



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

DECISION

No. 02 dated 17. 01. 2013

**APPROVAL OF REGULATION
“ON RISK MANAGEMENT IN THE ACTIVITY OF NON-BANK FINANCIAL
INSTITUTIONS”**

In accordance with Article 1, paragraph 4, "b", and Article 43, "c" of the Law No. 8269, dated 23.12.1997 “On the Bank of Albania”, amended; Article 126 of the Law No. 9662, dated 18.12.2006 “On banks in the Republic of Albania”, amended; having regard to the proposal from the Supervision Department, the Supervisory Council of the Bank of Albania,

DECIDED:

1. To approve the Regulation “On risk management in the activity of non-bank financial institutions”, according to the decision attached herewith.
2. The Supervision Department at the Bank of Albania is responsible for the implementation of this Decision.
3. Foreign Relations, European Integration and Communication Department is responsible for the publication of this Regulation in the Official Bulletin of the Bank of Albania and in the Official Journal of the Republic of Albania.
4. The Regulation “On risk management in the activity of non-bank institutions”, adopted with the Decision of Supervisory Council No. 25, dated 24.03.2010 shall be abrogated.

This decision shall enter into force on the 15th day following that of its publication in the Official Journal of the Republic of Albania.

SECRETARY

YLLI MEMISHA

CHAIRMAN

ARDIAN FULLANI

REGULATION

“ON RISK MANAGEMENT IN THE ACTIVITY OF NON-BANK FINANCIAL INSTITUTIONS”

(Adopted with decision No. 02, dated 17.01.2013 and amended by the decision No. 46, dated 06.09.2017, by the decision No. 50, dated 3.7.2019, by the circulating decision No. 14, dated 12.3.2020, and by the decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania)

CHAPTER I GENERAL PROVISIONS

Article 1 Purpose

The purpose of this regulation is to set out the rules for the management of risk in the activity of non-bank financial institutions.

Article 2 Legal ground

This regulation is issued in accordance with:

- a) Article 1, paragraph 4 "b", and Article 43 "c" of the Law No. 8269 dated 23.12.1997 “On the Bank of Albania”, as amended;
- b) Article 126 of the Law No. 9662, dated 18.12.2006 “On banks in the Republic of Albania”, which hereinafter shall be referred as the “banking law”.

Article 3 Scope of application

This regulation shall apply on ¹non-bank financial institutions and microcredit financial institutions, being granted a license to carry out their financial activity in the Republic of Albania.

Article 4 Definitions

1. For the purpose of this regulation the terms shall have the same meaning with those defined in the banking law and in the Regulation “On the licensing and the activity of non-bank financial institutions”.
2. In addition to the stipulation of paragraph 1 of this Article, for the purpose of this Regulation, the following terms shall have these meanings:
 - a) ²“**regulatory capital**” - is the capital used to measure regulatory indicators and is calculated as the algebraic sum of the following elements of the balance sheet:

¹ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

² Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

- i. paid-in capital,
 - ii. equity premiums,
 - iii. reserves,
 - iv. revaluation difference,
 - v. retained profits,
 - vi. profit-loss of the financial year,
 - vii. (minus) participations in the capital of other subjects,
 - viii. subordinated debt.
- b) "**non-performing loans**" – shall mean the total loan (principal and interest) classified in the last three categories according to the definitions of this regulation;
- c) "**net non-performing loans**" – shall mean the total of non-performing loans (principal and interest), deducting the reserve fund, established to cover losses for these loans;
- d) ³ repealed;
- e) "**loan restructuring**" – shall mean the facility/facilities the institution makes for the borrower/borrowers owing to their financial difficulties, due to economic or legal causes, which are not made by the institution in no other occasion, and in general shall include:
- i. facilities made in loan terms, through the alteration of one or some terms in the contract (including alteration of product and interest capitalisation) which mainly related to the them, principal and interest rate),
 - ii. acquisition (use) of collateral or other assets for the partial payment of a loan,
 - iii. replacement of the first borrower or the inclusion of one or more additional borrowers.
- f) ⁴"**subordinated debt**" – is an equity instrument, whose contract in case it stipulates a definite date to be paid, the initial maturity period should be no shorter than 5 years, or in case it does not stipulate a definite date, the obligation may be settled upon a preliminary notification of 5 years, and in no case a pre-maturity settlement shall be stipulated, without the approval by the Bank of Albania. Settlements should not be used to cover losses.

⁵ Institutions include subordinated debt in the regulatory capital, up to 50% of the sum of the capital elements until 31.12.2023 and, starting from 1.1.2024, up to 33.3% of the sum of the capital elements, only if the specified requirements in letter "f" of paragraph 2 of this article are met. For the purposes of this calculation, shall be considered the sum of the capital elements provided for in sub-paragraphs "i" to "vii" of letter "a" of paragraph 2 of this article.

The institution that seeks to include the subordinated debt in its regulatory capital ⁶ shall inform the Bank of Albania, and shall submit the following documents:

- i. the signed contract on the issue of the subordinated debt;

³ Repealed by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

⁴ Added by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

⁵ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

⁶ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

- ii. a schematic illustration of compliance ⁷ with the requirements and characteristics of the subordinated debt defined in the letter “f” of paragraph 2 of this article, by providing the relevant references in the contract;
- iii. a description of the accounting treatments of the subordinated debt, in addition to the opinion of the statutory auditor or auditing company, regarding its acceptance; and
- iv. a declaration on the legal source of the borrowed funds.

