

## **Tip Contract**

### **Participation contract in AECH (Albanian Electronic Clearing House)**

#### **Article 1 – Parties**

This agreement is executed by and between Bank of Albania, with address: Sheshi “Skënderbej”, No. 1, Tirana, legally represented in this agreement by the First Deputy Governor, Mr. \_\_\_\_\_ and \_\_\_\_\_ bank (hereinafter referred to as “Direct Participant”), with address, represented by its executive director, Mr. \_\_\_\_\_.

#### **Article 2 – Scope**

This contract aims to establish the rights and obligations of the Bank of Albania which arise in the framework of providing the clearing services of small value payment orders in AECH as the sole operator and administrator of this system and of the rights and obligations of ..... bank as direct participant in this system.

#### **Article 3 –Legal ground**

This contract is compiled in accordance with:

- a) Law No. 7850, dated 29.07.1994 “Civil Code of the Republic of Albania”, as amended;
- b) Law No. 8269, dated 23.12.1997 “On Bank of Albania”, as amended;
- c) Law No. 9662, dated 18.12.2006 “On Banks on the Republic of Albania”;
- ç) Regulation No.55 dated 26.09.2007 “On the functioning of Albania Electronic Clearing House (AECH), adopted by the Supervisory Council of Bank of Albania; and other normative acts issued by the Bank of Albania.

#### **Article 4 – Definitions**

- 4.1. The terms used throughout this contract are in line with the terms as established in Rules and Procedures of AECH, adopted by the Supervisory Council of the Bank of Albania.
- 4.2. Any term or formulation of the contract arising any misunderstanding shall be resolved in view of AECH Regulations and in the view of the purpose this contract is signed by both parties.
- 4.3. The applicable legal provisions and the Regulations of AECH shall be applied for all the issues which are not literally determined throughout this contract.

#### **Article 5 – Original term**

This contract is effective from the date of the signature and shall continue for an indefinite term.

#### **Article 6 – Commitment of parties**

Direct participants in AECH and Bank of Albania, are committed for the implementation of this contract's terms relevant to the services supplying in framework of AECH system by the Bank of Albania, to exchange the instructions files of small value payment orders among participants; calculation of net multilateral positions; sending of a net settlement instruction to AIPS, as well as to follow the frequent changes that may occur to this contract, with the prior approval of both parties.

#### **Article 7 – Irrevocability of payment instructions in AECH**

- 7.1. Batch containing payment orders, once adopted over a session by a direct participant in central AECH, can not be revoked.
- 7.2 Revocation of a direct debiting is sent to central AECH by debiting participant prior of last day cut-off end prior the value date of direct debiting instructions clearing.
- 7.3. Debiting participant must revoke all direct debits batches, sent by one/some creditors' participants, in the event when debiting participant does not own sufficient funds in its AIPS settlement account.
- 7.4. Creditor participant might request the revocation of direct debiting instruction only through refusing the same payment by debiting participant, minus the respective fee for the use of AECH, in compliance with the regulations of this system.
- 7.5. Ordering participant could request the compensation of a settled payment only by initiating a new payment from the undue enriched beneficiary, with opposite direction with the original payment, minus the commission of undue enriched bank and the charge for the use of system, under the definitions of AUCH Regulations. The beneficiary is not obliged to revoke promptly the received funds, subject of provisions "Undue enrichment" bust must return these funds in line with the Regulations of AECH.

#### **Article 8 – Effect of a participant liquidation in the settled payments**

- 8.1. Liquidation procedures of direct participant and/or participants in AECH does not have retrospective effect versus the settled payment instructions in accordance with the respective payment instructions, prior of the date on which is taken the decision on the liquidation and assignment of liquidator of the direct participant and/or one or some participants in AECH system.
- 8.2 A payment instruction is considered to have entered in the central AECH system once it is passed the validation for acceptance from this last one and to be adopted from originator/debiting participant (excluding the case when it is used the STP way).
- 8.3. Point 1 of this article is implemented for the payment instructions entered in central AECH, upon the declaration of the decision for the liquidation and assignment of liquidator and later, only if after the settlement, the settlement agent and/or clearing house proves to not have any knowledge on this decision.
- 8.4 Bank of Albania is vested with the right to use as collateral the securities of the participant placed in liquidation, to meet its obligations versus the other participants of the system, only if these securities are not used as a tool to guarantee the execution of other obligations.

