

LAW
No.55/2020

ON PAYMENT SERVICES¹

In accordance with Articles 78 and 83, paragraph 1, of Constitution, having regard to the proposal from the Council of Ministers,

THE PARLIAMENT
OF THE REPUBLIC OF ALBANIA

DECIDED:

TITLE I
GENERAL PROVISIONS

Article 1

Subject matter

This law shall lay down the terms and conditions on:

- a) the establishment, licensing, organisation, activity and supervision of payment institutions;
- b) the transparency of conditions and information requirements for payment services;
- c) the respective rights and obligations of payment service users and payment service providers in relation to the provision of payment services as a regular occupation or business activity.

Article 2

Scope

The purpose of this law is to establish the legal framework on the functioning of payment services in the Republic of Albania.

¹ This law partially approximates the Albanian legislation to EU 2015/2366 Directive of the European Parliament and European Council of 25 November 2015 "On payment services in the internal market," amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC, CELEX number: 32015L226, Official Journal of the European Union, Series L, No.337, dated 23.12.2015, pages 35-127

Article 3

The scope of application

1. This law applies to payment services, which are listed in annex 1 of this law, provided within the territory of the Republic of Albania.
2. This law shall apply to the following payment services providers:
 - a) banks and branches of foreign banks within the meaning defined in the legislation in force on banks in the Republic of Albania;
 - b) electronic money institutions within the meaning defined in the legislation in force on banks in the Republic of Albania;
 - c) payment institutions, in accordance with the provisions of this Law;
 - ç) Bank of Albania when not acting in its capacity as monetary authority or other public authorities;
 - d) Central and local authorities when not acting in their capacity as public authorities.
3. The Bank of Albania and the central or local authorities, when not acting in their capacity as public authorities and provide payment services, within the competences set forth in this law, shall not implement the provisions set out in titles III and title IV of this law, unless otherwise specified in a by-law or special contract, related to these services.

Article 4

Exclusions from scope of application

This law does not apply to the following:

- a) payment transactions made exclusively in cash directly from the payer to the payee, without any intermediary intervention;
- b) payment transactions from the payer to the payee through a commercial agent authorized via an agreement to negotiate or conclude the sale or purchase of goods or services on behalf of only the payer or only the payee;
- c) professional physical transport of banknotes and coins, including their collection, processing and delivery;
- ç) payment transactions consisting of the non-professional cash collection and delivery within the framework of a non-profit or charitable activity;
- d) services where cash is provided by the payee to the payer as part of a payment transaction following an explicit request by the payment service user just before the execution of the payment transaction through a payment for the purchase of goods or services;
- dh) cash-to-cash currency exchange operations where the funds are not held on a payment account;

- e) paper based payment transactions such as: cheques, bill of exchange, promissory notes, or other similar paper based payment forms, drawn on the payment service provider, with the purpose/view of placing funds at the disposal of the payee;
- ë) payment transactions carried out within a payment or securities settlement system between settlement agents in accordance with the definitions in the legislation in force on payment systems; clearing houses, including the case when these entities perform the calculations of net position based on the fact that the clearing house is a buyer for each seller and a seller for each buyer in a specified set of financial transactions (fulfilling the role of central counterparties) in accordance with the definitions in the legislation in force on payment systems and other participants of the system, and payment service providers, without prejudice to article 29 of this law;
- f) payment transactions related to securities asset servicing, including dividends, income or other distributions, or redemption or sale, carried out by subjects referred to in letter òö of this article or by investment firms, banks, collective investment undertakings or asset management companies providing investment services, and any other entities allowed to have the custody of financial instruments;
- g) services provided by technical service providers, which support the provision of payment services, without them entering at any time into possession of the funds to be transferred, including processing and storage of data, trust and privacy protection services, data and entity authentication, information technology (IT) and communication network provision, provision and maintenance of terminals and devices used for payment services, with the exclusion of payment initiation services and account information services;
- gj) services based on specific payment instruments that can be used only in a limited way, that meet one of the following conditions:
 - i. instruments allowing the holder to acquire goods or services only in the premises of the issuer or within a limited network of service providers, under direct commercial agreement with a professional issuer;
 - ii. instruments which can be used only to acquire a very limited range of goods or services;
 - iii. instruments valid only in the territory of the Republic of Albania, provided at the request of an undertaking or a public sector entity and regulated by a national or regional public authority for specific social or tax purposes to acquire specific goods or services from suppliers having a commercial agreement with the issuer;
- h) payment transactions by a provider of electronic communications networks or services provided in addition to electronic communications services for a subscriber to the network or service:
 - i. for purchase of digital content and voice-based services, regardless of the device used for the purchase or consumption of the digital content and charged to the related bill; or;
 - ii. performed from or via an electronic device and charged to the related bill within the framework of a charitable activity or for the purchase of tickets;

provided that the limits on these payments transaction be referred to a by-law of the Bank of Albania, for which, in any case, the value of a single payment transaction referred to in subparagraphs òö and öiiö does not exceed ALL 7,000 and:

- the cumulative value of payment transactions for an individual subscriber does not exceed ALL 40,000 per month; or

- where a subscriber pre-funds its account with the provider of the electronic communications network or service, the cumulative value of payment transactions does not exceed ALL 40,000 per month;
- i) payment transactions carried out between payment service providers, their agents or branches for their own account;
- j) payment transactions and related services between a parent undertaking and its subsidiary or between subsidiaries of the same parent undertaking, without any intermediary intervention by a payment service provider other than an undertaking belonging to the same group;
- k) cash withdrawal services offered by means of ATM providers, acting on behalf of one or more card issuers, which are not a party to the framework contract with a customer withdrawing money from a payment account, on condition that those providers do not conduct other payment services as referred to in annex 1. Nevertheless the customer shall be provided with the information on any withdrawal charges referred to in articles 38, 41, 42 and 52 laid down in this law before carrying out the withdrawal as well as at the end of the transaction of the cash withdrawal.

Article 5

Definitions

For the purposes of this law, the following definitions apply/ In this law the following terms have these meanings:

1. "Agent" means a natural merchant person or a legal person, who acts on behalf of a payment institution in providing payment services.
2. "ATM" (Automated Teller Machine) is an electro-mechanic vehicle which provides the withdrawal or depositing of cash, payment services, transfer of funds, accounts statement, etc. ATMs operate both online, where the database is accessible in real time, and offline.
3. "Authentication" means a procedure which allows the payment service provider to verify the identity of a payment service user or the validity of the use of a specific payment instrument, including the use of the user's personalised security credentials.
4. "Strong customer authentication" means an authentication based on the use of two or more elements categorised as knowledge (something only the user knows), possession (something only the user possesses) and inherence (something the user is) that are independent, in that the breach of one does not compromise the reliability of the others, and is designed in such a way as to protect the confidentiality of the authentication data.
5. "Value date" means a reference time used by a payment service provider for the calculation of interest on the funds debited from or credited to a payment account.
6. "Direct debit" means a payment service for debiting a payer's payment account, where a payment transaction is initiated by the payee on the basis of the consent given by the payer to the payee, to the payee's payment service provider or to the payer's own payment service provider.
7. "Branch" means a place of business other than the head office which is a part of a payment institution, which has no legal personality and which carries out directly some or all of the activities for which the payment institution is authorised.
8. "Money remittance" means a payment service where funds are received from a payer, without any payment accounts being created in the name of the payer or the payee, for the sole purpose of transferring a corresponding amount to a payee or to another payment

service provider acting on behalf of the payee, and/or where such funds are received on behalf of and made available to the payee.

9. "Business day" means a day on which the relevant payment service provider of the payer or the payment service provider of the payee involved in the execution of a payment transaction is open for business as required for the execution of a payment transaction.
10. "Issuing of payment instruments" means a payment service by a payment service provider contracting to provide a payer with a payment instrument to initiate and process the payment transactions of payer.
11. "Funds" means banknotes and coins, scriptural or electronic money as defined in the legislation in force on banks in the Republic of Albania.
12. "Group" is a group of commercial companies consisting of the parent company, its controlled companies, as well as all the entities over which the parent or controlled company exercises influence or where it has the participation.
13. "Payment institution" means a legal person licenced in accordance with the provisions of this law to provide and execute payment services in the Republic of Albania.
14. "Payment instrument" means any personalised device and or a set of procedures agreed between the payment service user and the payment service provider and used in order to initiate a payment order.
15. "Minimum initial capital" means the amount of money capital required for obtaining an authorisation to exercise the activity as a payment institution in the Republic of Albania as determined in a by-law by the Bank of Albania.
16. "Regulatory capital (own funds)" is the sum of capital calculated for supervisory purposes, where different capital and reserves categories and other elements are included, as defined in a by-law by Bank of Albania.
17. "Unique identification code" means a combination of letters, numbers or symbols specified to the payment service user by the payment service provider and to be provided by the payment service user to identify unambiguously another payment service user and/or the payment account of that other payment service user for a payment transaction.
18. "Consumer" means a natural person who, in payment service contracts covered by this law, is acting for purposes other than his or her business or profession.
19. "Framework contract" means a payment service contract which governs the future execution of individual and successive payment transactions and which may contain the obligation and conditions for setting up a payment account. The framework contract is compiled at least in Albanian language.
20. "Reference exchange rate" means the exchange rate which is used as the basis to calculate any currency exchange and which is made available by the payment service provider or comes from a publicly available source.
21. "Payment account" means an account held in the name of one or more payment service users which is used for the execution of payment transactions.
22. "Payment brand" means any material or numeric digital name, term, sign, symbol or combination of them, capable of denoting under which payment card scheme card-based payment transactions are carried out.
23. "Means of distance communication" means a method, which enables that without the physical presence of neither of the payment service provider nor of the payment service user, may be used to enter into a service payment contract.
24. "Microenterprise" means an enterprise, which at the time of conclusion of the payment service contract, fulfils the conditions/is defined in the applicable legislation on the small and medium-sized enterprises.
25. "Durable medium" means any instrument which enables the payment service user to store information addressed personally to that payment service user in a way accessible for

- future reference for a period of time adequate to the purposes of the information and which allows the unchanged reproduction of the information stored.
26. "Reference interest rate" means the interest rate which is used as the basis for calculating any interest to be applied and which comes from a publicly available source which can be verified by both parties to a payment service contract.
 27. "Account information service provider" means a payment service provider pursuing activities as referred to in paragraph 8 of annex 1 of this law.
 28. "Payment initiation service provider" means a payment service provider pursuing activities as referred to in paragraph 7 of annex 1 of this law.
 29. "Payment service provider" is one of the entities referred to article 3, paragraph 2, or a natural (merchant) or legal person who offers payment services and who benefits from an exemption pursuant to article 27 or 28 of this law.
 30. "Account servicing payment service provider" means a payment service provider providing and maintaining a payment account for a payer.
 31. "Payer" means a natural or legal person who holds a payment account and allows a payment order from that payment account, or, where there is no payment account, a natural or legal person who gives a payment order.
 32. "Payment service user" means a natural or legal person making use of a payment service in the capacity of payer, payee, or both.
 33. "Payee" means a natural or legal person who is the intended recipient of funds which have been the subject of a payment transaction.
 34. "Digital content" means goods or services which are produced and supplied in digital form, the use or consumption of which is restricted to a technical device and which do not include in any way the use or consumption of physical goods or services.
 35. "Acquiring of payment transactions" means a payment service provided by a payment service provider contracting with a payee to accept and process payment transactions, which results in a transfer of funds to the payee.
 36. "Electronic communication network" means the network as defined in the legislation in force on the electronic communications in the Republic of Albania.
 37. "Payment service" means any activity listed in annex 1 of this law.
 38. "Account information service" means an online service to provide consolidated information on one or more payment accounts held by the payment service user with one or with more than one payment service provider.
 39. "Payment initiation service" means an action to initiate a payment order at the request of the payment service user with respect to a payment account held at another payment service provider.
 40. "Electronic communications service" means a service as defined in the legislation in force on the electronic communications in the Republic of Albania.
 41. "Co-branding" means the inclusion of two or more payment brands or payment applications of the same payment brand on the same payment instrument.
 42. "Payment system" means a system of funds transfer under a formal or standardised agreement, containing common rules on the processing, clearing and/or settlement of payment transactions.
 43. "Charge" means any payment, obligation or commission that is paid by the client to the payment service provider for the services related to a payment account.
 44. "Sensitive payment data" means data, including personalised security credentials which can be used to carry out fraud. For the activities of payment initiation service providers and account information service providers, the name of the account owner and the account number do not constitute sensitive payment data.

45. "Personalised security credentials" means personalised features provided by the payment service provider to a payment service user for the purposes of authentication.
46. "Remote payment transaction" means a payment transaction initiated via internet or through a device that can be used for distance communication.
47. "Payment transaction" means a transaction initiated by the payer or for its account, or by the payee on the placement, transfer or withdrawal of funds, notwithstanding the other obligations between the payer and the payee.
48. "Credit transfer" means a payment service for crediting a payee's payment account with a payment transaction or a series of payment transactions from a payer's payment account by the payment service provider which holds the payer's payment account, based on an instruction given by the payer.
49. "Payment order" means any instruction by a payer or payee to its payment service provider requesting the execution of a payment transaction.

TITLE II

PAYMENT SERVICE PROVIDERS

CHAPTER 1

PAYMENT INSTITUTIONS

Section 1

General rules

Article 6

Competent authority

1. The Bank of Albania shall be the competent authority for granting the authorisation to exercise the activity of payment services and for the supervision of payment institutions, as stipulated in this law.
2. The right to start exercising the activity of payment services, as defined in annex 1 of this law, arises only after the Bank of Albania has given the authorization for payment institution or has registered the persons benefiting from any exemption pursuant to articles 27 and 28 of this law.
3. The Bank of Albania shall require information from any person, if it results from the circumstances of the fact, that the person performs the activity of payment services without an authorisation or registration, and shall request to the competent institutions to stop the activity and to take the relevant measures in accordance with the legislation in force. In the above case, the person is obliged to provide to the Bank of Albania all the required information.