CHAPTER II RISK MANAGEMENT FOR ALL INSTITUTIONS

SUB CHAPTER I CORE PRINCIPLES AND RULES FOR A RESPONSIBLE AND EFFECTIVE MANAGEMENT

Article 5 Steering bodies and general management culture

1. Steering bodies, in compliance with the tasks and obligations related to the management and control of the institution, by establishing/determining in advance risk bearing and tolerance and its regular monitoring in compliance with the latter, ensuring capital rates sufficient to cover this risk.
2. Steering bodies, through the management style, shall encourage an adequate management culture that prioritises the honesty and the establishment of correct relationships among employees, based on high professional standards and ethical values.
3. Steering bodies shall take all measures to accomplish high ethical and professional standards for the institution’s management.

Article 6 Risk management system

1. The institutions shall have in place and develop the risk management system, in line with the nature, volume and complexity of their activity.
2. Risk management system shall mean the set of policies, procedures, rules and structures of the institution, which serve for the risk management.
3. ⁸The risk management system shall imply:
 - a) the process of identification, measurement, monitoring, control and reporting of all the risk types within an entity across all its activity (for the entire balance sheet, portfolio and business lines);
 - b) determining the functions of risk management structures that shall ensure:
 - i. the identification of all the risks;

⁷ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

⁸ Added by the Decision No. 50, dated 3.7.2019 of the Supervisory Council of the Bank of Albania.

- ii. the assessment of all risks and measurement of the exposures towards them;
- iii. the monitoring of the risk exposure and determining the capital needs on an ongoing basis;
- iv. the monitoring and evaluation of the decisions to accept certain risks, the measures for risk mitigation and the compliance of decisions of steering bodies on risk policies;
- v. reporting directly and independently to the steering bodies on all the above mentioned issues.

⁹Article 6/1
Internal audit function/unit

1. Entities shall establish the internal audit function/unit, as part of the internal control system.
2. The internal audit function/unit is a separate organizational unit of the entity, independent from the activities, structures and individuals, that it reviews or controls, that reports to the management/supervisory board and/or the audit committee of the entity.
3. Each activity, department, branch, and other organizational unit of the entity shall be included in the control area of the internal audit function/unit.
4. The internal audit function/unit shall ensure, independently, the steering bodies on the quality and effectiveness of the internal audit of the entity, as well as the administration/governance and risk management system and processes.
5. The internal audit function/unit shall implement international standards of internal control.
6. Entities shall establish and approve internal acts for the functioning and carrying out the activity of this function/unit that shall be drafted and reviewed as frequently as deemed necessary.
7. The internal acts which define the manner of functioning and carrying out the activity of the internal audit function/unit, shall include at least the following elements:
 - a) the scope and field of activity of the internal audit function/unit;
 - b) the role, authority and responsibilities of the internal audit function/unit;
 - c) the relations of the internal audit function/unit with other functions of the control system within the entity;
 - d) the ways and lines of communication of the results of the auditing activities;
 - e) the procedures for the coordination with the statutory auditor or the auditing company and the supervisory authority;
 - f) the right for unlimited and unconditional use of any registration, file, database, physical assets of the entity, as well as every document of the steering bodies or organizational units of the entity, necessary for the carrying out of this function's/unit's functions;
 - g) the right of the head of the internal audit function/unit to have direct communication with the steering bodies;
 - h) the right of planning and determining controls independently;

⁹ Added by the Decision No. 50, dated 3.7.2019 of the Supervisory Council of the Bank of Albania.

- i) the assurance of avoidance of any conflict of interests in carrying out the duties of internal audit;
 - j) the requirements for compliance with the best standards of internal audit.
8. The frequency of the audit shall be based on the risk based evaluation of every field of activity and/or organizational unit of the entity. All the areas of activity and/or organizational units of the entity shall be subject to auditing by the internal audit function/unit at least every three years, including those with low risk.
9. The internal audit function/unit shall prepare a report on any audit carried out. This report should include at a minimum:
- a) the audit object;
 - b) the description of the audit work (description of the methodology, steps and procedures followed so as to attain the audit targets, etc.);
 - c) audit findings;
 - d) comments by the managers of the audited organizational units on the audit findings;
 - e) assessments on the qualifications of employees, adequacy of internal acts and risk assessment system, on a case by case basis;
 - f) recommendations on correcting and improving findings that were observed during the audit session, and
 - g) extent of implementation of recommendations proposed by previous audits.
10. The employees of the internal audit function/unit should have:
- a) high ethical and professional reputation;
 - b) professional capability to implement international internal audit standards and auditing procedures and techniques in all of the operating areas of the bank;
 - c) knowledge of and/or experience in implementing accounting standards;
 - d) knowledge of risk management principles.
11. The internal audit function/unit shall be responsible to draft at every end-year the work plan for the following year, which shall be subject to approval by the steering bodies of the entity.
12. The internal audit function/unit presents an annual report on the work conducted by the unit to the steering bodies of the entity, which shall contain the following elements:
- a) a report on the level of implementation of the annual work plan of the internal audit function/unit;
 - b) a list of all the activities planned and carried out by the internal audit function/unit;
 - c) a list of all the activities conducted, but not planned in the annual work plan of the internal audit function/unit;
 - d) a list of all the activities planned, but unrealized by the internal audit function/unit, along with the reasons for non-realization;
 - e) a summary of the most important findings identified during audits;
 - f) a general assessment of the adequacy and efficiency of the internal control system in the areas covered by the internal audit function/unit;
 - g) a general assessment of the adequacy and efficiency of the risk management system;

- h) a report on the extent of implementation of recommendations and corrective measures defined based on the recommendations, as well as the reasons for the lack of their implementation.

