



**REPUBLIC OF ALBANIA
BANK OF ALBANIA
SUPERVISORY COUNCIL**

DECISION

No 01, dated 17. 01. 2013

**ON THE APPROVAL OF REGULATION
"ON LICENSING AND ACTIVITY OF NON-BANK FINANCIAL
INSTITUTIONS"**

Pursuant to Article 1, paragraph 4, point "b", Article 43, point "c" of Law No 8269, dated 23 December 1997 "On the Bank of Albania", as amended; Article 4 paragraph 46, and Article 126 of the Law No 9662, dated 18.12.2006 "On Banks in the Republic of Albania", as amended; upon the proposal of the Supervision Department, the Supervisory Council of the Bank of Albania,

DECIDED:

1. To approve the Regulation "On licensing and activity of non-bank financial institutions" according to the text attached to this Decision.
2. The Supervision Department of the Bank of Albania is responsible for the implementation of this decision.
3. The Foreign Relations, European Integration and Communication Departments responsible for the publication of this decision in the Official Bulletin of the Bank of Albania and in the Official Journal of the Republic of Albania.
4. Upon the entry into force of this Regulation, the Regulation "On granting of license to non-bank subjects" approved by Decision No 11, dated 25.02.2009, as amended, of the Supervisory Council, is repealed.

This Decision shall enter into force on the 15th date following its publication in the Official Journal of the Republic of Albania.

SECRETARY

YLLI MEMISHA

CHAIRMAN

ARDIAN FULLANI

REGULATION
"ON LICENSING AND ACTIVITY OF NON-BANK FINANCIAL INSTITUTIONS"

(Adopted with decision No. 01, dated 17.01.2013 and amended by decision No.47, dated 30.03.2016, by decision no. 121, dated 09.11.2016, by decision no. 47, dated 06.09.2017, by decision no. 47, dated 3.7.2019, by decision no. 60, dated 24.11.2021, and by decision no.51, dated 7.12.2022 of the Supervisory Council of the Bank of Albania)

CHAPTER I
GENERAL PROVISIONS

Article 1
Scope

This Regulation lays down the conditions, requirements, time frame, documentation and procedures on:

- a) licensing of non-bank financial institutions ¹ and microcredit financial institutions to carry out financial activities in the Republic of Albania;
- b) granting prior approval during the exercise of the activity of non-bank financial institutions ²and microcredit financial institutions;
- c) obligation to notify the Bank of Albania during the execution of the activity of non-bank financial institutions ³and microcredit financial institutions;
- d) repealed⁴.

Article 2
Legal framework

This Regulation is made pursuant to:

- a) Article 1, paragraph 4, point "b" and Article 43, point "c" of Law No 8269 dated 23.12.1997 "On the Bank of Albania", as amended;
- b) ⁵Article 126 of Law No 9662, dated 18.12.2006 "On banks in the Republic of Albania", as amended, hereinafter referred to as the Banking Law;
- c) ⁶Article 194, paragraph 4 of the Law No. 52/2014 dated 22.5.2014 "On insurance and re-insurance activity";
- d) ⁷Law no. 9917, dated 19.05.2008 "On the prevention of money laundering and financing of terrorism", as amended, hereinafter referred to as the Law on prevention of money laundering.

¹ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

² Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

³ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁴ Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

⁵ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁶ Added upon the Supervisory Council decision no. 47, dated 30.03.2016.

⁷ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

Article 3 Subjects

This Regulation shall be applicable on entities applying for a license for financial activities in the Republic of Albania, non-bank financial institutions ⁸ and microcredit financial institutions.

Article 4 Definitions

1. For the purposes of this Regulation, the terms in Article 4 of the Banking Law ⁹ and Law on prevention of money laundering shall be equally applicable herein.
2. In addition to paragraph 1, for the purposes of this Regulation, the following terms shall mean:
 - a) **“micro credit”** - a loan not higher than ALL 600,000 or its equivalent in a foreign currency;
 - b) **“microcredit financial institution”** - a non-bank financial institution that meets all the following criteria at the same time:
 - i. lending and advisory services on lending are the sole scope of its activity;
 - ii. average value of a loan extended to a borrower is not higher than the value of the microcredit
 - iii. At least 50 per cent of the credit portfolio is composed of micro credits.
 - c) repealed¹⁰;
 - d) **“administrator”** - an individual as defined in the Law No 9901, dated 14.04.2008, “On the entrepreneurs and companies”.
 - e) **“merger by absorption”** - the merger of two or more entities¹¹, by transferring total assets and liabilities of the absorbed institutions to another existing institution, called the absorbing institution. This reorganisation dissolves the absorbed institutions in exchange for shares/quota of shareholders/partners of the absorbed institutions, in the absorbing institution.
 - f) **“merger by creation”** - a merger of two or more existing entities¹² to create a new institution, where the existing institutions lose their legal status and a new institution is created. The newly created institution will be the owner of all the assets and liabilities of the dissolved institutions, in

⁸ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁹ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁰ Repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹¹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹² Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

exchange for the shares/quotas of shareholders/partners of existing institutions, in the new institution.

- g) **“division by creation”** - a division whereby all assets and liabilities are transferred to two or more entities¹³ that are newly established (recipient), and the divided institution is considered as dissolved without liquidation;
- h) **“division by absorption”** - a division whereby all assets or liabilities are transferred to two or more existing (recipient) entities¹⁴, and the divided institution is considered as dissolved without liquidation;
- i) **“purchase of credit”**¹⁵ – will be considered as one of the lending forms;
- j) **“non-bank financial institution that purchases non-performing loans”**¹⁶ - is the entity, whose 100% credit is composed of non-performing loans, purchased from banks or other financial entities as licensed by the Bank of Albania;
- k) **“non-performing loan”**¹⁷ – shall have the meaning stipulated in the Regulation " On credit risk management from banks and branches of foreign banks" and the Regulation "On risk management in the activity of non-bank financial institutions.
- l) **“bearer shares”**¹⁸ - are shares of a legal person, whose ownership is transferred to the person that owns or holds the certificate/document of the bearer shares without the need of an agreement/contract for transferring the ownership of these shares;
- m) **“nominee shareholder”**¹⁹ - is the registered shareholder of a legal person that holds shares on the current shareholder’s behalf (beneficiary owner), according to an agreement.
- n) **“shell bank”**²⁰ - is a bank, which does not have a physical presence, including lack of administration and management, and, which is not included in any regulated financial group.

¹³ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁴ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁵ Added upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹⁶ Added upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹⁷ Added upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹⁸ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁹ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

²⁰ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

CHAPTER II LICENCING

Article 5 Licensing authority and financial activity

1. The Bank of Albania is the sole competent authority to:
 - a) license non-bank financial institutions to carry out, in line with the provisions of this Regulation, one or more activities as follows:
 - i. lending of all types,
 - ii. factoring,
 - iii. leasing,
 - iv. repealed²¹,
 - v. guarantees and commitments,
 - vi. foreign exchange,
 - vii. advisory, intermediation and other auxiliary financial services on all activities listed above.
 - b) license microcredit financial institutions, in accordance with the provisions of this Regulation;
 - c) repealed²²;
 - d) repealed²³.
2. An institution may acquire the right to commence the financial activity/ies only after having obtained a license or received the respective approval from the Bank of Albania.
3. Non-bank financial institutions may not enter into an agreement with third parties (*outsourcing*) to transfer the internal audit function and/or exercise financial activities stipulated in this Regulation.
4. Repealed²⁴.
5. Repealed²⁵.
6. Repealed²⁶.