Article 7

Application for authorisation

1. The application for authorization/licensing as a payment institution shall be made in writing by the founder or administrator of the company, or a person legally authorized by them, and submitted to the Bank of Albania, together with the following:
 - (a) a description of the activity sought to be carried out, in particular the type of payment services envisaged in annex 1 of this law;
 - (b) a business plan including a forecast budget calculation for the first 3 financial years of exercising the activity, which demonstrates that the applicant is able to employ the appropriate and proportionate systems, resources and procedures to operate soundly;
 - (c) evidence that the payment institution holds the minimum initial capital;
 - (ç) for the payment institutions which will carry out payment services defined in paragraphs 1 to 6 of annex 1 of this law, a description of the measures taken for safeguarding payment service users' funds in accordance with paragraph 1 of article 12 of this law;
 - (d) a description of the applicant's governance arrangements and internal control mechanisms, including administrative, risk management and accounting procedures, which demonstrates that those governance arrangements, control mechanisms and procedures are proportionate, appropriate, sound and adequate;
 - (dh) a description of the procedure in place to monitor, handle and follow up a security incident and security related customer complaints, including an incidents reporting mechanism which takes account of the notification obligations of the payment institution laid down in article 89 of this law;
 - (e) a description of the process in place to file, monitor, track and restrict access to sensitive payment data;
 - (ë) a description of business continuity arrangements including a clear identification of the critical operations, effective contingency plans and a procedure to regularly test and review the adequacy and efficiency of such plans;
 - (f) a description of the principles and definitions applied for the collection of statistical data on the progress of activities, transactions and fraud;
 - (g) a security policy document, including a detailed risk assessment in relation to its payment services, which it offers and a description of security control and mitigation measures taken to adequately protect payment service users against the risks identified, including fraud and illegal use of sensitive and personal data;
 - (gj) a description of the internal control mechanisms which the applicant has established in order to comply with the obligations under the applicable legislation on the prevention of money laundering and terrorist financing;
 - (h) a description of the applicant's structural organisation, including, where applicable, a description of the intended use of agents and branches and of the off-site and on-site checks that the applicant undertakes to perform on them at least annually, as well as a description of outsourcing arrangements, and a description of the payment institution's participation in a national or international payment system;
 - (i) the identity of shareholders/partners with qualifying holdings directly or indirectly, within the meaning of the legislation in force on Banks, the size of their holdings

- and evidence of their suitability taking into account the need to ensure the sound and prudent management of a payment institution;
- (j) the identity of the administrator of the payment institution as defined in the legislation in force and persons responsible for the management of the payment institution and, as well as evidence that they are of good repute and possess appropriate knowledge and experience to perform payment services as determined by this Law, and in the by-laws of the Bank of Albania;
 - (k) the identity of statutory auditors as defined in the legislation on statutory auditing;
 - (l) the applicant's legal status and articles of association,
 - (ll) the address of the head office;
2. The Bank of Albania shall require undertakings that apply for authorisation to provide payment services as referred to in paragraph 7 of annex 1, as a condition of their authorisation, to hold a professional indemnity insurance, or some other comparable guarantee, to ensure that they can cover their liabilities as specified in articles 66, 82, 83 and 85 of this law ;
 3. The Bank of Albania shall require undertakings that apply for registration to provide payment services as referred to in paragraph 8 of annex 1, as a condition of their registration, to hold a professional indemnity insurance, or some other comparable guarantee against their liability vis-à-vis the account servicing payment service provider or the payment service user resulting from non-authorized or fraudulent access to or non-authorized or fraudulent use of payment account information;
 4. The Bank of Albania shall, by a by-law, set out the criteria for the minimum monetary amount of indemnity insurance or other comparable guarantees referred to in paragraphs 2 and 3 of this article;
 5. The Bank of Albania shall issue by-laws concerning the information to be provided in the application for the authorization of payment institutions, including the detailed requirements laid down in letters òaö, òbö, òcö, òdö and òeö to ògö in paragraph 1 of this article.

Article 8

Control of shareholding or quotas

1. Any natural or legal person who has taken the decision to acquire or increase the direct or indirect qualifying holding in a payment institution, within the meaning of the legislation in force on banks, as a result of which the owned share of the capital or voting rights reach or exceed 20%, 30% or 50% or so that the payment institution would become its subsidiary, shall inform in advance in writing the Bank of Albania for this purpose. The same shall apply to any natural or legal person that has taken the decision to sell the direct or indirect qualifying holding or to reduce this holding so as the owned share of the capital or voting rights would fall below 20%, 30% or 50% or so that the payment institution would cease to be its subsidiary.
2. Any natural or legal person, within the meaning of paragraph 1 of this article shall submit to the Bank of Albania the targeted shareholding and the relevant documents and information as specified in by-laws by the Bank of Albania.
3. When the Bank of Albania shall judge that the influence exercised by the proposed acquirer, in accordance with paragraph 2 of this article, is likely to operate to the detriment of the sound and prudent management of the payment institution, it shall reject the change of the qualifying holding, within three months from the date of fulfilling the requirements provisioned in this article.

4. If a holding is acquired despite the opposition by the Bank of Albania in accordance with paragraph 3 of this article, this holding is absolutely null.

Article 9

Minimum initial capital

The Bank of Albania through a by-law shall determine the amount of minimum initial capital required for payment institutions and shall define the items comprising the capital.

Article 10

Capital

1. The capital of the payment institution, shall not at any time fall below the amount of minimum initial capital laid down in article 9 hereof or below the amount of regulatory capital calculated according to article 11 of this law, whichever amount is the higher.
2. The Bank of Albania shall take the necessary measures to prevent the multiple use of elements eligible as capital, when the payment institution belongs to the same group as another payment institution, bank, non-bank financial institution, investment fund, asset management company or insurance company. This paragraph shall also apply even when the payment institution has a hybrid/mixed character and carries out activities other than those of payment services.

Article 11

Regulatory capital

1. The Bank of Albania through a by law shall determine the mandatory regulatory capital to be maintained at all times by the payment institution, regardless of the minimum initial capital. The Bank of Albania shall determine the composition and methodology of calculating the regulatory capital, based on the volume of payments carried out or foreseen to be carried out by the payment institution, except payment institutions that offer services as referred to in paragraph 7 or 8, or both, of annex 1 of this law.
2. The Bank of Albania may, based on an evaluation of the risk-management processes, risk loss data base and internal control mechanisms of the payment institution, require the payment institution to hold a regulatory capital (own funds) amount up to 20% higher than the amount calculated according to the definition in the by-law of the Bank of Albania.

Article 12

Safeguarding requirements

1. The payment institution, which provides payment services referred to in paragraphs 1 to 6 of annex 1 of this law, shall safeguard all funds which have been received from the payment services users or through another payment services provider for the execution of payment transactions, in either of the following ways:
 - a) funds of the payment services users shall not be commingled at any time with the funds of the payment institution itself or of any natural or legal person other than payment service users on whose behalf the funds are held and, where they are still held by the payment institution and not yet delivered to the payee or transferred to another payment service provider by the end of the business day following the day when the funds have been received, they shall be deposited in a separate account in a bank or invested in secure, liquid low-risk assets as defined by a by-law issued by the Bank of Albania. The funds of the payment services users, in no case, may be blocked, be subject for claims of other creditors of the payment institution or be subject of mandatory execution. In case of insolvency of the payment institution, this account shall not be part of the insolvency measure, and in this case the funds shall be distributed to payment service users proportionately.
 - b) funds of the payment services users shall be covered by an insurance policy or some other comparable guarantee from an insurance company or a bank, which does not belong to the same group as the payment institution itself, for an amount equivalent to that which would have been segregated in the absence of the insurance policy or other comparable guarantee. The insurance policy or comparable guarantee is payable in the event that the payment institution is unable to meet its financial obligations to payment services users.
2. Where a payment institution is required to safeguard funds under paragraph 1 of this article and a portion of those funds is to be used for future payment transactions with the remaining amount to be used for non-payment services, that portion of the funds to be used for future payment transactions shall also be subject to the requirements of paragraph 1 of this article. Where that portion is variable or not known in advance, the Bank of Albania shall allow payment institutions to apply this paragraph on the basis of a representative portion assumed to be used for payment services provided such a representative portion can be reasonably estimated on the basis of historical data to the satisfaction of Bank of Albania.

Article 13

Granting of authorisation

1. The entities, which intend to provide payment services, should obtain an authorisation as a payments institution before commencing the provision of payment services. Here are excluded the entities referred to in letters òã, òb, òç and òd in paragraph 2 of article 3 of this law and natural or legal persons benefiting from an exemption pursuant to articles 27 or 28 of this law.
2. The Bank of Albania shall grant an authorisation to the applicant if the information and evidence accompanying the application complies with all of the requirements laid down in article 7 of this law.
3. The Bank of Albania shall have the right to carry out independent verifications to prove the authenticity of the information provided by the person/entity that seeks to be authorised in compliance with the provisions of this law. For this purpose, Bank of Albania shall collaborate with the relevant public authorities.

4. The Bank of Albania shall grant the authorisation only if the entity meets all the conditions set forth in this law and in the by-law issued for its implementation, for managing its payment services business, taking into account the need to ensure the sound and prudent management of a payment institution, which includes:
 - a) a clear organizational structure, with well-defined, transparent and consistent lines of responsibility;
 - b) effective procedures to identify, manage, monitor and report the risks to which it is or might be exposed; and
 - c) adequate internal control system, including sound administrative and accounting procedures.

These rules, procedures and systems shall be comprehensive and proportionate to the nature, scale and complexity of the payment services provided by the payment institution.

5. Where a payment institution provides any of the payment services referred to in paragraphs 1 to 7 of annex 1 and, at the same time, is engaged in other business activities, the Bank of Albania shall require the establishment of a separate entity for the payment services business, where the non-payment services activities of the payment institution that are not payment services impair or are likely to impair the financial stability of the payment institution or the ability of the Bank of Albania to monitor the payment institution's compliance with all the obligations laid down by this law. In this case a new application for authorisation shall be submitted.
6. The Bank of Albania shall refuse to grant an authorisation if, taking into account the need to ensure the sound and prudent management of a payment institution, it is not satisfied as to the suitability of the shareholders or partners that have qualifying holdings.
7. The Bank of Albania shall grant an authorisation only if the close links that exist between the payment institution and other natural and legal persons do not prevent the effective exercise of its supervisory functions.

Article 14

Communication of the decision

1. The Bank of Albania, within three months from the receipt of the application, shall grant or refuse authorisation and shall notify in writing the applicant for the decision. The date of receipt of the application shall be considered the date when the applicant has submitted all the information required for the decision.
2. The Bank of Albania shall provide the reasons where it refuses to grant authorisation in the relevant decision.

Article 15

Repealing of the authorisation

1. The Bank of Albania shall repeal the authorisation granted to a payment institution only if the institution:

- a) has not started its business within 12 months from the granting of the authorisation or has ceased to engage in business for more than 6 months, except in the cases when the interruption has been decided by the Bank of Albania;
 - b) renounces the authorization;
 - c) has obtained the authorisation through false statements or any other irregular means;
 - ç) no longer meets the conditions for granting the authorisation or does not notify the Bank of Albania about important changes in this respect or bankruptcy procedures has started;
 - d) poses a threat to the stability of and the trust in the payment system if it continues the payment services business; or
 - dh) it is concluded or there are reliable proofs that either the shareholders or the administrator of the payment institution are involved in illegal activities, have made fraud or have personally benefitted from illegal actions;
 - e) falls within any of the other cases when the Albanian legislation or the international one provide for removal/ lifting of the authorisation or halting the performance of the activity.
2. The Bank of Albania shall give reasons for any case of repaling of the authorisation and shall notify the interested parties accordingly.
 3. The Bank of Albania shall publish in its Official Bulletin the decision for the repealing of the authorisation, listing the changes in the register of the authorized entities in accordance with article 16 of this law.

Article 16

Public register

1. The Bank of Albania shall maintain a public register in which the following are entered:
 - a) authorised payment institutions and their agents;
 - b) natural and legal persons benefiting from an exemption as defined in articles 27 or 28 of this law, and their agents.
2. The public register shall specify the payment services for which the payment institution, falling under paragraph 1, letter ãö of this article is authorized or for which the natural or legal person falling under paragraph 1, letter öb of this article is registered. The authorized payment institutions shall be listed in the register separately from the natural and legal persons that benefit from the exemptions in accordance with articles 27 and 28 of this law. The register shall be publicly available for consultation, published on the Bank of Albania's website, and updated without delay.
3. The Bank of Albania shall enter in the public register any repealing of the authorisation and any change related to the exemption pursuant to articles 27 and 28 of this law.
4. The Bank of Albania shall determine by a by law the form and content of the public register.

Article 17

Obligation of notification

1. The payment institution shall notify in writing the Bank of Albania on new facts or circumstances ascertained after the granting of the authorisation, as well as the changes to the presented documentation, in accordance with the provisions laid down in article 7 of this law, on the basis of which the Bank of Albania has granted the authorization.
2. The notification in accordance with paragraph 1 of this article shall be carried out immediately, but in any case no later than 15 (fifteen) days after the occurrence or the discovery by the payment institution of the new facts and circumstances.

Article 18

Accounting and statutory audit

1. The payment institutions shall maintain accounts and prepare financial statements to reflect their financial condition precisely and in accordance with the accounting rules and principles, on individual or consolidated basis, in accordance with the legislation in force on the accounting and financial statements.
2. Each payment institution should have in place management, accounting procedures and sufficient internal control systems, on individual and consolidated basis, in compliance with the by-laws issued by the Bank of Albania.
3. Annual accounts and consolidated accounts of payment institutions shall be audited by the statutory auditor, pursuant to the legislation in force on accounting and financial statements and the legislation on statutory audit, organization of the professions of statutory auditor and certified accountant.
4. Payment institutions that carry out the activities pursuant to article 19, paragraph 1 of this law, for supervision purposes, shall keep separate accounting information on these activities, which must be part of statutory auditor's report.
5. Obligations set out in the legislation in force on banks shall be applied in the same manner for legal auditors of payment institutions, in respect of payment services activities.
6. The Bank of Albania shall define by a by-law the form, type, methodology, content of the financial statements and the reporting period of the payment institutions to the Bank of Albania.

Article 19

Other Activities

1. Apart from the provision of payment services, payment institutions shall be entitled to engage in the following activities:

- a) the provision of operational and closely related ancillary services such as ensuring the execution of payment transactions, foreign exchange services, and the storage and processing of data;
 - b) the operation of payment systems pursuant to article 20 of this law, and without prejudice its participation in other systems, in accordance with article 29 of this law;
 - c) business activities other than the provision of payment services, having regard to the legislation in force.
2. Where payment institutions engage in the provision of one or more payment services, they may hold only payment accounts which are used exclusively for payment transactions.
 3. Funds received by the payment institutions from the payment services users, with a view to the provision of payment services shall not constitute a deposit or other repayable funds or electronic money within the meaning of the legislation in force on banks.
 4. Payment institutions may grant credit relating to payment services, as referred to in paragraphs 4 or 5 of annex 1, only if all the following conditions are met:
 - a) the credit shall be ancillary and granted exclusively in relation with the execution of the payment transaction;
 - b) the credit granted in connection with a payment shall be repaid in a short period which shall in no case exceed 12 months.
 - c) such credit shall not be granted from funds received or held for the purpose of the execution of a payment transaction, but only from funds of payment service provider; and
 - ç) the overall amount of the credit granted by the payment institution shall not in any case infringe the regulatory capital (own funds) and the fulfilment of the supervisory requirements of the Bank of Albania.
 5. Payment institutions shall not be allowed to conduct the business of taking deposits or other repayable funds, in accordance with the provisions of the law on banks in force.
 6. Payment institution for the credit granted in accordance with paragraph 4 of this article shall comply with the requirements of the consumer protection legislation in force.
 7. Electronic money institutions, in addition to the issue of electronic money and the provision of payment services listed in annex 1 of this law, may conduct also one or some activities set forth in paragraph 1 of this article, for the purposes of electronic money issue or the provision of payment services. The electronic money institutions shall implement the requirements set out in paragraphs 2 to 6 of this article.