¹⁰Article 6/2
Compliance function

1. Entities shall have an executive director, responsible for the identification, coordination and management of the compliance risk.
2. The compliance structure/unit is independent from, the business lines and the internal units that controls and has the authority, reputation and sufficient resources.
3. The main responsibility of the structure/unit that fulfills the entity's compliance function, is to assist the steering bodies of the entity for effectively managing compliance risk.
4. The compliance structure/unit shall advise the steering bodies of the entity, on compliance with laws, rules and standards, informing regularly on developments in the field and more specifically it performs / fulfills the following tasks:
 - a) educate and train the staff on compliance issues and act as a contact point within the entity for compliance-related queries from staff members;
 - b) establish written internal guidelines for the staff on the appropriate implementation of laws, regulations and standards through policies and procedures and other documents such as compliance manuals, internal codes of conduct and practical guidelines;
 - c) identify, record and assess compliance risks associated with the operations of the entity, including new products and practices, proposed establishment of new types of business or customer relations, and material changes in the nature of such relations;
 - d) assess the possible impact of any legal and regulatory change on the bank's activity and on the compliance framework;
 - e) measure the compliance risk by using performance indicators (e.g. increased number of customer complaints, irregularities in payments, etc.) to enhance compliance risk assessment;
 - f) assess the appropriateness of compliance procedures and regulations and the identified deficiencies, by formulating proposals for amendments;
 - g) monitor, test and report results of the compliance adequacy testing in accordance with internal risk management system, identifying any changes in the compliance risk profile based on relevant performance indicators, identified breaches and/or deficiencies and corrective measures that have been taken;
 - h) create an encouraging and suitable climate for the employees of the entity to communicate/signal non-compliance with the rules, procedures, operations, etc., ensuring at the same time, the confidentiality and protection for the employees.
5. The compliance structure/unit may accomplish other specific statutory functions in the framework of fulfilling legal obligations of the entity (such as anti-money laundering etc.), as well as liaise with the Bank of Albania and/or other financial supervision authorities, external statutory accountant, etc.

¹⁰ Added by the Decision No. 50, dated 3.7.2019 of the Supervisory Council of the Bank of Albania.

6. The compliance structure/unit performs the duties specified in this Regulation and in the entity's regulatory acts under a compliance programme that sets out its planned activities, such as implementation and review of specific policies and procedures, special procedures on compliance risk, compliance testing and assessment as well as staff training and education on compliance matters.
7. The programme of the compliance structure/unit shall be risk-focused and subject to ongoing review to ensure appropriate coverage across all entity business/activity lines operations and coordination among risk management functions.

SUB CHAPTER II

Maximum allowed exposure

Article 7

Maximum allowable large exposure limits

1. Exposure of an institution to a person or third party is the sum of all transactions at the balance-sheet asset and off-balance sheet commitments with this person or counterparty and related counterparties.
2. Exposure of an institution, excluding the leasing institutions, to a single person or group of related counterparties will be considered as large exposure when its value is equal or higher than 10% (ten per cent) of the ¹¹regulatory capital of the institution.
3. Exposure of an institution to a single person or group of related counterparties should not exceed 15% (fifteen per cent) of the ¹²regulatory capital of the institution, excluding institutions that carry out ¹³factoring and financial leasing activities.
4. In the institution's exposure to a single person, the following are excluded:
 - a) claims arising from the transactions stipulated in paragraph 1 of this Article, insured with a monetary deposits pledge, up to the amount of this insuring pledge;
 - b) securities of the Government of the Republic of Albania or of the Bank of Albania or an un-negotiable guarantee of the Government of the Republic of Albania;
 - c) ¹⁴participations in the capital of other entities, which are deducted from the regulatory capital of the institution.
5. The institution, excluding institutions carrying out ¹⁵ factoring and financial leasing activities, shall not undertake high exposures, which, being considered altogether, exceed 600% (six hundred per cent) of the ¹⁶regulatory capital of the institution.

¹¹ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

¹² Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

¹³ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

¹⁴ Added by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania

¹⁵ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

¹⁶ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

Article 8
Calculation of large exposures

1. ¹⁷The entities, for the purposes of calculating, reporting and observing the maximum permitted large exposure limits, shall weight by 20% (twenty per cent) the exposures to banks and financial institutions in the Republic of Albania, with a residual time to maturity of less than 1 (one) year.
2. Institutions must have in place administrative and accounting procedures, as well as mechanisms of internal control for identifying, measuring and monitoring all the large exposures and their changes.

Article 9
Liquidity risk

1. Liquidity risk is the possibility of financial loss owing to liquid assets shortfalls, to meet the obligations as they come due, and/or when the institution is not able to fund increases in assets.
2. Institutions shall establish a robust liquidity risk management system, which aims the well-management of liquidity risk. This system should minimally include the strategies and policies related to the management of liquidity risk, organisational structure established for the management of liquidity risk, the internal audit system, information management system.
3. Institutions shall ensure that the liquidity risk management system, as regards both quality and quantity, is in line with the size of the institution, typology of its activity and exposure rate to liquidity risk.
4. The institution shall monitor regularly the indicators of exposure to liquidity risk, as set out in the following ratios
 - a. 1-month assets to 1-month liabilities ratio should not be lower than 100% (one hundred per cent);
 - b. 3-month assets to 3-month liabilities ratio should not be lower than 100% (one hundred per cent).

Article 10
Allowable open foreign exchange position

1. The open foreign exchange position denominated in an individual foreign currency represents the equivalent sum in ALL of the difference between total rights and liabilities of the institution denominated in that foreign currency.
2. Institution must not exceed, at the closure of every business day, the following rates regarding the open foreign exchange positions:
 - a) the open foreign exchange position ratio for an individual currency ¹⁸to regulatory capital ¹⁹should not be higher than 30% (thirty per cent); and

¹⁷ Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

¹⁸ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

¹⁹ Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

- b) the open foreign exchange position ratio for all currencies ²⁰to regulatory capital ²¹should not be higher than 40% (forty per cent)²².
3. ²³The entities, in calculating the open foreign exchange position do not include the structural foreign exchange position, which is created by:
- a) elements (balance sheet and off-balance sheet items), which are not of the nature of the main financial activity of the entity and/or are sustainable/long-term elements, as: “participating interests”; “investments in affiliates”, “intangible and tangible fixed assets” etc.;
 - b) transactions of the entity which maintain the capital adequacy level, in case the indicator is affected by the volatilities in the exchange rate.

