



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

DECISION

No. 104, dated 5.10.2016

APPROVAL OF THE REGULATION “ON LICENSING AND ACTIVITY OF SAVINGS AND LOAN ASSOCIATIONS AND THEIR UNIONS”

In accordance with the Law No. 52/2016, dated 19.05.2016 “On savings and loan associations and their Unions”, 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, having regard to the proposal of the Supervision Department, the Supervisory Council of the Bank of Albania,

DECIDED:

1. To approve the regulation “On licensing and activity of savings and loans associations and their Unions”, according to the text attached to this Decision.
2. The Supervision Department shall be responsible for the implementation of this Decision.
3. The Research Department shall be responsible for the publication of this Decision in the Official Bulletin of the Bank of Albania and in the Official Journal of the Republic of Albania.
4. The Regulation “On licensing of savings and loan associations and their Unions”, approved with the Decision No. 11, dated 27.02.2002 of the Supervisory Council shall be repealed, upon the entry into force of this Decision.

This Decision shall enter into force on the fifteenth day following its publication in the Official Journal of the Republic of Albania.

SECRETARY

CHAIRMAN

Elvis ÇIBUKU

Gent SEJKO

REGULATION
“ON LICENSING AND ACTIVITY OF SAVINGS AND LOAN ASSOCIATIONS
AND THEIR UNIONS”

(Adopted upon Decision No. 104, dated 5.10.2016 and amended upon Decision No. 48, dated 3.7.2019, Decision No. 62, dated 24.11.2021, Decision No. 52, dated 7.12.2022 and Decision No. 42, dated 6.9.2023 of the Supervisory Council of the Bank of Albania)

CHAPTER I
GENERAL PROVISIONS

Article 1
Purpose

The purpose of this Regulation is to lay down the conditions, requirements, time frame, documentation and procedures on:

- a) licensing of savings and loan associations and their Unions to perform financial activities in the Republic of Albania;
- b) granting prior approval during the exercise of the activity of savings and loan associations and their Unions;
- c) obligation to notify the Bank of Albania during the execution of the activity of savings and loan associations and their Unions;
- d) defining the criteria for the bodies of the savings and loan associations and their Unions;
- e) legal reorganization of the savings and loan associations and their Unions.

Article 2
Scope of application

This Regulation shall be applied on:

- a) entities that require to be licensed as savings and loan associations or Unions of savings and loan associations;
- b) savings and loans association and their unions licensed by the Bank of Albania.

Article 3
Legal framework

This Regulation is drafted pursuant to the Law No. 52/2016, dated 19.05.2016 “On savings and loan associations and their Unions”, which from here on shall be referred as the “Law on SLAs”, ¹Article 1, paragraph 4 (b) and Article 43 (c) of the Law No. 8269, dated 23.12.1997 “On the Bank of Albania”, as amended, and the Law no. 9917, dated

¹ Amended upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

19.05.2008 “On the prevention of money laundering and terrorism financing”, as amended, which hereinafter shall be referred as the Law on the prevention of money laundering.

Article 4 **Definitions**

1. For the purpose of this Regulation the terms shall have the same meaning as those defined in the Law ²on SLAs, Law on prevention of money laundering, as well as in other by-law acts of the Bank of Albania.
2. Except the provisions of paragraph 1 of this Article, for the purposes of this Regulation, the following terms shall apply:
 - a) “merger by absorption” – the merger of one or more absorbed SLAs, by transferring total assets and liabilities of the absorbed SLAs to another existing SLA, called the absorbing SLA, in exchange for the contributions of this SLA;
 - b) “merger by creation” – the merger of one or more existing SLAs to create a new SLA, where all the assets and liabilities of the existing SLAs that merge are transferred in exchange for the contributions of the new SLA;
 - c) “division by creation” – the division realized by transferring all assets and liabilities of the (existing) SLA to two or more newly established SLAs (recipient), where the divided SLA shall be considered as dissolved without liquidation;
 - d) “division by absorption” – the division realized by transferring all assets or liabilities of the (existing) SLA, in two or more existing SLAs (recipients), where the divided SLA is considered as dissolved without liquidation;
 - e) ³“bearer shares” - are shares of a legal person, whose ownership is transferred to the person that owns or holds the certificate/document of the bearer shares without the need of an agreement/contract for transferring the ownership of these shares;
 - f) ⁴“nominee shareholder” - is the registered shareholder of a legal person that holds shares on the current shareholder’s behalf (beneficiary owner), according to an agreement;
 - g) ⁵“shell bank” - is a bank, which does not have a physical presence, including lack of administration and management, and, which is not included in any regulated financial group.

² Amended upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

³ Added upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

⁴ Added upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

⁵ Added upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

CHAPTER II LICENSING OF SAVINGS AND LOAN ASSOCIATIONS

Article 5

The purpose of the activity of the SLA and capital requirement

1. The SLA shall have as primary purpose of its activity accepting deposits and granting loans to the members of the association.
2. Except the provisions of paragraph 1 of this Article, with the approval of the Bank of Albania, the SLA may exercise ⁶the following financial activities:
 - a) ⁷repealed;
 - b) foreign exchange;
 - c) financial leasing.
3. No entities may exercise the activities defined in paragraphs 1 and 2, unless licensed by the Bank of Albania.
4. The SLA shall acquire the right to start the activity only after is equipped with a license from the Bank of Albania and with the deposits insurance certificate from the Deposits Insurance Agency, in accordance with the Law No. 53/2014 “On deposits insurance”, as amended.
5. The SLA may not enter into an agreement with third parties (*outsourcing*), to transfer the exercise of the financial activities for which it is licensed and/or to transfer the internal audit function.
6. The minimum initial capital required for obtaining a license as a SLA and for exercising the activities defined in paragraph 1 of this Article shall be ALL 5,000,000 (five million).
7. If the SLA seeks to exercise at least one of the activities defined in paragraph 2 of this Article, the minimum initial capital required shall be ALL 20,000,000 (twenty million).
8. Each payment and/or increase of capital by individual contributions of each member and/or donator’s funds above ALL 100,000 (one hundred thousands), shall be accompanied with the submission at the Bank of Albania of the information related with the source of the creation of this capital, as defined in Article 6, paragraph 2, letter “e” of this Regulation, ⁸as well as the documentation provided for in letter “f”, subparagraph “iii” or letter “g”, subparagraph “iii” of paragraph 2, of article 6 of this Regulation.

⁶ Amended upon the decision of the Bank of Albania’s Supervisory Council, No. 62, dated 24.11.2021.

⁷ Repealed upon the decision of the Bank of Albania’s Supervisory Council No. 62, dated 24.11.2021.

⁸ Added upon the decision of the Bank of Albania’s Supervisory Council, No. 52, dated 7.12.2022.

- 8/1. ⁹The SLA, for each payment and/or capital increase by each member and/or donor funds under the value of ALL 100,000, except for contributions that serve as a condition for membership in the SLA, provides and keeps in separate files the documentation provided for in letter “f”, subparagraph “iii” or letter “g”, subparagraph “iii” of paragraph 2, of article 6 of this Regulation.
9. The Bank of Albania shall have the right to require clarifications and to carry out further verifications on the source of creation of the contributions or funds that will serve as a minimum initial capital or as its additional increase.
- 9/1. ¹⁰Where the Bank of Albania concludes, or is reasonably suspicious of the capital structure or its source being associated to persons with criminal convictions by a final court decision, who have family relations or close personal, working or business relationship in accordance with legal stipulations, with the members/donators, or is related to companies registered in tax havens or offshores, it notifies and requires from the General Directorate for the Prevention of Money Laundering whether it has information regarding the members/donators, and shall suspend the procedure on granting the license up to a response from the latter.
10. The payments and/or expenses for buying and/or leasing locations and work equipment shall not be included in the minimum initial capital.

