REPUBLIC OF ALBANIA
BANK OF ALBANIA
SUPERVISORY COUNCIL

DECISION
No. 83, dated 15.11.2006

ON THE ADOPTION OF THE REGULATION
“ON THE ORGANIZATION OF CHEQUES CLEARING TAKING PLACE IN THE BANK OF ALBANIA”


DECIDED:

1. To adopt the regulation “On organizing the clearing cheques denominated in LEK in the Bank of Albania”, in line with the texture attached to this decision.

2. The International Relations Department is charged with the publication of this decision in the Official Gazette and the Official Bulletin of the Bank of Albania.

3. The Accounting and Payments Department is responsible for the implementation of this regulation.

4. Once this regulation shall enter into force the decision adopted by the Supervisory Council No. 87, dated 27.08.1999 “On the organization of clearing service in the Bank of Albania, No.87, dated 27.08.1999, shall be abrogated.

SECRETARY                                                                                 CHAIRMAN
Ylli Memisha                                                                               Ardian Fullani
Decision No. 83, dated 15.11.2006

ON THE ADOPTION OF THE REGULATION
“ON THE ORGANIZATION OF CHEQUES CLEARING DENOMINATED IN LEK TAKING PLACE IN THE BANK OF ALBANIA”

In line and pursuant to article 3, point 4, letter “dh”, of article 12, of article 21 and of article 43 letter “c” of the Law No. 8269, dated 23.12.1997 “On the Bank of Albania” amended, of article 26 point 3 letter “ç” and “d” of the Law No. 8365 dated 02.07.1998 “On the Banking System in the Republic of Albania”, by the proposal of the Accounting and Payments Department, the Supervisory Council decided,

DECIDED:

5. To adopt the regulation “On the organization of cheques clearing in LEK in the Bank of Albania” pursuant to the attached text of this decision.

6. The Foreign Relations Department is charged with the publication of this decision in the Official Gazette and in the Official Bulletin of the Bank of Albania.

7. The Accounting and Payments Department is charged with the implementation of this decision.

8. Once this decision shall enter into force, the Decision of the Supervisory Council of the Bank of Albania, No. 87, dated 27.08.1999 “On the organization of clearing service in the Bank of Albania” is abrogated.

9. This decision shall enter into force on the 15th day following the publication in the Official Gazette of the Republic of Albania.

Chairman
Ardian Fullani
BANK OF ALBANIA
SUPERVISORY COUNCIL

REGULATION

ON

“THE ORGANIZATION OF CHEQUES CLEARING
DENOMINATED IN LEK IN THE BANK OF ALBANIA”
REGULATIION ON “THE ORGANIZATION OF CHEQUES CLEARING DENOMINATED IN LEK TAKING PLACE IN THE BANK OF ALBANIA”

CHAPTER I GENERAL PROVISIONS

Article 1 Scope

This regulation lays down the rules assigned for use by the Bank of Albania to organize and provide the cheques clearing denominated in LEK.

Article 2 Legal ground

This regulation is established in pursuance with the following legislation:


b) The Law No. 8365, dated 02.07.1998 “On the Banking System in the Republic of Albania” article 26 point 3 letter “ç” and “d”;


Article 3 DEFINITIONS

To the effect of the present regulation, the following words and expressions should be interpreted as follows:

a) Cheques clearing is the transmitting process of cheques, recordation and/or confirmation previously of settlement, including the instructions netting and the establishment of the final settlement positions;

b) Clearing session is the time period where the information exchange takes place on cheques among the participants;

c) Participant are the banks involved as members in the clearing service and the Bank of Albania;

d) Bank is a local bank or branch of a foreign bank licensed to carry on banking business within the territory of the Republic of Albania;

e) Sender bank is the bank that presents the cheques in the clearing session issuing bank;
f) **Receiver** is the bank receiving those cheques being presented in the clearing session from the sending bank;

g) **Netting** is the compensation process of a huge number of liabilities, by reducing them in a small liabilities number;

h) **Net payment instruction** is a multiple instruction, submitted from the session manager in AIPS system at the end of a cheques denominated in LEK clearing session (form 4, included in this regulation), on which there are listed crediting and debiting positions of any participant at the end of clearing session and which become used from AIPS to perform the payment. Debiting and crediting net positions are a result of the difference between the cheques received amount and those sent ones;

i) **AIPS** – Albania Interbank Payment System is the gross settlement system in real time administered from the Bank of Albania, within which are systematically settled important payments within the Albanian territory, in real time and individually (gross);

j) **Settlement** – Money transfers between AIPS participant accounts, taking place once the clearing session’s manager sends a net payment instruction in AIPS, following the completion of a clearing session;

k) **Duplicate** – Cheque copy substituting the original submitted cheque in clearing, being lost previously the final payment, and on which the bank is allowed to issue a copy followed by a declaration, signed from an authorized signature of the first category of this bank;

l) **Accounting document** – the entire copies forms 2, 3 and 4 agreed on the accounting date.

