ON THE ADOPTION OF THE REGULATION
“ON REPURCHASE AND REVERSE REPURCHASE AGREEMENTS”

For the implementation of Article 1, paragraph 4, letters “a” and “ç”; Article 3, paragraphs 2 and 4, letters “a” and “e” and Article 43, letters “a” and “c” of the Law No. 8269, dated 23.12.1997 “On the Bank of Albania” as amended; and the Law No. 8365, dated 02.07.1998 “On banks on the Republic of Albania“, the Supervisory Council of the Bank of Albania,

Decided:

1. To adopt the regulation “On the Repurchase and Reverse Repurchase Agreements”, as specified in the text thereto.

2. The Committee for the Implementation of Monetary Policy, the Monetary Operations Department and all the other structures of the Bank of Albania are charged with the implementation of this decision.

3. The Department of Foreign Relations, European Integration and Communication is charged with the publication of this decision in the official Bulletin of the Bank of Albania.

4. Upon the adoption of this decision, the Decision No. 08, dated 07.02.2001 issued by the Supervisory Council on the adoption of the regulation “On the repurchase and reverse repurchase agreements” and the decision No. 81, dated 17.10.2001 issued by the Supervisory Council on the adoption of the regulation “On the repurchase and reverse repurchase agreements with one month and three months maturity term” are repealed.

5. This decision shall enter into force 1 (one) month following the publication in the Official Bulletin of the Bank of Albania.

SECRETARY

Ylli Memisha

CHAIRMAN

Ardian Fullani
BANK OF ALBANIA
SUPERVISORY COUNCIL

REGULATION
ON THE REPURCHASE AND REVERSE REPURCHASE AGREEMENTS

CHAPTER I
GENERAL PROVISIONS

Article 1
Purpose

The purpose of this regulation is to set out the rules and procedures of the Bank of Albania’s intervention in the money market through the repurchase and reverse repurchase agreements.

Article 2
Legal ground

This regulation is issued pursuant to:

a) The Law No. 8269, dated 23.12.1997 “On the Bank of Albania”, Article 1, paragraph 4, letters “a” and “ç”; Article 3, paragraphs 2 and 4, letters “a” and “e” Article 43, “a” and “c” and with the Law 1 “On Banks on the Republic of Albania”;


c) The decision of the Supervisory Council on the adoption of the “Master Agreement on the Repurchase and Reverse Repurchase Agreements”, no. 93, dated 14.02.2007;

d) The decision of the Supervisory Council on the adoption of the regulation “On the organization and functioning of Monetary Operations Department”, no. 29, dated 02.03.2016.

Article 3
Scope of intervention through the repurchase and reverse repurchase agreements

To fulfill the operational scope of the monetary policy, the Bank of Albania intervenes in the interbank market through repurchase and reverse repurchase agreements, aiming at the orientation of the short-term interest rates in this market. In addition, through the intervention with repurchase and reverse

1 Amended the date as reference, by the decision of the Supervisory Council No. 78, dated. 18.12.2014

2 Amended by the decision of the Supervisory Council No 78, dated 18.12.2014
repurchase agreements, the Bank of Albania aims at managing the short-term liquidity levels of the banking system.

Article 4
Definitions

For the purpose of this Regulation, the following terms shall mean:

a) **“Intervention in the money market”** – is the execution by the Bank of Albania of open market operations with banks operating in Albania. These interventions aim to fulfil the operational goal of the monetary policy of the Bank of Albania, manage short-term liquidity in the banking system, as well as mitigate interbank interest rate fluctuations.\(^3\)

b) **“Repurchase agreement”** – is the agreement that the Bank of Albania employs to sell securities, with the commitment to repurchase them in compliance with the terms agreed in advance with a commercial bank used to temporarily decrease the banking system liquidity.

c) **“Reverse repurchase agreement”** – is the agreement that the Bank of Albania employees to purchase securities, with the commitment to resell them in compliance with the terms agreed in advance with a commercial bank, used to temporarily increase the banking system liquidity.

d) **“Regulatory instrument of the Bank of Albania”**- is the open market instrument that the Bank of Albania employees to carry out the intervention in the money market. This instrument is used to adjust liquidity and its structure.