Article 20

Operation of payment systems

1. Banks and foreign banks branches, electronic money institutions and payment institutions have the right to operate payment systems.
2. The entities as set forth in paragraph 1 of this article, that operate payment systems accordingly to the principle of settlement finality, shall be authorised, regulated and supervised in accordance with the legislation in force on the payment systems.
3. The Bank of Albania, by a by-law, shall determine the conditions on the operation and supervision of payment systems, accordingly to the stipulation set forth in this law, which do not operate accordingly to the principle of settlement finality.

4. The Bank of Albania shall request the establishment of a separate entity for the operation of payment systems, if it deems that the other activities of the payment service provider that are different from the payment services, impair or are likely to impair either the financial stability of the payment service provider, or the ability of the Bank of Albania to monitor the compliance of the payment service provider with all of the obligations laid down by this law.

Section 2:

Other requirements

Article 21

Use of agents and the agreements with third parties (outsourcing)

1. Where a payment institution intends to provide payment services through the agent it shall communicate the following information to the Bank of Albania:
 - a) the name, the Unique Entity Identifier Number (UEIN) and address of the agent;
 - b) a description of the internal control mechanisms that will be used by the agent in order to comply with the obligations of the albanian legislation in force on antimoney laundering and antiterrorist financing, and every material changes to it;
 - c) the identity of directors and persons responsible for the management of the agent to be used in the provision of payment services and, for agents other than payment service providers, evidence that they are fit and proper persons, as provided in the by-laws issued by the Bank of Albania;
 - ç) the payment services of the payment institution for which the agent is mandated.
2. Within 2 months of receipt of the information referred to in paragraph 1 of this article, the Bank of Albania shall communicate to the payment institution whether the agent has been entered in the register provided for in article 16 of this law. Upon entry in the register, the agent may commence providing payment services.
3. Before listing the agent in the register, the Bank of Albania may take further action to verify the provided information.
4. If, after taking action to verify the information, the Bank of Albania is not satisfied that the information provided to it pursuant to paragraph 1 of this article is correct, it shall refuse to list the agent in the register provided for in article 16 of this Law and shall inform the payment institution without undue delay.
5. A bank, solely in capacity of a payment service provider may operate with agents, like the payment institutions, upon meeting all the requirements laid down in this article on agents.
6. Where a payment institution intends to transfer the operational functions of payment services to a third party/ies, it shall inform the Bank of Albania accordingly.
7. The Bank of Albania shall reject within 3 months the agreement with the third parties, on the transfer of the important operational functions, including the information technology systems, if it would materially impair the quality of the payment institution's internal control and the ability of the Bank of Albania to monitor the payment institution's compliance with all of the obligations laid down in this law and the by-laws issued for its implementation.
8. For the purposes of paragraph 7 of this article, an operational function shall be regarded as important if a defect or failure in its performance would materially impair the

continuing compliance of a payment institution with the requirements of its licencing requested pursuant to this title, its other obligations under this law, its financial performance, or the soundness or the continuity of its payment services.

9. A payment institution when it outsources important operational functions, shall meet the following conditions:
 - a) the outsourcing shall not result in the delegation of the activities for which the payment institution is licensed;
 - b) the outsourcing shall not result in the delegation by the administrator of his responsibilities;
 - c) the relationships and obligations of the payment institution to payment service users in accordance with this law shall not be altered ;
 - ç) the conditions with which the payment institution is to comply in order to be licensed/authorised and remain so in accordance with this law shall not be removed or modified.
10. Payment institutions shall ensure that agents acting on their behalf inform payment service users of this fact.
11. Payment institutions shall communicate to the Bank of Albania without undue delay any changes regarding the use of entities to which activities are outsourced and agents, in accordance with this article.

Article 22

Liability

1. The payment institutions, when engaging third parties for the performance of operational functions, shall take reasonable steps to ensure that the requirements of this law are complied with.
2. The payment institutions shall remain fully liable for any acts of their employees, or any agent, branch or entity to which activities are outsourced.
3. Banks shall remain fully responsible/liable on each operation conducted by agents, to which payment service activity is delegated.

Article 23

Record-keeping

Payment institutions shall keep all appropriate records for the purpose of this title for a period of 5 years.

Section 3

Supervision process

Article 24

Supervisory authority

The Bank of Albania is the authority that supervises the payment institutions, as laid down in the provisions of this law and the by-laws issued for its implementation.

Article 25

SUPERVISION

1. The Bank of Albania, for the purposes to guaranteeing continued compliance with the requirements laid down in this law, exercises its supervisory function in a proportionate, appropriate and responsive manner toward the risks to whom the payment institutions are exposed.
2. In order to check compliance with this law, the Bank of Albania shall, in particular, be entitled to take the following steps:
 - a) to require the payment institution to provide any information needed to monitor compliance specifying the purpose of the request, as appropriate, and the time limit by which the information is to be provided;
 - b) to carry out on-site inspections at the payment institution, at any agent or branch providing payment services under the responsibility of the payment institution, or at any entity to which activities are outsourced;
 - c) to issue recommendations, guidelines, to impose administrative sanctions, until the suspension of one or more activities.
 - ç) to repeal the licence pursuant to article 15 of this law.
3. The Bank of Albania, in case it concludes for the breaches of the requirements laid down in this law or in the by-laws issued for its implementation, shall request the payment institution or the persons who effectively control the activity of the payment institution, to interrupt the operations that breach the law and to repair the observed breaches.
4. The Bank of Albania, in case it assesses that the exercise of other activities, different from the payment service activity, impairs or are likely to impair the financial soundness of the payment institution, in compliance with paragraph 2 of this article, shall request the payment institution to ensure sufficient capital, in addition to the requirements set out in articles 9, 10 and 11 of this law.

Article 26

Professional secrecy

1. The persons who work or who have worked for the Bank of Albania, as well as experts acting on behalf of the Bank of Albania, are bound by the obligation of professional secrecy, without prejudice to cases covered by criminal law.
2. In the exchange of information, in case of inter-institutional cooperation, professional secrecy shall be strictly applied to ensure the protection of individual and business rights.
3. The Bank of Albania may exchange information with foreign supervisory authorities, foreign central banks and payment institutions, respecting the reciprocity principle, prior approval, provided that confidentiality is preserved and personal data protection is guaranteed.

Section 4

EXEMPTION

Article 27

Conditions

1. The Bank of Albania may exempt natural or legal persons providing payment services as referred to in paragraphs 1 to 6 of annex 1 of this law from the application of all or part of the procedure and conditions set out in sections 1, 2 and 3 of chapter 1 of title II of this law, with the exception of articles 16, 24, 26 and 97 of this law, where:
 - a) the monthly average of total value of payment transactions does not exceed the limit set out by the Bank of Albania by a by-law. Subject to this point are:
 - i. persons that conduct payment services based on the executed transactions, during the preceeding 12 months, including any agent for which it assumes full responsibility;
 - ii. entities submitting an application, this requirement shall be assessed on the projected total amount of payment transactions in its business plan, unless an adjustment to that plan is required by the Bank of Albania; and
 - b) none of the persons responsible for the management or operation of the business has been convicted of criminal offences.
2. The persons, referred to in paragraph 1 of this article, shall be considered as payment institutions.
3. The persons referred to in paragraph 1 of this article shall notify the Bank of Albania of any change in their situation which is relevant to the conditions specified in that paragraph. Where the conditions set out in paragraph 1 of this article are no longer met, the persons concerned shall submit to the Bank of Albania the application for authorisation within 30 calendar days, as provided in article 13 of this law.

Article 28

Account information service providers

1. Natural or legal persons providing only the payment service as referred to in paragraph 8 of annex 1 of this law, shall be exempt from the application of the procedure and conditions set out in sections 1 and 2 of this chapter, with the exemption of letters ðaö, ðbö, ðdö, ðdh, ðeö, ðëö, ðg,ö, ðhö, ðjö, ðlö, and ðllö of paragraph 1 and paragraph 3 of article 7, and article 16 of this law. Section 3 shall apply, with the exception of paragraph 4 of article 25, of this law.
2. The persons referred to in paragraph 1 of this article shall be treated as payment institutions, save that titles III and IV shall not apply to them, with the exception of articles 34, 38 and 45 of this law where applicable, and of articles 60, 62 and 88 to 91 of this law.

CHAPTER 2

COMMON PROVISIONS

Article 29

Participation to payment systems

1. Legal persons, which are providers of payment services being authorised or registered by the Bank of Albania, have the right to participate in payment systems.
The payment systems for the payment service providers, in accordance to this point, shall ensure that the rules on participation are objective, non-discriminatory and proportionate. These rules should not inhibit their participation in the system more than is necessary to safeguard against specific risks such as settlement risk, operational risk and business risk and to protect the financial and operational stability of the payment system.
Payment systems shall not impose on payment service providers, on payment service users or on other payment systems any of the following:
 - a) restrictive rule on effective participation in other payment systems
 - b) rule which discriminates between authorised payment service providers or between registered payment service providers in relation to the rights, obligations and entitlements of participants; or
 - c) restriction on the basis of institutional status.
2. Paragraph 1 shall not apply to:
 - a) payment systems as defined in the legislation in force on payments system and respect settlement finality;
 - b) payment systems composed exclusively of payment service providers belonging to a group.
3. For the purposes of letter ð of paragraph 1 of this article, whenever a participant in a designated system allows an authorised or registered payment service provider that is not a participant in the system to pass transfer orders through the system, that participant shall, when requested, give the same opportunity in an objective, proportionate and non-discriminatory manner to other authorised or registered payment service providers in line with paragraphs 1 and 2 of this article. The participant shall provide the requesting payment service provider with full reasons for any rejection.

Article 30

Access to the accounts maintained with a bank

1. Payment institutions and electronic money institutions shall have the right to access the payment accounts services in banks, on an objective, non-discriminatory and proportionate basis. Such access shall be sufficiently extensive as to allow payment institutions to provide payment services in an unhindered and efficient manner.
2. Banks shall provide the Bank of Albania with duly motivated reasons for any rejection, according to paragraph 1 of this article.

Article 31

Prohibition of persons other than payment service providers from providing payment services and duty of notification

1. Natural or legal persons that are neither payment service providers nor explicitly excluded according to article 4 of this law, are prohibited from providing payment services.
2. Service providers carrying out either of the activities referred to in sub-paragraphs 8i and 8ii, letter 8j of article 4 of this law, or carrying out both activities, for which the total value of payment transactions executed over the preceding 12 months exceeds the amount of ALL 50 million, send a notification to the Bank of Albania containing a description of the services offered, specifying under which exclusion referred to in sub-paragraphs 8i and 8ii, letter 8j of article 4 of this law, the activity is considered to be carried out. On the basis of that notification, the Bank of Albania shall take a duly motivated decision on the continuity or not of the exemption, and inform the service provider accordingly.
3. Service providers carrying out an activity referred to in letter 8h of article 4 of this law shall send a notification and provide to the Bank of Albania an annual audit opinion, testifying that the activity complies with the limits set out in letter 8h of article 4 of this law.
4. The Bank of Albania shall make publicly available in the register provided for in article 16 of this law, the person and description of the activity notified under paragraphs 2 and 3 of this article.

TITLE III

TRANSPARENCY OF CONDITIONS AND INFORMATION REQUIREMENTS FOR PAYMENT SERVICES

CHAPTER 1

GENERAL RULES

Article 32

Scope

1. This title applies to single payment transactions, framework contracts and payment transactions covered by them. The parties may agree that this chapter shall not apply in whole or in part when the payment service user is not a consumer.
2. For the purposes of this title the provisions laid down in it, may apply to microenterprises in the same way as to consumers.
3. The provisions laid down in this title, with the exemption of letter 8b of paragraph 1 of article 38; sub-paragraph 8v of letter 8b of article 45; and letter 8a of paragraph 1 of article 49 of this law, shall apply on national payments in foreign currency, as in the case when the payment is executed between two payment service providers, that of payer and payee, also when the payment service provider of both payer and payee is the same, for that part of the payment that is executed within the territory of the Republic of Albania.
4. The provisions laid down in this title, with the exemption of letter 8b of paragraph 1 of article 38; sub-paragraph 8v of letter 8b of article 45; sub-paragraph 8vii of letter 8d of article 45; and letter 8a of paragraph 1 of article 49, shall apply on cross-border payments, for that part of the payment that is executed within the territory of the Republic of Albania.

5. The provisions of this law shall not prejudice the implementation of the Albanian legislation in relation to the conditions of granting consumer credit, which are not regulated under this law.

Article 33

Charges for giving information

1. The payment service provider shall not charge the payment service user for providing information under this title.
2. The payment service provider and the payment service user may agree on charges for additional or more frequent information, or transmission by means of communication other than those specified in the framework contract, provided at the payment service user's request.
3. Where the payment service provider may impose charges for information in accordance with paragraph 2 of this article, these charges shall be reasonable and based on the payment service provider's actual costs.

Article 34

Burden of proof on information requirements

The payment service provider shall have the burden of proof that it has complied with the information requirements set out in this title.