CHAPTER III RISK MANAGEMENT IN LENDING INSTITUTIONS

SUB CHAPTER I EXPOSURES TO RISK AND LIMITS

Article 11 Indicators of capital adequacy

1. To carry out a safe and solid activity and to meet its obligations, the institution, shall provide adequate capital.
2. The institution shall observe regularly the indicators of capital adequacy, as stipulated in the following ratios:
 - a. regulatory capital²⁴ to total assets ratio should not be lower than 5 % (five per cent) in the first year of the activity, 8% (eight per cent) in the second year and 10% (ten per cent) onwards;
 - b. regulatory capital²⁵ to net fixed tangible and intangible assets ratio should not be less than 100% (one hundred per cent);
 - c. regulatory capital²⁶ to non-performing total loans (net) ratio should not be less than 100% (one hundred per cent);

Article 12 Exposure to risk and limits

1. The institution, throughout its activity, shall set out the criteria and compile methods and procedures for identifying and monitoring all risks, in line with the internal acts of the institution and the regulatory acts issued by the Bank of Albania.

²⁰ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

²¹ Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

²² Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania

²³ Added by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

²⁴ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

²⁵ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

²⁶ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

2. The institution shall observe regularly the indicators of exposure against risk/risks, as stipulated in the following ratios:
 - a. fixed assets (net) to total assets ratio should not be higher than 20% (twenty per cent) in the first year of the activity, and should not be higher than 10% (ten per cent) after the first year of the activity;
 - b. income-generating assets to expense generating liabilities ratio should not be less than 100% (one hundred per cent);
 - c. loan to total assets of the institution ratio should not exceed 95% (ninety-five per cent);
 - d. any investments into securities, excluding investments in securities issued from the Government of the Republic of Albania and securities issued from governments and/or central banks of OECD countries, should not exceed 5% (five per cent) ²⁷of the institution's regulatory capital;
 - e. total investments on securities, excluding securities investments in securities issued from the Government of the Republic of Albania and/or central banks of OECD countries, should not exceed 40% (forty per cent) ²⁸ of the institution's regulatory capital.
3. ²⁹The entities, for the purposes of point 2 of this Article, shall consider the most recent list of OECD countries as published by this organisation on its official website.

SUB CHAPTER II CREDIT RISK MANAGEMENT

Article 13 Credit risk

1. Non-bank financial institutions shall adopt the documents related to the strategies, policies, procedures and internal rules for the regular monitoring and control of the loan portfolio quality and of other assets.
2. The documents stipulated in paragraph 1 of this Article shall contain/include minimally:
 - a) the lending strategy by periods, including realistic targets as regards to loan portfolio increase, its content by sectors, geography, currency, type of loan, etc.;
 - b) policies of interest rates, terms, settlements and the loan size;
 - c) rules set out to acknowledge and analyse the borrower and/or the loan guarantor;
 - d) procedures regarding the needed documentation to be filled for granting and approving loans, according to the hierarchy;
 - e) risk management policies for the whole portfolio and for each customer separately, loan limits for a customer, use of loans by sectors, monitoring by object and type of loan, analysis of considerable discrepancies regarding the terms and type of currency, in terms of assessing the relationship between credit risk and other risks (volatility of exchange rate, fluctuation of interest rate, etc.);
 - f) procedures on the regular monitoring of credits functioning and their identification by credits groups with equal characteristics, observation with priority of non-

²⁷ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

²⁸ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

²⁹ Added by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

- performing loans, assessment of provisions for potential losses from loans, criteria for the credit restructuring;
- g) procedures to assess other assets quality, calculate provisions for potential losses from assets depreciation, as well as assess their adequacy.
3. Non-bank financial institutions shall maintain, at separate files, the completed respective documentation regarding the borrowers.

Article 14

Loan classification

1. Non-bank financial institutions, being licensed to conduct lending, shall carry out the credit classification at least on quarterly basis.
2. Non-bank financial institutions, based on day past due of loan settlement, classify them in one of the following categories:
 - a) "standard loans", when the following conditions are met:
 - i. the borrower's financial position and the expected inflows are completely sufficient to continue its activity and pay the liabilities,
 - ii. the principal or interest is not paid completely for a period from 1 (one) to 30 (thirty) days after maturity term;
 - b) "special mention loans", when the following conditions are met:
 - i. the borrower's financial position and inflows are sufficient to pay liabilities, notwithstanding the financial difficulties of the momentum, and there are no improvement signs of borrower's future situation.
 - ii. the principal or interest is not paid totally for a period from 31 (thirty-one) to 90 (ninety) days after maturity term:
 - c) "sub-standard loans", when the following conditions are met:
 - i. the borrower's financial situation, capital and inflows are insufficient to regularly meet the defaults, or the institution does not have all the required or updated information needed to completely estimate the borrower's financial position.
 - ii. the principal and interest is not paid totally for a period from 91(ninety-one) to 180 (one hundred eighty) days after maturity term:
 - d) "doubtful loans", when the following conditions are met:
 - i. the borrower's financial situation, capital and inflows are insufficient to completely meet liabilities - the borrower manifests liquidity problems, and the borrower's declaration as "insolvent/bankrupted" is assessed as a real possibility,
 - ii. the principal or interest is not paid fully for a period from 181 (one hundred and sixty-five) days to 365 (three hundred and sixty-five) days after maturity term;
 - e) "loss loans", when the following conditions are met:
 - i. the borrower's financial situation is clearly established to not fully meet the terms for the payment of principal and interest; all needed documentation to determine the financial situation is not available; the borrower is insolvent/bankrupted; the borrower is dead and none can pay the loan; the institution has taken legal action (the court has taken the final decision) to fulfil the process on collateral execution.