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**CHAPTER II**

**The organization of cheques clearing denominated in LEK**

**Article 4**

**Clearing session**

1. The clearing session shall take place every working day, at 13:00, within the premises of the Bank of Albania, Tirana.

2. During the cheques clearing session, the participant shares information on cheques denominated in LEK.

3. Clearing cheques session is calculated on net multilateral basis and is reflected on net payment instruction form (form 4, part of this regulation).

4. Clearing session management is conducted from one of the Clearing Office’ specialist of the Accounting and Payments Department, Bank of Albania.

**Article 5**

**Participation in the clearing session**

1. Each bank shall submit to the Bank of Albania the clearing participation application form (form 1, part of this regulation). The application must include the date of participation start and the names of the authorized representative to be participate in the clearing session.

2. Each bank shall be represented in the clearing session by one assigned representative, being authorized for this purpose.
3. The bank shall be represented in the clearing session even in those cases of having no cheques to send to these participants, in order the other participant receive the required documents.

1. Any bank shall transmit in written form to the other participants:
   a) The names of the authorized persons, to present the bank in the clearing session;
   b) the authorized signatures to conduct clearing operations;
   c) Cancellation of authorization or the change of the authorized persons as well as the date these changes shall enter into force.

**Article 6**

**Documents preparation previously the session shall take place**

The sender bank previously of the representation in the clearing session shall implement the following procedures to prepare the required documentation:

1. it shall control and seal the submitted cheques with its name;

2. in case of concluding the cheque missing, it shall present the respective duplicate, followed by a signed declaration of an authorized signatures of this first category of this bank;

3. it shall place the represented cheques in separated envelopes, according to the cheque’ type, either banking or personal one, and having regard to the receiver ban;

4. it shall mark on the back side of each envelop the respective number and amount of the cheques found in the envelope;

5. It shall complete the form on cheques denominated LEK sent in clearing session (form 2, part of this regulation) and shall sign it by two authorized persons (authorized signatures).

**Article 7**

**Clearing procedure of cheques denominated in LEK**

1. The authorized representatives of participants, in the cheques clearing session:
   a) They exchange the cheques envelops among them;
   b) They complete the respective form on cheques clearing (form 3, part of this regulation) according to the cheque type, either banking or personal one, together with the submitted cheques numbers and amounts, having regard to the written information on the back side of the envelopes;
   c) They calculate and write the net amount, on which the current account shall be either debited or credited in the Bank of Albania;
   d) They sign and deliver to the clearing session’s manager the form 3, being completed pursuant to letters “b” and “c” of point 1 of this article.

2. The clearing session’s manager:
   a) shall complete the form on net payments instruction for all the participants, according to the cheque type, either banking or personal one (form 4, part of this regulation);
   b) shall check if the amount of the operations reflected in form 4 is equal to 0;
   c) in case the amount of operations reflected on form 4 is not equal to 0, the manager shall identify and correct the error in the presence of the participants representatives;
   d) shall make known to the representatives participants the net result of the clearing session;
   e) shall declare the cheques clearing session closed and following shall sign in the form 4.
Article 8  
**Settlement of the clearing session result**

Once the clearing session is declared closed the session’s manager:

1. shall deliver the net settlement instruction, together with the clearing session’s result in the AIPS Office of the Accounting and Payments Department, to proceed pursuant to the procedures and operating schedule of this system’ payments;

2. shall prepare and deliver the accounting documents; one copy to be attached to the documents of the counting date in the Accounting Unit of the Accounting and Payments Department, and one copy shall be sent to the participants banks in the respective clearing procedure, through the accounting mail.

Article 9  
**Verification and return of cheques**

1. The deadline on personal cheques verification from the receiving bank is 3 working days. Following this term the personal cheques shall be considered as confirmed.

2. The disagreements arising from the violation of the deadline to verify the cheque, from one of the participant, shall be worked out of the clearings session, with the good will among the respective participants.

3. The ready cheques to be received from the receiver, which are not withdrawn from them in the clearing day, for regulation purposes and the return in due time shall be seen as submitted ones in the same day and the receiving bank shall be responsible off.

4. The receiving bank shall immediately audit the cheques, within the premises where the clearing session takes place, to become ensure on their availability. In case of concluding any irregularity, the participant shall not include these cheques in calculating the overall session’ result

5. In case of finding out irregularities following the close of the clearing session, the receiver shall notify immediately the sending bank:
   a) on the those errors found in the received cheques; or
   b) if receiving those cheques belonging to another receiver.

6. The receiving bank shall return the received cheques, in the next clearing session but not later than 3 working days, in case of irregularities, as established in point 5 of this article or if the received cheques are not covered by funds in LEK.