Article 35

Derogation from information requirements for low-value payment instruments and electronic money

1. In cases of payment instruments which, according to the relevant framework contract do not exceed the limits laid down by the by-law issued by the Bank of Albania, which in any case do not exceed the amount of ALL 4,000 (four thousand) for an individual payment or that either have a spending limit of ALL 20,000 (twenty thousand) or store funds that do not exceed ALL 20,000 (twenty thousand) for low-value payments or for electronic money at any time:
 - a) by way of derogation from articles 44, 45 and 49 of this law, the payment service provider shall provide the payer only with information on the main characteristics of the payment services. This information shall include the way in which the payment instrument can be used, liability, charges and other material information needed for the payer's decisionmaking, as well as the easily accessible manner of any information and other conditions specified in article 45 of this law;
 - b) parties may agree that, by way of derogation from article 47 of this law, the payment service provider is not required to propose changes to the conditions of the framework contract in the same way as provided for in paragraph 1 of article 44 of this law;
 - c) parties may agree that, by way of derogation from articles 50 and 51, after the execution of a payment transaction:

- i. the payment service provider provides or makes available only a reference, enabling the payment service user to identify the payment transaction, the amount of the payment transaction, any charges and/or, in the case of several payment transactions of the same kind made to the same payee, information on the total amount and charges for those payment transactions;
 - ii. the payment service provider is not required to provide or make available information referred to in sub-paragraph öö of this letter, if the payment instrument is used anonymously or if the payment service provider is not otherwise technically in a position to provide it. However, the payment service provider shall provide the payer with a possibility to verify the amount of funds stored.
2. The Bank of Albania with a by-law may reduce or double the amounts referred to in paragraph 1 of this article. For prepaid payment instruments, the limit may be increased up to a certain amount, determined in a by-law issued by the Bank of Albania.

CHAPTER 2

SINGLE PAYMENT TRANSACTIONS

Article 36

Scope

1. This chapter applies to single payment transactions not covered by a framework contract.
2. Where a payment order for a single payment transaction is transmitted by a payment instrument covered by a framework contract, the payment service provider shall not be obliged to provide or make available information which is already given to the payment service user on the basis of a framework contract with another payment service provider or which will be given to him according to that framework contract.

Article 37

Prior general information

1. The payment service provider makes available to the payment service user, before signing the contract for a single payment service or offer, the information and conditions specified in article 38 of this law with regard to its own services, in an easily accessible manner. At the payment service user's request, the payment service provider shall provide the information and conditions on paper or on another durable medium. The information and conditions shall be given in easily understandable words and in a clear and comprehensible form, at least in Albanian language.
2. If the single payment service contract has been concluded at the request of the payment service user using a means of distance communication which does not enable the payment service provider to comply with paragraph 1 of this article, the payment service provider

shall fulfil its obligations under that paragraph, immediately after the execution of the payment transaction.

3. The obligations under paragraph 1 of this article may also be discharged by supplying a copy of the draft single payment service contract or the draft payment order including the information and conditions specified in article 38 of this law.

Article 38

Information and conditions

1. The payment service provider shall provide or make available the following information and conditions to the payment service user:
 - a) a specification of the information or unique identifier to be provided by the payment service user, in order for a payment order to be properly initiated or executed;
 - b) the maximum execution time for the payment service to be provided;
 - c) all charges payable by the payment service user to the payment service provider and, where applicable, a breakdown of those charges;
 - ç) where applicable, the actual or reference exchange rate to be applied to the payment transaction.
2. The payment initiation service providers shall, prior to initiation of a payment, provide the payer with, or make available to the payer, the following clear and comprehensive information:
 - a) the name of the payment initiation service provider, the address of its head office and, where applicable, the address of its agent or branch where the payment service is offered, and any other contact details, including electronic mail address, relevant for communication with the payment initiation service providers; and
 - b) the contact details of the Bank of Albania.
3. Where applicable, any other relevant information and conditions specified in article 45 shall be made available to the payment service user in an easily accessible manner.

Article 39

Information for the payer and payee after the initiation of a payment order

In addition to the information and conditions specified in article 38 of this law, where a payment order is initiated through a payment initiation service provider, this provider, immediately after initiating the payment order, shall provide or make available all of the following data to the payer and, where applicable, to the payee:

- a) confirmation of the successful initiation of the payment order from the payer's account servicing payment service provider;
- b) the reference, enabling the payer and the payee to identify the payment transaction and, where appropriate, the payee to identify the payer, and any information transferred with the payment transaction;
- c) the amount of the payment transaction;

- ç) where applicable, the amount of any charges payable to the payment initiation service provider for the transaction, and where applicable a breakdown of the amounts of such charges.

Article 40

Information for payer's account servicing payment service provider in the event of a payment initiation service

Where a payment order is initiated through a payment initiation service provider, it shall make available to the payer's account servicing payment service provider the reference of the payment transaction.

Article 41

Information for the payer after the receipt of a payment order

Immediately after the receipt of the payment order, the payer's payment service provider shall provide the payer with or make available to the payer, in the same way as provided for in paragraph 1 of article 37 of this law, all of the following data with regard to its own services:

- a) the reference, enabling the payer to identify the payment transaction and, where appropriate, information relating to the payee;
- b) the amount of the payment transaction in the currency used in the payment order;
- c) the amount of any charges payable by the payer for the payment transaction and, where applicable, a breakdown of the amounts of such charges;
- ç) where applicable, the exchange rate used in the payment transaction by the payer's payment service provider or a reference thereto, when different from the rate provided in accordance with letter ö of paragraph 1 of article 38, and the amount of the payment transaction after that currency conversion;
- d) the date of receipt of the payment order.

Article 42

Information for the payee after execution of the payment

Immediately after the execution of the payment transaction, the payee's payment service provider shall provide the payee with, or make available to the payee, in the same way as provided for in paragraph 1 of article 37 of this law, all of the following data with regard to its own services:

- a) the reference, enabling the payee to identify the payment transaction and, where appropriate, the payer and any information transferred with the payment transaction;
- b) the amount of the payment transaction in the currency in which the funds are at the payee's disposal;
- c) the amount of any charges payable by the payee for the payment transaction and, where applicable, a breakdown of the amounts of such charges;

- c) where applicable, the exchange rate used in the payment transaction by the payee's payment service provider, and the amount of the payment transaction before that currency conversion;
- d) the credit value date.

CHAPTER 3

FRAMEWORK CONTRACTS

Article 43

Scope

1. This chapter applies to payment transactions covered by a framework contract.
2. The Bank of Albania by a by-law, may set out simplified information requirements, for specific categories of payment service providers taking into account the services provided, the relevant amounts and the risks for the payment service users.

Article 44

Prior general information

1. The payment service provider, before the payment service user signs the framework contract or offer, provides the payment service user on paper or on another durable medium with the information and conditions specified in article 45. The information and conditions shall be given in easily understandable words and in a clear form, at least in Albanian language.
2. If the framework contract has been concluded at the request of the payment service user using a means of distance communication which does not enable the payment service provider to comply with paragraph 1 of this article, the payment service provider shall fulfil its obligations under that paragraph, immediately after the conclusion of the framework contract.
3. The payment service provider may fulfil the obligations under paragraph 1 of this article, also by providing the payment service user a copy of the draft framework contract, which includes the information and conditions specified in article 45 of this law.

Article 45

Information and conditions

The payment service provider shall provide the following information and conditions to the payment service user:

- a) on the payment service provider:
 - i. the name of the payment service provider, the address of its head office and, where applicable, the address of its agent or branch where the payment service is offered, and any other address, including electronic mail address, relevant for communication with the payment service provider;
 - ii. identification data for the registration in the Bank of Albania's register, in accordance with article 16 of this law;

- b) on use of the payment services:
 - i. a description of the main characteristics of the payment service to be provided;
 - ii. a specification of the information or unique identifier code that has to be provided by the payment service user in order for a payment order to be properly initiated or executed;
 - iii. the form of and procedure for giving consent to initiate a payment order or execute a payment transaction and withdrawal of such consent in accordance with articles 57 and 73 of this law;
 - iv. a reference to the time of receipt of a payment order in accordance with article 71 of this law and the cut-off time, if any, established by the payment service provider;
 - v. the maximum execution time for the payment services provided;
 - vi. whether there is a possibility to agree on spending limits for the use of the payment instrument, in accordance with paragraph 1 of article 61 of this law;
 - vii. the payment service user's rights, in case of a card-based or co-badged payment instrument;
- c) on charges, interest and exchange rates:
 - i. all charges payable by the payment service user to the payment service provider, including those connected to the manner in and frequency with which information provisioned under this law is provided or made available and, where applicable, the breakdown of the amounts of such charges;
 - ii. where applicable, the interest and exchange rates to be applied or, if reference interest and exchange rates are to be used, the method of calculating the actual interest, and the relevant date and index or base for determining such reference interest or exchange rate;
 - iii. if agreed, the immediate application of changes in reference interest or exchange rate and information requirements related to the changes in accordance with paragraph 2 of article 47 of this law;
- ç) on communication:
 - i. where applicable, the means of communication, including the technical requirements for the payment service user's equipment and software, agreed between the parties for the transmission of information or notifications under this law;
 - ii. the manner in, and frequency with which, information under this law is to be provided or made available;
 - iii. the language or languages in which the framework contract will be concluded and communication during this contractual relationship will be undertaken;
 - iv. the payment service user's right to receive the contractual terms of the framework contract and information and conditions in accordance with article 46 of this law;
- d) on safeguards and corrective measures:
 - i. where applicable, a description of the steps that the payment service user is to take in order to keep safe a payment instrument and how to notify the payment service provider, for the purposes of letter ðbö of paragraph 1 of article 62 of this law;
 - ii. the secure procedure for notification of the payment service user by the payment service provider, in the event of suspected or actual fraud or security threats;
 - iii. if agreed, the conditions under which the payment service provider reserves the right to block a payment instrument in accordance with article 61 of this law;
 - iv. the liability of the payer, in accordance with article 67 of this law, including information on the relevant amount;

- v. how and within what period of time the payment service user should notify the payment service provider of any unauthorised or incorrectly initiated or executed payment transaction, in accordance with article 64 of this law as well as the payment service provider's liability for unauthorised payment transactions, in accordance with article 66 of this law;
- vi. the liability of the payment service provider for the initiation or execution of payment transactions, in accordance with article 82 of this law;
- vii. the conditions for refund, in accordance with articles 69 and 70 of this law;
- dh) on changes to, and termination of, the framework contract:
 - i. if agreed, information that the payment service user will be deemed to have accepted changes in the conditions in accordance with article 47 of this law, unless the payment service user notifies the payment service provider before the date of their proposed date of entry into force that they are not accepted;
 - ii. the duration of the framework contract;
 - iii. the right of the payment service user to terminate the framework contract and any agreements relating to termination, in accordance with paragraph 1 of article 47 and article 48 of this law;
- e) on redress:
 - i. applicable legislation and the competent court;
 - ii. the applicable procedures for alternative dispute resolutions, in accordance with articles 92 and 93 of this law.

Article 46

Accessibility of information and conditions of the framework contract

At any time during the contractual relationship, the payment service user shall have a right to receive on paper or on another durable medium, on request, the contractual terms of the framework contract as well as the information and conditions specified in article 45 of this law.

Article 47

Changes in conditions of the framework contract

1. Any changes in the framework contract or in the information and conditions specified in article 45 of this law shall be proposed by the payment service provider in the same way as provided for in paragraph 1 of article 44 of this law and no later than 2 months before their proposed date of application. The payment service user can either accept or reject the changes before the date of their proposed date of entry into force.
2. Where applicable, in accordance with subparagraph ðiö of letter ðdhö of article 45 of this law, the payment service provider shall inform the payment service user that it is to be deemed that the latter to have accepted those changes, if the user does not notify the payment service provider before the proposed date of their entry into force that the changes are not accepted. The payment service provider shall also inform the payment service user that, in the event that the payment service user rejects those changes, the payment service user has the right to terminate the framework contract, free of charge and with effect at any time until the proposed date when the changes would have been applied.

3. Changes in the interest rates or exchange rates may be applied immediately and without notice, provided that such a right is agreed upon in the framework contract and that the changes in the interest rates or exchange rates are based on the reference interest rates or exchange rates agreed on, in accordance with subparagraphs 1 and 2 of article 45 of this law. The payment service user shall be informed of any change in the interest rate at the earliest opportunity, in the same way as provided for in paragraph 1 of article 44 of this law, unless the parties have agreed on a specific frequency or manner in which the information is to be provided or made available. Changes in interest rates or exchange rates which are more favourable to the payment service users, may be applied without notice.
4. Changes in the interest rate or exchange rate used in payment transactions shall be implemented and calculated in a neutral and not discriminative manner against payment service users.

Article 48

Termination

1. The payment service user may terminate the framework contract at any time, unless the parties have agreed on a period of notice. In any case, such a period shall not exceed 1 month.
2. Termination of the framework contract shall be free of charge for the payment service user except where the contract has been in force for less than 6 months. Charges, if any, for termination of the framework contract shall be reasonable and in line with costs.
3. If agreed in the framework contract, the payment service provider may terminate a framework contract concluded for an indefinite period by giving at least 2 months notice in the same way as provided for in paragraph 1 of article 44 of this law.
4. Charges for payment services levied on a regular basis shall be payable by the payment service user only proportionally up to the termination of the contract. If such charges are paid in advance, they shall be reimbursed proportionally.

Article 49

Information before execution of individual payment transactions

1. In the case of an individual payment transaction under a framework contract initiated by the payer, a payment service provider shall, at the payer's request for this specific payment transaction, provide explicit information on:
 - a) the maximum execution time;
 - b) the charges payable by the payer;
 - c) where applicable, a breakdown of the amounts of any charges.
2. The Bank of Albania may impose additional information to be provided by the payment service provider under this article.

Article 50

Information for the payer on individual payment transactions

1. The payer's payment service provider, after the amount of an individual payment transaction is debited from the payer's account or, where the payer does not use a payment account, after receipt of the payment order, shall provide the payer, without undue delay and in the same way as laid down in paragraph 1 of article 44 of this law, the following information:
 - a) the reference, enabling the payer to identify each payment transaction and, where appropriate, information relating to the payee;
 - b) the amount of the payment transaction in the currency in which the payer's payment account is debited or in the currency used in the payment order;
 - c) the amount of any charges for the payment transaction and, where applicable, a breakdown of the amounts of such charges, or the interest payable by the payer;
 - ç) where applicable, the exchange rate used in the payment transaction by the payer's payment service provider, and the amount of the payment transaction after that currency conversion;
 - d) the debit value date or the date of receipt of the payment order.
2. The framework contract shall include a condition that upon the payer's request, the information referred to in paragraph 1 of this article to be provided or made available periodically, at least once a month, free of charge and in an agreed manner which allows the payer to store and reproduce information unchanged.
3. The payment service provider shall provide the payer with the information referred to in paragraph 1 of this article, on paper or on another durable medium at least once a month, free of charge.