e) **“Main instrument for the implementation of the Bank of Albania monetary policy”** - is a regular open market operation, used by the Bank of Albania, on weekly basis, to execute the interventions in the money market with the scope of achieving the operational goal of the monetary policy.\(^5\) The one week repurchase/reverse repurchase agreement is the main instrument for the implementation of the monetary policy.

f) **“Repurchase rate”** – is the interest set by the contracting parties in a repurchase or reverse repurchase agreement, to repurchase the securities. The interest rate is annual based and stated in percentage, in two digits after the decimal point.\(^6\)

g) **“Market yield”** – is the interest paid for the instruments used in the interbank market, determined by the supply and demand in this market. In the absence of an established interest in the interbank money market, the market interest rate shall be determined based on the linear interpolation from the interest rate curve produced by the policy rate and the T-Bill yield.

---

\(^3\) Amended by the decision of Supervisory Council nr.46, dt. 30.06.2010

\(^4\) Amended by the decision of Supervisory Council nr.66, dt. 01.06.2016

\(^5\) Amended by the decision of Supervisory Council nr.46, dt. 30.06.2010

\(^6\) Amended by the decision of Supervisory Council nr.22, dt. 16.05.2007
h) “Policy rate” – is the interest rate of the one-week repurchase and reverse repurchase agreement, set and approved by the Supervisory Council of the Bank of Albania.

i) “Master Agreement on the Repurchase and Reverse Repurchase Agreements” - is a one year contract, agreed and signed between the Bank of Albania and a commercial bank, before the contracting parties enter in a repurchase and reverse repurchase agreement, in order to implement the latter.

j) “Auction” – is the legal procedure employed to conduct the intervention in the money market. This procedure is based on a specific framework that determines the delivery of funds based on the bids submitted by the commercial banks.

k) “Standard auction” – is the auction that takes place at least one (1) working day7 after the announcement of Monetary Operations Department of the Bank of Albania. The date the auction of tender is determined in advance.

l) “Expedite auction” – is the auction that takes place one hour following the announcement of the Monetary Operations Department of the Bank of Albania. The date of the auction is not determined in advance.

m) “Bilateral procedure” – is a procedure to conduct the interventions in the money market, for which commercial banks are contacted individually.

n) “Fixed-price auction” – is the repurchase and reverse repurchase agreement auction, organized by the Bank of Albania, through which the bids are allocated based on the repurchasing interest rate determined by the Bank of Albania.

o) “Variable–price auction” is the repurchase and reverse repurchase agreement auction, organized by the Bank of Albania, through which the bids are allocated based on the repurchasing interest rate demanded by the commercial banks.

p) “Bid”- is the voluntary request of a commercial bank to participate in the repurchase and reverse repurchase agreements, setting out the amount and the repurchase rate.

q) “Seller”- is the contractual party entering a repurchase agreement to sell securities to the buyer and to repurchase them at the end of the agreement term. This contractual party shall retain this position throughout the term of the agreement.

r) “Buyer”- is the contractual party entering a repurchase agreement, to buy securities from the seller and to resell them at the end of the agreement term. This contractual party shall retain this position throughout the term of the agreement.

7 Amended by the Supervisory Council Decision No 66, dated 01.06.2016
agreement.

s) “Pro rata” – is the ratio of the remained amount until the fulfilment of the announced amount to the amount of bids of equal repurchase rate.

t) “Bank”- is the legal person that carries out banking activity in compliance with the license granted by the Bank of Albania.

u) “Aggregate result” – is the summary of the auction results or of the bilateral procedures.

v) “Acceptable fluctuation of the repurchase rate” – is the acceptable maximum or minimum limit fluctuation that the bided repurchase rate is allowed to have when compared with the market interest rate.

y) “Duration of the intervention” – is a determined period for the realisation of the money market intervention.

z) “Participation rate” - is the ratio of the sum of the bids of one bank to the announced amount by the Bank of Albania in the variable-price auction, expressed in percentage.  

aa) “Treasury bill” – is a security, with maturity up to one year, which is traded at discount, and is issued and guaranteed by the Government of the Republic of Albania.

bb) “Bond” – is a security, with maturity over one year, which pays interest (coupon) every six months and is issued and guaranteed by the Government of the Republic of Albania.

cc) “AFISaR (Albanian Financial Instrument Settlement and Registration) System” – is the central registration and settlement system of the securities of the Albanian government, for which the Bank of Albania organizes the auction in accordance with the agreement with the Ministry of Finance. This system can register and settle also securities issued by the Bank of Albania.