- ii. the principal or interest is not paid completely or interest is not paid totally for a period longer than 365 (three hundred sixty-five) days from maturity term.
3. If the terms on loans classification, set forth in paragraph 2 of this Article, are met for different type of loan classification, the institution shall classify the loan at the lowest category.
 4. Regarding persons or related group of persons, for which more than one exposure is recorded, the institutions shall classify loans in a sole category, based on the lowest classification.

Article 15
Reserve funds' rates to cover losses from loans

1. Depending on loans' classification categories, non-bank financial institutions, establish respective reserve funds to cover potential losses arising from the failure of loans payment.
2. Reserve funds' rates are calculated , respectively, as following:
 - a) for "standard loans".....1% (on per cent);
 - b) for "special mention loans".....5% (five per cent);
 - c) for "sub-standard loans".....no lower than 20% (twenty per cent);
 - d) for "doubtful loans".....no lower than 50% (fifty per cent).
 - e) for "loss loans".....no lower than 100% (a hundred per cent).
3. The rate for the calculation of reserve fund to cover losses from loans, for both categories set out in "a" and "b" paragraph 2, of this Article, shall be applied equally as regards both principal and interest; meanwhile, with regard to non-performing loans, the applied rate on the calculated interest is 100% (one hundred per cent) for each category.
4. Non-bank financial institutions shall not account the accrued interests starting since the classification moment as the non-performing loan.
5. ³⁰The non-bank financial institution, except as provisioned in this regulation, in the cases of loans granted up to the amount of loans which are defined as micro credit, shall classify the loans and shall establish provisions to cover losses, in accordance with the criteria and rates laid down for the micro-credit financial institutions.

Article 16
Loan restructuring

1. The institutions, in an agreement with the borrower, shall restructure the loan, if the borrower fails to pay the credit in line with the terms and conditions of the original agreement, according to the criteria set out in the manual of the credit adopted from the steering bodies. Loan restructuring may take place, if, based on their analysis, the institutions deem that the borrower's financial situation will improve, or his activity income shall considerably increase and the borrower shall pay the whole loan in line with new conditions.

³⁰ Added by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

2. The restructured loan shall be classified at a higher category, and in no case not higher than the sub-standard loan, only if the following terms are met;
 - a) the borrower has regularly paid the instalments (principal and interest) for 9 (nine) months from the restructuring day;
 - b) the borrower has settled regularly not less than 3 (three) instalments (principal and interest).
3. Once the terms set forth in paragraph 2 of this Article are met, the restructured loan, shall be classified in compliance with the criteria stipulated in this chapter.

Article 17
Loans write-off from the balance sheet³¹

1. Loans shall be written-off from the balance sheet³² when the steering bodies decide and whenever the Bank of Albania deems and requests the writing-off.
2. The files of written-off loans are saved and assessed regularly, being reviewed not less than once in 6 (six) months from the steering bodies of the non-bank financial institution. Any proceeds deriving from the written-off loans are seen as non-recurring income.

SUBCHAPTER III
CREDIT RISK MANAGEMENT
IN MIROCREDIT FINANCIAL INSTITUTIONS

Article 18
Classification of loans for the microcredit financial institutions

1. Microcredit financial institutions shall classify loans, at least quarterly.
2. ³³Micro-credit financial institutions, based on the days in arrears on loan repayment, shall classify them in one of the following categories:
 - a) “standard loans”, the principal or interest is not paid for a period from 1 (one) to 30 (thirty) days from the maturity term;
 - b) “special mention loans”, the principal or interest is not paid for a period from 31 (thirty-one) to 90 (ninety) days from the maturity term;
 - c) “sub-standard loans”, the principal or interest is not paid for a period from 91 (ninety-one) to 180 (one hundred eighty) days from the maturity term;
 - d) “doubtful loans”, the principal or interest is not paid for a period from 181 (one hundred eighty-one) to 365 (three hundred sixty-five) days from the maturity term;
 - e) “loss loans”, the principal or interest is not paid for a period more than 365 (three hundred sixty-five) days from the maturity term.
3. Any loan granted to repay another loan, which has exceeded the term, whose conditions are partially modified, in case of extending the credit term owing to the

³¹ Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

³² Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

³³ Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

difficult financial conditions of the borrower or insolvency, should not be classified at a higher category than the sub-standard one.

4. Any foreign currency-denominated loan granted to customers, whose income is in a different currency, shall not be classified at a higher category than sub-standard loans.

Article 19 **Calculation of loan loss reserve fund**

1. Depending on the classification category of loans, microcredit financial institutions shall establish reserve funds to cover possible losses on loan default.
2. ³⁴The calculation of provisions are determined as follows:
 - a) for "standard loans".....1% (one per cent);
 - b) for "special-mention loans".....no lower than 15% (fifteen per cent);
 - c) for "sub-standard loans".....no lower than 30% (thirty per cent);
 - d) for "doubtful loans"no lower than 75% (seventy-five per cent);
 - e) for "loss loans".....no lower than 100% (a hundred per cent).
3. The rate to calculate the loss loan provision for "standard" and "special mentioned"³⁵ loans shall be applied uniformly regarding both the principal and interest, whereas as regards the non-performing loans, the applied rate on accrued interest shall be 100% (one hundred per cent) for each category.
4. Microcredit financial institutions shall not account the accrued interests starting since the classification moment as non-performing loan.