Article 6

Requirements related with the documentation of the savings and loan association

1. The application to obtain a license as a SLA shall be submitted in writing (according to Form No. 1 of this Regulation) by the founding members or the administrator of the SLA, or by a legal entity authorized by them (according to Form No. 2 of this Regulation).
2. The application shall be submitted together with the completed forms attached to and forming an integral part of this Regulation, as well as the following documentation:
 - a) the founding act of the SLA;
 - b) the statute of the SLA;
 - c) extract of the registration of the SLA in the Commercial Registry released by the National Business Centre setting out the activity for which the SLA is submitting an application for licensing;
 - d) the certificate of the DIA for the fulfilment of the conditions related with deposits insurance;
 - e) documentation for the capital and its source, for each payment above the value defined in Article 5, paragraph 8 of this Regulation:

⁹ Added upon the decision of the Bank of Albania’s Supervisory Council, No. 52, dated 7.12.2022 and amended upon the decision of the Bank of Albania’s Supervisory Council, No. 42, dated 6.9.2023.

¹⁰ Added upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

- i. certified declaration of the founding members that the source of the initial capital paid to the SLA is not a loan, loans or advance by third subjects;
 - ii. certified declaration of the founding members on the creation source of the initial capital paid and for each increase of it during the exercise of the activity accompanied by the following documentation:
 - for legal persons:
 - evidence of the source of the creation of funds submitted in a legally acceptable form (authorized auditor's or auditing society report, annual accounting balance, gifts or other sources designated for paying the contribution in the capital of the SLA).
 - for individuals or physical persons:
 - evidence of the source of the creation of the funds, presented in a legally acceptable form (sale or purchase, gifts, wages, monetary deposits in banks or other evidence) and a certificates of the competent authorities affirming compliance with taxation duties; and
 - iii. certificate issued by a bank or branch of a foreign bank licensed by the Bank of Albania, certifying that the subject has frozen, in an account at the bank, the amount of required capital in accordance with paragraphs 6 or 7 of Article 5 of this Regulation. This amount shall be released upon notification by the Bank of Albania, at the conclusion of the licensing procedure.
- f) documentation for the founding members, when they are legal or physical persons:
- i. extract of the registration in the Commercial Registry and a certificate issued by tax authorities for the regular fulfilment of fiscal obligations;
 - ii. ¹¹a statement containing the information about close personal, working or business relationship in accordance with legal stipulations, with persons with criminal convictions by a final court decision (in accordance with the form no.10/1 of this Regulation).
 - iii. ¹²the following certificates released by the relevant bodies which certify that the person:
 - is not subject to criminal prosecution ;
 - is not on trial for criminal offenses;
 - has not been convicted (records by the Ministry of Justice);
 - is not subject to compulsory execution procedures (by the Office of Bailiff).

¹¹ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

¹² Added upon the decision of the Bank of Albania's Supervisory Council, No. 52, dated 7.12.2022.

The documents referred to in subparagraph “iii”, shall not be issued earlier than 3 (three) months from the date of the application submission to the Bank of Albania.

- g) documentation for the founding members, when they are individuals:
- i. identity document (name, surname, nationality, citizenship) and the precise residence address,
 - ii. ¹³a statement containing the information about close personal, working or business relationship in accordance with legal stipulations, with persons with criminal convictions by a final court decision (in accordance with Form no.10/1 of this Regulation).
 - iii. ¹⁴the following certificates released by the relevant bodies which certify that the person:
 - is not subject to criminal prosecution ;
 - is not on trial for criminal offenses;
 - has not been convicted (records by the Ministry of Justice);
 - is not subject to compulsory execution procedures (by the Office of Bailiff).

The documents referred to in subparagraph “iii”, shall not be issued earlier than 3 (three) months from the date of the application submission to the Bank of Albania.

- h) proposed business plan (according to Form No. 7 of this Regulation, ¹⁵where the risks towards the entity expects to be exposed are identified, including the money laundering and/or terrorism financing risk.
- i) internal by-laws (internal regulations and/or instruction), approved by the decision-making bodies on:
- operational activity of the SLA;
 - internal audit system, including effective administrative procedures of internal audit;
 - transparency with the member/s;
 - risk management;
 - prevention of money laundering and terrorist financing, ¹⁶envisaging a programme of measures, including those related to the donors of SLA, conform to the legislation in force;
 - organisation, functioning and administration of ITC systems, including the methodology for the protection/security of members’ information and data;

¹³ Added upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

¹⁴ Added upon the decision of the Bank of Albania’s Supervisory Council, No. 52, dated 7.12.2022.

¹⁵ Added upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

¹⁶ Amended upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

- j) information on the fulfilment of the necessary administrative and technical conditions for conducting the activity at teller windows.
3. Documentation in accordance with paragraph 2 of this Article shall be in the Albanian language, in original or in certified copies. In case of documentation released by the relevant official authorities of foreign countries, different from those of the Republic of Albania, the documentation shall also be legalized by the responsible authorities.
 4. The documentation shall be submitted at the Bank of Albania in a sealed envelope, or sent by registered mail.

Article 7
Procedures and deadlines for reviewing the application for license

1. The Bank of Albania shall grant or refuse to grant a license as SLA within 3 (three) months from the date of accepting the application for license. The date of accepting the application for license shall be notified in writing to the SLA, by the Bank of Albania.
2. When the submitted documentation is incomplete and/or fails to meet the requirements provisioned in the Law on SLAs and this Regulation, the Bank of Albania shall notify the SLA within 30 (thirty) days on the shortfalls or on the noncompliance with the disposition of the Law on SLAs and of this Regulation, together with the request for additional information or documentation.
3. The Bank of Albania shall halt the consideration of the application, when data and/or required documents for licensing are not completed by the institution within 6 (six) months from the submission of the initial application and it shall notify the SLA in writing as well.
4. The Bank of Albania, when it shall judge it necessary, may carry out on on-site verifications about the authenticity of the presented documentations.
- 4/1.¹⁷In addition to reviewing the submitted documentation, the Bank of Albania shall cooperate with and request information from homologous supervisory authorities and institutions specialised in the fight against economic crime and organized crime and in anti-money laundering, the Financial Supervision Authority, the Competition Authority, the General Directorate of Police, the Directorate of Taxes, etc.
5. The Bank of Albania may inspect the premises/offices where the institution shall conduct its financial activity to verify whether the technical and security conditions are met, in compliance with the by-laws issued by the Bank of Albania.

¹⁷ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

Article 8
Granting or refusing the license

1. The Bank of Albania shall grant or refuse to grant the license in accordance with the stipulations in Article 72 of the Law on SLAs.
- 1/1. ¹⁸In addition to the stipulations laid down in paragraph 1 of this Article, the Bank of Albania shall refuse granting the license even where:
 - a) granting the license would infringe the public interest; and
 - b) at least, for one of the founding members/donators the following criteria is met:
 - i. holds bearer shares or is a nominee shareholder;
 - ii. has a complex ownership and control structure;
 - iii. is a shell bank;
 - iv. represents high risk, based on the evaluations of the Bank of Albania;
2. ¹⁹Repealed.
3. The Bank of Albania, within 15 (fifteen) business days from the decision-making date in accordance with paragraph 1 of this Article, shall notify its decision on granting or refusing to grant the license to the SLA, accompanied with the relevant reasons.