CHAPTER II
TYPES OF REPURCHASE AND REVERSE REPURCHASE AGREEMENTS

Article 5
Types

1. The repurchase and reverse repurchase agreements are characterized pursuant to their maturity term, as follows:

---

8 Added by the Supervisory Council Decision No 76, dated 29.10.2008
9 Added by the Supervisory Council Decision No 13, dated 26.02.2014
10 Added by the Supervisory Council Decision No 13, dated 26.02.2014
11 Added by the Supervisory Council Decision No 78, dated 18.12.2014
a) Agreements with 1 (one) day maturity term;
b) Agreements with 1 (one) week maturity term;
c) Agreements with up to 3 (three) months maturity term;
d) 

2. The agreements as being specified in the letters “a”, “c”, paragraph 1 of this Article shall be the regulative instruments of the Bank of Albania, while the agreement as being specified in letter “b” shall be the main instrument for the implementation of the Bank of Albania monetary policy.

Article 6
Repurchase/reverse repurchase agreement with one day maturity

1. The one day repurchase/reverse repurchase agreement shall be used by the Bank of Albania to sell/purchase securities with the commitment to repurchase/resell them 1 (one) day after this agreement enters into force.

2. The intervention in the money market through repurchase/reverse repurchase agreement with 1 (one) day maturity term shall be carried out through variable-price auction.

3. The repurchase rate of the repurchase/reverse repurchase agreements with 1 (one) day maturity term shall be determined by the commercial banks. The Bank of Albania shall retain the right to decline repurchase rate bids that deviate from the market interest rate on the date of the auction.

4. The repurchase/reverse repurchase agreement with 1 (one) day maturity term shall be carried out through the expedite auction.

Article 7
Repurchase/reverse repurchase agreement with 1 (one) week maturity term

1. Repurchase/reverse repurchase agreement with 1(one) week maturity term, is the agreement Bank of Albania shall use to sell/purchase securities, with the commitment to repurchase/resell these securities, 7 (seven) days after this agreement enters into force.

2. The intervention in the money market with repurchase/reverse repurchase agreement with 1 (one) week maturity term shall be conducted either through fixed-price or variable-price auctions.

3. The repurchase rate of the repurchase/reverse repurchase agreements of 1(one) week maturity term shall be the policy rate decided by the Bank of Albania. When interventions are conducted through variable-price tender, the policy rate serves as a maximum repurchase rate to the repurchase agreements and as a minimum repurchase rate to the reverse repurchase agreements.

---

12 Amended by the Supervisory Council Decision No 66, dated 01.06.2016
13 Repealed by the Supervisory Council Decision No 66, dated 01.06.2016
14 Amended by the Supervisory Council Decision No 66, dated 01.06.2016
4. The repurchase and reverse repurchase agreement with 1(one) week maturity term shall be carried out every week through the standard auction.

**Article 8**

*Repealed*

**Article 8**

*Repurchase/reverse repurchase agreement with up to 3 (three) months maturity term*

1. Repurchase/reverse repurchase agreement with up to 3 (three) month maturity term, is the agreement the Bank of Albania shall use to sell/purchase securities, with the commitment to repurchase/resell these securities after the period equal to the maturity, starting from the day this agreement enters into force.

2. The intervention in the money market through the repurchase/reverse repurchase agreement with up to 3 (three) month maturity term shall be carried out through the variable-price auction.

3. The repurchase rate of the repurchase/reverse repurchase agreements with up to 3 (three) month maturity term shall be determined by the commercial banks. The Bank of Albania retains the right to decline the repurchase rate bids that deviate from the market interest rate in the date the tender takes place.