Article 20 **Loan write-off from the balance sheet³⁶**

1. Microcredit financial institutions shall write off the loan from the accounting balance, no later than the succeeding quarter, when it meets one of the following criteria:
 - a) the loan is classified as non-performing loan and the microcredit financial institution concludes the borrower shall not pay the liability related to the loan;
 - b) the borrower is dead and has no successor, guarantor or signer, who may settle the obligation;
 - c) ³⁷the principal or the interest of loan is not paid for a period of 365 (three hundred sixty-five) days from the repayment date, or
 - d) the loan is considered as lost by the supervision inspectors and its respective writing-off is requested in the examination report.
2. Files of written-off loans are kept and assessed on ongoing basis being reviewed not less than once in six months by the steering bodies of the microcredit financial institutions. Any income from these written-off loans is considered as extraordinary income.

³⁴ Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

³⁵ Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

³⁶ Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

³⁷ Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

³⁸SUB CHAPTER IV

TREATMENT OF IMMOVABLE AND MOVABLE ASSETS ACQUIRED AGAINST THE SETTLEMENT OF LOANS AND BUYING NON-PERFORMING LOANS

Article 20/1 General requirements

1. The entities shall design strategies and internal plans, and shall create the appropriate structures for selling immovable and movable assets acquired against credit's settlement.
2. In case the entities cannot sell the immovable and movable assets acquired against credits' settlement, within the first year of their acquisition, they shall create reserve funds for covering the loss.

Article 20/2 Calculation of reserve funds

1. The entities shall create reserve funds for immovable assets within a period no longer than 10 (ten) years from their acquisition date (their taking into ownership at the end of the forced execution process on the unpaid credits) and at no less than the rate in percentage of the assets' accounting value, according to the following table:

First year	5%
Second year	10%
Third year	20%
Fourth year	30%
Fifth year	50%
Sixth year	60%
Seventh year	70%
Eighth year	80%
Ninth year	90%
Tenth year	100%

2. The entities shall create reserve funds for movable assets at no less than 100% of the accounting value of the movable asset, in case they cannot sell these assets within a year from their acquisition date.
3. The entities, for movable and immovable assets, acquired up to the month of December 2017, for the purpose of calculating the reserve funds, in compliance with the stipulations laid down in this Regulation, shall consider the year 2018 as the first year.

Article 20/3 Purchasing non-performing loans

1. Non-bank financial institutions that purchase non-performing loans, within 3 months from the purchasing date, shall classify the loans based on their individual

³⁸ Added by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

assessment, and in any event, no higher than “sub-standard” category, until the simultaneous fulfilment of the following conditions:

- a) The borrower has paid regularly the instalments (principal and interest) for a period of 9 (nine) months from the purchasing date;
 - b) The borrower has regularly repaid at least 3 (three) instalments (principal and interest).
2. The purchased loan, upon the fulfilment of the conditions laid down in point 1 of this Article, shall be classified by implementing the criteria set forth in this Chapter.
 3. The entities shall calculate the reserve funds to cover losses from purchased loans, based on the buying price of the non-performing loans.

CHAPTER IV RISK MANAGEMENT IN FINANCIAL LEASING INSTITUTIONS

Article 21 Maximum allowable exposure

1. Large exposure of an institution carrying out the financial leasing activity shall refer to exposures to one individual or group of related counterparties, equal or greater than 25% (twenty-five per cent) of the ³⁹institution’s regulatory capital.
2. The institution shall not undertake large exposures, which taken together, exceed 1200 % (one thousand two hundred per cent) of the ⁴⁰institution’s regulatory capital.

Article 22 Classification of financial leasing contracts

1. Non-bank financial institutions, being granted a licence to lend, shall carry out the credit classification at least quarterly.
2. Non-bank financial institutions, based on the pass due days of loan settlement, shall classify them in one of the following categories:
 - a) “standard loans”, when principal or interest is not paid completely for a period from 1 (one) to 30 (thirty) days after maturity term;
 - b) “special mention loans” when the principal or interest is not paid completely for a period from 31 (thirty-one) to 90 (ninety) days after maturity term;
 - c) “sub-standard loans” when the principal and interest is not paid completely for a period from 91 (ninety-one) to 180 (one hundred eighty) days after maturity term;
 - d) “doubtful loans”, when the principal or interest is not paid completely for a period from 181 (one hundred eighty) days to 365 (three hundred sixty-five) days after maturity term;
 - e) “loss loans”, when principal or interest is not paid completely or interest is not paid totally for a period longer than 365 (three hundred sixty-five) days after maturity term.

³⁹ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

⁴⁰ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

3. ⁴¹ Non-bank financial institutions, being granted a licence for the exercise of financial leasing, apply the requirements provided for in articles 16 and 17 of this regulation, for restructured exposures and exposures that will be written-off from the balance sheet.

Article 23

Reserve funds' rates to cover losses from financial leasing contracts

1. Depending on classification categories, the institutions shall have in place adequate provisions to cover possible losses arising from the failure to pay the financial leasing contracts.
2. Provision rates are calculated, respectively, as following:
 - a) for "standard category".....1% (one per cent);
 - b) for "special mention category".....5% (five per cent);
 - c) for "sub-standard category".....no lower than 20% (twenty per cent);
 - d) for "doubtful category".....no lower than 20% (seventy-five per cent);
 - e) for "loss category".....no lower than 20% (seventy-five per cent);
3. The calculation rate for the reserve fund to cover losses for two categories set forth in "a" and "b", paragraph 2, of this Article, shall be applied equally as regards both principal and interest, meanwhile with regard to non-performing loans, the applied rate on the calculated interest will be 100% (one hundred per cent) for each category.
4. The institutions shall not account the accrued interests, starting from the classification of the leasing contract in the sub-standard category.