7. The return of cheques in the clearing session is seen equal with their introduction. The bank that returns back the cheques completes the form 2 and describes the reasons of this return, included in the notes section of the form. The cheques’ return is followed with either the crediting or debiting of the respective accounts.

Article 10  
**Rights and obligations of participants in the clearing session**

1. Each of the participant bank is vested with the following rights and obligations:
   a) It shall prepare with the necessary attention the documents to be presented in the clearing session, pursuant to the provisions of article 6 of this regulation;
   b) It shall follow the schedule time of the clearing session’ opening;
   c) It shall be present in every clearing session, even in those cases of not having any cheque to present;
d) It shall verify the correctness of the received documents;
e) It shall notify the sender bank on the incompleteness of the received documentation;
f) It shall return the cheques in the next coming clearing session;
g) It shall accept the return of operation on its behalf in case of sending cheques to the wrong address;
h) It shall be responsible on the received cheques so far to the moment of their clearing or return. The receiving bank shall keep in confidence the cheques throughout the time of performing the indispensable verification on their return, in line with the provisions of article 9 of this regulation;
i) It shall be responsible to provide the sufficient amount in its account in the Bank of Albania, to afford the payments resulting out of the cheques clearing.

2. The Bank of Albania enjoys the following competences:
   a) It organizes and manages the clearing service of cheques denominated in LEK;
   b) It provides the facilitating conditions on the clearing session performance;
   c) It calculates the net result of the session for each participant;
   d) It executes the net settlement instruction following the session closing, through debiting and crediting the current accounts the participants hold in the Bank of Albania;
   e) In case of time change, it shall inform banks on this change, not later than 5 working days of the date the change took place;
   f) It exercises all the competences and rights provided by the Law “On the Banking System in the Republic of Albania”, to impose the right sanctions to any bank that acts differently of the provisions of this regulation.

Article 11

Exclusion and responsibility

1. The Bank of Albania shall not be responsible on the losses a bank has due to its participation in the clearing session, excluding the cases when the loss is due to the neglect or mismanagement of the clearing session from the Bank of Albania.

2. Excluding the cases previewed above, the participant in the clearing session, are not responsible on the damages deriving out of the responsibilities’ completeness, being established in this regulation, due to the emergencies, wars, strikes, demonstrations, other civil turbulence, natural disasters, any other circumstances out of their control, as well as due to any other major force.
CHAPTER IV  
Final provisions  
Article 12

1. The Accounting and Payment Department in the Bank of Albania as well as the other participants in the clearing sessions are charged with the implementation of this regulation.

2. The Accounting and Payment Department is responsible to inform the commercial banks on the issuance of this regulation.

3. Once this regulation shall enter into force, the regulation “On organizing the clearing service in the Bank of Albania”, adopted by the decision of the Supervisory Council of the Bank of Albania, No. 87, dated 27.08.1999, is abrogated.

4. This regulation shall enter into force on the 15 day following the publication in the Official Gazette of the Republic of Albania.

Ardian FULLANI

CHAIRMAN OF THE SUPERVISORY COUNCIL
APPLICATION

Bank ________________________________

Date:                _________
From:                Bank ________________________
To:                Bank of Albania
                     Accounting and Payment Department, Tirana
Reference:       Participation in the daily clearing of cheques denominated in LEK

1) Once getting knowledge of the regulation “On the clearing organization of cheques denominated in LEK taking place in the Bank of Albania”, we submit our application to participate in the service of cheques clearing denominated in LEK, held from the Bank of Albania.
2) We declare to have knowledge and to accept the signed agreements aiming the cheques operation in LEK.
3) Please find enclosed the names of the authorized representatives in the cheques clearing as follows:

   Mr. /Ms. ___________________________________

   Mr. /Ms. ___________________________________

Manager

_________________________________
Name Surname, signature
Form No. 2 – Form to be fill in for sending cheques denominated in LEK in the clearing session

Bank _______________________________

SENDING OF CHEQUES IN CLEARING: □ BANKING □ PERSONAL

Date __________

Bank _______________________________ (acceptable)

For the Bank _______________________________ (issued)

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<th>No.</th>
<th>Number of cheques</th>
<th>LEK amount</th>
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Total

Note:
____________________________________________________________________
____________________________________________________________________

Authorized signature                              Authorized signature
____________________________________________________________________

Name Surname, signature                           Name Surname, signature
Form No. 3 Cheques clearing form

Bank __________________________

Clearing of cheques

- BANKING
- PERSONAL

Date___________

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<th>Participating banks</th>
<th>No.</th>
<th>The supplied amount (C)</th>
<th>The received amount (D)</th>
<th>Net amount</th>
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Signature of representative in the clearing

Name Surname, signature
Form No. 4 – Net settlement instruction

BANK OF ALBANIA

Clearing of cheques  □ BANKING  □ PERSONAL

Date ___________

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<th>Participating banks</th>
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<th>Net to be credited</th>
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Total

Signature of clearing session manager

Name Surname, signature