Article 9
The characteristics of the license

1. The license shall be unlimited in time, non-transferable and inalienable.
2. The SLA license shall include the name of the subject (in accordance with the Law on SLAs), the number and date of its issue. The annex of the financial activities for which the SLA shall be licensed shall be an integral part therein.

Article 10
The publication of the decision on granting the license

1. The Bank of Albania shall publish the decision on granting the license to the SLA in the Official Bulletin of the Bank of the Albania.

¹⁸ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

¹⁹ Repealed upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

Article 11
Commissions

1. The SLA that applies for a license shall pay a commission for the processing of the application for the license of 10,000 (ten thousand) lek at the Bank of Albania at the time of submitting the application with the relevant documentation.
2. The commission defined in this Article, shall not be refunded even in case of refusal to grant the license by the Bank of Albania.

Article 12
License revocation

1. The Bank of Albania shall revoke the license of the SLA when it shall decide to:
 - a. assent on the beginning of the voluntary liquidation of the SLA;
 - b. put the SLA in compulsory liquidation.
2. The decision on the license revocation shall be communicated immediately in writing to the SLA, accompanied with the relevant reasons. This decision shall also be notified to the Deposits Insurance Agency.
3. The revocation decision shall enter into force in the date set out by the Bank of Albania.
4. The SLA may not carry out the activities specified in the license after a decision for revoking the license by the Bank of Albania has entered into force.
5. The Bank of Albania shall publish the decision for revoking the license to operate as a savings and loan association in the Official Bulletin of the Bank of Albania.
6. The SLA, whose license has been revoked, shall deposit the revoked license at the Bank of Albania.

CHAPTER III BODIES OF THE SLA

Article 13

Criteria on the appointment/²⁰re-appointment of the Steering Council members, the administrator and the members of the audit committee

1. The chair of the Steering Council and more than half of the members of the Steering Council, as well as the administrator of the SLA, in addition to the stipulations laid down in Article 19 of the Law on SLAs, shall fulfil the following criteria:
 - a) possess a university degree;
 - b) have a professional experience of no less than 3 (three) years in the financial field;
 - c) have a high ethical and professional reputation.
2. In the case of a Union, the appointment/²¹re-appointment criteria specified in paragraph 1 of this Article, shall be applicable to all the members of Steering Council and the administrator of the Union.
3. The members of the audit committee, in addition to the provisions in Article 31 of the Law on SLAs, shall fulfil the following criteria:
 - a) possess a university degree in economy;
 - b) have a high ethical and professional reputation.
4. The other members of the Steering Council not included in paragraph 1 of this Article, a part for the provisions of Article 19 of the Law on SLA, shall fulfil the following criteria:
 - a) have a completed secondary education;
 - b) have a work experience of no less than 3 (three) years;
 - c) have a high ethical and professional reputation.
5. The members of the Steering Council, the audit committee, and the administrator of the SLA, may not exercise contemporarily functions in governing bodies of another SLA or Union.

Article 14

The documentation for prior approval of the chair of the Steering Council, the administrator and the chair of the audit committee

1. To get prior approval for the chair of the Steering Council, the administrator and the chair of the audit committee the SLA shall submit a request in writing at the Bank of Albania supplemented with the following documentation:
 - a) the decision of the relevant bodies for the appointment of the person in the governing bodies;

²⁰ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

²¹ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

- b) identity document;
- c) education degree according to the stipulations laid down in this Regulation;
- d) a signed CV (according to Form No.9 of this Regulation);
- e) at least one recommendation related to the professional ability, released by previous superiors or employers;
- f) a detailed description of the work at the position that the proposed person shall occupy;
- g) a personal declaration related to the fulfilment of all the tax obligations;
- g/1) ²²a statement containing the information about close personal, working or business relationship in accordance with legal stipulations, with persons with criminal convictions by a final court decision (in accordance with Form no.10 of this Regulation);
- h) the following certificates released by the relevant bodies which certify that the person:
 - i. is not subject to criminal prosecution ;
 - ii. is not on trial for criminal offenses;
 - iii. has not been convicted (records by the Ministry of Justice);
 - iv. is not subject to compulsory execution procedures (by the Office of Bailiff).

²³The documents referred to in letter “h”, shall not be issued earlier than 3 (three) months from the date of the application submission to the Bank of Albania.

2. In the case when the person proposed is a foreign citizen, in addition to the documentation defined in paragraph 2 of this Article, he/she shall present at the Bank of Albania the permit of residence and work, pursuant to the Law “On foreigners”.

2/1. ²⁴In the event of the re-appointment of the Steering Council chair, administrator and Audit Committee chair, the SLA/Union shall submit to the Bank of Albania, the application in written form for the approval of this re-appointment. This application shall be accompanied by the following documentation:

- a) the re-appointment document, in accordance with paragraph 1, letter “a” of this Article;
- b) the updated Curriculum Vitae, completed in accordance with Form no.9 of this Regulation;
- c) a detailed information/report for the assessment and contribution of the Steering Council chair, the administrator and the Audit Committee chair on the effective governance of the SLA/Union;
- d) other supplementary information that may be deemed as necessary;

²² Added upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

²³ Amended upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

²⁴ Added upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

3. The documentation specified in the paragraphs ²⁵1 to 2/1 of this Article shall be presented in the Albanian language, in original or in certified copies. In case of documentation released by the relevant official authorities of foreign countries, the documentation shall also be legalized by the responsible authorities.
4. Documents shall be submitted at the Bank of Albania in a sealed envelope, or sent by registered mail.

Article 15

The documentation for the other members of the governing bodies of the SLA

The SLA shall keep the documentation according to Article 14 of this Regulation for the other members of Steering Council and audit committee that are not approved by the Bank of Albania in separate folders.

CHAPTER IV

PRIOR APPROVAL AND THE OBLIGATION TO NOTIFY

Article 16

Prior approval

1. Without the prior approval of the Bank of Albania the saving and loans association may not:
 - a) carry out financial activities that are not specified in the license;
 - b) appoint/²⁶re-appoint the chair of the Steering Council, the administrator and the chair of the audit committee.
2. The Bank of Albania may grant or reject prior approval, as stipulated in paragraph 1 of this Article, within 3 (three) months from the submission of the complete application, conform to the documentation set out in Article 17 of this Regulation.
3. The Bank of Albania shall halt the procedures on the examination of the application for prior approval, as stipulated in paragraph 1 of this Article, in case the required data and/or documentation are not completed by the SLA within 6 (six) months after the date of the initial application and shall also notify in writing the SLA.