4. The repurchase and reverse repurchase agreement with up to 3 (three) month maturity term shall be carried out through the expedite auction or through bilateral procedures.

**CHAPTER III**

**DECISION - MAKING**

**Article 9**

*Decision on the repurchase rate of the repurchase/reverse repurchase agreements*

1. The Supervisory Council shall decide on the base interest rate of repurchase/reverse repurchase agreements with 1 (one) week maturity term.

2. The Head of the Monetary Operations Department shall decide on the

---

15 Repealed by the Supervisory Council Decision No 66, dated 01.06.2016
16 Amended by the Supervisory Council Decision No 66, dated 01.06.2016
17 Amended by the Supervisory Council Decision No 66, dated 01.06.2016
18 Amended by the Supervisory Council Decision No 66, dated 01.06.2016
19 Amended by the Supervisory Council Decision No 66, dated 01.06.2016
acceptable fluctuation of the repurchase rate bid by the banks from the market interest for the repurchase/reverse repurchase agreements with 1 (one) week, 1 (one) month and up to 3 (three) month maturity term. This decision shall be taken based on the proposal of the Commission for the Organization of the Tender described in Article 15.

Article 10

The decision for the intervention with repurchase/reverse repurchase agreements

1 Upon the proposal of the Monetary Operations Department, the Committee for the Implementation of the Monetary Policy shall decide:

a) on the type of the regulatory instrument, as described in Article 5 of this regulation, that shall be used for the intervention in the money market, as well as the duration of the intervention.

b) on the procedure – either through the expedite auction or bilateral procedures - for the intervention in the money market with repurchase/reverse repurchase agreements with 1(one) month and up to 3 (three) months maturity term.

c) on the auction type – either fixed or variable price auction – for the realisation of the repurchase and reverse repurchase agreement with 1(one) week maturity term.

d) on the amount (in nominal value) of the money market intervention that shall be announced, in the event the intervention with a repurchase and reverse repurchase agreement shall be conducted through variable-price auction or bilateral procedures.

e) on the participation rate in every variable-price auction announced by the Bank of Albania to enter in agreement for the repurchase and reverse repurchase agreements.22

2. In the event the amount as decided with respect to paragraph 1, letter “d” of this Article is not satisfied, the Monetary Operations Department, within the duration of intervention, shall retain the right to repeat the intervention by using the same regulatory instrument, as specified in paragraph 1, letter “a” of this Article.

3. In case of unexpected changes in the liquidity situation during the duration period of the intervention decided according to paragraph 1, letter “a” of this Article, the Monetary Operations Department reserves the right to intervene through repurchase and reverse repurchase agreements of 1 (one) day maturity,

20 Amended by the Supervisory Council Decision No 66, dated 01.06.2016
21 Amended by the Supervisory Council Decision No 66, dated 01.06.2016
with an announced amount of no more than 10 (ten) per cent of the amount decided according to paragraph 1, letter “d” of this Article, regarding the intervention through repurchase and reverse repurchase agreements of 1 (one) week maturity.23

4. The Head of the Monetary Operations Department shall decide on the moment the expedite auction intervention will be conducted, within the duration of intervention as determined by the decision of the Committee for the Implementation of Monetary Policy, as described in paragraph 1, letter “a” of this Article.

5. The Monetary Operations Department, in the event the intervention with repurchase/reverse repurchase agreement is carried out through bilateral procedures, shall assess and decide on:
   a) the intervention moment within its duration, as specified in paragraph 1, letter “a” of this Article;
   b) the banks that will be contacted with a view to entering into an agreement; and
   c) the monetary value of the agreement (the amount to enter in agreement) with each bank stated as a nominal value.

CHAPTER IV
IMPLEMENTATION OF MONEY MARKET INTERVENTION THROUGH THE REPURCHASE AND REVERSE REPURCHASE AGREEMENTS

Article 11
Subjects and their obligations

1. Bank of Albania shall carry out interventions in the money market through the repurchase and reverse repurchase agreements with banks that:
   a) are licensed by the Bank of Albania and perform banking activity within the territory of the Republic of Albania;
   b) hold an account with the RTGS payment system;
   c) hold an account with the AFISaR system.24

2. The Bank of Albania shall enter into repurchase/reverse repurchase agreements only with those subjects described in paragraph 1 of this Article on the condition that they have signed the Master Agreement in advance.