²¹ Repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

²² Repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

²³ Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

²⁴ Added upon the Supervisory Council decision no. 47, dated 30.03.2016 and repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

²⁵ Added upon the Supervisory Council decision no. 47, dated 30.03.2016 and repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

²⁶ Added upon the Supervisory Council decision no. 47, dated 30.03.2016 and repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

Article 5/1²⁷
Exceptions

Repealed

Article 6
Capital requirements

1. The minimum initial capital required for obtaining a license as a non-bank financial institution is as follows:
 - a) all lending typesALL 100,000,000 (one hundred million);
 - b) factoring..... ALL 20,000,000 (twenty million);
 - c) leasing.....ALL 20,000,000 (twenty million);
 - d) repealed²⁸;
 - e) guarantees and commitmentALL 20,000,000 (twenty million);
 - f) foreign exchange ...ALL 1,500,000 (one million, five hundred thousand);
 - g) advisory, intermediation and other auxiliary financial services of all activities listed under "a"-“f”ALL 10,000,000 (ten million).
2. The minimum initial capital required for the microcredit financial institution, excluded from the definition of point “a” in paragraph 1 of this Article, amounts to ALL 15 (fifteen) million.
3. ²⁹Except letter "a" in paragraph 1 of this Article, the required minimum capital for the non-bank financial institutions that purchase non-performing loans, shall be ALL 50 (fifty) million.
4. Repealed³⁰.
5. The minimum initial capital required for the non-bank financial institutions that apply to carry out 2 (two) or more financial activities, other than those set out in Article 5 of this Regulation, shall be equal to the amount of the highest required capital as per paragraph 1 of this Article, among the activities for which the non-bank financial institution applies to obtain a license.
6. ³¹ Each payment of minimum paid-in capital, its later increase and any change in the capital structure shall be accompanied with the submission to the Bank of Albania of the information on the source of the capital, according

²⁷ Added upon the Supervisory Council decision no. 121, dated 09.11.2016 and repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

²⁸ Repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

²⁹ Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

³⁰ Repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

³¹ Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

to the documentation laid down in letter "g" of paragraph 2, Article 8 of this Regulation.

7. The Bank of Albania may request further information and carry out further checks relating to the creation source/sources of contributions/funds that shall serve as a minimum initial capital or as a future increase in its structure.
- 7/1.³² Where the Bank of Albania concludes, or is reasonably suspicious of the capital structure or its source being associated to persons with criminal convictions by a final court decision, who have family relations or close personal, working or business relationship in accordance with legal stipulations, with the proposed shareholders/partners, or is related to companies registered in tax havens or offshores, it notifies and requires from the General Directorate for the Prevention of Money Laundering whether it has information regarding the proposed shareholders/partners, and shall suspend the procedure on granting the license up to a response from the latter.
8. Payments or expenses for purchasing or renting premises and equipment are not included in the amount of the minimum initial capital.

Article 7 Characteristics of the licence

1. The license is perpetual, non transferable and non tradable.
2. ³³The licence of the non-bank financial institution shall include the trade name of the entity, the date and number of its issue, and the annex of the financial activities, for which the subject is licensed. The annex shall be an integrated part of the licence.
3. The license for the microcredit financial institution encompasses the words "microcredit financial institution" in addition to the trade name of the institution.
4. Repealed³⁴.

Article 8 Documents for non-bank financial institution and microcredit financial institution ³⁵

1. The application to obtain a license ³⁶as a non-bank financial institution or a microcredit financial institution shall be submitted in writing by the founder,

³² Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

³³ Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

³⁴ Repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

³⁵ Amended the title of the article upon the Supervisory Council decision no. 60, dated 24.11.2021.

³⁶ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

administrator of the institution or any other legally authorized person³⁷(according to Form 1 of this Regulation).

2. The application is submitted together with the completed forms attached to and forming an integral part of this Regulation, as well as the following documentation:

- a) statute of the company;
- b) repealed³⁸;
- c) repealed³⁹;
- d) registration extract of the institution registered as a legal person in the Commercial Registry setting out the activity/ies for which the institution is submitting an application for licensing.
- e) repealed⁴⁰;
- f) the following certificates issued by the competent authorities, according to their jurisdiction, certifying that⁴¹ the founders and/or the legal representative:
 - i. is not under criminal investigation;
 - ii. is not standing trial for a criminal offence;
 - iii. has not been convicted by a court for committing a criminal offence;
 - iv. is not under a mandatory execution process, as certified by the Bailiff's Office, for outstanding liabilities.

⁴²The aforementioned documents must be issued no earlier than 3 (three) months following the date of the application submission to the Bank of Albania.

- g) the documentation relating to the capital and its source:
 - i. a notarised declaration of founders certifying that the source of the initial paid-in capital of the non-bank financial institution⁴³ or microcredit financial institution is not a loan, credit or money paid in advance from third parties,
 - ii. a notarised declaration of founders on the source of creation of the initial paid-in capital as well as any increase to the capital during the course of the activity, accompanied by the following documentation:
 - for legal persons:

evidence of the source of the creation of funds submitted in a legally acceptable form (authorized auditor's report, annual accounting balance, gifts or other sources designated for

³⁷ Added upon the Supervisory Council decision no. 47, dated 30.03.2016.

³⁸ Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

³⁹ Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

⁴⁰ Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

⁴¹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁴² Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁴³ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

purchasing shares of the non-bank financial institution ⁴⁴ or microcredit financial institution) and the certificate by competent authorities providing data on the balance sheet of the company and compliance with taxation duties.

- for natural persons:

evidence of the source of funds, presented in a legally acceptable form (sale or purchase, gifts, wages, monetary deposits in banks or other evidence) and a certificate of the competent authorities affirming compliance with taxation duties;

- iii. certificate issued by a bank or branch of a foreign bank licensed by the Bank of Albania, certifying that the subject has frozen, in an account at the bank, the amount of the required capital in accordance with paragraphs 1, 2, 3 or 4 of Article 6, accordingly. This amount shall be released upon the notification of the Bank of Albania, at the conclusion of the licensing procedure.
- h) the documentation relating to the founders, when they are legal persons:
 - i. statute and the extract of the Commercial Registry (for foreign legal persons - legally equivalent documents in accordance with the respective foreign legislation/jurisdiction);
 - ii. decision of the decision-making body of the company on participation in the capital of the non-bank financial institution ⁴⁵ or microcredit financial institution;
 - iii. certificate by competent authorities on compliance with fiscal duties (for foreign legal persons - legally equivalent documents in accordance with the respective foreign legislation/jurisdiction);
 - iv. in the cases of qualifying holding, the documents shall be supplemented with additional data on the commercial activity and the financial statements of the company for the preceding year, certified by a statutory auditor;
 - v. ^{46a} statement containing the information about working or business relationships in accordance with legal stipulations, with persons with criminal convictions by a final court decision (according to Form No. 11 of this Regulation).
- i) the documents for the founders, when they are natural persons:
 - for natural persons:
 - extract from the Commercial Registry and a certificate of the taxation authorities affirming compliance with the fiscal duties;

⁴⁴ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁴⁵ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁴⁶ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

- ⁴⁷a statement containing the information about close personal, working or business relationships in accordance with legal stipulations, with persons with criminal convictions by a final court decision (according to Form No. 11 of this Regulation).

- for individuals:

- identification document (name, surname, nationality, and citizenship), address of permanent residence and a signed CV (according to Form No 4 of this Regulation);
- list of businesses, where the founder of the non-bank financial institution ⁴⁸or microcredit financial institution has a qualifying holding, the extract from the Commercial Registry for each case, and data related to an insolvency and/or bankruptcy case;
- ⁴⁹ a statement containing the information about close personal, working or business relationships in accordance with legal stipulations, with persons with criminal convictions by a final court decision (according to Form No. 11 of this Regulation).

j) ⁵⁰documents for the administrator, as stipulated in Article 9/1 of this Regulation:

- decision of the decision-making bodies of the company on the appointment of the administrator;
- identification document;
- Curriculum Vitae signed (according to Form No 4 of this Regulation);
- university diploma and documents certifying the qualifications of the administrator;
- at least one reference letter from previous employers;
- a personal statement for compliance with fiscal duties;
- personal statement that the administrator has not been responsible for the bankruptcy of any commercial company;
- ⁵¹in case the individual proposed as administrator is a foreign citizen, in addition to the documentation set out above, when applicable, shall submit to the Bank of Albania the residence and work permit, in compliance with the Law No. 9959, dated 17.7.2008 "On foreigners", as amended.

k) proposed business plan (according to Form No 9 of this Regulation) containing the following:

- organisational structure of the company and hierarchy of responsibility/ies;
- financial activities it proposes to carry out, market survey; competitors, market characteristics and its development tendencies;

⁴⁷ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁴⁸ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁴⁹ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁵⁰ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁵¹ Added upon the Supervisory Council decision no. 47, dated 30.03.2016.