²⁵ Amended upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

²⁶ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

Article 17
Conditions related the documentation for prior approval

1. To obtain the prior approval stipulated in Article 16, paragraph 1 of this Regulation, the SLA shall submit a written application to the Bank of Albania, supported by the following documentation:
 - a) for additional activities:
 - i. the decision of the decision-making body of the SLA for exercising the additional activity;
 - ii. the extract of the Commercial Registry released by the National Business Centre, in which shall be also specified the additional activity in the purpose of the SLA, as well as the minimum initial capital, paid according to Article 5, paragraph 7 of this Regulation;
 - iii. the information on the fulfilment of the technical and security conditions,²⁷in accordance with the Regulation “On the minimum security requirements regarding premises where banking and financial activities are conducted and on transportation of monetary values”, in the premises where the additional activity shall be exercised, in case this activity is realized at teller windows;
 - iv. the necessary regulations and/or manuals for exercising the additional activity;
 - v. the forecast for the next 3 (three) years of the financial indicators of the additional activity and their effect on the overall financial situation of the SLA, as well as the financial statements (balance sheet, income and expenses statement and capital changes statement) according to the Forms No. 3, 4 and 5 of this Regulation.
 - b) for the approval of the chair of the Steering Council, the administrator and the chair of the audit committee, the SLA shall submit the documentation specified in Article 14 of this Regulation.
2. The Bank of Albania, as the case may be, may require additional documents, in addition to those specified in this Article.
3. The documentation according to paragraph 1 of this Article shall be in the Albanian language, in original or certified copies.
4. The documentation shall be submitted to the Bank of Albania in a sealed envelope, or sent via registered mail.
5. The Bank of Albania in case of refusal to grant the additional activity shall give in writing the reasons of this refusal.

²⁷ Added upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

Article 18
Obligation to notify

1. The SLA shall notify the Bank of Albania on each occasion and deadline provisioned in Article 75 of the Law on SLAs.
2. In addition to the stipulations in paragraph 1 of this Article, the SLA shall notify the Bank of Albania within 30 (thirty) days, for:
 - a) capital increase, as a consequence of individual contributions of each member and/or donator's funds above ALL 100,000 (one hundred thousand) ;
 - b) capital decrease above ALL 100,000 (one hundred thousand) ;
 - c) changes in the organisational structure;
 - d) opening or closing of SLA's branches, or changes in their address;
 - e) departure/appointment of members of the Steering Council, the administrator or members of the audit committee, according to Form No. 8 of this Regulation.

CHAPTER V
THE LICENSING OF THE UNION

Article 19
Financial activities and capital requirement

1. The Union shall be licensed to exercise the activities of accepting deposits and giving loans, only for the members of the Union.
2. The Union, in addition to the stipulations laid down in paragraph 1 of this Article, may perform for its members also the functions provisioned in the Article 45, paragraph 2 of the Law on SLAs.
3. The Union shall acquire the right to exercise the activity only after it shall be provided with license by the Bank of Albania and with the deposits insurance certificate by the Deposits Insurance Agency, pursuant the Law No. 53/2014 "On deposits insurance", amended.
4. The Union may not enter into an agreement with third parties (*outsourcing*), to transfer the exercise of the financial activities for which it is licensed and/or to transfer the internal audit function.
5. The minimum initial capital required for obtaining a license as a Union and for exercising the activities defined in the Law on SLAs shall be ALL 20,000,000 (twenty million).

6. Each capital increase, as well as each change in its structure, shall be accompanied with the submission at the Bank of Albania of the information related to the source of creation of this capital, according to the documentation specified in Article 6, paragraph 2, letter “e” of this Regulation.
7. The Bank of Albania shall have the right to require clarifications and to further verify the source of creation of contributions and funds that will serve as minimum initial capital or as its follow up increase.
8. Payment and/or expenses for buying or leasing premises and work equipment shall not be included in the minimum initial capital.

Article 20
Documentation and licensing procedure of the Union

1. The application for the licensing of the Union shall be done in writing (according to Form No. 1 of this Regulation) by the members, or the administrator of the Union, or by a person authorized by them (according to Form No. 2 of this Regulation).
2. The application shall be accompanied by the completed Forms, an integral part of this Regulation, as well as the following documentation:
 - a) founding act of the Union;
 - b) statute of the Union;
 - c) decisions of the assemblies of the founding SLAs of the Union for participation in Union
 - d) the extract of the Commercial Registry for the registration of the Union released by the National Business Centre, where shall be also specified the activities for which the Union is requiring a license;
 - e) documentation for the source of the capital according to Article 6, paragraph 2, letter “e” of this Regulation;
 - f) the business plan of the proposed activity (according to Form 7 of this Regulation,²⁸ where the risks towards the entity expects to be exposed are introduced, including the money laundering and terrorism financing risk;
 - g) internal regulatory acts (internal regulation and/or instructions) approved by the decision-making bodies for the:
 - i. operational activity of the Union;
 - ii. internal audit system, including efficient administrative procedures of internal audit;
 - iii. transparency with the members of the Union;
 - iv. risk management;

²⁸ Added upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

- v. prevention of money laundry and terrorism financing, ²⁹envisaging a programme of measures, including those related to the donators of Union, in accordance with the legislation in force;
 - vi. organization, functioning and administration of ITC systems, including protection/security of members' information and data.
- h) information on the fulfilment of the technical and security conditions for the activity at teller windows.
3. Documentation according to paragraph 2 of this Article shall be in the Albanian language, in original or in certified copies. In case of documentation released by relevant official authorities of foreign countries, different from the Republic of Albania, the documentation shall also be legalized by the relevant authorities.
 4. The documentation shall be submitted to the Bank of Albania in a sealed envelope, or sent by registered mail.
 5. For the licensing of the Union shall be applied the Articles 7, 8, 9, 10, 12, 13, 14 and 15 of this Regulation.

Article 21 **Commissions**

1. The Union that applies for license shall pay a commission for the elaboration of the application for license of ALL 30,000 (thirty thousand) at the Bank of Albania when it submits the application and the relevant documentation.
2. The commission shall not be refunded even in case when the Bank of Albania shall refuse to grant the license.

Article 22 **Prior approval and notifications**

1. Without the prior approval from the Bank of Albania, the Union may not:
 - a) create a distinct organisational unit responsible for SLAs' monitoring;
 - b) appoint/³⁰re-appoint the head of the organisational unit provisioned in letter (a) of this paragraph.
2. The documentation for the prior approvals, laid down in (a) and (b) of paragraph 1 of this Article are provisioned in Articles 23 and 24 of this Regulation.

²⁹ Amended upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

³⁰ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

3. The Bank of Albania shall grant or refuse prior approval according to paragraph 1 of this Article, within 3 (three) months from the complete submission of the application.
4. The Bank of Albania shall halt the procedures on the examination of the application for prior approval according to paragraph 1 of this Article, in case the required data and/or documentation shall not be completed by the Union within 6 (six) months after the date of the initial application and shall also notify in writing the Union.
5. The Union shall notify the Bank of Albania in all the cases and according to the deadlines specified in Article 75 of the Law on SLAs.
6. The Union, in addition to the stipulations in paragraph 5 of this Article, shall notify the Bank of Albania within 30 (thirty) days, for:
 - a) capital increase;
 - b) capital decrease;
 - c) changes in the structure of the capital;
 - d) changes in the organisational structure;
 - e) opening or closing of Union branches, or changes in their address;
 - f) dismissal/appointment of the administrator, members of the Steering Council and the audit committee and heads of the monitoring unit, according to Form 8 of this Regulation.