Article 51

Information for the payee on individual payment transactions

1. After the execution of an individual payment transaction, the payee's payment service provider shall provide the payee without undue delay in the same way as laid down in paragraph 1 of article 44 of this law, with the following information:
 - a) the reference, enabling the payee to identify the payment transaction and the payer, and any information transferred with the payment transaction;
 - b) the amount of the payment transaction in the currency in which the payee's payment account is credited;
 - c) the amount of any charges for the payment transaction and, where applicable, a breakdown of the amount of such charges, or the interest payable by the payee;
 - ç) where applicable, the exchange rate used in the payment transaction by the payee's payment service provider, and the amount of the payment transaction before the currency conversion;
 - d) the credit value date.
2. The framework contract shall include a condition that upon the payee's request, the information referred to in paragraph 1 of this article, to be provided or made available periodically, at least once a month, free of charge and in an agreed manner which allows the payee to store and reproduce information unchanged.
3. The payment service provider shall provide the payee the information referred to in paragraph 1 of this article, on paper or on another durable medium at least once a month, free of charge.

CHAPTER 4

COMMON PROVISIONS

Article 52

Currency and currency conversion

1. Payments shall be made in the national currency or in the currency agreed between the parties.
2. Where a currency conversion service is offered prior to the initiation of the payment transaction and where that currency conversion service is offered at an ATM, at the point of sale or by the payee, the party offering the currency conversion service to the payer shall disclose to the payer all charges as well as the exchange rate.
3. On that basis, the payer shall agree to the currency conversion service, according to paragraph 2 of this article.

Article 53

Information on additional charges or reductions

1. Where the payee requests a charge or offers a reduction for the use of a given payment instrument, the payee shall inform the payer thereof prior to the initiation of the payment transaction.
2. Where the payment service provider or another third party involved in the transaction requests a charge for the use of a given payment instrument, it shall inform the payment service user thereof prior to the initiation of the payment transaction.
3. The payer shall only be obliged to pay for the charges referred to in paragraphs 1 and 2 of this article, if their full amount was made known prior to the initiation of the payment transaction.

TITLE IV

RIGHTS AND OBLIGATIONS IN RELATION TO THE PROVISION AND USE OF PAYMENT SERVICES

CHAPTER 1

COMMON PROVISIONS

Article 54

Scope

1. Where the payment service user is not a consumer, the payment service user and the payment service provider may agree that paragraph 1 of article 55, paragraph 5 of article 57, and articles 65, 67, 69, 70, 73 and 82 do not apply in whole or in part. The payment

service user and the payment service provider may also agree on time limits that are different from those laid down in article 64 of this law.

2. Procedures of the alternative solution of disputes laid down in Article 92 and 93 of this law shall apply only to consumers and microenterprises.
3. The provisions in this law shall not prejudice the implementation of the Albanian legislation, regarding the terms and conditions to grant consumer loans, which are not regulated by this law.
4. Title IV, with the exception of articles 74 to 78 and 80 of this law, shall apply to national payments in foreign currency, both if the payment is executed between two payment service providers, that of the payer and the payee, also when the payment service provider of both payer and payee is the same, for that part of the payment that is executed within the territory of the Republic of Albania.
5. Title IV, with the exception of article 55, paragraphs 2 and 4, articles 69, 70, 74, 76 paragraph 1 and articles 82 and 85 of this law, shall apply also to cross-border payments, regarding the part of the transaction of the payment that is executed within the territory of the Republic of Albania.

Article 55

Charges applicable

1. The payment service provider shall not charge the payment service user for fulfilment of its information obligations or corrective and preventive measures under this Title, unless otherwise specified in paragraphs 1, 2 and 3 of article 72, paragraph 5 of article 73 and paragraph 2 of article 81 of this law. Those charges shall be agreed between the payment service user and the payment service provider and shall be appropriate and in line with the payment service provider's actual costs.
2. For payment transactions provided within Republic of Albania, where both the payer's and the payee's payment service providers are, or the sole payment service provider in the payment transaction is, located therein, the payee pays the charges levied by his payment service provider, and the payer pays the charges levied by his payment service provider.
3. The payment service provider shall not prevent the payee from requesting from the payer a charge, offering him a reduction or otherwise steering him towards the use of a given payment instrument. Any charges applied under this paragraph shall not exceed the direct costs borne by the payee for the use of the specific payment instrument.
4. The Bank of Albania may, for a specific payment instrument, prohibit or limit the right of the payee to request charges taking into account the need to encourage competition and promote the use of said payment instrument.

Article 56

Derogation for low value payment instruments and electronic money

1. In the case of payment instruments which, according to the framework contract do not exceed the limits set out in the by-laws of Bank of Albania, solely concern individual payment transactions not exceeding ALL 4000 (four thousand) or which either have a spending limit of ALL 20,000 (twenty thousand), or store funds which do not exceed ALL 20,000 (twenty thousand) for low value payment or electronic money at any time, payment service providers may agree with their payment service users that:

- a) letter ðbð of paragraph 1 of article 62, letters ðcð and ðçð of paragraph 1 of Article 63, and paragraphs 5 and 6 of article 67 of this law do not apply if the payment instrument does not allow its blocking or prevention of its further use;
 - b) Articles 65, 66 and article 67 paragraphs 1, 2, 3, 5 and 6 of this law, do not apply if the payment instrument is used anonymously or the payment service provider is not in a position for other reasons which are intrinsic to the payment instrument to prove that a payment transaction was authorised;
 - c) by way of derogation from article 72 paragraphs 1 and 2 of this law, the payment service provider is not required to notify the payment service user of the refusal of a payment order, if the non-execution is apparent from the context;
 - ç) by way of derogation from article 73, the payer may not revoke the payment order after transmitting the payment order or giving consent to execute the payment transaction to the payee;
 - d) by way of derogation from articles 76 and 77, other execution periods apply.
2. For national payment transactions, the Bank of Albania may reduce or double the amounts referred to in paragraph 1 of this article and may increase them for prepaid payment instruments up to a limit as set out by a by-law issued by the Bank of Albania.
 3. Article 66 and 67 of this law shall apply also to electronic money, as defined in the stipulation laid down in the applicable legislation on banks, except where the payer's payment service provider does not have the ability to freeze the payment account on which the electronic money is stored or block the payment instrument.
 4. The Bank of Albania may limit the derogation referred to in paragraph 3 of this article to payment accounts on which the electronic money is stored or to payment instruments of a certain value.

CHAPTER 2

AUTHORISATION OF PAYMENT TRANSACTIONS

Article 57

Consent and withdrawal of consent

1. A payment transaction is considered to be authorised only if the payer has given consent to execute the payment transaction.
2. A payment transaction may be authorised by the payer prior to or, if agreed between the payer and the payment service provider, after the execution of the payment transaction.
3. Consent to execute a payment transaction or a series of payment transactions shall be given in the form agreed between the payer and the payment service provider. Consent to execute a payment transaction may also be given via the payee or the payment initiation service provider.
4. In the absence of consent, a payment transaction is considered to be unauthorised.
5. Consent may be withdrawn by the payer at any time, but no later than at the moment of irrevocability in accordance with article 73 of this law. Consent to execute a series of payment transactions may also be withdrawn, in which case any future payment transaction is considered to be unauthorised.

6. The procedure for giving consent shall be agreed between the payer and the relevant payment service provider.

Article 58

Confirmation on the availability of funds

1. An account servicing payment service provider shall, upon the request of a payment service provider issuing card-based payment instruments, immediately confirm whether an amount necessary for the execution of a card-based payment transaction is available on the payment account of the payer, provided that all of the following conditions are met:
 - a) the payment account of the payer is accessible online at the time of the request;
 - b) the payer has given explicit consent to the account servicing payment service provider to respond to requests from a specific payment service provider to confirm that the amount corresponding to a certain card-based payment transaction is available on the payer's payment account;
 - c) the consent referred to in the previous subparagraph has been given before the first request for confirmation is made.
2. The payment service provider may request the confirmation referred to in paragraph 1 where all of the following conditions are met:
 - a) the payer has given explicit consent to the payment service provider to request the
 - b) the payer has initiated the card-based payment transaction for the amount in question using a card based payment instrument issued by the payment service provider;
 - c) the payment service provider authenticates itself towards the account servicing payment service provider before each confirmation request, and securely communicates with the account servicing payment service provider in accordance with letter ðçö of paragraph 1 of article 91 of this law.
3. The confirmation referred to in paragraph 1 of this article, shall consist only in a simple -Yes or -No answer and not in a statement of the account balance. That answer shall not be stored or used for purposes other than for the execution of the card-based payment transaction.
4. The confirmation referred to in paragraph 1 of this article, shall not allow for the account servicing payment service provider to block funds on the payer's payment account.
5. The payer may request the account servicing payment service provider to communicate to the payer the identification of the payment service provider and the answer provided.
6. This article does not apply to payment transactions initiated through card-based payment instruments on which electronic money is stored, defined in the applicable legislation on banks.

Article 59

Rules on access to payment account in the case of payment initiation services

1. Except where the payment account is not accessible online, a payer has the right to make use of a payment initiation service provider to obtain payment services as referred to in paragraph ð7ö of annex 1 of this law.
2. When the payer gives its explicit consent for a payment to be executed in accordance with article 57 of this law, the account servicing payment service provider shall perform the actions specified in paragraph 4 of this article in order to ensure the payer's right to use the payment initiation service.

3. The payment initiation service provider shall:
 - a) not hold at any time the payer's funds in connection with the provision of the payment initiation service;
 - b) ensure that the personalised security credentials of the payment service user are not, with the exception of the user and the issuer of the personalised security credentials, accessible to other parties and that they are transmitted by the payment initiation service provider through safe and efficient channels;
 - c) ensure that any other information about the payment service user, obtained when providing payment initiation services, is only provided to the payee and only with the payment service user's explicit consent;
 - ç) every time a payment is initiated, identify itself towards the account servicing payment service provider of the payer and communicate with the account servicing payment service provider, the payer and the payee in a secure way, in accordance with letter ö of paragraph 1 of article 91 of this law;
 - d) not store sensitive payment data of the payment service user;
 - dh) not request from the payment service user any data other than those necessary to provide the payment initiation service;
 - e) not use, access or store any data for purposes other than for the provision of the payment initiation service as explicitly requested by the payer;
 - ë) not modify the amount, the payee or any other feature of the transaction.
4. The account servicing payment service provider shall:
 - a) communicate securely with payment initiation service providers in accordance with letter ö of paragraph 1 of article 91 of this law;
 - b) immediately after receipt of the payment order from a payment initiation service provider, provide or make available all information on the initiation of the payment transaction and all information accessible to the account servicing payment service provider regarding the execution of the payment transaction to the payment initiation service provider;
 - c) treat payment orders transmitted through the services of a payment initiation service provider without any discrimination other than for objective reasons, in particular in terms of timing, priority or charges vis-à-vis payment orders transmitted directly by the payer.
5. The provision of payment initiation services is not dependent on the existence of a contractual relationship between the payment initiation service providers and the account servicing payment service providers for that purpose.

Article 60

Rules on access to and use of payment account information in the case of account information services

1. Except where the payment account is not accessible online, a payment service user has the right to make use of services enabling access to account information as referred to in paragraph 8 of annex 1 of this law.
2. The account information service provider shall:
 - a) provide services only where based on the payment service user's explicit consent;
 - b) ensure that the personalised security credentials of the payment service user are not, with the exception of the user and the issuer of the personalised security credentials, accessible to other parties and that when they are transmitted by the account information service provider, this is done through safe and efficient channels;
 - c) for each communication session, identify itself towards the account servicing payment service provider of the payment service user and securely communicate with

- the account servicing payment service provider and the payment service user, in accordance with letter ðçö of paragraph 1 of article 91 of this law;
- c) access only the information from designated payment accounts and associated payment transactions;
 - d) not request sensitive payment data linked to the payment accounts;
 - dh) not use, access or store any data for purposes other than for performing the account information service explicitly requested by the payment service user, in accordance with data protection rules.
3. In relation to payment accounts, the account servicing payment service provider shall:
 - a) communicate securely with the account information service providers in accordance with letter ðçö of paragraph 1 of article 91 of this law; and
 - b) treat data requests transmitted through the services of an account information service provider without any discrimination for other than objective reasons.
 4. The provision of account information services is not dependent on the existence of a contractual relationship between the account information service providers and the account servicing payment service providers for that purpose.

Article 61

Limits of the use of the payment instrument and of the access to payment accounts by payment service providers

1. Where a specific payment instrument is used for the purposes of giving consent, the payer and the payer's payment service provider may agree on spending limits for payment transactions executed through that payment instrument.
2. If agreed in the framework contract, the payment service provider may reserve the right to block the payment instrument for objectively justified reasons relating to the security of the payment instrument, the suspicion of unauthorised or fraudulent use of the payment instrument or, in the case of a payment instrument with a credit line, a significantly increased risk that the payer may be unable to fulfil its liability to pay.
3. In the cases referred to in paragraph 2 of this article the payment service provider shall inform the payer of the blocking of the payment instrument and the reasons for it in an agreed manner, where possible, before the payment instrument is blocked and at the latest immediately thereafter, unless providing such information would compromise objectively justified security reasons or is prohibited by law.
4. The payment service provider shall unblock the payment instrument or replace it with a new payment instrument once the reasons for blocking no longer exist.
5. An account servicing payment service provider may deny an account information service provider or a payment initiation service provider access to a payment account for objectively justified and duly evidenced reasons relating to unauthorised or fraudulent access to the payment account by that account information service provider or that payment initiation service provider, including the unauthorised or fraudulent initiation of a payment transaction.
6. In the situations referred to in the paragraph 5 of this article, the account servicing payment service provider shall inform the payer that access to the payment account is denied and the reasons therefore in the form agreed. That information shall, where possible, be given to the payer before access is denied and at the latest immediately thereafter, unless providing such information would compromise objectively justified security reasons or is prohibited by law.

7. The account servicing payment service provider shall allow access to the payment account once the reasons for denying access pursuant to paragraph 5 of this article no longer exist.
8. In the cases referred to in paragraph 5 of this article, the account servicing payment service provider shall immediately report the incident relating to the account information service provider or the payment initiation service provider to the Bank of Albania. The information shall include all the relevant details of the case and the reasons for taking action.
9. Upon receipt of the information referred to in paragraph 8 of this article, the Bank of Albania shall assess the case and shall, if necessary, take appropriate measures.

Article 62

Obligations of the payment service user in relation to payment instruments and personalised security credentials

1. The payment service user entitled to use a payment instrument shall:
 - a) use the payment instrument in accordance with the terms governing the issue and use of the payment instrument, which must be objective, non-discriminatory and proportionate;
 - b) notify the payment service provider, or the entity specified by the latter, without undue delay on becoming aware of the loss, theft, misappropriation or unauthorised use of the payment instrument.
2. For the purposes of letter ð of paragraph 1 of this article, the payment service user shall, in particular, as soon as in receipt of a payment instrument, take all reasonable steps to keep its personalised security credentials safe.