Article 12
Securities

22 Added by the Supervisory Council Decision No 76, dated 29.10.2008
23 Added by the Supervisory Council Decision No 46, dated 30.06.2010
24 Added by the Supervisory Council Decision No 78, dated 18.12.2014
1. The securities subject of repurchase and reverse repurchase agreements shall be the Treasury Bills and Bonds, denominated in Albanian lek, issued by the Government of the Republic of Albania.

2. The securities shall be evaluated according to the provisions of the regulation “On the guarantees in the crediting operations of the Bank of Albania”.

Article 13
Organization of the tender

1. The standard auctions of the repurchase and reverse repurchase agreements shall take place on Wednesday each week, at 14.00 hours in the premises of the Monetary Operations Department, Bank of Albania.

2. In case Wednesday is a national holiday, the auction shall take place on the following business day.

3. In extraordinary occasions, the Committee for the Implementation of The Monetary Policy shall retain the right to change the day and/or the time of the standard auction. The banks shall be informed in advance for this change.

4. Expedite auctions of the repurchase and reverse repurchase agreements shall be carried out in line with Article 11, paragraph 3 in the premises of the Monetary Operations Department, Bank of Albania.

Article 14
Commission for the Organization of the Auction

The auctions shall be carried out by the Commission for the Organization of the Auction, which consists of two permanent members and employees of the Monetary Operations Department of the Bank of Albania.

Article 15
Means of communication

SWIFT, REUTERS, fax or an official document shall be the acceptable communication means to conduct the auction or bilateral procedures.

Article 16
Announcement of the auction


26 Repealed by the Supervisory Council Decision No 46, dated 30.06.2010
1. The Bank of Albania shall publish the information on the organization of the standard auction of the repurchase and reverse repurchase agreements, no later than 1(one) day prior to the auction.

2. The Bank of Albania shall publish the information on the organization of the expedite auction of the repurchase and reverse repurchase agreements, no later than 1(one) hour prior to the auction.

3. The announcement shall feature at least the following data:
   a) auction reference number;
   b) type of the agreement (repurchase or reverse repurchase);
   c) type of the auction (fixed or variable– price tender);
   d) the amount stated in nominal value (in the event of variable-price auctions);
   e) the repurchase rate (in the event of fixed rate auction);
   f) date and time of the auction;
   g) settlement date (the date the agreement enters into force);
   h) maturity date (the date of agreement term ends);
   i) the underlying security records (in the event of repurchasing agreement) – type of security, the auction number when the security was issued, the issue date and the maturity date.
   j) participation rate.

Article 17
Bids and rejection of bids

1. Banks shall submit their bids no later than the time announced by the Bank of Albania.

2. The participating bids in the repurchase and reverse repurchase agreements auctions shall include at least the following data:
   a) auction reference number;
   b) type of the agreement (repurchase or reverse repurchase);
   c) date of the auction;
   d) settlement date (the date the agreement enters into force);
   e) maturity date (the date of agreement term ends);
   f) the bid amount stated in nominal value;
   g) the repurchase rate;
   h) the underlying security records – type of security, the auction number when the security was issued, the issue date and the maturity date.
   i) Information for the participant bank (in the event the bid is sent via fax or official letter) or the identifying code (in the event the bid is sent via REUTERS and SWIFT facility).

---

27 Added by the Supervisory Council Decision No 76, dated 29.10.2008
28 Added by the Supervisory Council Decision No. 78, dated 18.12.2014
The form to be filled for participating in the auction may be found in the Annex attached to this regulation.

3. In variable-price auctions, banks shall submit no more than five bids with different repurchase rate.

4. The ratio of the sum of bids of one bank to the announced amount in these auctions shall not be higher than the participation rate, announced by the Bank of Albania in the announcement of the auction.\(^29\)

5. The minimum bid amount for participation in the auction shall be ALL 10 (ten) million and it can be increased with multiples of ALL 10 (ten) million.