Article 23

The organisational unit responsible for monitoring

1. The unit that is responsible for the monitoring is a distinct organisational unit of the Union, independent from the activities, structure and the persons that it shall monitor.
2. The Bank of Albania shall grant prior approval when it shall create the belief that the structure and the budget of the unit responsible for monitoring are in accordance with the number, conditions and the risks of the SLAs that it shall monitor.
3. The Union shall submit an application in writing at the Bank of Albania for the grant of prior approval for the unit responsible for monitoring accompanied with the following documentation:
 - a) decision of the relevant body for the creation of this unit;
 - b) structure of the organisational unit whose creation is proposed;
 - c) estimate of the number of workers, planned budget and the SLAs that shall be monitored;

- d) regulations of the unit functions, which shall contain provisions for its line of reporting as well.

Article 24

The head of the organisational unit responsible for monitoring

1. The head of the unit responsible for monitoring the SLAs shall fulfil the following criteria:
 - a) possess a university degree, or he/she at least has completed postgraduate studies in high education institutions in economics;
 - b) have at least 5 (five) years of experience in the banking sector and/or the financial one;
 - c) have a high ethical and professional reputation;
 - d) have sufficient and adequate experience in leading - at least 3 (three) years in the banking and/or financial system.

2. The Union shall submit an application in writing at the Bank of Albania for the grant of prior approval for the head of the organisational unit responsible for monitoring the SLAs accompanied with the following documentation:
 - a) the decision of the relevant body on the proposition for appointment of the relevant head;
 - b) identity document;
 - c) university degree;
 - d) signed CV (according Form No. 9 of this Regulation);
 - e) at least one recommendation related with the professional ability, released by superiors, previous employers or academics;
 - f) detailed description of the proposed head work;
 - g) personal declaration related to the fulfilment of all tax obligations;
 - g/1) ³¹personal statement, declaring any possible family relations or close personal, working or business relationship in accordance with legal stipulations, with persons with criminal convictions by a final court decision (in accordance with Form no.10 of this Regulation);
 - h) the following certificates from the relevant bodies that certify that the person:
 - i) is not subject to criminal prosecution;
 - ii) is not on trial for offenses;
 - iii) has not been convicted (records by the Ministry of Justice);
 - iv) is not subject to compulsory execution procedures (by the Office of Bailiff).

The documents referred in (h), shall not be issued earlier that 3 (three) months from the date of presentation of the application.

³¹ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

3. The Union, in the case when the person proposed as head is a foreign citizen, a part the documentation defined in paragraph 2 of this Article, he/she shall submit at the Bank of Albania the permit of residence and work, pursuant the Law “On foreigners”.
- 3/1. ³²In the event of the re-appointment of the head of the organisational unit responsible for SLAs’ monitoring, the Union shall submit to the Bank of Albania, the application in written form for the approval of this re-appointment. This application shall be accompanied by the following documentation:
 - a) the re-appointment document, in accordance with paragraph 2, letter “a” of this Article;
 - b) the updated Curriculum Vitae, completed in accordance with Form no.9 of this Regulation;
 - c) a detailed information/report for the assessment and contribution of the head, on the effective governance of the organisational unit responsible for the SLAs’ monitoring;
 - d) other supplementary information that may be deemed as necessary.
4. The documentation specified in the paragraphs ³² to 3/1 of this Article shall be presented in the Albanian language, in original or in certified copies. In case of documentation released by the relevant official authorities of foreign countries, the documentation shall also be legalized by the responsible authorities.
5. Documents shall be submitted to the Bank of Albania in a sealed envelope, or sent by registered mail.

CHAPTER VI

THE LEGAL REORGANISATION OF THE SLAs AND THEIR UNIONS

Article 25

Merger by absorption

1. The SLA may not be reorganized through merger by absorption without written prior approval by the Bank of Albania.
2. The application shall be submitted, in writing, by the absorbing SLA and is supported by the following documents:
 - a) decision of the general assembly of each SLA involved in the merger, approving the reorganization through merger by absorption;

³² Added upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

³³ Amended upon the decision of the Bank of Albania’s Supervisory Council, No. 48, dated 3.7.2019.

- b) agreement/draft on the merger by absorption, signed by the legal representatives of the SLAs participating in the merger;
- c) balance sheet of the absorbing SLA and detailed data capital, prepared on consolidated bases and certified by a legal auditor or an audit company;
- d) draft statute of the SLA, after the finalization of the transaction for the merger by absorption;
- e) strategic plan for the realization of the absorption for the absorbing SLA, accompanied by financial statements (balance sheet, income and expenses statement and capital changes statement), according to Forms 3, 4 and 5 of this Regulation and forecasts related the implementation of the regulatory and supervision framework for the first 3 (three) year of activity;
- f) in case of changes in the organisational structure of the absorbing SLA, the new organisational structure as well as the possible numbers of workers;
- g) ³⁴a description on the adequacy of risk management system, including the money laundering and terrorism financing risk of the absorbing SLA, taking into consideration also the potential risks that might arise throughout the merger by absorption process, and a description on how the risk management systems shall be integrated within a reasonable time frame.

Article 26 **Merger by creation**

1. The SLA may not be reorganized through merger by creation without written prior approval by the Bank of Albania.
2. The application shall be submitted, in writing, by the existing SLA and is supported by the following documents:
 - a) decision of the general assembly of each SLA involved in the merger, approving the reorganization through merger by creation;
 - b) agreement/draft on the merger by creation, signed by the legal representatives of the SLAs participating in the merger;
 - c) balance sheet of the new SLA and detailed data capital, prepared on consolidated bases and certified by a legal auditor or an audit company;
 - d) ³⁵a description on the adequacy of risk management system of the new SLA, including the money laundering and terrorism financing risk, taking into consideration also the potential risks that might arise throughout the merger by creation process, and a description on how the risk management systems shall be integrated within a reasonable time frame.

³⁴ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

³⁵ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

Article 27
Division by absorption

1. The SLA may not be reorganized through division by absorption without written prior approval by the Bank of Albania.
2. The application shall be submitted, in writing, by the dividing SLA and is supported by the following documents:
 - a) decision of the general assembly of each SLA involved in the division process, approving the reorganization through division by absorption;
 - b) agreement/draft on the division by absorption, signed by the legal representatives of the SLAs participating in the division by absorption;
 - c) balance sheets of the dividing SLA and the receiving SLAs with detailed data of the capital, prepared on consolidated bases and certified by a legal auditor or an audit company;
 - d) strategic plan for the realization of the division for the receiving SLAs, accompanied by financial statements (balance sheet, income and expenses statement and capital changes statement), according to Forms No. 3, 4 and 5 of this Regulation and forecasts related to the implementation of the regulatory and supervision framework for the first 3 (three) year of activity;
 - e) the new organisational structure of the receiving SLAs and the possible numbers of employees;
 - f) ³⁶a description on the adequacy of risk management system of the receiving SLAs, including the money laundering and terrorism financing risk, taking into consideration also the potential risks that might arise throughout the separation by absorption process.

Article 28
Division by creation

1. The SLA may not be reorganized through division by creation without prior approval by the Bank of Albania.
2. The application shall be submitted, in writing, by the dividing SLA and is supported by the following documents:
 - a) decision of the general assembly of the SLA that is dividing, approving the reorganization through division by creation;
 - b) agreement/draft on the division by creation, signed by the legal representatives of the SLAs participating in the division by creation;
 - c) balance sheets of the new receiving SLAs with detailed data of the capital, prepared on consolidated bases and certified by a legal auditor or an audit company;

³⁶ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

- d) if the capital derived from the process of division of the dividing SLA shall not fulfil the minimum initial capital required for the receiving SLA, additional necessary funds shall be deposited in a bank account;
- e) ³⁷a description on the adequacy of risk management system of the receiving SLAs, including the money laundering and terrorism financing risk, taking into consideration also the potential risks that might arise throughout the separation by creation process.