- iii. repealed⁵²;
- iv. ⁵³identification of risks to which the entity expects to be exposed, including the money laundering and/or terrorism financing risk, including branches⁵⁴;
- v. forecasted financial position of the institution for the first 3 (three) years of its activity following licensing, financial statements;
- vi. financial sources and asset structure for the first 3 (three) years of its activity following licensing;
- vii. underlying principles of the the business plan;
- viii. information, according to Form No. 7⁵⁵ attached to and forming an integral part of this Regulation, relating to the premises where ⁵⁶the non-bank financial institution ⁵⁷or the microcredit financial institution, shall carry out the activity/activities;
- ix. projections concerning with the implementation of the regulatory and supervisory framework (indicators of prudence, reports, etc.) for the first 3 (three) years of the activity.

l) internal by-laws (internal regulations/instructions) acts approved by the decision-making bodies on:

- operational activity of the non-bank financial institution ⁵⁸ or microcredit financial institution;
- ⁵⁹ the internal audit system, by including effective administrative procedures of internal audit and, in particular, ⁶⁰the procedures to be used by the entity⁶¹, on the compatibility with the legal and regulatory requirements on the prevention of money laundering and terrorism financing;
- transparency with clients (consumer protection);
- risk management;
- anti-money laundering and financing of terrorism, including a programme of measures conform to the relevant legislation in force;
- repealed⁶²;
- organisation, functioning and administration of ITC systems, including the methodology for the protection/security of the information and client data;

3. Documents stipulated in paragraph 2 of this Article shall be in the Albanian language, original or a notarised copy. When the documents are issued by the competent authorities of a foreign country, the documents shall also be legalized by the relevant authorities.

⁵² Repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁵³ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁵⁴ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁵⁵ Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

⁵⁶ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁵⁷ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁵⁸ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁵⁹ Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

⁶⁰ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁶¹ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁶² Repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

4. Documents are submitted to the Bank of Albania in a sealed envelope or sent via registered mail.

⁶³Article 9

Criteria for the appointment/re-appointment of the members of the supervisory/administration board, administrators and members of the audit committee

1. The non-bank financial institution ⁶⁴and microcredit financial institution, in accordance with the nature, size, complexity of the activity and the risk profile of the entity, may set up specialized committees in supervisory/administration board level, such as the audit committee, risk(s) committee, etc., which advise/assist the board on specific issues.
2. Members of the supervisory/administration board and the administrator of the non-bank financial institution ⁶⁵and microcredit financial institution shall meet at least the following criteria:
 - a) hold a degree from a university or at least has completed the second cycle studies in higher education institutions (in the case of Albanian citizens), as a rule, in law or economics;
 - b) have a professional experience of not less than 5 (five) years, of which 3 years in the banking and/or financial sector or in any other related field considered as compatible by the Bank of Albania;
 - c) have good ethical and professional reputation.
3. In addition to paragraph 2 of this Article, the members of supervisory/administration board and the administrator, shall meet at least the following criteria:
 - a) have never caused or been responsible for the bankruptcy of an entity that carries out economic activity;
 - b) are not under criminal investigation or found guilty by the court for committing a criminal offence;
 - c) have not been subject of procedures declaring insolvency or bankruptcy and is relieved of outstanding liabilities;
 - d) have not been penalized by the Bank of Albania in the past 5 (five) years for breaching the Law "On banks in the Republic of Albania".
4. In addition to stipulations in letters "a" up to "d" of paragraph 3 of this Article, the members of the audit committee, shall meet at least the following criteria:

⁶³ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁶⁴ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁶⁵ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

- a) hold a degree from a university, as a rule in economics;
- b) have good ethical and professional reputation; and
- c) have a professional experience of not less than 3 years in accounting, auditing or lending.

⁶⁶Article 9/1

**Documentation for the prior approval of the
supervisory/administration board chairman, administrator and the
audit committee chairman**

1. The non-bank financial institution ⁶⁷and the microcredit financial institution shall submit an application in written form to the Bank of Albania, for the approval of supervisory/administration board chairman, administrator and the audit committee chairman, accompanied by the following documentation:
 - a) the competent authority decision, for the appointment of the person;
 - b) the identification document of the person;
 - c) the academic degree in accordance with the requirements in Article 9 of this Regulation and documents certifying other qualifications of the person;
 - d) the signed Curriculum Vitae (in accordance with the form no. 4 of this Regulation);
 - e) at least one reference/recommendation letter regarding the professional experience, issued by previous officers or employers;
 - f) a detailed description of the job, about the position to be held by the proposed person;
 - g) personal statement on the payment of all tax liabilities;
 - h) personal statement, declaring he has never been responsible for the bankruptcy of any entity carrying out economic activity;
 - i) a statement containing the information about close personal, working or business relationships in accordance with legal stipulations, with persons with criminal convictions by a final court decision (according to Form No. 11 of this Regulation);
 - j) the following certificates issued by competent authorities, which certify that:
 - i. the person is not under criminal investigation;
 - ii. the person is not subject of any judgement for criminal offence committed;
 - iii. the person has never been convicted for committing a criminal offence (by the Ministry of Justice);
 - iv. the person is not under an obligatory execution procedure (by the Bailiff's Office).

The aforementioned documents in letter "j", must be issued no earlier than 3 (three) months following the date of the application submission.

⁶⁶ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁶⁷ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

2. In addition to the documentation stipulated in paragraph 1 of this Article, where the proposed individual is a foreign citizen, he shall submit to the Bank of Albania the residence and work permit in accordance with the Law on foreigners.
3. The non-bank financial institution ⁶⁸and the microcredit financial institution, at the event of the re-appointment of the chairman of the administration/supervisory board, the administrator and the chairman of audit committee, shall submit to the Bank of Albania, the application in written form, for the approval of this re-appointment. This application is accompanied by the following documentation:
 - a) the re-appointment document, in accordance with paragraph 1, letter “a” of this Article;
 - b) the updated Curriculum Vitae, completed in accordance with the Form No.4 of this Regulation;
 - c) a detailed information/report for the assessment and contribution of the chairman of the administration/supervisory board, the administrator and the chairman of audit committee on the effective governance of the entity;
 - d) other supplementary information that may be deemed as necessary.
4. The documentation set out according to paragraphs 1 to 3 of this Article, is submitted in Albanian language, in original form or a notarized copy. Where the documentation is issued by the relevant official competent authorities of the foreign countries, the documentation shall be legalized by the authorities in charge.
5. The documentation is submitted to the Bank of Albania in a closed envelope, or is sent by registered mail.

⁶⁹Article 9/2

Documentation for the members of supervisory/administration board and of the audit committee

The non-bank financial institution ⁷⁰and the microcredit financial institution holds in separate folders, the documentation stipulated in Article 9/1 of this Regulation, for the members of the supervisory/administration board and of the audit committee, which are not subject to approval by the Bank of Albania.