6. In case of inaccuracies in completing the bid, the Committee for the Organisation of the Auction has the right to decline the bid\(^30\).

7. In case the bank does not own the instrument at the time of processing the requests, the Committee for the Organisation of the Auction has the right to decline the bid only after receiving the approval from the bank.\(^31\)

---

**Article 18**

**Allocation of bids in the auction**

1. The Bank of Albania accepts all the bids of commercial banks submitted in compliance with Article 18 of this regulation, in the fixed-price auction of repurchase/reverse repurchase agreements.

2. In the variable-prices auction of repurchase/reverse repurchase agreements, the bids shall be ranked in either ascending or descending order, as follows:

   a) **In case of repurchase agreements auction**, the bids shall be ranked in ascending order starting with the lowest repurchase rate bid; while

   b) **In case of the reverse repurchase agreements auction**, the bids shall be ranked in descending order starting with the highest repurchase rate bid.

The successful bids shall be those submitted in line with Article 18, and in compliance with Article 7, paragraph 3 and Article 10, paragraph 2 of this regulation, progressing to the satisfaction of the amount announced by Bank of Albania.

3. In the event two or more bids bear the same repurchase rate, prorata shall be applied to allocate the bids until the amount announced by Bank of Albania is satisfied. *Prorata* shall be applied uniformly to all the bids bearing the same

---

\(^{29}\) Added by the Supervisory Council Decision No 76, dated 29.10.2008

\(^{30}\) Added by the Supervisory Council Decision No 78, dated 18.12.2014

\(^{31}\) Added by the Supervisory Council Decision No 78, dated 18.12.2014
repurchasing rate.

4. The purchase price of the underlying security of repurchase/reverse repurchase agreements shall be calculated based on the formula defined by the Ministry of Finance in the relevant document where their issuance is based.  

5. The repurchase price of the underlying security of repurchase/reverse repurchase agreements shall be calculated based on the following formula:

\[ \text{\( \text{\( r \)} \)} = \text{\( \text{\( b \)} \)} \times (1+ \frac{\text{\( r \)}}{365}) \times d \]

where,

\( \text{\( r \)} \) – the repurchase price
\( \text{\( b \)} \) – the purchase price
\( \text{\( r \)} \) – the repurchase rate
\( d \) – the term (in days) of the repurchase/reverse repurchase agreement

Article 19
Announcement of the auction results

1. Following the completion of the auction procedures and no later than 3 (three) hours from announced auction time, the Bank of Albania shall inform each successful bidder.

2. The Bank of Albania shall publish the aggregate result of the auction, within the time frame described in paragraph 1 of this Article.

3. The announcement on the tender aggregate result shall normally include:

a) auction reference number;
b) type of the agreement (repurchase or reverse repurchase);
c) settlement date (the date the agreement enters into force);
d) maturity date (the date of agreement term ends);
e) number of bids;
f) number of successful bids;
g) the total amount bid stated in nominal value;
h) the total amount allotted stated in nominal value;
i) the fixed repurchase rate (in the case of fixed - auction);
j) the weighted average of the bided repurchasing rate;
k) the weighted average of the allotment repurchase rate;
l) minimum bided repurchase rate;
m) minimum allotted repurchase rate;
n) maximum bided repurchase rate; and
o) maximum allotted repurchase rate.

33 Added by the Supervisory Council Decision No 22, dated 16.05.2007
Article 20
Bilateral procedures

1. The intervention in the money market with repurchase/reverse repurchase agreements through bilateral procedures shall be carried out by contacting not less than 3(three) banks progressing to the satisfaction of the intervention amount decided as described in Article 11, paragraph 1, letter “d” of this regulation.

2. Banks, with which the intervention will be carried out, shall be determined as described in Article 11, paragraph 4, letter “b” of this regulation and based on:
   a) banking system liquidity distribution structure;
   b) active trading in the interbank money market;
   c) published bid/ask quotations for interbank transactions with the same maturity term as repurchase/reverse repurchase agreements that will be used to carry out the intervention in money market.

3. The intervention in the money market with repurchase/reverse repurchase agreements being conducted through bilateral procedures, as a rule, shall not be disclosed in advance by the Bank of Albania.

