as the holder of the EPI

The acquirer becomes assured to include in the content of the contract, as specified in article 11 of this Regulation, certain terms and conditions on the protection of the holder, upon which the merchant:

a) may require from the holder to submit an identification document, if doubting on his identity, prior of accepting a payment with EPI;

b) should refuse to accept a payment with EPI as specified in Article 11, paragraph , letter “b”, sub-paragraph “v” of this regulation, in the following cases:

   i. invalidity of EPI;
   ii. notification on a lost or stolen EPI;
   iii. mismatch of the authorised signature in EPI with the signature of the transaction document or of the identification means,
   iv. refusal of the holder to submit an identifying document or if the merchant identifies that an unauthorised person uses the EPI,
   v. the inability to receive a confirmation for carrying out the transaction,
   vi. the lack or incorrectness of at least one of the mandatory security elements on the EPI;
   vii. the doubt on a falsification/copy of EPI; and
   viii. the lack of the authorised signature on an EPI, if such is required for the EPI validity;

c) may keep the EPI, as specified in Article 11, paragraph 1, letter “b”, sub-paragraph “vi”, of this regulation, in the following cases:

   i. notification on lost or stolen EPI,
   ii. mismatch of the signature on the EPI with the signature on the purchase invoice,
   iii. use of an EPI by an unauthorised person,
   iv. receiving an order by the acquirer to keep the respective EPI, and
   v. concluding that at least one of the mandatory security elements is not correct;

d) should observe the security procedures, as specified in Article 11, paragraph 1, letter “b”, sub-paragraph “iii” of this regulation and shall not
make public the personal data and the card number of the holder, to 
unauthorised persons and shall not permit the wrong/improper use or the 
falsification/copying of the EPIs;
e) should accept the payments carried out through EPI’s, within the same 
terms and conditions as in cash payments, and should not accrue any 
additional charges or commission fees on the holder, above the price on 
payments by EPI.

Article 14
The irrevocability of the order

The order given by the holder of the EPI-s regarding the authorisation of a 
transaction could be revoked only prior to the authorisation. Upon the 
authorisation of the transaction by the holder, the order is irrevocable, except if 
the contractual terms on the use of EPI, provide differently.

CHAPTER III
Remote access payment instruments

SUBCHAPTER I
Banking cards

Article 15
Types of the banking cards

1. The bank payment cards may be:

a) Cash cards – that make possible the use only in ATM or cash 
   machine enabling the holder to withdraw only in cash;
b) Debit cards – that allow the authorised holder to access his account 
at the issuer, to carry out purchasing within the available funds in this 
account and/or withdrawal of cash, if the card is combined with cash 
function;
c) Cards with deferred debiting – similar to debit cards, except that the 
settlement of the payment in the account is performed after a definite 
period of time as stipulated in the terms of the contract;
d) Credit cards – that allow the holder to use funds within a granted line 
of credit. It enables the holder to make purchase and/or withdraw cash up 
to a prearranged ceiling. The credit granted can be settled in full by the 
end of a definite period of time or can be settled in part, with the balance 
taken as extended credit, in line with the terms established in the 
contract;
e) Charge cards – similar to credit cards, except that it does not offer 
extended credit. The credit granted should be settled in full within the
term as established in the contract.

2. Bank payment cards may also have a combination of the above functions.

Article 16
Additional card

Upon the consent of the account title-holder and/or of the main cardholder, the issuer may issue an additional card. This contract is signed also by the third person, holder of this additional card.

Article 17
Transactions performed with banking cards

1. The transactions that can be carried out with banking cards are as follows:

   a) cash withdrawal/depositing from/to an ATM terminal;
   b) payment of goods and services and cash withdrawal from a POS/EFTPOS terminal;
   c) payment of goods and services and transfer of funds between accounts from a virtual POS/EFTPOS terminal;
   d) payment of services from ATM terminal;
   e) transfer of funds between accounts through ATM terminal;
   f) transfer of the current account balance to a deposit account through an ATM terminal; and
   g) receipt of the account statement or movements account statement, as well as the execution of other operations such as change of PIN in an ATM, etc.