CHAPTER V

RISK MANAGEMENT IN FACTORING INSTITUTIONS

Article 24

General provisions

1. The factoring transactions shall not take place if the factor and involved parties (one or both parties) are persons or group of persons related with each other.
2. The institution shall not conduct factoring transactions with 2 (two) persons or group of related persons in a supplier- purchaser relationship.

Article 25

Classification of factoring contracts

1. The institutions shall classify factoring contracts on quarterly basis.
2. The institutions shall classify the factoring contracts, based on the days past due in payment settlements by the date set forth in the factoring contract terms, in one of the following categories:

⁴¹ Added by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania

- a) "standards", when principal or interest is not paid completely for a period from 1 (one) to 30 (thirty) days after maturity term;
 - b) "special mention", when the principal or interest is not paid completely for a period from 31 (thirty-ne) to 90 (ninety) days after maturity term;
 - c) "sub-standard", when the principal and interest is not paid completely for a period from 91(ninety-one) to 180 (one hundred eighty) days after maturity term;
 - d) "doubtful", when the principal or interest is not paid completely for a period from 181(one hundred eighty-one) days to 365 (three hundred sixty-five) days after maturity term;
 - e) "loss", when the principal or interest is not paid completely or interest is not paid totally for a period longer than 365 three hundred sixty-five) days after maturity term.
3. ⁴²Institutions apply the requirements provided for in articles 16 and 17 of this regulation, for restructured exposures and exposures that will be written-off from the balance sheet.

Article 26
Reserve funds' rates to cover losses from factoring contracts

1. Depending on classification categories, the institutions shall have in place adequate provisions to cover possible losses arising from the failure of factoring contracts.
2. Reserve funds rates are calculated, respectively, as follows:
 - a) for "standard"1% (one per cent);
 - b) for "special mention"5% (five per cent);
 - c) for "sub-standard"no lower than 20% (twenty per cent);
 - d) for "doubtful"no lower than 50% (fifty per cent);
 - e) for "loss"no lower than 100% (one hundred per cent).
3. The provision to cover losses for two categories set forth in "a" and "b", paragraph 2, of this Article, shall be applied equally as regards both principal and interest, meanwhile with regard to categories set forth in "c" and "d", the applied rate on the calculated interest would be 100% (one hundred per cent) for each category.
4. The entities shall not account the accrued interests, starting from the classification of factoring contract into sub-standard category.

⁴³CHAPTER VI
Repealed

⁴⁴Article 27
Repealed

⁴⁵Article 28
Repealed

⁴² Added by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania

⁴³ Repealed by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

⁴⁴ Repealed by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

⁴⁵ Repealed by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

**⁴⁶Article 29
Repealed**

**CHAPTER VII
Reporting requirements⁴⁷**

**Article 30
Financial reports**

1. The non-bank financial institution shall maintain accounts and prepare financial reports, in order to reflect its financial position accurately and in accordance with the accounting rules and methods, on individual or consolidated basis.
2. The accounts and financial reports are prepared according to the form and substance stipulated in the Law “On accounting and financial statements” and international accounting standards.

**Article 31
Statutory audit⁴⁸**

1. The statutory auditor or audit company⁴⁹ shall control and evaluate the compliance of the non-bank financial institution's financial reports with the Law “On accounting and financial statements” and with the international accounting standards.
2. The statutory auditor or audit company⁵⁰ shall control and evaluate:
 - a) profit and loss account;
 - b) accounting balance-sheet;
 - c) capital change;
 - d) cash – flow statement;
 - e) implementation of policies for writing-off the balance items;
 - f) consolidated statements;
 - g) internal audit function/unit;⁵¹
 - h) accounting entries;
 - i) information systems
 - j) accuracy and adequacy of reports submitted to the Bank of Albania
 - k) adequacy of accounting procedures and regulatory compliance
 - l) notes accompanying the financial reports.

The statutory auditor or audit company⁵² shall verify the due maintenance of accounts and due financial registration, as well as the compliance with the methods stipulated by the Bank of Albania; he shall prepare annual reports together with internal audit opinion in relation to the accuracy and adequacy of the reports of the non-bank financial institution, relying upon financial statements and reports prepared by the institution in

⁴⁶ Repealed by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

⁴⁷ Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

⁴⁸ Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

⁴⁹ Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

⁵⁰ Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

⁵¹ Amended by the Decision No. 50, dated 3.7.2019 of the Supervisory Council of the Bank of Albania.

⁵² Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

compliance with Law “On accounting and financial reports” and international accounting standards.

3. ⁵³The statutory auditor or audit company shall be appointed every year by the general meeting of shareholders for the joint stock companies or by the assembly of partners for the limited liability companies.
4. ⁵⁴The statutory auditor or audit company shall be replaced for the auditing within a maximum period of seven years from the date of appointment and may re-participate in the auditing of the entity after the fulfilment of at least two years term.

Article 32 **Reporting at the Bank of Albania**

1. Non-bank financial institutions shall report to the Bank of Albania in line with the requirements set out in the “Reporting system for the non-bank financial institutions approved by the Bank of Albania.
2. Non-bank financial institutions shall submit to the Bank of Albania, within the first half of the succeeding year, a copy of the annual report and a copy of the statutory auditor’ opinion, reflecting the financial and accounting position on individual and consolidated basis.
3. Non-bank financial institutions shall submit to the Bank of Albania, within the first half of the succeeding year, a copy of the annual report and a copy of the statutory auditor’s opinion, reflecting the financial and accounting position on individual and consolidated basis. The Bank of Albania shall set out and inform the non-bank financial institution on the time and the needed measures, to re-place exposures within the maximum allowed limits.