4. At the termination of the intervention with bilateral procedures, the Bank of Albania shall publish the aggregate result. This announcement shall normally consist of the following information:
   a) the type of the agreement (repurchase or reverse repurchase);
   b) settlement date (the date the agreement enters into force);
   c) maturity date (the date the agreement term ends);
   d) total amount of intervention stated in nominal value; and
   e) weighted average of the repurchase rate.

CHAPTER V
SETTLEMENT PROCEDURES

Article 21
Settlement period

1. Settlement procedures for the repurchase/reverse repurchase agreements, shall be carried out on the day the agreement enters into force and on the day the agreement ends as specified in:
   a) the announcement published by the Bank of Albania in compliance with Article 17, paragraph 3 of this regulation, in the event of the intervention is conducted through auction procedures;
   b) the date established by the Bank of Albania and agreed by the bank in the event the intervention is conducted through the bilateral procedures.
2. In the case that the maturity day of the repurchase/reverse repurchase agreement is on a national holiday, the settlement shall be carried out on the next working day.

**Article 21/1**

**Measures in the cases of non-compliance with obligations**

1. In case the bank, does not comply with the obligations on the day the agreement enters in force more than once in the last 12 months, the Bank of Albania may bar the bank from participating in the money market interventions through the agreements defined in Article 12 for 15 calendar days.

2. In case the bank, deliberately, does not comply with the obligations on the day the agreement ends, the Bank of Albania has the right to bar the bank from participating in the money market interventions, through the agreements defined in Article 12, until a second notice.

**Article 22**

**Settlement procedures**

1. Settlement procedures of repurchase/reverse repurchase agreements shall be carried out by the systems of the Bank of Albania.

2. The registration and settlement of the underlying securities in repurchase agreements is made in accordance with the rules stated in the regulation “On the functioning of the Albanian Financial Instrument Settlement and Registration System (AFISaR).”

3. 

4. In the event the termination period of the repurchase/reverse repurchase agreement is extended as described in Article 22, paragraph 2, Bank of Albania pays/receives additional interest on each extra day.

**CHAPETR VI**

**FINAL PROVISIONS**

**Article 23**

Repealed

---

34 Added by the Supervisory Council Decision No78, dated 18.12.2014
35 Amended by the Supervisory Council Decision No 78, dated 18.12.2014
36 Amended by the Supervisory Council Decision No 78, dated 18.12.2014
37 Repealed by the Supervisory Council Decision No 78, dated 18.12.2014
38 Amended by the Supervisory Council Decision No 78, dated 18.12.2014
39 Repealed by the Supervisory Council Decision No 12, dated 14.02.2007
CHAIR OF THE SUPERVISORY COUNCIL
ARDIAN FULLANI
Annex:

Form for participation in the repurchase and reverse repurchase agreements tenders

<table>
<thead>
<tr>
<th>REQUEST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addressed to</td>
</tr>
<tr>
<td>The Monetary Operations Department</td>
</tr>
</tbody>
</table>

For participation in the repurchase and reverse repurchase agreements auction, organized by the Bank of Albania.

Reference number of the auction: __________

Type of agreement (repurchase/reverse repurchase): ____________

Buyer ___________________  Seller ___________________

Date of auction: ___/__/____
Date the agreement enters into force (settlement date): ___/__/____
Date the agreement ends (maturity date): ___/__/____

With respect to the announcement of the Bank of Albania for the repurchase/reverse repurchase auctions, we submit our bid as follows:

The amount stated in nominal value ________________(__________) in LEK

Repurchase rate__________%

The underlying security records:

Type of the security: ________________
Reference number of the auction of security issuance: ________________
Issue date: ________________
Maturity date: ________________

The data relevant to the participant bank:
Telephone ___________________
Fax ___________________

Name and signature of the authorized person (____________________)

In the event of participation in the tender through fax/official note, this form must be submitted in a sealed envelope and must carry the following address: Bank of Albania, Monetary Operations Department, Monetary Operations Division. In the event of participation via REUTERS/Swift facility, the commercial bank must be identified with their individual code, and must fill in the respective fields the information as described in this form.