⁶⁸ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁶⁹ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁷⁰ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

Article 10

Criteria for granting or refusing a license

1. The Bank of Albania shall decide to grant the license only after it is convinced that the ⁷¹entity complies with the requirements set out in this Regulation, related to the following conditions:
 - a) the founders of the institution have good reputation, legal sources of their contribution in capital, legal registered and regulated activities, the financial potential to contribute additional funds, when the capital falls below the required minimum threshold set by the Bank of Albania, or to provide necessary funds for the institution to continue its activities;
 - b) qualifications, experience and reputation of the administrator as well as of the founders with qualifying holding are suitable for the business plan⁷²;
 - c) operational and control structures, including ⁷³the entity's policies and procedures are consistent with the purpose and performance of ⁷⁴its proposed activities;
 - d) submitted business plan is realistic and competitive in the market and the expected financial position of ⁷⁵the entity is satisfactory;
 - e) ⁷⁶internal policy and procedures on the prevention of money laundering and terrorism financing address the identified risks in the money laundering and terrorism financing risk management system framework.

2. The Bank of Albania shall refuse to grant a license when the requirements set out in this Regulation are not met, particularly in the following cases:
 - a) requirements of paragraph 1 of this Article are not met;
 - b) at least one of the administrators or founders with qualifying holding has been subject of procedures declaring insolvency or bankruptcy;
 - c) details on the identity of the founders with qualifying holding have not been produced;
 - d) when at least one of the founders:
 - i. is under criminal investigation or has been convicted by a final court decision for a serious criminal offence;
 - ii. is under criminal investigation or has been convicted by a final court decision for a criminal offence related to money laundering or financing of terrorism;
 - iii. is barred by a court decision from exercising the profession;
 - iv. ⁷⁷owns bearer shares or is a nominee shareholder (if applicable);
 - v. ⁷⁸has a complex ownership and control structure;
 - vi. ⁷⁹is a shell bank;

⁷¹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁷² Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁷³ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁷⁴ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁷⁵ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁷⁶ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁷⁷ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁷⁸ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁷⁹ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

- vii. ⁸⁰represents high risk, based on the evaluations of the Bank of Albania.
 - e) additional information requested by the Bank of Albania in accordance with paragraph 4 of Article 11 of this Regulation is not provided;
 - f) institution does not possess the minimum initial capital requested by the Bank of Albania for exercising financial activities.
- 2/1. ⁸¹The Bank of Albania shall refuse the granting of licence, in any case when it judges that the licencing of the entity would infringe the public interest.
3. To perform the evaluation set forth in this Article, the Bank of Albania, in addition to reviewing the submitted documentation, ⁸²shall cooperate with and request information from homologous supervisory authorities and institutions specialised in the fight against economic crime and organized crime and in anti-money laundering, the Financial Supervision Authority, the Competition Authority, the General Directorate of Police, the Directorate of Taxes, etc.
4. Within 15 (fifteen) business days from the date of taking the decision in accordance with paragraph 1 of this Article, the Bank of Albania shall decide on granting the license to the institution. In case of rejecting the license, the Bank of Albania shall inform the institution, in writing, and describe the reasons for such rejection.

Article 11

Licensing procedures and terms

1. The Bank of Albania shall review the documents submitted in accordance with the requirements set out this Regulation.
2. The Bank of Albania shall grant or reject the license for a non-bank financial institution ⁸³or a microcredit financial institution, within 3 (three)⁸⁴ months from the date of receiving the application.

The receiving date of the application shall be the date when the applicant has met all the requirements, in accordance with Article 8 of this Regulation. The Bank of Albania shall notify the applicant, in writing, of this date.

3. When the submitted documentation is incomplete and/or fails to meet the requirements specified in this Regulation, the Bank of Albania shall notify the applicant, within 30 (thirty) business days, on the shortfalls or noncompliance with the provisions of this Regulation, together with the request for additional information or documentation.

⁸⁰ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁸¹ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁸² Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁸³ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁸⁴ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

4. The Bank of Albania shall halt the consideration of the application, when data and/or required documents for licensing are completed by the institution within 6 (six) months from the submission of the initial application. In the case of halting consideration of the application, the Bank of Albania shall notify the institution in writing.
5. Following the submission of the complete documentation, in accordance with Article 8, and the submission of additional information in accordance with paragraph 4 of this Article, the Bank of Albania shall:
 - a) consider and review the submitted documentation;
 - b) assess ⁸⁵the professional capacity and the integrity of the administrators;
 - c) meet, when necessary, with the administrators of the non-bank financial institution ⁸⁶or microcredit financial institution, to discuss the submitted business plan and other issues concerning the proposed activity.
6. The Bank of Albania may inspect the premises/offices, where the institution shall conduct its financial activity, to verify whether the technical and security conditions are met, in compliance with the by-laws issued by the Bank of Albania.
7. ⁸⁷The Bank of Albania, when deemed necessary, may request the submission of updated certificates on the judicial status, criminal investigation and the status of tax duties issued by the competent authorities, in case the validity period of the submitted documentation expires before the date of approval of the license.

Article 12

Publication of decision on granting the license

1. The Bank of Albania shall publish the decision on granting the license to operate ⁸⁸as non-bank financial institution or microcredit financial institution.
2. The decision shall be published in the Official Bulletin of the Bank of Albania.
3. Repealed⁸⁹.

Article 13

Applicable Fees

1. The institution applying for a license to operate ⁹⁰as a non-bank financial institution or a microcredit financial institution, shall pay an application

⁸⁵ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

⁸⁶ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁸⁷ Added upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁸⁸ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁸⁹ Repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁹⁰ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

processing fee, ALL 30.000, to the Bank of Albania, upon submission of the application and of the respective documentation.

2. The fee set out in this Article shall not be reimbursed even when the Bank of Albania rejects the granting of the license.

Article 14

Suspension or revocation of license

1. The Bank of Albania may suspend or revoke the license of ⁹¹a non-bank financial institution or microcredit financial institution, when:
 - a) it is so requested by the licensed ⁹²non-bank financial institution or the microcredit financial institution;
 - b) there is reliable evidence that the founders or administrators are involved in money laundering and financing of terrorism activities;
 - c) ⁹³repealed;
 - d) ⁹⁴repealed;
 - e) ⁹⁵repealed;
 - f) ⁹⁶repealed;
 - g) the license was acquired on the basis of false information, notwithstanding whether such information was given by or pertaining to the institution, including details on qualifications, experience, or reputation of the proposed administrators and founders with qualifying holding, or other substantial irregularities relative to the application for licensing;
 - h) the institution does not comply with the conditions, upon which it was licensed;
 - i) the institution does not commence its activity within 6 (six) months from licensing or has suspended the activity for longer than 3 (three) months;
 - j) the institution has ceased existing as a legal person;
 - k) ⁹⁷repealed.
 - l) ⁹⁸are noticed violations or specific problems stipulated in Article 35 of the Regulation "On risk management in the activity of non-bank financial institutions."
2. The decision to revoke or suspend the license shall be immediately communicated in writing to the non-bank financial institution ⁹⁹or microcredit financial institution providing also the relevant reasons.
3. The suspension or revocation decision shall enter into force on the date set out by the Bank of Albania.

⁹¹ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁹² Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

⁹³ Repealed upon the Supervisory Council decision no. 47, dated 06.09.2017.

⁹⁴ Repealed upon the Supervisory Council decision no. 47, dated 06.09.2017.

⁹⁵ Repealed upon the Supervisory Council decision no. 47, dated 06.09.2017.

⁹⁶ Repealed upon the Supervisory Council decision no. 47, dated 06.09.2017.

⁹⁷ Repealed upon the Supervisory Council decision no. 47, dated 06.09.2017.

⁹⁸ Added upon the Supervisory Council decision no. 47, dated 06.09.2017.

⁹⁹ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

4. The institution may not carry out the activities specified in the license after a decision for revoking the license has entered into force, throughout the duration of the suspension cause and term.

Article 15

Publication of decision on suspension or revocation of license

1. The Bank of Albania shall publish the decision for suspending or revoking the license to operate ¹⁰⁰as non-bank financial institution or microcredit financial institution.
2. The decision shall be published in the Official Bulletin of the Bank of Albania.