#### **Article 9 – Bank of Albania rights and obligations**

Bank of Albania, in its role as owner, organiser, administrator, operator, supervisor, settlement agent and participant in settlement, enjoys all the rights and obligations stipulated in the Regulations of AECH system.

#### **Article 10 – Participant’s rights and obligations**

Direct participant in AECH, enjoys all the rights and obligations as specified in the Regulations of AECH system.

#### **Article 11 – Means of information**

11.1. Any notice, request or other type of communications between parties is carried out via registered official mail, via fax, e-mail facility. In the event the communication via the above mentioned means is impossible, by telephone in the addresses, telephone numbers and respective contact persons of both parties.

11.2. Each party is obliged to inform the other party on the possible modifications occurring in the addresses, telephone numbers and contact persons within 5 business days from their modification.

11.3. In the event the notice or request arrives to the addressee after 16.00 o clock of the business day, excluding the above paragraphs, this information is qualified as received at 08.05 of the next succeeding business day.

#### **Article 12 – Modifications to the contract**

12.1. Terms of this contract could be changed only in written form and under the will and consent of both parties.

12.2. Any change, addition, partial or complete cancellation of this contract should not have effect if it is not carried out in written form and signed by the authorised representatives of both parties.

#### **Article 13 – Termination of the contract**

13.1 Parties have the right to individually terminate the contract by informing in written form the other party, at least 10 (ten) days prior of the date they want to terminate the contract requesting the fulfilling of financial obligations which arise from this contract.

13.2 Contract may terminate as specified in point 1 of this article even after the approval by the Bank of Albania of the written request of the direct participant to withdraw from participation in AECH, submitted under the term as specified in point 13.1. The contract is considered as terminated in the date being priority established in the request, when the participant intends to withdraw from participation in AECH system.

13.3 Upon receiving the request as specified in point 13.2., Bank of Albania within 7 business days rejects or adopts the request and informs all participants in AECH on the withdrawing date of the direct participant. In the event Bank of Albania adopts the request, the direct participant is not allowed to initiate new payment instructions with a value date after the one established in the respective decision for the approval of its withdrawing.

13.4 On the withdrawing date from participation in AECH, Bank of Albania closes and delete the technical account of this participant in AECH after collecting the charges and upon the settlement of all obligations of the withdrawn participant related with the available payment instructions, already accepted.

#### **Article 14 – Dispute Resolution**

14.1. Parties respect the applicable Albanian legislation and try to work out the disputes arising over the implementation of this contract, with a good understanding between each other.

14.2. The party concluding there is a dispute, notifies the other party providing a full description of the issues to be resolved.

14.3. Authorised persons, included in this misunderstanding should either personally are through their representatives make efforts to resolve the disputes, based on the principle of providing the work continuity.

14.4. If the authorised persons of parties or their representatives are not able to work out the disputes within 14 days from the receiving of the information or for a longer period adopted by both parties, one party informs the other one that the issues is not resolved so far. .

14.5. Relevant to all resolutions that fail to be resolved in good will, the competent authority is Tirana Court.

#### **Article 15 – Entrance into force**

15.1. This contract is compiled in 4 (four) original copies in Albanian language and each party shall receive one copy.

15.2. The contract once is read from the parties was considered as redacted and is signed under their free will.

15.3. This contract shall enter into force with its signing by both parties.

#### **Original contacts**

Contact details of parties are as following:

##### **Bank of Albania**

On the attention of: .....  
Bank of Albania  
Sheshi “Skënderbej”, Nr. 1, Tirana, Albania

Tel: 04 2

Fax: 04 2

##### **Participant:**

For the attention of: .....  
.....  
.....  
.....  
Tel: .....  
Fax: .....

This contract is signed by:

**For BANK OF ALBANIA**

.....  
Name and signature of authorised persons.

In presence of:

.....  
Name and signature of witness

**For PARTICIPANT**

.....  
Name and signature of authorised person

In presence of:

.....  
Name and signature of witness