Article 29

Common provisions on mergers and divisions

1. When the merger or division shall lead to the establishment of at least one new SLA, the latter shall be subject to all rules set out in this Regulation for being newly licensed as a SLA.
2. In addition to the documentation provisioned in this Regulation, the Bank of Albania, may require, case by case, additional information as well, which it judges necessary for the decision-making process, based on the particularities (specifics) of this process.
3. The Bank of Albania, after reviewing and verifying the submitted documentation, shall take a decision on granting or refusing of the reorganization of the SLA.
4. The maximum timeframe for the review of documents and approval or rejection of the merger/division shall be 3 (three) months from the submission of the complete documents, in line with the requirements of this Regulation.
5. In the case of a merger by absorption, the absorbing SLA shall continue to exercise only the financial activity for which it was originally licensed.
6. In case of a division by absorption, the receiving SLA shall continue to exercise only the financial activity for which it was originally licensed.

Article 30

Transformation of the Union in a SLA

1. The Union may be transformed in the form of a SLA, after the approval by the Bank of Albania, in accordance with the provisions of Chapter IX of the Law on SLAs.
2. The Bank of Albania shall grant the approval if requirements laid down in Article 55 and Article 56 (requests for documentation) of the Law on SLAs are met.

³⁷ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

3. The report on the realization of the transformation of the Union in SLA, part of the documentation specified in Article 56, paragraph 1(a) of the Law on SLAs shall be drafted by an audit company, which shall fulfil the following criteria:
 - a) be legal person registered in the public registry of legal auditors for the exercising of this activity in the Republic of Albania;
 - b) have 3 (three) years of experience in the field of legal auditing of the financial statements of banks or other financial subjects, that keep accountancy according to the International Standards of Financial Reporting (ISFR);
 - c) at least 2 (two) of the partners or employees of the company, shall have the professional title “legal auditor”;
 - d) have not a conflict of interest with the Union, according to the provisions of the Law “On legal auditing”.

Article 31
Rescission of the membership of the SLA in the Union

1. In case of rescission of the membership of the SLA in the Union, the rescinding SLA and the Union, shall appoint an audit company that shall draft the balance sheets of the SLA and the Union before and after the rescission from the Union, with detailed data of the capital.
2. The rescinding SLA shall submit at the Bank of Albania the decision of the general assembly for the rescission of the membership in the Union.
3. The rescinding SLA and the Union shall submit at the Bank of Albania the balance sheets drafted by the audit company, according to paragraph 1 of this Article.
4. The Bank of Albania may warn the rescinding SLA from the Union, in case this action may bring negative consequences for the SLA.

CHAPTER VII
THE LIQUIDATOR

Article 32
Qualifying conditions of the liquidator

1. The Bank of Albania shall set the SLA in compulsory liquidation when it ascertains the existence of one or more of the conditions specified in Article 95 of the Law on SLAs.
2. The liquidator appointed by the Bank of Albania shall carry out the compulsory liquidation process.

3. The person proposed as liquidator, to exercise the function of liquidator according to the provisions of the Law on SLAs shall fulfil the following criteria:
 - a) fulfil the conditions specified in the Law on SLAs and the by-law acts of the Bank of Albania for the SLA administrators;
 - b) have at least 5 (five) years of working experience as executive director in a financial institution, bank or audit company.
4. The person proposed as SLA liquidator, before his appointment, shall deposit a certificate, in which is declared that there none of the prohibitions specified in Article 33 of this Regulation are applicable to him/her.

Article 33

Disqualifying conditions of the liquidator

1. An individual shall not be deemed suited to exercise the function of the liquidator or is removed from this function, if the individual:
 - a) has been criminally convicted by a court for a criminal offense for which the law provides for punishment with imprisonment;
 - b) at the time of his appointment, there are founded doubts on his participation in fraudulent activity, or others are seeking damages from him/her that may prevent or materially affect his/her ability to accomplish the task;
 - c) is subject of investigations for fraudulent activity or other criminal activities;
 - d) by court decision, he/she is in the impossibility to exercise his/her duties towards the SLA;
 - e) has conflict of interest with the SLA, according to Article 33 of the Law on SLAs.

Article 33/1³⁸

Re-assessment process

1. SLAs and Unions conduct the re-assessment of the suitability of the members of the Steering Council, the administrator, members of the Audit Committee and the head of the organisational unit responsible for the SLAs' monitoring, at least once a year, as well as when deemed necessary, based on specific circumstances or facts.
2. Through the re-assessment process of the suitability of the members of the Steering Council, the administrator, members of the Audit Committee and the head of the organisational unit responsible for the SLAs' monitoring, SLAs and the Union shall ensure the ongoing fulfillment of the criteria laid down in this Regulation, and shall report to the Bank of Albania, the results of the re-assessment process, annually, within the first quarter of the following year.

³⁸ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

3. SLAs and Unions shall document the re-assessment process of the suitability of the members of the Steering Council, the administrator, members of the Audit Committee and the head of the organisational unit responsible for the SLAs' monitoring, and shall predict the obligation for all these persons who must notify the SLA/Union of any circumstance or fact that has a significant impact on their suitability or confirm, at least once a year, that the criteria set out in this Regulation continue to be met.
4. Where SLAs and Unions conclude that the terms are not met by the members of the Steering Council, the administrator, members of the Audit Committee and the head of the organisational unit responsible for the SLAs' monitoring, they shall promptly inform the Bank of Albania, no later than within 5 business days from its conclusion.
5. Following the notification in accordance with paragraph 4 of this Article, as well as where it concludes this fact while conducting its oversight process, the Bank of Albania shall require the dismissal of the members of the Steering Council, the administrator, members of the Audit Committee and the head of the organisational unit responsible for the SLAs' monitoring.

CHAPTER VIII FINAL PROVISIONS

Article 34 Supervision measures and sanctions

The Bank of Albania in case of infringements of the provisions of this Regulation shall apply the supervision measures and/or the penalties provided ³⁹in Chapter X of the Law on SLAs.

Article 35 Transitory provisions

1. SLAs and Unions licensed by the Bank of Albania and that exercise their activity before the entering into force of this Regulation, shall take measures for the organization of activity and internal structure, in accordance with the requirements of this Regulation, by the date 30 June 2017.
2. SLAs and Unions licensed by the Bank of Albania and that exercise their activity before the entering into force of this Regulation, shall take measures for fulfilling the minimum levels of required capital, as provided in Articles 5 and 19 this Regulation, by the date 30 June 2018.

³⁹ Amended upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

3. The Bank of Albania shall have the right to require SLAs and Union licensed before the entering into force of this Regulation, additional information in accordance with the provisions of the Law on SLAs, in the cases it deems it justified.

Article 36
Final provisions

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

**CHAIR OF THE
SUPERVISORY COUNCIL**

Gent Sejko

**APPLICATION TO THE BANK OF ALBANIA FOR GRANTING THE LICENSE
FOR SAVINGS AND LOAN ASSOCIATION/UNION OF SAVINGS AND LOAN
ASSOCIATIONS**

Name of the SLA/Union: _____
Proposed location: Address _____, Albania
(City) (District)

Through this application we address the Bank of Albania, by providing any information required by it, to grant us a license to operate as a savings and loans association/Union:

- acceptance of deposits and granting loans;
- repealed⁴⁰
- foreign exchange;
- financial leasing

In the activity that we propose to carry out, we are committed to implement the law "On savings and loan associations and their Unions" and the Albanian legislation.