SUBCHAPTER I

Article 16

Prior approval

1. Without the prior approval of the Bank of Albania, ¹⁰¹the non-bank financial institution or microcredit financial institution may not:
 - a) carry out financial activities, which are not specified in the license;
 - b) decrease the capital;
 - c) ¹⁰²appoint/re-appoint one or more administrators, the chairman of the supervisory/administration board and the chairman of the audit committee;
 - d) transfer ownership of a partner or shareholder with qualifying holding or the control of the institution;
 - e) ¹⁰³to conduct the activity as an insurance agent.

1/1 ¹⁰⁴Excluded from the application of letter “e” of paragraph 1 of this article, are microcredit financial institutions and non-bank financial institutions that purchase non-performing loans, which are not allowed to perform the activity as an insurance agent.

2. The Bank of Albania may grant or reject prior approval, as stipulated in paragraph 1 of this Article, within 2 (two) months from the acceptable submission of the application, conform to the documentation set out in Article 17 of this Regulation.

¹⁰⁰ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁰¹ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁰² Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁰³ Added upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹⁰⁴ Added upon the Supervisory Council decision no. 51, dated 7.12.2022.

3. ¹⁰⁵Bank of Albania shall interrupt the procedures on the examination of the application for prior approval, as stipulated in paragraph 1 of this Article, in case the required data and/or documentation are not completed by the entity within 6 (six) months after the date of the initial application. In case of interruption of procedures on the examination of the application for prior approval, as set out in paragraph 1 of this Article, the Bank of Albania shall inform the entity, in writing.

Article 17

Prior approval documents

1. To obtain the prior approval stipulated in points ¹⁰⁶“b”, “c”, “d” and “e” of Article 16 of this Regulation, ¹⁰⁷the non-bank financial institution or microcredit financial institution shall submit a written application to the Bank of Albania, supported with the following documents:
- a) to decrease capital:
 - i. decision of the Assembly to decrease capital;
 - ii. supporting report with the reasons for this change.
 - b) ¹⁰⁸ to appoint/re-appoint the administrator(s), the chairman of the supervisory/administration board and the chairman of the audit committee:
 - i. decision of the decision-making body for the appointment/re-appointment;
 - ii. documents in accordance with Article 9/1 of this Regulation.
 - c) to transfer the ownership of a partner or shareholder with qualifying holding or of the control of the institution:
 - i. decision of the Assembly approving this change;
 - ii. documents requested under paragraph 2, ¹⁰⁹letters “f”, “g”, “h” and “i” in Article 8 of this Regulation;
 - iii. copy of the signed agreement for changing the qualifying holding or the control of the institution.
 - d) ¹¹⁰on conducting the activity as insurance agent:

¹⁰⁵ Added upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹⁰⁶ Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹⁰⁷ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁰⁸ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁰⁹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹¹⁰ Added upon the Supervisory Council decision no. 47, dated 30.03.2016.

- i. decision by the decision-making body of the company to carry out the activity;
 - ii. extract of the trade register issued by the National Registration Centre, determining the requested activity; and
 - iii. the business plan for the next three years of the activity.
2. The Bank of Albania may request, when necessary other documents in addition to those stipulated in this Article.
3. To perform the evaluation set forth in this Article, the Bank of Albania, in addition to reviewing the submitted documentation,¹¹¹ shall cooperate with and request information from homologous supervisory authorities and institutions specialised in the fight against economic crime and organized crime and in anti-money laundering, the Financial Supervision Authority, the Competition Authority, the General Directorate of Police, the Directorate of Taxes, etc.

SUBCHAPTER II

Article 18 Additional activities

During its activity, a non-bank financial institution may ask the Bank of Albania to licence the institution to conduct other financial activities, not envisaged in the original license, complying with requirements set out in Article 6 and Article 19 of this Regulation.

Article 19 Approval of additional activities

1. The application for additional activities is submitted in writing by the administrator of the institution, or an authorized person and is supported by the following documents:
 - a) decision by the decision-making body of the institution on carrying out the additional activity/ies;
 - b) extract from the Commercial Registry, issued by the National Registration Centre, setting out the additional activity/ies of the institution;
 - c) document certifying the increased minimum initial capital, if the calculated capital does not comply with the capital requirement for the activity this institution applies to carry out according to Article 6 of this Regulation;
 - d) information on compliance with technical and security conditions,¹¹² in accordance with the Regulation “On the minimum security requirements regarding premises where banking and financial activities are conducted

¹¹¹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹¹² Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

- and on transportation of monetary values” for the additional activities, when they carried out through teller windows;
- e) applicable regulations and/or manuals to carry out the additional activity;
 - f) three-year projections of financial indicators relating to the additional activity/ies and their impact on the general financial position of the institution.
2. Documents stipulated in paragraph 1 of this Article shall be submitted in the Albanian language, in original or a notarised copy. When the documentation is issued by competent authorities of a foreign country, the documents shall also be legalized by the relevant authorities.
 3. Documents shall be submitted to the Bank of Albania in a sealed envelope or sent via registered mail.

Article 20

Review of application for additional activities

1. The Bank of Albania shall review the application for compliance with the capital requirement and the documents required to carry out additional financial activities, set out in Articles 6 and 19 of this Regulation.
2. Within 2 (two) months following the submission of the complete documentation, the Bank of Albania shall approve the additional activities, when it finds that such activities do not pose a risk to financial stability of the non-bank financial institution and that the administrative and technical requirements are met.
3. When the application is rejected, the Bank of Albania shall give, in writing, the reasons for rejection.

SUBCHAPTER III

Article 21

Obligation to notify

1. ¹¹³The non-bank financial institution or microcredit financial institution shall immediately notify the Bank of Albania when:
 - a. risk positions reach the maximum allowed exposure limits, as defined in the by-laws of the Bank of Albania;
 - b. there are justifiable causes for abating or suspending a licensed financial activity;
 - c. there is a cause for revoking the license;

¹¹³ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

- d. the microcredit financial institution fails to meet at least one of the characteristics defined in Article 4, paragraph 3 point “b” of this Regulation.
2. ¹¹⁴The non-bank financial institution or microcredit financial institution shall immediately notify the Bank of Albania, within 30 (thirty) days on the following:
- a) change of the name;
 - b) change of the statute;
 - c) increase of capital;
 - d) changes to the structure of the shareholders’ capital, which are not subject of prior approval according to this Regulation;
 - e) changes to the organisational structure;
 - f) opening or closure of branches or changes of their address;
 - g) ¹¹⁵change of the head quarter and its address;
 - h) departure of administrators, ¹¹⁶chairman of the supervisory/administration board and chairman of the audit committee;
 - i) repealed¹¹⁷;
 - j) other changes that is required to be registered in the Commercial Registry; and
 - k) all additional products in the list, the financial transactions and electronic communication means, which take place after the commencement of the activity, supported by the following documents:
 - a. procedures and technical data for electronic financial transactions and internal audit programme for that purpose;
 - b. ¹¹⁸the agreement signed with the company, on the realisation of the informatics support of the entity's activity, when applicable;
 - c. list clarifying the financial transactions that the institution shall carry out together with the communication channels that will be employed.

CHAPTER III¹¹⁹ APPROVAL OF AGENT

Article 22¹²⁰ Repealed

Article 23¹²¹ Repealed

¹¹⁴ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹¹⁵ Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹¹⁶ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹¹⁷ Repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹¹⁸ Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹¹⁹ Repealed upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹²⁰ Repealed upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹²¹ Repealed upon the Supervisory Council decision no. 47, dated 30.03.2016.