2. The acquirers make possible that the transactions as specified in paragraph 1 of this Article, be carried out in all POS/EFTPOS and ATM being supplied and financed by them, by using the banking cards issued within the territory of the Republic of Albania or abroad, in compliance with the agreements with the international associations of cards.

Article 18
Equipment for the use of EPIs

1. The equipment, through which the EPI transactions are executed, shall mandatory have on it, or in other visible places around it:
a) the logo of the accepting bank; and
b) trademarks of the banking cards being accepted by this device.

2. The acquirer places the devices in such places where the holder, or a definite group of holders, could have free and secure access.

Article 19
Personal Identification Number (PIN)

1. PIN is a personal number that identifies each holder who makes use of the banking card.

2. The issuer provides to each cardholder a PIN, which includes at least a four digit-numbers, and is used to identify the holder. PIN is consigned to the holder in a closed envelope or through other electronic means that comply with PCI standards on PIN security requirements, at the moment of granting the card.

3. The banking card could be used only with the PIN created especially for it. If the holder forgets his PIN, the issuer shall generate a new PIN, within the terms as specified in the contract, or shall issue a new card with a new PIN.

4. PIN may be entered into the keyboard of each POS/EFTPOS terminal or ATM that accepts banking card, to carry out the transactions as specified in Article 17, of this Regulation. The mandatory use or not of PIN in POS/EFTPOS terminals depends even on the issuer/acquirer type.

5. The holder may change his PIN through an ATM terminal, in a new PIN, of which only he is aware, if his bank provides this service to him.

Article 20
Card ownership and the delivery back to the issuer

1. The banking card issued to the holder is under the ownership of the issuer.

2. Upon the termination of the term as established in the contract on issuing the banking card, the holder returns the card back to the issuer within the term agreed in the contract.

11 Added by the Bank of Albania’s Supervisory Council Decision No.17, dated 07.02.2018
Article 21
Currency

The withdrawals or payments by banking cards, under the terms of this Regulation via ATM or POS/EFTPOS terminals within the territory of the Republic of Albania, may be carried out in the domestic currency, as well as in foreign currency, in accordance with the agreements with the international companies of cards.

Article 22
Settlement of banking card payments

1. National/foreign currency-denominated payments, performed with banking cards issued within the territory of the Republic of Albania, are settled through the international companies of cards or domestic payment services providers, with cards and/or foreign correspondent banks, in accordance with the bilateral or multilateral agreements between the issuer/acquirer and the card companies or domestic card payment services providers.\(^\text{12}\)

2. Upon special agreements reached between the issuers/acquirers with the international card companies or domestic card payment services providers\(^\text{13}\), when these companies are accepted as agent/clearing house by the Bank of Albania, the settlement of the payments, performed within the territory of the Republic of Albania in domestic currency and carried out via banking cards issued within the territory of the Republic of Albania, shall be effected at the Bank of Albania through the settlement accounts that each issuer/acquirer has within the AIPS system. The agent/clearing house calculates the net results from its multilateral recalculation of mutual obligations between issuers/acquirers, arising from payments with domestically issued banking cards and send the statement of the net position to the Bank of Albania for settlement purposes in AIPS.

SUBCHAPTER II
Other electronic banking services

Article 23\(^\text{14}\)
Types

Article 24
Transparency standards of the issuer providing other electronic banking

\(^{12}\) Amended by the Supervisory Council of the Bank of Albania, Decision No. 03, dated 17.01.2013
\(^{13}\) Added by the Supervisory Council of the Bank of Albania, Decision No. 03, dated 17.01.2013
\(^{14}\) Repealed by the Supervisory Council of Bank of Albania, Decision no. 03, dated 17.01.2013
services

1. The issuer, in addition to what is established above in the contract on the issue of EPI as specifies in Article 7 of this regulation, provides to the holder a written information on:

   a) the rules of electronic identification of the holder;
   b) the rules to be followed by the holder regarding the execution of payment orders, as well as using other services specified in the contract.