Article 33⁵⁵ **Repealed**

CHAPTER VIII **SUPERVISORY MEASURES AND SANCTIONS⁵⁶**

Article 34⁵⁷ **Repealed**

Article 35⁵⁸ **Breaches for which measures are taken**

⁵³ Added by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

⁵⁴ Added by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

⁵⁵ Repealed by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

⁵⁶ Amended by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

⁵⁷ Repealed by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

⁵⁸ Added by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

1. Bank of Albania shall take the measures stipulated in Articles 36 and 37 of this Regulation, in case the entity:
 - a) fails to meet the supervisory norms for risk management;
 - b) violates the provisions laid down in the legal and by-law acts in force⁵⁹;
 - c) violates the Law “On accounting and financial statements” and the international accounting standards;
 - d) does not report at Credit Registry;
 - e) there are serious problems in the systems and programs of internal audit, in the policies of the activity, in the methods of operations or in the information systems of its management, despite the fact that these problems have influenced or not the financial situation of the entity;
 - f) the general assembly has not convened or participation in the meetings of the general assembly is hampered;
 - g) there are violations of the legal and sublegal acts on anti-money laundering and terrorism financing;
 - h) conducts financial activities which are not included in the granted licence;
 - i) there exists a discrepancy with the standards of a safe and sustainable activity, for a relatively long period;
 - j) violates legal and sublegal acts, as a result of which the ⁶⁰ non-bank financial institution or microcredit financial institution has suffered a considerable financial loss or has started the bankruptcy process;
 - k) violates the Law “On accounting and financial statements” and as a result it is not possible to determine the financial situation of the entity;
 - l) has not accepted or has rejected the request of the Bank of Albania on interrupting the actions in violation of legal and sublegal acts, or has not taken the measures to eliminate the violations according to the terms set forth by the Bank of Albania;
 - m) does not provide information or does not provide real and correct information during the examinations conducted by the Bank of Albania, as well as in the reports and correspondence with the Bank of Albania;
 - n) there are concrete facts, on internal abuses, including high and unjustified remunerations to members of steering bodies, notwithstanding the entity does not result at the moment to have been damaged;
 - o) there are voluntary or flagrant violations of legal and by-law acts from the staff and steering bodies or repetition of violations, which have resulted in material profits or favours;
 - p) the micro-credit financial institution does not meet any longer the criteria to be characterised as such, for a period no shorter than 3 (three) months.

Article 36⁶¹ **Supervisory measures**

1. Bank of Albania, at the conclusion or during the examinations, and in any event of finding violations or special problem stipulated in Article 35, point 1 of this Regulation, shall take the following supervisory measures:
 - a) shall order the interruption of violations and taking measures for the improvement of the situation;
 - b) shall order the reduction of expenses;

⁵⁹ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

⁶⁰ Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

⁶¹ Added by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

- c) shall order the limitation of the growth of of high-risk assets and off-balance–sheet items;
- d) shall order the interruption of exposure increase against one person;
- e) shall order the increase of capital;
- f) shall lay down higher supervisory norms than those set out in the relevant by-law acts;
- g) shall order the administrators or the partners to call the general assembly and propose the undertaking of the relevant measures;
- h) shall interrupt or limit the free use of a part or all assets, including the activity on granting loans and investments, in compliance with the rules approved by the Bank of Albania;
- i) when regulatory capital⁶² to total assets ratio is lower than the half of the minimum ratio set forth by the Bank of Albania and after it has taken one or some of the measures laid down in this Chapter, it may request the entity to adjust the situation within 6 months. The entity shall submit an action plan defining the way to adjust the situation. In case the entity fails to take the measures set out in the action plan, the Bank of Albania shall suspend or revoke the licence.

Article 37⁶³ Sanctions

1. The Bank of Albania, at the conclusion or during the inspections, and in any event of finding violations or special problems, laid down in Article 35, point 1 of this Regulation, shall set the following sanctions:
 - a) orders the interruption of remuneration to the members of the steering bodies and to the administrator;
 - b) ⁶⁴revokes the approval granted for the administrator(s), the chairman of the administration board or the chairman of the audit committee of the entity;
 - c) suspends one or more activities for a definite period;
 - d) revokes the licence.

Article 38⁶⁵ Particular requirements related to the supervisory measures and sanctions

1. The Bank of Albania, in applying the measures set out in Articles 36 and 37, of this Regulation, shall assess:
 - a) circumstances where the violations were committed;
 - b) consequences of the violations;
 - c) repetition of the violations.
2. The Bank of Albania shall escalate the sanctions, in case the entity fails to implement one or more of the above measures.

⁶² Amended by the Decision No. 58, dated 21.12.2022 of the Supervisory Council of the Bank of Albania.

⁶³ Added by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

⁶⁴ Amended by the Decision No. 50, dated 3.7.2019 of the Supervisory Council of the Bank of Albania.

⁶⁵ Added by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

3. The Bank of Albania may simultaneously apply the measures set out in Articles 36 and 37, of this Regulation, in accordance with the requirements stipulated in point 1 of this Article.

Article 39⁶⁶
Administrative and judicial appeal

The Bank of Albania, in the event of supervisory measures and sanctions proposed in accordance with Articles 36 and 37 of this Regulation, provides the right of administrative and judicial hearing to the interested entity, as laid down in Articles 92 and 93 of the Law on banks.

Article 40⁶⁷
Temporary provision

Suspension of the application of the requirements of Chapter III, Article 14 and Article 15 of this Regulation, for the period March to May 2020.

Chairman of Supervisory Council

ARDIAN FULLANI

⁶⁶ Added by the Decision No. 46, dated 6.9.2017 of the Supervisory Council of the Bank of Albania.

⁶⁷ Added by the Circulating Decision No. 14, dated 12.3.2020 of the Supervisory Council of the Bank of Albania.