Article 24¹²²
Repealed

Article 25¹²³
Repealed

CHAPTER V
LEGAL STATUS REORGANISATION

SUBCHAPTER I
MERGER

Article 26
Documents for merger by absorption

1. The entity (¹²⁴the non-bank financial institution or the micro-credit financial institution)¹²⁵ may not be reorganised through a merger by absorption, without prior approval by the Bank of Albania.
2. The application shall be submitted, in writing, by the absorbing ¹²⁶entity and is supported by the following documents:
 - a) decision of the shareholders/partners assembly of each ¹²⁷entity involved in the transaction, approving the reorganisation through a merger by absorption;
 - b) agreement/draft and detailed report on the transaction of the merger by absorption, signed by the legal representatives of the ¹²⁸ entity participating in the merger. The agreement and the report are drafted in writing and conform to the stipulations of the Law “On entrepreneurs and commercial companies” and relevant applicable legislation;
 - c) draft statute of the ¹²⁹entity, after the finalisation of the transaction for the merger by absorption;
 - d) strategic and operational plans for the realisation of the absorption, which set out the needs assessment for the absorption and envisage financial reports for the absorbing ¹³⁰ entity, prepared in line with Article 8, paragraph 2, point “k” of this Regulation;

¹²² Repealed upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹²³ Repealed upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹²⁴ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹²⁵ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹²⁶ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹²⁷ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹²⁸ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹²⁹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹³⁰ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

- e) when the organisational structure of the absorbing ¹³¹entity changes, the new organisational structure with detailed descriptions of duties and responsibilities of persons with special responsibilities and rights, as well as the potential number of employees;
- f) when changes have occurred as regards ¹³²the administrators, the chairman of the supervisory/administration board and the chairman of the audit committee of the absorbing entity, the relevant documents shall be submitted conform to ¹³³the requirements set out in this Regulation;
- g) the new structure of shareholders of the absorbing ¹³⁴entity, including direct and indirect shareholders;
- h) balance sheet of the absorbing ¹³⁵entity and detailed data on own funds, prepared on consolidated basis and certified by a chartered accountant;
- i) ¹³⁶a description on the adequacy of risk management system, including the money laundering and terrorism financing risk of the absorbing entity, taking into consideration also the potential risks that might arise throughout the merger by absorption process, and a description on how the risk management systems shall be integrated within a reasonable time frame.

Article 27

Documents for merger by creation

1. The entity (¹³⁷the non-bank financial institution or the micro-credit financial institution)¹³⁸ may not be reorganised through a merger by creation, without prior approval by the Bank of Albania.
2. The application shall be submitted, in writing, by the existing ¹³⁹entity and supported by the following documents:
 - a) decision of the shareholders/partners Assembly of each ¹⁴⁰entity, involved in the transaction, approving the reorganisation through a merger by creation;
 - b) agreement/draft and detailed report on the transaction of the merger, signed by the legal representatives of the ¹⁴¹entities that are merged, shall conform to the stipulations of the Law “On entrepreneurs and commercial companies” and relevant applicable legislation;
 - c) independent reports by licensed experts in various fields to evaluate the terms of the merger draft agreement;

¹³¹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹³² Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹³³ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹³⁴ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹³⁵ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹³⁶ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹³⁷ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹³⁸ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹³⁹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁴⁰ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁴¹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

- d) balance sheet of the new ¹⁴² entity and detailed data on shareholder's own capital, prepared on consolidated basis and certified by a chartered accountant;
- e) ¹⁴³a description on the adequacy of risk management system of the new entity, including the money laundering and terrorism financing risk, taking into consideration also the potential risks that might arise throughout the merger by creation process, and a description on how the risk management systems shall be integrated within a reasonable time frame.

SUBCHAPTER II DIVISION

Article 28 Documents for division by creation

1. The entity (¹⁴⁴the non-bank financial institution or the micro-credit financial institution) ¹⁴⁵ may not be reorganised through a division by creation, without prior approval by the Bank of Albania.
2. The application shall be submitted, in writing, by the ¹⁴⁶entity, subject to division and is supported by the following documents:
 - a) decision of the shareholders/partners assembly of the ¹⁴⁷entity, subject to division, approving the reorganisation through a division by creation;
 - b) agreement/draft and detailed report on the transaction of the division, signed by the legal representatives of the ¹⁴⁸entities involved in this transaction, drafted conform to the stipulations of the Law "On entrepreneurs and commercial companies" and relevant applicable legislation;
 - c) balance sheets of the new receiving ¹⁴⁹entities with detailed data on their capital;
 - d) when the capital of an ¹⁵⁰entity, subject to division does not comply with the required minimum initial capital for receiving ¹⁵¹entity, resulting from the division, additional funds shall be deposited as necessary to a bank account;
 - e) ¹⁵²a description on the adequacy of risk management system of the receiving entities, including the money laundering and terrorism financing

¹⁴² Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁴³ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁴⁴ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021

¹⁴⁵ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁴⁶ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁴⁷ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁴⁸ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁴⁹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁵⁰ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁵¹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁵² Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

risk, taking into consideration also the potential risks that might arise throughout the separation by creation process.

Article 29

Documents for division by absorption

1. The entity (¹⁵³the non-bank financial institution or the micro-credit financial institution) ¹⁵⁴ may not be reorganised through a division by absorption, without prior approval by the Bank of Albania.
2. The application shall be submitted, in writing, by the ¹⁵⁵entity, subject to division, and is supported by the following documents:
 - a) decision of the shareholders/partners assembly of each ¹⁵⁶entity involved in the transaction, approving the reorganisation through a division by absorption;
 - b) agreement/draft and detailed report on the transaction of the division, signed by the legal representatives of the ¹⁵⁷entity involved in this transaction, which shall be drafted conform to the stipulations of the Law “On entrepreneurs and commercial companies” and relevant applicable legislation;
 - c) strategic and operational plan for realising the division, which includes the division needs assessment and financial report projections, ¹⁵⁸prepared for the entity that is subject to division and the receiving entity;
 - d) the new organisational structure of the receiving ¹⁵⁹entities with detailed descriptions of duties and responsibilities of persons with special responsibilities and rights, as well as the potential number of employees;
 - e) balance sheets of the ¹⁶⁰entity that is subject to division with detailed data on own funds. The balance sheets shall be prepared on consolidated basis and certified by a chartered accountant;
 - f) ¹⁶¹the new structure of shareholders/partners of the receiving entities, including the direct and indirect shareholders/partners, if after the division there are changes in the structure of the shareholders/partners of the entities;
 - g) data set out in Article 8, paragraph 2, letter “k” of this Regulation on the business plan for the receiving ¹⁶²entities;
 - h) ¹⁶³a description on the adequacy of risk management system of the receiving entities, including the money laundering and terrorism

¹⁵³ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁵⁴ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁵⁵ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁵⁶ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁵⁷ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁵⁸ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁵⁹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁶⁰ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁶¹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁶² Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁶³ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

financing risk, taking into consideration also the potential risks that might arise throughout the separation by absorption process.

Article 30

Common provisions on mergers and divisions

1. When the merger or division leads to the establishment of at least one new entity¹⁶⁴, this institution shall be subject to all rules set out in this Regulation for being licensed as a new ¹⁶⁵non-bank financial institution or microcredit financial institution.
2. After receiving the application to approve the merger/division, the Bank of Albania shall publish the notification on the official website of the Bank of Albania, with regard to the application submitted by the ¹⁶⁶entity.
3. In addition to the documents specified in this Regulation and given the specifics of this process, the Bank of Albania may request, as the case may be, additional information it deems as necessary to make a decision.
4. After reviewing and verifying the submitted documents, the Bank of Albania shall make a decision on approving or rejecting the reorganisation of the ¹⁶⁷entity (¹⁶⁸the non-bank financial institution or the micro-credit financial institution).
5. The Bank of Albania shall approve those mergers/divisions, which, in addition to stipulations of this Regulation, do not infringe legal obligations on competition in the financial market and do not imperil the position of creditors.
6. The maximum timeframe for the review of documents and approval or rejection of the merger/division shall be 3 (three) months from the submission of the complete documents, conform to the requirements of this Regulation.
7. In the case of a merger by absorption, the absorbing ¹⁶⁹entity continues to exercise only the financial activity for which it was originally licensed.
8. In the case of a division by absorption, the receiving ¹⁷⁰entities continue to exercise only the financial activities for which they were originally licensed.
9. In special cases of merger by absorption, envisaged in Article 225 of Law No 9901, dated 14.04.2008 “On entrepreneurs and commercial companies”, the

¹⁶⁴ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁶⁵ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁶⁶ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁶⁷ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁶⁸ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁶⁹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁷⁰ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

required documents for the approval of the reorganisation shall comply with the stipulations of this Article.