2. The issuer provides to the holder the possibility to access funds in his account and to perform transactions through the electronic payments applications in the electronic banking services, via the communication means as telephone, internet, mobile, etc.

3. The holder, in line with the terms as established in the contract, instructs the issuer to debit his account with the amounts of executed transactions and on the fees and commissions applied by the issuer, or is committed to pay the amounts that are due to the account specified by the Bank within a definite period of time.

4. The issuer guaranties to the holder the needed security related to the transactions performed through the means of communication as established in the contract.

5. The issuer informs promptly the holder in the event of the transaction rejection or non-execution being ordered by this last one, if the rejection/or un-execution is due to circumstances independent of the issuer.

CHAPTER IV
Electronic money instruments

Article 25\textsuperscript{15}
Electronic money

Article 26\textsuperscript{16}
Types of electronic money instruments

1. Electronic money instruments may be in the form of:

   a) prepaid cards, which are plastic cards with purchasing power; and
   b) prepaid products, which consist in special programmes that enable the

\textsuperscript{15} Abrogated by the Supervisory Council of Bank of Albania, Decision no. 03, dated 17.01.2013

\textsuperscript{16} Amended by the Supervisory Council of Bank of Albania, Decision no. 03, dated 17.01.2013
holder to transfer electronic money through electronic communication networks.

2. The list of electronic money instruments defined in paragraph 1 of this Article is not exhaustive and will depend on the development of technology.

**Article 26/1\(^{17}\)**

**Exemptions**

For the purposes of this Regulation, the following shall not be considered as electronic money:

a) monetary values that are stored on prepaid instruments, which are used to meet customers specific needs and may be used for limited purposes because they:

i. allow the holder to purchase certain goods and/or services, provided by the issuer only in the premises where the electronic money issuer conducts the activity, or within a defined network of service providers, subject to a commercial agreement with the electronic money issuer (a certain store, chain of stores); or

ii. may be used to purchase only a limited number of goods and/or services.

b) the monetary value used to purchase digital goods or services and that are used only through a digital device such as computer and/or cellular phone, for as long as the electronic IT or digital communications operator is not an intermediary between the user of the payment service and supplier of goods.

**Article 27**

**Issuer of Electronic Money**

1. An electronic money issuer issues electronic money at par value on the receipt of funds.

2. The electronic money holder is the owner of the funds received by the electronic money issuer for the issuance of electronic money.

3. The electronic money issuer and the electronic money holder conclude a written contract to establish and regulate mutual relations on the issuance of electronic money.

\(^{17}\) Added by the Supervisory Council of the Bank of Albania, Decision no. 03, dated 17.01.2013.
4. The contract between the electronic money issuer and the electronic money holder shall clearly and prominently state the conditions of issuance and redemption.

5. The contract on the issuance of the electronic money shall lay down the minimum and maximum limits, within which the electronic money is issued, as stipulated in paragraph 4 of this Article.  

\[ \text{a) } \]

\[ \text{b) } \]

6. The electronic money issuer shall inform the electronic money holder, before signing the contract, conform to Article 7, paragraph 1, letter "b" of this Regulation.

7. The electronic money issuer may not pay any interest or any other benefit to the electronic money holder related to the length of time during which the electronic money holder holds the electronic money.

\[ \text{Article 28}^{21} \]
\[ \text{The ownership of electronic money} \]

\[ \text{Article 29}^{22} \]
\[ \text{Distinction from the deposit} \]

\[ \text{Article 30} \]
\[ \text{Duration of electronic money} \]

1. The duration of electronic money is established in the contract for the issue of electronic money.

2. At the end of the duration term stated in the contract as specified in paragraph 1 of this Article, the electronic money instrument shall be obliterated\[23\] by the electronic money issuer.

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20 Repealed by the Supervisory Council of the Bank of Albania, Decision No.122, dated 09.11.2016.
21 Repealed by the Supervisory Council of the Bank of Albania, Decision No. 03, dated 17.01.2013.
22 Repealed by the Supervisory Council of the Bank of Albania, Decision No. 03, dated 17.01.2013.
23 Amended by the Supervisory Council of the Bank of Albania, Decision No. 03, dated 17.01.2013.
Article 31\textsuperscript{24}
Redemption of funds

1. Upon the request of the electronic money holder, the electronic money issuer shall pay him, at any time, the nominal value of the electronic money.