Article 63

Obligations of the payment service provider in relation to payment instruments

1. The payment service provider issuing a payment instrument shall:
 - a) make sure that the personalised security credentials are not accessible to parties other than the payment service user that is entitled to use the payment instrument, without prejudice to the obligations on the payment service user set out in article 62 of this law;
 - b) refrain from sending an unsolicited payment instrument, except where a payment instrument already given to the payment service user is to be replaced;
 - c) ensure that appropriate means are available at all times to enable the payment service user to make a notification pursuant to letter ð of paragraph 1 of Article 62 of this law, or to request unblocking of the payment instrument pursuant to paragraph 4 of article 61 of this law. On request, the payment service provider shall provide the payment service user with the means to prove, for 18 months after notification, that the payment service user made such a notification;

- ç) provide the payment service user with an option to make a notification pursuant to letter ðbö of paragraph 1 of article 62 of this law free of charge and to charge, if at all, only replacement costs directly attributed to the payment instrument;
 - d) prevent all use of the payment instrument once the notification referred to in letter ðçö of of this paragraph is made.
2. The payment service provider shall bear the risk of sending a payment instrument or any personalised security credentials relating to it to the payment service user.

Article 64

Notification and rectification of unauthorised or incorrectly executed payment transactions

1. The payment service user shall obtain rectification of an unauthorised or incorrectly executed payment transaction from the payment service provider only if the payment service user notifies the payment service provider without undue delay on becoming aware of any such transaction giving rise to a claim, including that under article 82 of this law, and no later than the deadline set out in article 1022 of the Civil Code. This deadline starts to be calculated after the debit date.
2. The time limits for notification laid down in paragraph 1 of this article, do not apply where the payment service provider has failed to provide or make available the information on the payment transaction in accordance with Title III of this law.
3. Where a payment initiation service provider is involved, the payment service user shall obtain rectification from the account servicing payment service provider pursuant to paragraph 1 of this article, without prejudice to article 66 paragraphs 3 and 4 and article 82 paragraph 1 of this law.

Article 65

Evidence on authentication and execution of payment transactions

1. Where a payment service user denies having authorised an executed payment transaction or claims that the payment transaction was not correctly executed, it is for the payment service provider to prove that the payment transaction was authenticated, accurately recorded, entered in the accounts and not affected by a technical breakdown or some other deficiency of the service provided by the payment service provider.
2. If the payment transaction is initiated through a payment initiation service provider, the burden shall be on the payment initiation service provider to prove that within its sphere of competence, the payment transaction was authenticated, accurately recorded and not affected by a technical breakdown or other deficiency linked to the payment service of which it is in charge.
3. Where a payment service user denies having authorised an executed payment transaction, the use of a payment instrument recorded by the payment service provider, including the payment initiation service provider as appropriate, shall in itself not necessarily be sufficient to prove either that the payment transaction was authorised by the payer or that the payer acted fraudulently or failed with intent or gross negligence to fulfil one or more of the obligations under article 62 of this law.
4. In the cases referred to in paragraph 3 of this article, the payment service provider, including, where appropriate, the payment initiation service provider, shall provide

supporting evidence to prove fraud or gross negligence on part of the payment service user.

Article 66

Payment service provider's liability for unauthorised payment transactions

1. Without prejudice to article 64 of this law, in the case of an unauthorised payment transaction, the payer's payment service provider refunds the payer the amount of the unauthorised payment transaction immediately, and in any event no later than by the end of the following business day, after noting or being notified of the transaction, except where the payer's payment service provider has reasonable grounds for suspecting fraud and communicates those grounds to the Bank of Albania in writing.
2. In the cases referred to in the previous paragraph, where applicable, the payer's payment service provider shall restore the debited payment account to the state in which it would have been had the unauthorised payment transaction not taken place, and also ensures that the credit value date for the payer's payment account shall be no later than the date the amount had been debited.
3. Where the payment transaction is initiated through a payment initiation service provider, the account servicing payment service provider shall refund immediately, and in any event no later than by the end of the following business day the amount of the unauthorised payment transaction and, where applicable, restore the debited payment account to the state in which it would have been had the unauthorised payment transaction not taken place.
4. If the payment initiation service provider is liable for the unauthorised payment transaction, it shall immediately compensate the account servicing payment service provider at its request for the losses incurred or sums paid as a result of the refund to the payer, including the amount of the unauthorised payment transaction. In accordance with paragraph 1 of article 65 of this law, the burden shall be on the payment initiation service provider to prove that, within its sphere of competence, the payment transaction was authenticated, accurately recorded and not affected by a technical breakdown or other deficiency linked to the payment service of which it is in charge.
5. Further financial compensation may be determined other than those defined in this article, in accordance with the law applicable to the contract concluded between the payer and the payment service provider or the contract concluded between the payer and the payment initiation service provider if applicable.

Article 67

Payer's liability for unauthorised payment transactions

1. By way of derogation from article 66, the payer may be obliged to bear the losses relating to any unauthorised payment transactions, up to a maximum of ALL 5000 (five thousand), resulting from the use of a lost or stolen payment instrument or from the misappropriation of a payment instrument.
2. The first paragraph of this article shall not apply if:
 - a) the loss, theft or misappropriation of a payment instrument was not detectable to the payer prior to a payment, except where the payer has acted fraudulently; or

- b) the loss was caused by acts or lack of action of an employee, agent or branch of a payment service provider or of an entity to which its activities were outsourced.
3. The payer shall bear all of the losses relating to any unauthorised payment transactions if they were incurred by the payer acting fraudulently or failing to fulfil one or more of the obligations set out in article 62 of this law with intent or gross negligence. In such cases, the maximum amount referred to in the paragraph 1 of this article shall not apply.
4. Where the payer's payment service provider does not require strong customer authentication, the payer shall not bear any financial losses unless the payer has acted fraudulently. Where the payee or the payment service provider of the payee fails to accept strong customer authentication, it shall refund the financial damage caused to the payer's payment service provider.
5. The payer shall not bear any financial consequences resulting from use of the lost, stolen or misappropriated payment instrument after notification in accordance with letter ðbö of paragraph 1 of article 62 of this law, except in cases where the payer has acted fraudulently or with gross negligence.
6. If the payment service provider does not provide appropriate means for the notification at all times of a lost, stolen or misappropriated payment instrument, as required under letter æö of paragraph 1 of article 63 of this law, the payer shall not be liable for the financial consequences resulting from use of that payment instrument, except where the payer has acted fraudulently.

Article 68

Payment transactions where the transaction amount is not known in advance

1. Where a payment transaction is initiated by or through the payee in the context of a card-based payment transaction and the exact amount is not known at the moment when the payer gives consent to execute the payment transaction, the payer's payment service provider may block funds on the payer's payment account only if the payer has given consent to the amount of the funds to be blocked.
2. The payer's payment service provider shall release the funds blocked on the payer's payment account under paragraph 1 of this article, without undue delay, after receipt of the information about the exact amount of the payment transaction and at the latest immediately after receipt of the payment order.

Article 69

Refunds for payment transactions initiated by or through a payee

1. A payer is entitled to a refund from the payment service provider of an authorised payment transaction which was initiated by or through a payee and which has already been executed, if both of the following conditions are met:
 - (a) the authorisation did not specify the exact amount of the payment transaction when the authorisation was made;
 - (b) the amount of the payment transaction exceeded the amount the payer could reasonably have expected taking into account the previous spending pattern, the conditions in the framework contract and relevant circumstances of the case.

2. At the payment service provider's request, the payer shall bear the burden of proving that the conditions referred to in paragraph 1 of this article are met.
3. The refund referred to in paragraph 1 of this article shall consist of the full amount of the executed payment transaction. The credit value date for the payer's payment account shall be no later than the date the amount was debited.
4. Without prejudice to paragraph 6 of this article, and in addition to the refund right referred to in paragraph 1 of this article, in case of direct debits, the payer has an unconditional right to a refund within the time limits laid down in article 70 of this law.
5. Notwithstanding paragraph 4 of this article, for the purposes of letter òö of paragraph 1 of this article, the payer shall not rely on currency exchange reasons if the reference exchange rate agreed with its payment service provider in accordance with letter ôç of paragraph 1 of article 38, and subparagraph öii of letter ôç of article 45 of this law was applied.
6. It may be agreed in a framework contract between the payer and the payment service provider that the payer has no right to a refund where:
 - a) the payer has given consent to execute the payment transaction directly to the payment service provider; and
 - b) where applicable, information on the future payment transaction was provided or made available in an agreed manner to the payer for at least 4 weeks before the due date by the payment service provider or by the payee.
7. For direct debits in currencies other than the Albanian national currency òLekö, the Bank of Albania may establish refund rights, further to those provided for in this article, provided that they are more advantageous to the payer.

Article 70

Requests for refunds for payment transactions initiated by or through a payee

1. The payer can request the refund referred to in article 69 of this law, of an authorised payment transaction initiated by or through a payee for a period of 8 weeks from the date on which the funds were debited.
2. Within 10 business days of receiving a request for a refund, the payment service provider shall either refund the full amount of the payment transaction or provide a justification for refusing the refund and indicate the bodies to which the payer may refer the matter in accordance with articles 92 to 93 of this law if the payer does not accept the reasons provided.
3. The payment service provider's right under paragraph 2 of this article to refuse the refund shall not apply in the case of direct debits.

CHAPTER 3

EXECUTION OF PAYMENT TRANSACTIONS

Section 1

Payment orders and amounts transferred

Article 71

Receipt of payment orders

1. The time of receipt of a payment order is when the payer's payment service provider receives the payment order.
2. The payer's account shall not be debited before receipt of the payment order. If the time of receipt is not on a business day for the payer's payment service provider, the payment order shall be deemed to have been received on the following business day. The payment service provider may establish a cut-off time near the end of a business day beyond which any payment order received shall be deemed to have been received on the following business day.
3. If the payment service user initiating a payment order and the payment service provider agree that execution of the payment order shall start on a specific day or at the end of a certain period or on the day on which the payer has put funds at the payment service provider's disposal, the time of receipt for the purposes of article 76 of this law, is deemed to be the agreed day. If the agreed day is not a business day for the payment service provider, the payment order received shall be deemed to have been received on the following business day.

Article 72

Refusal of payment orders

1. Where the payment service provider refuses to execute a payment order or to initiate a payment transaction, the refusal and, if possible, the reasons for it and the procedure for correcting any factual mistakes that led to the refusal shall be notified to the payment service user, unless prohibited by law or regulation.
2. The payment service provider shall provide or make available the notification in an agreed manner at the earliest opportunity, and in any case, within the periods specified in article 76 of this law.
3. The framework contract may include a condition that the payment service provider may charge a reasonable fee for the refusal provided in paragraph 1 of this article, if the refusal is objectively justified.
4. Where all of the conditions set out in the payer's framework contract are met, the payer's account servicing payment service provider shall not refuse to execute an authorised payment order irrespective of whether the payment order is initiated by a payer, including through a payment initiation service provider, or by or through a payee, unless prohibited by law or regulation.
5. For the purposes of articles 76 and 82 of this law, a payment order for which execution has been refused shall be deemed not to have been received.

Article 73

Irrevocability of a payment order

1. The payment service user shall not revoke a payment order once it has been received by the payer's payment service provider, unless otherwise specified in this article.
2. Where the payment transaction is initiated by a payment initiation service provider or by or through the payee, the payer shall not revoke the payment order after giving consent to the payment initiation service provider to initiate the payment transaction or after giving consent to execute the payment transaction to the payee.
3. Notwithstanding paragraph 2 of this article, in the case of a direct debit and without prejudice to refund rights, the payer may revoke the payment order at the latest by the end of the business day proceeding the day agreed for debiting the funds.

4. In the case referred to in article 71 paragraph 2 of this law the payment service user may revoke a payment order at the latest by the end of the business day preceding the agreed day.
5. After the time limits laid down in paragraphs 1 to 4 of this article, the payment order may be revoked only if agreed between the payment service user and the relevant payment service providers. In the case referred to in paragraphs 2 and 3 of this article, the payee's agreement shall also be required. If agreed in the framework contract, the relevant payment service provider may charge for revocation.

Article 74

Amounts transferred and amounts received

1. The payment service provider of the payer, the payment service provider of the payee and any intermediaries of the payment service providers shall transfer the full amount of the payment transaction and refrain from deducting charges from the amount transferred.
2. Without prejudice to paragraph 1 of this article, the payee and the payment service provider may agree that the relevant payment service provider deduct its charges from the amount transferred before crediting it to the payee. In such a case, the full amount of the payment transaction and charges shall be separated in the information given to the payee.
3. If any charges other than those referred to in paragraph 2 of this article are deducted from the amount transferred, the payment service provider of the payer shall ensure that the payee receives the full amount of the payment transaction initiated by the payer. Where the payment transaction is initiated by or through the payee, the payment service provider of the payee shall ensure that the payee receives the full amount of the payment transaction.

Section 2

Execution time and value date

Article 75

Scope of application

1. This Section applies to:
 - (a) national payment transactions in the national currency ÷ Lekö ;
 - (b) national payment transactions in euro.
2. This Section applies to payment transactions not referred to in the paragraph 1 of this article, unless otherwise agreed between the payment service user and the payment service provider. In any case the provision of article 79 of this law, shall apply.
3. If the payment service user and the payment service provider agree on a longer period than that set in article 76 of this law, for cross-border transactions between Albania and the European Union, that longer period shall not exceed 4 business days following the time of receipt as referred to in article 71 of this law.

Article 76

Payment transactions to a payment account

1. The payer's payment service provider shall ensure that after the time of receipt of payment order as referred to in article 71 of this law, the amount of the payment transaction will be credited to the payee's payment service provider's account no later than by the end of the following business day. That time limit may be extended by another business day for paper-initiated payment transactions.
2. The payment service provider of the payee shall value date and make available the amount of the payment transaction to the payee's payment account after the payment service provider has received the funds in accordance with article 79 of this law.
3. The payee's payment service provider shall transmit a payment order initiated by or through the payee to the payer's payment service provider within the time limits agreed between the parties, enabling settlement, as far as direct debit is concerned, on the agreed due date.

Article 77

Absence of payee's payment account with the payment service provider

Where the payee does not have a payment account with the payment service provider, the funds shall be made available to the payee by the payment service provider who receives the funds for the payee within the time limit laid down in article 76 of this law.

Article 78

Cash placed on a payment account

Where a consumer or microenterprise places cash on a payment account with that payment service provider in the currency of that payment account, the payment service provider shall ensure that the amount is made available and value dated immediately after receipt of the funds. Where the payment service user is not a consumer or microenterprise, the amount shall be made available and value dated at the latest on the following business day after receipt of the funds.