Article 30/1¹⁷¹
Re-assessment process

1. Subjects of this Regulation conduct the re-assessment of the suitability of the shareholders/partners, members of the supervisory/administration board, administrators and members of the audit committee, at least once a year, as well as when deemed necessary, based on specific circumstances or facts.
2. Subjects of this Regulation, through the re-assessment process of the suitability of the shareholders/partners, members of the supervisory/administration board, administrators and members of the audit committee, shall ensure the ongoing fulfillment of the criteria laid down in this Regulation, and shall report to the Bank of Albania, the results of the re-assessment process, annually, within the first quarter of the following year.
3. Subjects of this Regulation shall document the re-assessment process of the suitability of the shareholders/partners, members of the supervisory/administration board, administrators and members of the audit committee, and shall predict the obligation for all these persons, who must notify the entity of any circumstance or fact that has a significant impact on their suitability or confirm, at least once a year, that the criteria set out in this Regulation continue to be met.
4. Where the subjects of this Regulation conclude that the terms are not met by shareholders/partners, members of the supervisory/administration board, administrators and members of the audit committee, they shall promptly inform the Bank of Albania, no later than within 5 business days from its conclusion.
5. Following the notification in accordance with paragraph 4 of this Article, as well as where it concludes this fact while conducting its oversight process, the Bank of Albania shall:
 - a) take measures for the entity in accordance with Article 14 of this Regulation; and
 - b) require the dismissal of the members of the supervisory/administration board, administrators or members of the audit committee.

¹⁷¹ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

CHAPTER V FINAL PROVISIONS

Article 31¹⁷² Other provisions

1. The non-bank financial institutions, in the event of meeting the characteristics of a micro-credit institution¹⁷³ laid down in this Regulation, may apply to be licenced as micro-credit financial institutions¹⁷⁴, in compliance with the requirements laid down in Article 18 of this Regulation. The Bank of Albania, in the event of granting the license to the entity to operate as micro-credit financial institution¹⁷⁵, shall simultaneously revoke the existing license as non-bank financial institution.
2. The micro-credit financial institution¹⁷⁶ shall have the right to apply for the license as non-bank financial institution, if applying to carry out other financial activities in compliance with the requirements laid down in Article 18 of this Regulation. The Bank of Albania, in the event of licensing the company as non-bank financial institution, shall simultaneously revoke the existing license as micro-credit financial institution¹⁷⁷.

Article 32 Transitory provisions

1. Non-bank financial institutions licensed by the Bank of Albania before the entry into force of this Regulation shall be considered as licensed pursuant to the requirements set out in this Regulation, in accordance with the financial activities set out in the existing license.
2. Notwithstanding the provision laid down in paragraph 1 of this Article, the Bank of Albania may request the institutions licensed before the entry into force of this Regulation to submit additional information if it deems that the information presented at the process of granting the license is not in compliance with the requirements defined in this Regulation.
3. Repealed¹⁷⁸.

¹⁷² Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹⁷³ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁷⁴ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁷⁵ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁷⁶ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁷⁷ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁷⁸ Added upon the Supervisory Council decision no. 121, dated 09.11.2016 and repealed upon the Supervisory Council decision no. 60, dated 24.11.2021.

Article 33
Final provisions

The forms attached herein shall be an integral part of this Regulation.

CHAIRMAN OF THE SUPERVISORY COUNCIL

ARDIAN FULLANI

**APPLICATION¹⁷⁹
TO THE BANK OF ALBANIA
for licencing as a non-bank financial institution/microcredit financial
institution¹⁸⁰**

Name of institution:

Address of proposed location: _____, Albania
(City) (District)

We hereby submit this application to the Bank of Albania, providing information in line with its requirements for granting a license to carry out activities as a non-bank financial institution/microcredit financial institution¹⁸¹.

We commit to comply with the Law “On banks in the Republic of Albania” and other pertinent Albanian legislation throughout the activity we apply to exercise.

Applicants

Note: The application with the documents and forms required in accordance with this Regulation shall be submitted to the following address:

**Supervision Department
Bank of Albania
Sheshi “Skënderbej”, Nr.1
Tirana, ALBANIA**

¹⁷⁹ Amended upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹⁸⁰ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁸¹ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

FORM NO 2 (Repealed)¹⁸²

FORM NO 3 (Repealed)¹⁸³

¹⁸² Repealed upon the Supervisory Council decision no. 47, dated 30.03.2016.

¹⁸³ Repealed upon the Supervisory Council decision no. 47, dated 30.03.2016.

CURRICULUM VITAE

(of the proposed administrator, individual partner/ shareholder, member of the supervisory/administration board, member of the audit committee)¹⁸⁴

First name and last name:	
Address	
Date of Birth	
Place of Birth	
Citizenship	
Telephone number (work)	
Telephone number (mobile)	
E-mail	
<u>EDUCATION</u>	
<i><u>(Starting with the most recent, list all the education institutions you have attended, duration of studies, graduation date, academic title/degree awarded)</u></i>	
1. Name of institution and address	
Dates	
Title of qualification awarded	
2. Name of institution and address	
Dates	
Title of qualification awarded	

¹⁸⁴ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

<p align="center">FOREIGN LANGUAGES <i>(list the foreign languages and your skills and competences, from 5 to 1 (5 = very good, 4 = good , 3 = average etc.)</i></p>	
<p>ADVANCED TRAINING <i>(Starting with the most recent, list all the training courses you have attended, dates, subjects, organisers)</i></p>	
<p>PARTICIPATION IN STEERING BODIES/PROFESSIONAL ASSOCIATIONS <i>(List the associations you presently are or have been a member of the steering body, dates, etc.)</i></p>	
<p>WORK EXPERIENCE <i>(Starting with the most recent, list your employment records, title and position, dates, main activities and responsibilities for each position)</i></p>	
1. Name and address of employer	
Dates (month/year - month/year)	
Type of employment	a. employed <input type="checkbox"/> b. self-employed <input type="checkbox"/> c. unemployed <input type="checkbox"/> d. student (<i>full-time</i>) <input type="checkbox"/>
Position	
Responsibilities (detailed)	
Reason/s for leaving	a) Resigned <input type="checkbox"/> b) Downsizing <input type="checkbox"/> c) Retired <input type="checkbox"/> d) End of contract <input type="checkbox"/> e) Dismissed <input type="checkbox"/> f) Other <input type="checkbox"/> Specify
2. Name and address of employer	

Dates (month/year - month/year)	
Type of employment	a. employed <input type="checkbox"/> b. self-employed <input type="checkbox"/> c. unemployed <input type="checkbox"/> d. student (<i>full-time</i>) <input type="checkbox"/>
Position	
Responsibilities (detailed)	
Reason/s for leaving	a) Resigned <input type="checkbox"/> b) Downsizing <input type="checkbox"/> c) Retired <input type="checkbox"/> d) End of contract <input type="checkbox"/> e) Dismissed <input type="checkbox"/> f) Other <input type="checkbox"/> Specify
3. Name and address of employer	
Dates (month/year - month/year)	
Type of employment	a. employed <input type="checkbox"/> b. self-employed <input type="checkbox"/> c. unemployed <input type="checkbox"/> d. student (<i>full-time</i>) <input type="checkbox"/>
Position	
Responsibilities (detailed)	
Reason/s for leaving	a) Resigned <input type="checkbox"/> b) Downsizing <input type="checkbox"/> c) Retired <input type="checkbox"/> d) End of contract <input type="checkbox"/> e) Dismissed <input type="checkbox"/> f) Other <input type="checkbox"/> Specify
4. Name and address of employer	