2. Redemption may be subject to a fee only if stated in the contract between the parties and only in any of the following cases:

   a) where redemption is requested before the termination of the contract;
   b) where the contract provides for a termination date and the electronic money holder terminates the contract before that date; or
   c) where redemption is requested more than one year after the date of termination of the contract.

3. Where redemption is requested before the termination of the contract, the electronic money holder may request redemption of his electronic money in whole or in part.

4. Where redemption is requested by the electronic money holder on or up to one year after the date of the termination of the contract, the total monetary value of the electronic money held shall be redeemed;

5. Without prejudice to the provisions of this Article, redemption rights of a person, other than a consumer, who accepts electronic money, shall be subject to the contractual agreement between the electronic money issuer and that person.

6. The issuer is liable to the holder, when the latter has suffered losses or damages due to failure of the device authorised by the issuer for the receipt of electronic money instruments as a means of payment.

Article 31/1\textsuperscript{25}
Holder’s right to information

1. The issuer informs the holder on the transactions with the electronic money instrument as well as on the remaining balance.

\textsuperscript{24} Amended by the Supervisory Council of the Bank of Albania, Decision No. 03, dated 17.01.2013.

\textsuperscript{25} Added by the Supervisory Council of the Bank of Albania, Decision No. 03, dated 17.01.2013.
2. The information set out in paragraph 1 of this Article, is made available to the holder upon request.

**Article 32**

**Losses or damages**

In case of verified loss or damage of the electronic money instrument, the issuer shall return the holder the remaining funds, in compliance with the conditions set out in the contract between the parties.

**CHAPTER V**

**Reporting and data protection related to the use of EPI-s**

**Article 33**

**Reporting at the Bank of Albania**

The issuer/acquirer, within the date of 15\textsuperscript{th} of each calendar month, following the reporting month, provides to the Bank of Albania, in the format established in the methodology of reporting the payments instruments, the following information:

- a) type and number of the issued EPI;
- b) type, volume and value of the performed transactions with EPI;
- c) number of merchants the acquirer has signed a contract on the acceptance of payments with EPI;
- d) the number of ATM and POS/EFTPOS terminals;
- e) the recorded efforts on the evading or violation of rules; and
- f) any other additional data, as required by the reporting methodology of the payments instruments.

**Article 34**

**Reporting methodology**

The Bank of Albania compiles the methodology of reporting the payment instruments, with the scope to gather data from the issuers, for the assessment and control of the payment systems, for the monetary policy management and for statistical purposes. The Payments Systems Department is responsible to compile the reporting methodology on the payment instruments, which is approved by the respective Administrator at the Bank of Albania.

**Article 35**

\textsuperscript{26} Amended by the Supervisory Council of the Bank of Albania, Decision No. 03, dated 17.01.2013.
Personal data protection

1. The information related to the payment transfers is protected and dealt with upon the Legislation in force. The issuer/acquirer shall maintain and preserve the confidentiality of the holder/merchant personal data, related to the use of EPI. This obligation is part of the contract signed between the parties.

2. The information exchanged through the payment instruments, in no case, should threaten the protection of the personal data.

3. The issuer/acquirer shall guarantee that the personal data of the holder, entered electronically when using EPI, may not be read by anyone else except the former.

4. The personal data of the holder, related to the use of EPI, could be made public only if explicitly permitted and stipulated under the applicable legislation.

Chapter VI
Final Provision

Article 36
Sanctions

The Bank of Albania, following the conduction of the supervision process, in the event concluding any difference and/or violation of the provision of this regulation by the commercial banks and/or foreign banks branches, is vested with the right to impose one or some of the supervision, preventive or sanctions as stipulated by the Law “On Banks on the Republic of Albania”.

CHAIRMAN OF THE SUPERVISORY COUNCIL

ARDIAN FULLANI