Applicants:

Note: The application accompanied with the documents and the Forms requested according to this Regulation shall be sent to the following address:

**Supervision Department
Bank of Albania
Sheshi "Skënderbej", No.1
Tirana, Albania.**

⁴⁰ Repealed upon the decision of the Bank of Albania's Supervisory Council, No. 62, dated 24.11.2021.

DECISION
OF -----
(DECISION-MAKING BODY)
FOR REPRESENTATIVE APPOINTMENTS

----- (Decision-making body) confirms that, to the best of our knowledge, the information contained in this application is true and complete. Furthermore, ----- (decision-making body) appoints and designates as representative:

(Name) (Patronymic) (Surname)

Address: _____
(Street, Number) (City) (Nation)

(Telephone number)

(Electronic mail address - *email*)

The aforementioned representative is authorized to represent the SLA/Union and to present him/herself at the Bank of Albania to sign except when the Bank of Albania shall require personal actions from the members of the ----- (decision-making body). The representative is authorized to do anything necessary, in as a complete manner as possible and to fulfil all the intents and purposes as would the signatory him/herself, if he/she had been present and had taken all the correspondence and the documents from the Bank of Albania.

Date _____,

(Name Surname)

(Signature)

Note: This Form must be certified by a notary.

ESTIMATED BALANCE SHEET

| No. | Estimated balance <i>(in thousand lek)</i> | For the year closed in 31 December N | For the year closed in 31 December N+1 | For the year closed in 31 December N+2 |
|-----|--|---|---|---|
| 1 | Funds | | | |
| 2 | Treasury bonds | | | |
| 3 | Current account in bank or Union | | | |
| 4 | Deposits in a bank or Union | | | |
| 5 | Loans (net) | | | |
| 5.1 | Short-term loans | | | |
| 5.2 | Medium-term loans | | | |
| 5.3 | Long-term loans | | | |
| 5.4 | Loans for real estate (mortgage) | | | |
| 5.5 | Financial leasing contracts | | | |
| 5.6 | (minus): Loans' provision | | | |
| 6 | Assets and other liabilities | | | |
| 7 | Stable assets and permanent sources | | | |
| | TOTAL ASSETS | | | |
| 1 | Current and escrow accounts | | | |
| 2 | Borrowing from banks, credit institutions and other financial institutions | | | |
| 3 | Borrowing from the Union | | | |
| 4 | Borrowing from the government | | | |
| 5 | Current accounts by members | | | |
| 6 | Deposits by members | | | |
| 7 | Blocked deposits as loans guarantee | | | |
| 8 | Assets and other liabilities | | | |
| | Total liabilities | | | |
| 9 | Members' contributions | | | |
| 10 | Donators' funds | | | |
| 11 | Legal reserve | | | |
| 12 | Statutory reserves | | | |
| 13 | Other reserves | | | |
| 14 | Accumulated profit/losses | | | |
| 15 | Stable assets revaluation reserve | | | |
| 16 | Profit (loss) for the fiscal year | | | |
| | Total capital | | | |
| | TOTAL CAPITAL AND LIABILITIES | | | |

FORM NO. 4**(ESTIMATED) INCOME AND EXPENCES STATEMENT**

| No. | Income and expenses | For the year closed in 31 December N | For the year closed in 31 December N+1 | For the year closed in 31 December N+2 |
|----------|---|---|---|---|
| | <i>(in thousand lek)</i> | | | |
| | INCOME | | | |
| 1 | Income from loans interest | | | |
| 2 | Income from deposits interest | | | |
| 3 | Income from operations with securities and other financial activities | | | |
| 4 | Income from commissions | | | |
| 5 | Income from rental operations | | | |
| 6 | Profits from operations with foreign currencies | | | |
| 7 | Extraordinary income | | | |
| 8 | Other income | | | |
| A | Total income | | | |
| | EXPENSES | | | |
| 1 | Expenses for borrowing interests | | | |
| 2 | Expenses for members' deposits interests | | | |
| 3 | Expenses for commissions | | | |
| 4 | Losses from operations with securities and other financial activities | | | |
| 5 | Expenses from rental operations | | | |
| 6 | Losses from operations with foreign currency | | | |
| 7 | General activity losses | | | |
| 8 | Depreciation and reserve funds for devaluation of fixed assets | | | |
| 9 | Expenses for reserve funds | | | |
| 10 | Extraordinary expenses | | | |
| 11 | Other expenses | | | |
| B | Total expenses | | | |
| | Profit or loss (A-B) | | | |
| | Donations (gifts) received | | | |
| | Profit or loss after donations | | | |
| | | | | |

FORM NO. 5**(ESTIMATED) CHANGES IN CAPITAL STATEMENT**

| | Capital | Donators' funds | Reserve | Transferred Surplus/(Deficit) | Total |
|-------------------------------------|----------------|------------------------|----------------|--------------------------------------|--------------|
| Situation in 1 January N | | | | | |
| Additions/reductions for the period | | | | | |
| Year's result | | | | | |
| Situation in 31 December N | | | | | |
| Additions/reductions for the period | | | | | |
| Year's result | | | | | |
| Situation in 31 December N+1 | | | | | |
| Additions/reductions for the period | | | | | |
| Year's result | | | | | |
| Situation in 31 December N+2 | | | | | |

SLA PREMISES AND ITS LOCATION

1. Capital proposed to invest in fixed assets, type of possession:
 - Permanently rented premises
 - Permanent personal propriety
 - Temporary premises

2. Premises description:
 - a) Premises that will be rented:
 - i. estimated annual cost of the rent for the SLA;
 - ii. description of the estimated repairs and improvements for the building.

 - b) Owned premises:
 - i. name and address of the seller, date of completion of the building, the cost of purchase of the facility (the object);
 - ii. costs and description of the necessary repairs, repairs and changes to the building and the surrounding area.

 - c) Temporary premises:
 - i. temporary premises location;
 - ii. details related to the temporary premises, including their dimensions, the type of construction, the main facilities that will located in the building;
 - iii. in case the temporary premises are bought, estimated cost, estimated resale value, a copy of the standard form of the purchase contract;
 - iv. in case the temporary premises are being rented, an estimate of the value of the monthly rent.

3. The proposed investment in furniture, equipment and a description of the items.

4. The proposed investment to fulfil the minimum technical and security conditions necessary for exercising the activity.

THE BUSINESS PLAN OF THE PROPOSED ACTIVITY

The business plan shall specify the purpose, objectives and the philosophy of the business of the SLA/Union. The Bank of Albania shall review constantly during the first year of activity, the proposed business plan from the approval, so as to evaluate if the operations of the savings and loan association/Union are carried out in accordance with the original given plan of activity, especially as far as the increase of assets and liabilities is concerned. Any important change of the original submitted plan may become motive of the revocation of the license. For this reason, the plan of activities must be prepared carefully.