Dates (month/year - month/year)	
Type of employment	a. employed <input type="checkbox"/> b. self-employed <input type="checkbox"/> c. unemployed <input type="checkbox"/> d. student (<i>full-time</i>) <input type="checkbox"/>
Position	
Responsibilities (detailed)	
Reason/s for leaving	g) Resigned <input type="checkbox"/> h) Downsizing <input type="checkbox"/> i) Retired <input type="checkbox"/> j) End of contract <input type="checkbox"/> k) Dismissed <input type="checkbox"/> l) Other <input type="checkbox"/> Specify

First name and last name

(Signature)

Date

DECLARATION

I hereby certify that the information provided herein is to the best of my knowledge true and correct. The information reflects all the assets and liabilities and does not hide any facts. I affirm that the information is provided by me, on voluntary basis, to the Bank of Albania.

Erroneous information or omissions in this report may constitute grounds for the Bank of Albania to reject the request.

In case additional or more detailed financial information is required, I shall provide it as requested from the Bank of Albania.

(Date)

(Signed full name)

If applicable:

(Signature of the compiler)

Signed on this date _____

of _____, 20_____.

(Signature of the public notary)

Note: To be completed by each of the founders

AUTHORISATION TO GIVE CONFIDENTIAL INFORMATION

(Both authorisation forms to be completed in original!)

I _____ hereby authorise and request every person, company, official, legal body, association or institution having control of any documents, records and other information about me, to make available the original or a copy of such documents to the Bank of Albania, its Supervision Department or their authorised person.

Name (in print)

Full address

Date (date/month/year)

Signature

Signed in my presence
_____ date _____, 20____

**THIS DOCUMENT IS
VALID FOR 6 MONTHS**

(Signature of the public notary)

Note: To be completed by each of the founders

I _____ hereby authorise and request every person, company, official, legal body, association or institution having control of any documents, records and other information about me, to make available the original or a copy of such documents to the Bank of Albania, its Supervision Department or their authorised person.

Name (in print)

Full address

Date (date/month/year)

Signature

Signed in my presence
_____ date _____, 20____

**THIS DOCUMENT IS
VALID FOR 6 MONTHS**

(Signature of the public notary)

Note: To be completed by each of the founders

PREMISES AND LOCATION OF THE ENTITY ¹⁸⁵

1. Capital proposed to be invested in fixed assets, type of ownership:
 - Permanent premises¹⁸⁶, rented.
 - Permanent premises¹⁸⁷, owned property.
 - Temporary premises¹⁸⁸.

2. Description of premises:
 - a) Rented premises :
 - i. estimated annual cost ¹⁸⁹of the rent for the entity;
 - ii. description of the renovations and expected improvements to the building.

 - b) Owned premises:
 - i. name and address of vendor, date of construction finalisation, cost of premises (object) purchase;
 - ii. cost and description of the necessary restorations, renovations and alterations to the building and the surrounding environment.

 - c) Temporary premises¹⁹⁰:
 - i. location of temporary premises;
 - ii. details of temporary premises, including their dimensions, type of the construction, key facilities to be installed in the building;
 - iii. If the temporary premises are to be purchased, the estimated cost, approximate reselling value, a copy of the standard form of the purchasing agreement;
 - iv. If the temporary premises shall be rented, the estimated monthly rent price.

3. Proposed investment in furniture, equipment and description of items.

4. Investment proposed to meet the minimum technical and security requirements for exercising the activity.

¹⁸⁵ Note: As much information as possible shall be provided at the submission of application. The rest of the information shall be submitted to the Bank of Albania before being granted the final licence.

¹⁸⁶ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁸⁷ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁸⁸ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁸⁹ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁹⁰ Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

FORM NO 8 (Repealed)¹⁹¹

¹⁹¹ Repealed upon the Supervisory Council decision no. 47, dated 30.03.2016.

PROPOSED BUSINESS PLAN

The business plan shall set out the scope, objectives and business philosophy of the institution. The Bank of Albania shall review, throughout the first year of the activity, the proposed business plan, as of approval, to adjudicate whether the operations of the non-bank financial institution ¹⁹²or microcredit financial institution comply with the initial business plan, particularly relating to the increase of assets and liabilities. Any significant change of the initial plan may lead to a reason for revoking the license. Therefore, the business plan should be carefully drafted.

The business plan shall:

1. set out the organisational structure of the company.
2. describe the policies for the activities it applies to carry out, objectives and market position.
3. describe the activities, market segment (customer base), products and services it proposes to supply during the first 3 (three) years of activity.
4. ¹⁹³describe in detail the financial sources and the asset structure for the first 3 (three) years of the activity.
5. describe the analysis of the market, competitors, market characteristics and development trend.
6. describe the institution's financial position forecast for the first 3 (three) years of activity following licensing, financial statements;
7. present information, according to Form No 7 attached to and forming an integral part of this Regulation, relating to the premises where ¹⁹⁴the entity shall carry out the activity/ies;
8. present information on investments in ICT systems, followed by the list of equipment, software, etc.
9. present projections for the implementation of the regulatory and supervisory framework (indicators of prudence, reports, etc.) for the first 3 (three) years of the activity;
10. ¹⁹⁵describe the risks towards the entity expects to be exposed, including the money laundering and/or terrorism financing, ¹⁹⁶including branches.

¹⁹² Amended upon the Supervisory Council decision no. 60, dated 24.11.2021.

¹⁹³ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁹⁴ Amended upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁹⁵ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.

¹⁹⁶ Amended upon the Supervisory Council decision no. 51, dated 7.12.2022.

The decision-making body shall review, discuss and approve the conditions of the plan that is deemed to be profitable. The business plan is presumed to be a presentation of the plans and projections from the decision-making body, that shall be viable and the Bank of Albania may rely on, during the consideration, review and the approval process of the application.

FORM NO 10¹⁹⁷
Repealed

¹⁹⁷ Repealed upon the Supervisory Council decision no.60, dated 24.11.2021.

STATEMENT

Through which I declare that I have/do not have family relations or close personal, working or business relationships in accordance with legal stipulations, with persons with criminal convictions by a final court decision.

Note: Where the proposed shareholder / partner / administrator / member of the supervisory/administration board / member of the audit committee, declares that he/she has family relations or close personal, working or business relationships in accordance with legal stipulations, with persons with criminal convictions by a final court decision, shall list the names of the persons.

No	Name of the person related to the proposed shareholder/ partner/ administrator/ member of the supervisory/ administration board/ member of the audit committee	Specifying the type of the relationship (family or close personal, working or business relationship in accordance with legal stipulations)	Criminal conviction by a final court decision exists (explain the type of conviction)
1			
2			
3			
...			

I hereby declare that the information provided, is voluntarily presented to the Bank of Albania/Entity _____ by me.

Any wrong doing or exclusion of the facts in this report shall be a motivation for the Bank of Albania to refuse my approval as the shareholder / partner / administrator / chairman of the supervisory/administration board / chairman of the audit committee of the entity _____, or that the Entity _____ shall refuse my appointment/re-appointment as member of the supervisory/administration board / member of the audit committee.

Shall further or more detailed information be required by the Bank of Albania/Entity _____, I remain at disposal to provide it.

(Name/Surname of the proposed shareholder / partner / administrator / member of the supervisory/administration board / member of the audit committee)

_____/_____/_____
(Date)

(full signature)

¹⁹⁸ Added upon the Supervisory Council decision no. 47, dated 3.7.2019.