Article 79

Value date and availability of funds

1. The credit value date for the payee's payment account shall be no later than the business day on which the amount of the payment transaction is credited to the payee's payment service provider's account.
2. The payment service provider of the payee shall ensure that the amount of the payment transaction is at the payee's disposal immediately after that amount is credited to the payee's payment service provider's account where, on the part of the payee's payment service provider, there is no currency conversion.
3. The obligation laid down in paragraph 2 of this article shall also apply to payments within one payment service provider.
4. The debit value date for the payer's payment account is no earlier than the time at which the amount of the payment transaction is debited to that payment account.

Article 80

National payment transactions

For national payment transactions, the Bank of Albania by by-laws, may provide for shorter maximum execution times than those provided for in this Section.

Section 3

Liability

Article 81

Incorrect unique identification code

1. If a payment order is executed in accordance with the unique identifier code, the payment order shall be deemed to have been executed correctly with regard to the payee specified by the unique identifier code.
2. If the unique identifier code provided by the payment service user is incorrect, the payment service provider shall not be liable under article 82 of this law, for non-execution or defective execution of the payment transaction.
3. Notwithstanding paragraph 2 of this article, the payer's payment service provider shall make reasonable efforts to recover the funds involved in the payment transaction. The payee's payment service provider shall cooperate in those efforts also by communicating to the payer's payment service provider all relevant information for the collection of funds.
4. In the event that the collection of funds under paragraph 3 of this article is not possible, the payer's payment service provider shall provide to the payer, upon written request, all information available to the payer's payment service provider and relevant to the payer in order for the payer to file a legal claim to recover the funds.
5. If agreed in the framework contract, the payment service provider may charge the payment service user for recovery of the funds.
6. If the payment service user provides information in addition to that specified in letter ðaö of paragraph 1 of article 38 or sub-paragraph ðiiö of letter ðbö of article 45, the payment service provider shall be liable only for the execution of payment transactions in accordance with the unique identifier code provided by the payment service user.

Article 82

Payment service providers' liability for non-execution, defective or late execution of payment transactions

1. Where a payment order is initiated directly by the payer:
 - a) the payer's payment service provider shall, without prejudice to article 64, article 81 paragraphs 2, 3 and 4, and article 86 of this law, be liable to the payer for correct execution of the payment transaction, unless it can prove to the payer and, where relevant, to the payee's payment service provider that the payee's payment service provider received the amount of the payment transaction in accordance with article 76 paragraph 1 of this law. In that case, the payee's payment service provider shall be liable to the payee for the correct execution of the payment transaction;
 - b) where the payer's payment service provider is liable under letter ðaö of paragraph 1 of this article, it shall, without undue delay, refund to the payer the amount of the non-

- executed or defective payment transaction, and, where applicable, restore the debited payment account to the state in which it would have been had the defective payment transaction not taken place;
- c) the credit value date for the payer's payment account shall be no later than the date on which the amount was debited;
 - ç) where the payee's payment service provider is liable under letter ð of paragraph 1 of this article, it shall immediately place the amount of the payment transaction at the payee's disposal and, where applicable, credit the corresponding amount to the payee's payment account;
 - d) the credit value date for the payee's payment account shall be no later than the date on which the amount would have been value dated, had the transaction been correctly executed in accordance with article 79 of this law;
 - dh) where a payment transaction is executed late, the payee's payment service provider shall ensure, upon the request of the payer's payment service provider acting on behalf of the payer, that the credit value date for the payee's payment account is no later than the date the amount would have been value dated had the transaction been correctly executed;
 - e) in the case of a non-executed or defectively executed payment transaction, the payer's payment service provider shall, regardless of liability under this paragraph, on request and free of charge, make immediate efforts to trace the payment transaction and notify the payer of the outcome.
2. Where a payment order is initiated by or through the payee:
- a) the payee's payment service provider shall, without prejudice to article 64, article 81 paragraphs 2, 3 and 4, and article 86 of this law, be liable to the payee for correct transmission of the payment order to the payment service provider of the payer in accordance with article 76 paragraph 3 of this law. Where the payee's payment service provider is liable under this letter ð, it shall immediately re-transmit the payment order in question to the payment service provider of the payer;
 - b) in the case of a late transmission of the payment order, the amount shall be value dated on the payee's payment account no later than the date the amount would have been value dated had the transaction been correctly executed;
 - c) in addition, the payment service provider of the payee shall, without prejudice to article 64, article 81 paragraphs 2, 3 and 4, and article 86 of this law, be liable to the payee for handling the payment transaction in accordance with its obligations under article 79 of this law;
 - ç) where the payee's payment service provider is liable under letter ð of paragraph 2, it shall ensure that the amount of the payment transaction is at the payee's disposal immediately after that amount is credited to the payee's payment service provider's account. The amount shall be value dated on the payee's payment account no later than the date the amount would have been value dated had the transaction been correctly executed;
 - d) in the case of a non-executed or defectively executed payment transaction for which the payee's payment service provider is not liable under letters ð and ð of paragraph 2 of this article, the payer's payment service provider shall be liable to the payer. Where the payer's payment service provider is liable he shall, as appropriate and without undue delay, refund to the payer the amount of the non-executed or defective payment transaction and restore the debited payment account to the state in which it would have been had the defective payment transaction not taken place. The credit value date for the payer's payment account shall be no later than the date the amount was debited;

- dh) the obligation under letter ðö of paragraph 2 of this article shall not apply to the payer's payment service provider where the payer's payment service provider proves that the payee's payment service provider has received the amount of the payment transaction, even if execution of payment transaction is merely delayed. If so, the payee's payment service provider shall value date the amount on the payee's payment account no later than the date the amount would have been value dated had it been executed correctly;
 - e) in the case of a non-executed or defectively executed payment transaction where the payment order is initiated by or through the payee, the payee's payment service provider shall, regardless of liability under this paragraph, on request of the payee and free of charge, make immediate efforts to trace the payment transaction and notify the payee of the outcome.
3. In addition, payment service providers shall be liable to their respective payment service users for any charges for which they are responsible, and for any interest to which the payment service user is subject as a consequence of non-execution or defective, including late, execution of the payment transaction.

Article 83

Liability in the case of payment initiation services for non-execution, defective or late execution of payment transactions

1. Where a payment order is initiated by the payer through a payment initiation service provider, the account servicing payment service provider shall, without prejudice to article 64 and article 81 paragraphs 2, 3 and 4 of this law, refund to the payer the amount of the non- executed or defective payment transaction and, where applicable, restore the debited payment account to the state in which it would have been had the defective payment transaction not taken place.
2. The burden shall be on the payment initiation service provider to prove that the payment order was received by the payer's account servicing payment service provider in accordance with article 71, of this law, and that within its sphere of competence the payment transaction was authenticated, accurately recorded and not affected by a technical breakdown or other deficiency linked to the non-execution, defective or late execution of the transaction.
3. If the payment initiation service provider is liable for the non-execution, defective or late execution of the payment transaction, it shall immediately compensate the account servicing payment service provider at its request for the losses incurred or sums paid as a result of the refund to the payer.

Article 84

Additional financial compensation

This Section is without prejudice to any additional financial compensation determined in accordance with the law applicable to the contracts concluded between the payment service user and the payment service provider.

Article 85
Right of compensation

1. Where the liability of a payment service provider under articles 66 and 82 of this law, is attributable to another payment service provider or to an intermediary, that payment service provider or intermediary shall compensate the first payment service provider for any losses incurred or sums paid under articles 66 and 82 of this law. That shall include compensation where any of the payment service providers fail to use strong customer authentication.
2. Further financial compensation may be determined in accordance with agreements between payment service providers and/or intermediaries and the law applicable to the agreement concluded between them.

Article 86
Extraordinary and unforeseeable circumstances

No liability shall arise under Chapters 2 or 3 of this title in cases of extraordinary and unforeseeable circumstances beyond the control of the party pleading for the application of those circumstances, the consequences of which would have been unavoidable despite all efforts to the contrary, or where a payment service provider is bound by other legal obligations covered by law or regulation.

CHAPTER 4
DATA PROTECTION

Article 87
Personal data protection and processing

1. The payment systems and payment service providers process personal data when and in the extent necessary to ensure the prevention, investigation and detection of payment fraud. The processing of personal data for the purposes of this law shall be carried out in accordance with the applicable legal and regulatory provisions for the protection of the personal data.
2. Payment service providers access, process and retain personal data necessary for the provision of their payment services, with the explicit consent of the payment service user.

CHAPTER 5
OPERATIONAL AND SECURITY RISKS AND AUTHENTICATION

Article 88
Management of operational and security risks

1. The payment service providers establish a framework with appropriate mitigation measures and control mechanisms to manage the operational and security risks, relating to the payment services they provide. As part of that framework, payment service

- providers shall establish and maintain effective incident management procedures, including for the detection and classification of major operational and security incidents.
2. The payment service providers shall provide to the Bank of Albania on an annual basis, or at shorter intervals as determined by the Bank of Albania, an updated and comprehensive assessment of the operational and security risks relating to the payment services they provide and on the adequacy of the mitigation measures and control mechanisms implemented in response to those risks.
 3. Bank of Albania, shall issue by-laws for the implementation of the requirements of this article, based on the international best practices and regulatory technical standards of the field.

Article 89

Incident reporting

1. In the case of a major operational or security incident, payment service providers shall, without undue delay, notify the Bank of Albania.
2. Where the incident has or may have an impact on the financial interests of its payment service users, the payment service provider shall, without undue delay, inform its payment service users of the incident and of all measures that they can take to mitigate the adverse effects of the incident.
3. Upon receipt of the notification referred to in paragraph 1, Bank of Albania shall, where appropriate, take all of the necessary measures to protect the immediate safety of the financial system.
4. The payment service providers shall provide statistical data on fraud, related to the different means of payment and report these data to the Bank of Albania, at least on an annual basis.

Article 90

Authentication

1. Payment service providers, in the manner determined by Bank of Albania, shall apply strong customer authentication where the payer:
 - a) accesses its payment account online;
 - b) initiates an electronic payment transaction;
 - c) carries out any action through a remote channel which may imply a risk of payment fraud or other abuses.
2. With regard to the initiation of electronic payment transactions as referred to in letter òbò of paragraph 1 of this article, for electronic remote payment transactions, the payment service providers shall apply strong customer authentication that includes elements which dynamically link the transaction to a specific amount and a specific payee.
3. With regard to paragraph 1, the payment service providers shall have in place adequate security measures to protect the confidentiality and integrity of payment service users' personalised security credentials.
4. Paragraphs 2 and 3 shall also apply where payments are initiated through a payment initiation service provider. Paragraphs 1 and 3 shall also apply when the information is requested through an account information service provider.
5. The account servicing payment service provider shall allow the payment initiation service provider and the account information service provider to rely on the authentication

procedures provided by the account servicing payment service provider to the payment service user in accordance with paragraphs 1 and 3 and, where the payment initiation service provider is involved, in accordance with paragraphs 1, 2 and 3 of this article.

Article 91

Regulatory technical standards on authentication and communication

1. The Bank of Albania shall set forth in a by-law, the technical requirements for the payment service providers as set out in paragraph 29 of article 5 of this law specifying:
 - a) the requirements of the strong customer authentication referred to paragraphs 1 and 2 of article 90 of this law;
 - b) the exemptions from the application of paragraphs 1, 2 and 3 of article 90 of this law, based on the criteria established in paragraph 3 of this article;
 - c) the requirements with which security measures have to comply, in accordance with paragraph 3 of article 90 of this law in order to protect the confidentiality and the integrity of the payment service users' personalised security credentials; and
 - ç) the requirements for common and secure open standards of communication for the purpose of identification, authentication, notification, and information, as well as for the implementation of security measures, between account servicing payment service providers, payment initiation service providers, payers, payees and other payment service providers.
2. The regulatory technical standards referred to in paragraph 1 shall be developed by Bank of Albania in order to:
 - a) ensure an appropriate level of security for payment service users and payment service providers, through the adoption of effective and risk-based requirements;
 - b) ensure the safety of payment service users' funds and personal data;
 - c) secure and maintain fair competition among all payment service providers;
 - ç) ensure technology and business-model neutrality;
 - d) allow for the development of user-friendly, accessible and innovative means of payment.
3. The exemptions referred to in letter ò of paragraph 1 of this article shall be based on the following criteria:
 - (a) the level of risk involved in the service provided;
 - (b) the amount, the recurrence of the transaction, or both;
 - (c) the payment channel used for the execution of the transaction.

CHAPTER 6

COMPLAINT AND ALTERNATIVE DISPUTE RESOLUTION PROCEDURES FOR THE SETTLEMENT OF DISPUTES

Article 92

Unit responsible for Alternative Dispute Resolution (ADR)

1. The Bank of Albania, without prejudice to the right of parties to bring proceedings before a court or commence the mediation procedures in accordance with the applicable legislation on consumer's protection, shall establish a separate entity, ADR, which shall

examine and settle the disputes arising between consumers or microenterprises and payment service providers with regard to alleged infringements of this law by payment service providers.

2. The Bank of Albania shall approve by a by-law the rules on the functioning and organisation of ADR unit, in accordance with the stipulations laid down in the applicable legislation on consumer's protection.
3. The Bank of Albania shall approve by a by-law the procedures for the alternative settlement of disputes by the ADR entity in accordance with the stipulations set forth in the applicable legislation on consumer's protection. The ADR procedures for the settlement of disputes between the parties laid down in paragraph 1 of this article, concerning the rights and obligations arising under Titles III and IV of this law shall be adequate, independent, impartial, transparent and effective.
4. ADR procedures under paragraph 3 of this article shall be applicable to payment service providers and they also cover the activity of the persons managing the business.
5. The Bank of Albania shall publish the ADR procedures for the settlement of disputes in the Official Bulletin and on the website of the Bank of Albania.

Article 93

Obligations of payment service providers for the resolution of disputes

1. Consumers or microenterprises, prior to the submission of the claim to the ADR entity, shall address to the payment service provider with regard to the alleged infringements of this Law.
2. The payment service providers, as entities being supervised and regulated by the Bank of Albania, shall ensure to establish and implement adequate and effective procedure for the settlement of disputes concerning the rights and obligations arising under Titles III and IV of this law.
3. The procedures referred to in paragraph 2 of this article shall be available at least in Albanian language, and in another language if expressly agreed between the parties.
4. The payment service provider shall reply, on paper or, if agreed between the parties, on another durable medium, to complaints.
5. The payment service provider's reply referred to in paragraph 4 of this article shall address all points raised, within an adequate timeframe and at the latest within 15 business days of receipt of the complaint. In exceptional situations, if the answer cannot be given within 15 business days for reasons beyond the control of the payment service provider, it shall be required to send a holding reply, clearly indicating the reasons for a delay in answering to the complaint and specifying the deadline by which the payment service user will receive the final reply. In any event, the deadline for receiving the final reply shall not exceed 35 business days.
6. The payment service provider shall inform the payment service user about the right to refer the dispute to the ADR entity the rights and obligations arising under Titles III and IV of this law.
7. The information referred to in paragraph 6 of this article, shall be mentioned in a clear, comprehensive and easily accessible way on the website of the payment service provider, where one exists, at the branch, and in the framework contract between the payment service provider and the payment service user. The payment service provider shall specify how further information on alternative dispute resolution procedures can be accessed.

