**DECISION**

**No. 10, dated 7.2.2018**

**On**

**Approval of amendments in the Regulation "On minimum reserve requirements held by banks with the Bank of Albania”**

In accordance with Article 19, and Article 43, “a” and “c” of the Law No. 8269, dated 23/12/1997 “On the Bank of Albania”, as amended, having regard to the proposal from Monetary Operations Department, the Supervisory Council of the Bank of Albania,

DECIDED:

1. In the Regulation “On minimum reserve requirements held by banks with the Bank of Albania”, approved with the Decision of the Supervisory Council No. 29 of 16/05/2012, to make the following amendments:
2. Article 4, “h” is amended to be read:

*“Remuneration of the reserve requirements” – is the amount of interest that the Bank of Albania shall pay to banks, on the reserve requirements banks held on accounts with the Bank of Albania.*

1. Article 4, “l” is added after “k”, to be read as follows:

*Other financial intermediaries -includes all institutions that perform or facilitate financial intermediation (excluding insurance and pension funds) such as: credit institutions, institutions that provide financial leasing, institutions financing commercial transactions, micro-credit institutions, factoring institutions, all payment and money transfer services, Savings and Loan Unions, management companies of investment funds and voluntary pension funds, foreign exchange bureaus, etc.*

1. Article 6, paragraph 1 is amended as follows:

*“The reserve base shall comprise the liabilities resulting from the acceptance of funds by banks, in the form of deposits and debt instruments issued by banks themselves, reflected in their reported balance sheet, both in Albanian lek and foreign currency. These liabilities shall comprise:*

*a) liabilities to savings and loan associations;*

*b)liabilities to investment fund;*

*c) liabilities to voluntary pension funds;*

*d) liabilities to insurance companies;*

*e) liabilities to other financial intermediaries and financial auxiliaries.”*

1. Article 7, paragraph 1, “d” is added after “c”, to be read as follows:

*“d) debt instruments issued by banks with agreed maturity over two years.”*

1. Article 9, paragraph 3 is amended to be read:

*“Banks shall submit to the Bank of Albania the calculation statement/s for the reserve requirements in Albanian lek and in foreign currency, in accordance with annexes No. 1 and No. 2 attached to this Regulation, within the 10th of the month in which the maintenance period of reserve requirements holding starts.”*

1. Article 10, paragraph 1 is amended to be read:

*“Banks shall hold the reserve requirements on their reserve accounts in Albanian lek and in foreign currency (Euro and US dollar) with the Bank of Albania, as determined in the Decision of the Supervisory Council of the Bank of Albania.”*

1. Article 12/1, paragraph 2 is amended to be read:

*“Excess reserves in euro is the difference between the balance in the reserves account with the required reserves held in euro, being calculated on daily basis.*

1. Article 12/1, paragraph 2/a is amended to be read:

*“Excess reserves in US dollar is the difference between the balance in the reserves account with the required reserves held in US dollar, being calculated on daily basis, but not lower than the minimum excess level.*

1. Article 15, paragraph 1 is amended to be read:

*“The Monetary Operations Department shall exercise the right to verify the accuracy of the reported reserves in compliance with the data reported in URS through ERRS system, and/or through on-site examinations at the bank, by the Supervision Department.”*

1. Article 15, paragraph 2 “b” shall be repealed.
2. The Monetary Operations Department and Supervision Department are responsible for the implementation of this Decision.
3. The Governor's Office is responsible for the publication of this Decision in the Official Journal of the Republic of Albania and the website of the Bank of Albania. The Research Department is responsible for the publication of this Decision in the Official Bulletin of the Bank of Albania.
4. Article 1 “b” of the Supervisory Council's Decision No.38, dated 25.06.2014 “Approval of some amendments in the Regulation “On minimum reserve requirements held by banks with the Bank of Albania” shall be repealed upon the entry into force of this Decision.

This Decision shall enter into force on 24 February 2018.

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| **SECRETARY** |  | **CHAIR** |
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| **Elvis ÇIBUKU** |  | **Gent SEJKO** |