In the business plan of activities are:

1. Submitted the structure of the organization of the SLA/Union and the level of responsibilities.
2. Described the policies of the SLA/Union for the activities it wants to carry out, its objective and its position in the market.
3. Described the activities, the segment of the market (the clientele), products and services it proposes to conduct during the first 3 (three) years of activity after licensing.
4. Described in details, the source of financing and the structure of assets for the first 3 (three) years of activity after licensing.
5. Described the market evaluation, the competition, the characteristic of the market and its development tendencies.
6. Described the estimate of the financial situation of the SLA/Union, and are presented the financial statements (balance sheet, income and expenses statement and the changes in the capital statement according to the Forms 3, 4 and 5 of this Regulation) for the first 3 (three) of activity after licensing.
7. Submitted information, according to Form No. 6, attached and integral part of this Regulation, relating to the premises where the SLA/Union expects to carry out activity/ies.
8. Presented information about investments in ITC systems, supplemented by the list of equipment, programmes, etc.
9. Presented an estimate related to the implementation of the regulatory and supervision framework (care indicators, reports, etc.) for the first 3 (three) years of activity after licensing;
10. ⁴¹Described the risks towards the SLA/Union expects to be exposed throughout the business plan implementation (including the money laundering and/or terrorism financing),

⁴¹ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

as well as the methods and control systems it shall apply for the purpose of managing these risks. When designing the business plan and calculating the indicators for the expected risks, the SLA/Union shall consider the requirements set out in the Law “On savings and loan associations and their unions” and in the by-laws implementing it, particularly relating to the maximum rates and limits of risks indicators.

The decision-making body shall review, discuss and approve the terms of a business plan that is projected to be profitable. The business plan should be a presentation of the plans and expectations of the decision-making body, to be achievable and Bank of Albania can rely on, during the review for approval or rejection.

FORM NO. 8

**DATA ON THE COMPOSITION OF THE GOVERNING BODIES OF THE
SLA/UNION**

| No. | Name Surname | Birthday | Birthplace | Nationality | Personal no. | Field of high education/s econdary education | Work experience (in years) |
|------|--|----------|------------|-------------|--------------|--|----------------------------|
| | <u>Steering Council:</u> | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| | | | | | | | |
| | <u>Audit Committee:</u> | | | | | | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| | <u>Administrator:</u> | | | | | | |
| 1. | | | | | | | |
| | <u>The Head of the monitoring unit⁴²:</u> | | | | | | |
| 1. | | | | | | | |

Name Surname

(signature)

Date

⁴² To be filled in only by Unions.

FORM NO. 9

CURRICULUM VITAE

| | |
|--|---|
| Name Surname | |
| Residential Address | |
| Birthday | |
| Birthplace | |
| Nationality | |
| Work telephone number | |
| Mobile telephone number | |
| E-mail address | |
| EDUCATIONAL QUALIFICATION | |
| <i>(please list chronologically all educational institutions you have attended, duration of studies, graduation date and title/academic degrees)</i> | |
| 1. Name of the institution and the address | |
| Dates of conducting the studies | |
| Degree achieved | |
| 2. Name of the institution and the address | |
| Dates of conducting the studies | |
| Degree achieved | |
| LEVEL OF KNOWLEDGE OF FOREIGN LANGUAGES <i>(please list the language and their level of knowledge with numbers from 5 – 1 (5 = very well, 4 = well, 3 = sufficient etc.)</i> | |
| ADVANCED TRAINING <i>(please list in chronological order all the courses, periods, course topics, organizers)</i> | |
| PARTECIPATION IN STEERING COUNCILS/PROFESSIONAL ASSOCIATIONS <i>(please list the companies/associations where you are or have been a member of the Steering Councils, dates of attendance, etc.)</i> | |
| WORK EXPERIENCE | |
| <i>(please list in chronological order all employments, starting from the most recent job, position title and duration of employment and detailed responsibilities for each position)</i> | |
| Name and address of the employer | |
| Employment period (month/year – month/year) | |
| Employment nature | Employed !__! Self-employed !__! Unemployed !__! Pursuit of studies with disconnection |

| | |
|--|--|
| | from work (<i>full-time</i>) !__! |
| Position (designation of the work position) | |
| Responsibilities of the work position (detailed) | |
| Reasons for leaving | Resignation !__! Workplace cutback !__! Retirement !__! End of contract !__! Termination of employment !__! Other !__! Specify |
| Name and address of the employer | |
| Employment period (month/year – month/year) | |
| Employment nature | Employed !__! Self-employed !__! Unemployed !__! Pursuit of studies with disconnection from work (<i>full-time</i>) !__! |
| Position (designation of the work position) | |
| Responsibilities of the work position (detailed) | |
| Reasons for leaving | Resignation !__! Workplace cutback !__! Retirement !__! End of contract !__! Termination of employment !__! Other !__! Specify |
| Name and address of the employer | |
| Employment period (month/year – month/year) | |
| Employment nature | Employed !__! Self-employed !__! Unemployed !__! Pursuit of studies with disconnection from work (<i>full-time</i>) !__! |
| Position (designation of the work position) | |
| Responsibilities of the work position (detailed) | |
| Reasons for leaving | Resignation !__! Workplace cutback !__! Retirement !__! End of contract !__! Termination of employment !__! Other !__! Specify |
| Name and address of the employer | |
| Employment period (month/year – month/year) | |
| Employment nature | Employed !__! |

| | |
|--|---|
| | Self-employed <input type="checkbox"/> Unemployed <input type="checkbox"/> Pursuit of studies with disconnection from work (<i>full-time</i>) <input type="checkbox"/> |
| Position (designation of the work position) | |
| Responsibilities of the work position (detailed) | |
| Reasons for leaving | Resignation <input type="checkbox"/> Workplace cutback <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/> Termination of employment <input type="checkbox"/> Other <input type="checkbox"/> |
| | Specify |

Name Surname

(signature)

Date

STATEMENT

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

Note: Where the member of the Steering Council, the administrator, member of the Audit Committee and the head of the organisational unit responsible for the SLAs' monitoring, declares that he has family relation or close personal, working or business relationships in accordance with legal stipulations, with persons with criminal convictions by a final court decision, shall list the names of the persons.

| No. | Name of the person related to the Steering Council's member, the administrator, member of the Audit Committee, and head of the organisational unit responsible for the SLAs' monitoring | Specifying the type of the relationship (family or close personal, working or business relationship, in accordance with legal stipulations) | Criminal convictions by a final court decision exists (explain the type of conviction) |
|-----|---|---|--|
| 1 | | | |
| 2 | | | |
| 3 | | | |
| ... | | | |

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

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

(Name/Surname of the member of the Steering Council, the administrator, member of the Audit Committee, and head of the organisational unit responsible for the SLAs' monitoring)

_____/_____/_____
(Date)

(full signature)

⁴³ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.

STATEMENT

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

Note: Where the founding member/donator of the SLA/Union declares that he has family relation or close personal, working or business relationships in accordance with legal stipulations, with persons with criminal convictions by a final court decision, shall list the names of the persons.

| No. | Name of the person related to the founding member/ donator | Specifying the type of the relationship (family or close personal, working or business relationship, in accordance with legal stipulations) | Criminal conviction by a final court decision exists (explain the type of conviction) |
|-----|--|---|---|
| 1 | | | |
| 2 | | | |
| 3 | | | |
| ... | | | |

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

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

(Name/Surname of the founding member/donator)

____/____/____
(Date)

(full signature)

⁴⁴ Added upon the decision of the Bank of Albania's Supervisory Council, No. 48, dated 3.7.2019.