TITLE V
ADMINISTRATIVE OFFENSES, SANCTIONS AND COMPLAINTS

CHAPTER I
ADMINISTRATIVE OFFENSES AND SANCTIONS

Article 94

Administrative offenses and sanctions

1. Any infringement to the provisions of this law shall be considered as administrative offense and Bank of Albania has the power to impose penalties to the payment service provider or to them that control and manage its activity.
2. The Bank of Albania shall apply a penalty from ALL 50,000 to ALL 250,000 on the payment institution and payment service provider, which is excepted under article 27 or 28 of this law, if committing the following infringements:
 - a) provides payment services not included in the licence or which are not registered in accordance with articles 6 and 16 of this law;
 - b) fails to meet the minimum capital requirements, as laid down in this law and the by-laws issued for its implementation;
 - c) does not protect the funds of payment service users, in violation of article 12 of this law;
 - c) has failed to establish adequate and comprehensive rules, procedures and systems for the management and internal audit, as set forth in paragraph 4 of article 13 of this law;
 - d) does not notify the Bank of Albania on new facts or circumstances ascertained after the granting of the authorisation, as laid down in article 17 of this law;
 - dh) does not maintain accounts and does not prepare financial statements to reflect their financial condition precisely and in accordance with the accounting rules and principles as laid down in article 18 of this law;
 - e) in case the payment institution carries out other activities different from those of payment services, does not keep separate accounting information as set forth in paragraph 4 of article 18 of this law;
 - ë) does not report according to the form, type, methodology, content and reporting periods determined in the by-laws issued by the Bank of Albania, as set forth in article 18 of this law;
 - f) grants credit relating to payment services, in violation of the requirements laid down in paragraph 4 of article 19 of this law;
 - g) provides payment services through an agent, without informing the Bank of Albania, as laid down in paragraph 1 of article 21 of this law;
 - gj) does not inform the Bank of Albania on the transfer the operational functions of payment services to a third party/ies, as laid down in paragraph 6 of article 21 of this law.
3. Bank of Albania shall impose a penalty from ALL 50,000 to ALL 250,000 to the payment service provider, if committing the following infringements:
 - a) charges the payment service user on providing information in violation of article 33 of this law;

- b) does not provide to the payment service user the information on the characteristics of payment services, small value payment instruments carried out accordingly to the framework contract, laid down in article 35 of this law;
 - c) does not provide to the payment service user the general information about the individual transactions of the payment, set forth in articles 37 to 42 of this law, or does not provide information in the manner determined in these articles;
 - ç) does not provide to the payment service user the general information about the individual transactions of payments carried out accordingly to the framework contract, set forth in articles 44 to 47 of this law, or does not provide information accordingly to the manner stipulated in this Articles;
 - d) charges the payment service user in case of framework contract termination, in violation of article 48 of this law;
 - dh) does not provide to the payer the information about the individual transactions of payment laid down in article 50 of this law, or does not provide to the payee the information about the individual transaction, set forth in article 51 of this law;
 - e) does not provide to the payer the information on the charges and the exchange rate, set out in article 52 of this law;
 - ë) does not inform the payment service user about the charges applicable on the use of a payment instrument prior to the initiation of the payment transaction, in violation of article 53, paragraph 2 of this law;
 - f) does not execute the payment transaction after receiving the payment order, in violation of article 71 of this law;
 - g) does not notify the payment service user for the refusal of the execution of the payment order, accordingly to the stipulations laid down in article 72, paragraphs 1 and 2 of this law;
 - gj) does not allow the payment service user to revoke the payment order, accordingly to article 73 of this law;
 - h) does not transfer the full amount of the payment transaction, as laid down in paragraph 1 of article 74 of this law, or in the event the parties have agreed on deducting charges from the transferred amount, does not inform the payee on the full amount of the payment transaction and the deducted charges, as set forth in paragraph 2 of article 74 of this law;
 - i) does not execute the payment transaction within the time limits set forth in article 76 of this law;
 - j) does not transmit a payment order initiated by or through the payee to the payer's payment service provider within the time limits agreed between the parties on the established day, as set forth in paragraph 3 of article 76 of this law;
 - k) does not make the funds available to the payee within the time limits set forth in articles 77 to 79 of this law;
 - l) does not refund the amount of non-executed or defective payment order, as well as the charges or relevant interests, as laid down in article 82 of this law;
 - ll) infringes the requirements on the maintenance of confidentiality of data, in violation of the stipulations laid down in this law;
 - m) fails to set out the procedures and rules for the alternative resolution of disputes in relation with the provision of payment service, or in the event these rules and procedures do not meet the requirements laid down in this law.
4. Bank of Albania shall impose a penalty from ALL 50,000 to ALL 250,000, in the event of concluding the following infringements:

- a) to a participant in the system, if it acts in violation with the stipulations set forth in article 29, paragraph 3;
 - b) to a bank, it acts in violation of the stipulations set forth in article 30.
5. Bank of Albania shall impose a penalty from ALL 50,000 to ALL 250,000, in the event the payment service provider for the account service commits the following infringements:
 - a) when it does not immediately confirm to the payment service provider whether an amount necessary for the execution of a card-based payment transaction is available on the payment account of the payer, as laid down in article 58 of this law;
 - b) when it does not provide the necessary information for the realisation of a transaction that is initiated through a provider for the initiation of the payment, in violation of the stipulations laid down in article 59;
 - c) when it does not provide the necessary information to the service provider on the account information, in violation of the stipulations laid down in article 60.
 6. Bank of Albania shall impose a penalty from ALL 50,000 to ALL 250,000 to the payment service provider that is excluded under article 27 or 28 of this law, if it does not notify the Bank of Albania on any change in its situation that affects the fulfilment of the conditions to benefit the exclusion.
 7. Bank of Albania shall impose a penalty from ALL 10,000 to ALL 50,000 to the employees responsible for the infringements set forth in paragraphs 2 and 3 of this article.
 8. Bank of Albania shall impose a penalty from ALL 20,000 to ALL 100,000 to the administrator of the payment institution or the person responsible for the management, in relation to the payment services if it does not provide to the Bank of Albania the necessary information, in the form and time limit as set forth in article 25, paragraph 2 of this law.
 9. Bank of Albania shall impose a penalty from ALL 5,000 to ALL 50,000 to the employee responsible for the infringements set forth in paragraph 8 of this article.
 10. The Bank of Albania, except for the cases of revocation of the license provisioned in article 15, paragraph 1 and suspension of one or more of the activities according to article 25, paragraph 2, letter ö of this law, when it deems it appropriate, may suspend one or more activities, or may revoke the license of the payment institution, when it is required by the General Directorate for the Prevention of Money Laundering under the legislation in force, for the prevention of money laundering and terrorism financing.
 11. In determining the amount of the penalty, laid down in paragraphs 2 to 9 of this article, the Bank of Albania shall consider:
 - a) circumstances when such infringement took place;
 - b) consequences of the infringement;
 - c) repetition of the infringement;
 - ç) importance and duration of the infringement.
 12. The right to review the administrative offences, set forth in this law, cannot be exercised when 3 years have passed from the moment of committing the administrative offence.
 13. In the event of repetition of infringements, or the penalty is not paid within the time limit accordingly to the procedure set forth in the legislation ö On administrative offensesö, the Bank of Albania shall decide the doubling of the penalty.
If the infringements are repeated and the penalty is not paid again within the deadline, then the Bank of Albania decides to suspend the exercise of one or more activities for a

period of 6 months. In the decision to suspend the exercise of one or more activities, the Bank of Albania shall charge the entity/person with the payment of all outstanding liabilities and with the completion of all deficiencies found. In the event that upon the expiry of the 6-month suspension period, the Bank of Albania considers that the entity has not fulfilled all the obligations set forth above at this paragraph, it shall decide on the repeal of the license.

14. The penalties imposed pursuant to this article, shall be cashed for the account of the Bank of Albania.
15. Penalties are executive titles and the Bailiff Service is charged with their execution.

Article 95

Disclosure of administrative sanctions

1. The Bank of Albania shall disclose at the official website the administrative sanctions imposed for infringements of the provisions of this law. The disclosure shall take place upon the person, against whom the administrative sanction is taken, is informed on that administrative sanction, including information on the type and nature of the infringement and the identity of the individual or legal person, on whom the administrative sanction is imposed.
2. In the case of disclosure of administrative sanctions, which are appealed, the Bank of Albania shall disclose the information on the status and result of the appeal.
3. The disclosure in compliance with this article shall be available at the official website of the Bank of Albania for a maximum of one year, and in any case, in compliance with the legislation in force on the protection of personal data.
4. Bank of Albania shall not disclose the administrative sanctions only if it judges that this disclosure seriously jeopardises the stability of financial markets or causes disproportionate damage to the parties involved.

CHAPTER 2

ADMINISTRATIVE AND COURT APPEAL

Article 96

Administrative appeal

1. Every payment institution, claiming any infringement of its legal rights and interest by administrative acts issued for the implementation of the provisions of this law, has the right to submit an administrative appeal to the Governor of the Bank of Albania within 30 days from the day of getting informed of the act.
2. The realisation of the administrative appeal accordingly to this article, is a pre-condition to claim the act at the court.
3. The administrative appeal does not suspend the application of the administrative act issued by the Bank of Albania.
4. The administrative appeal is submitted at the form and is examined within the limits laid down in the Code of Administrative Procedures.

Article 97

Court appeal

1. Each payment institution is entitled to submit a court appeal at the Administrative Court of Appeal at the termination of the administrative appeal process against the act issued by the Bank of Albania.
2. Paragraph 1 of this article is applicable even in the case the Bank of Albania has not issued such an act.

TITLE VI

FINAL AND TRANSITIONAL PROVISIONS

Article 98

Review of the law

The Bank of Albania shall consult and be consulted with the third parties, with regard to the revision of this law and other legislative initiatives within the scope of application of this law or in that a manner may affect the provisions laid down in this law.

Article 99

Transitional provisions

1. Banks authorised by the Bank of Albania prior to the entry into force of this law, and that carry out the financial activity of payment services and money transfer, shall be considered as authorised to conduct the activity of payment services under annex 1 of this law. Bank of Albania shall provide to banks the updated annex of the licence.
2. Electronic money institutions, non-bank financial institutions and savings and loan associations authorised by the Bank of Albania prior to the entry into force of this law, and which carry out the activity of payment services and money transfer, shall be assessed by the Bank of Albania as authorised to conduct the activity of the relevant payment services under annex 1 of this law, depending on the business model applied by each entity.
3. Entities defined in paragraphs 1 and 2 of this article shall take the measures for the organisation of the activity and internal structure, in compliance with the requirements laid down in this law and the by-laws issued for its implementation, within 18 months from the entry into force of this law.
4. Non-bank financial institutions and savings and loan association authorised the Bank of Albania prior to the entry into force of this law, and which carry out the activity of payment services and money transfer, shall submit to the Bank of Albania, within 18 months from the entry into force of this law, the following documents and information on the accomplishment of the requirements laid down in this Law:

- a) a description of payment services under annex 1 of this law, carried out by the entity, and which will continue to be conducted after the entry into force of this law;
 - b) a description of the measures taken for safeguarding payment service users' funds in accordance with paragraph 1 of article 12 of this law;
 - c) organisational structure with adequate, transparent and sound descriptions of responsibilities in accordance with letter ö of paragraph 1 of article 7 of this law;
 - ç) list of agents and agreements for the transfer of operational functions to third parties and the evidence they meet the requirements accordingly to article 21 of this law;
 - d) description of the entity's participation in a payment system, if applicable;
 - dh) data on the shareholders/partners with qualifying holdings, in compliance with letter ö in paragraph 1 of article 7 of this law;
 - e) data on the administrator and persons responsible for the management of the activity of payment service, in compliance with letter ö in paragraph 1 of article 7 of this law.
5. Non-bank financial institutions and savings and loan association authorised the Bank of Albania prior to the entry into force of this law, and which carry out the activity of payment services and money transfer, upon meeting the requirements set out in paragraphs 3 and 4 of this article, shall be granted the updated annex of the licence and shall be considered payment institution.
 6. Electronic money institutions authorised by the Bank of Albania prior to the entry into force of this law, and which carry out the activity of payment services and money transfer, upon meeting the requirements set out in paragraphs 3 and 4 of this article, shall be granted the updated annex of the licence on the payment services they execute.
 7. The Bank of Albania, upon granting the authorisation and the updated Annex to the non-bank financial institutions and savings and loan associations, shall register them in the public registry of payment institutions as a payment institution, in accordance with article 16 of this law.
 8. The Bank of Albania shall request the interruption of the activity of payment services and money transfer to the entities defined in paragraph 2 of this article, in the event they fail to meet the requirements of this law within 18 months.
 9. Applications to receive the licence for conducting the activity of payment services and money transfer, subject to review by the Bank of Albania, at the moment of the entry into force of this law, shall be addressed in compliance with the requirements set out in this law.

Article 100

Acts for the implementation of the law

Bank of Albania shall issue the by-laws for the implementation of this law within 1 year from the entry into force of this law.

Article 101

Entry into force

This law shall enter into force 6 months after its publication in the Official Journal.

SPEAKER

Gramoz RUÇI

Annex 1
PAYMENT SERVICES

(as referred in point 37 of article 5 of this law)

1. Services enabling cash to be placed on a payment account as well as all the operations required for operating a payment account.
2. Services enabling cash withdrawals from a payment account as well as all the operations required for operating a payment account.
3. Execution of payment transactions, including transfers of funds on a payment account with the user's payment service provider or with another payment service provider:
 - a) execution of direct debits, including one-off direct debits;
 - b) execution of payment transactions through a payment card or a similar device;
 - c) execution of credit transfers, including standing orders.
4. Execution of payment transactions where the funds are covered by a credit line for a payment service user:
 - a) execution of direct debits, including one-off direct debits;
 - b) execution of payment transactions through a payment card or a similar device;
 - c) execution of credit transfers, including standing orders.
5. Issuing of payment instruments and/or acquiring of payment transactions.
6. Money remittance.
7. Payment initiation services.
8. Account information services.