



Pursuant to Article 35, paragraph 1, subparagraph 1.1 of the Law No. 03/L-209 on the Central Bank of the Republic of Kosovo, and in accordance with Article 1, paragraph 1, and Article 8, paragraph 1 and paragraph 2, subparagraph 2.3 of the Law No. 04/L-155 on Payment System, the Central Bank Board, in its meeting held on 31 August 2017, approved this:

REGULATION ON ELECTRONIC PAYMENT INSTRUMENTS

Chapter I General provisions

Article 1 Purpose and scope

1. The purpose of this Regulation shall be to determine the conditions, requirements and procedures for issuing and using electronic payment instruments as well as determining the manner of reporting information when using these electronic payment instruments.
2. The subject to implementation of this regulation shall be banks and institutions authorized by the Central Bank of the Republic of Kosovo (CBK) so that they perform services by means of electronic payment instruments.
3. Provisions of this regulation shall not apply in these cases:
 - 3.1. Paper-based payment instruments;
 - 3.2. Electronic payment orders initiated by banks on carrying out the reciprocal payments in the Payment System.

Article 2 Definitions

1. All terms in this regulation shall have the same meaning as the terms defined in Law no. 04/L-155 on Payment System and/or as the definitions below for the purpose of this Regulation:
 - 1.1. **Electronic money** – shall mean electronically, including magnetically registered, monetary value which is issued upon receipt of funds for the purpose of making payment transactions and which represents a claim of the issuer to its receiver, who shall be a natural or legal person, other than the issuer of electronic money;
 - 1.2. **Electronic payment**– shall mean the payment transaction, carried out through a card containing a magnetic strip, a chip or an identifying code and that is used in an

- electronic payments terminal, in a POS terminal, etc; or via a banking application by using electronic means of communication;
- 1.3. **Electronic Payment Instrument (EPI)** – shall mean the instrument that enables the holder to perform electronic payments. This includes remote access payment instruments as well as electronic money instruments;
 - 1.4. **Remote access payment instrument**– shall mean an instrument, which gives the holder the possibility to access funds on his bank account, usually through the personal identification number and/or other identification documents. Here are included banking cards and the other electronic banking services;
 - 1.5. **Electronic money instrument** – shall mean a payment instrument, other than the remote access payment instrument, which keeps the monetary value electronically and enables the holder to make electronic payments. This instrument can be reloaded with monetary value whenever necessary;
 - 1.6. **Paper-based payment instruments** – shall mean the paper-based payment order submitted to the payment service provider. These instruments mainly include paper-based credit and debit transfers;
 - 1.7. **Banking card** – shall mean any card, including an debit card, credit card, ATM, POS, or stored value card, used by a customer to perform a transfer of funds, excluding cards issued by merchants for use at their store or chains of stores;
 - 1.8. **IPS** - Interbank Payment System at CBK;
 - 1.9. **Electronic bank services**– shall mean the banking services provided online, such as: mobile banking, e-banking, etc., which are carried out via electronic means of communication. These services may be accessed by clients of entities envisaged in this Regulation, through the use of various means of telecommunications, such as telephone, cellular phone, terminals or personal computers, etc.;
 - 1.10. **Mobile Banking** - shall mean a service that allows the holder to use the mobile or cell phone to carry out various banking transactions, including the ability to make payment orders from a bank account;
 - 1.11. **E-banking** – shall mean a service that allows the holder to carry out various banking transactions, including payment orders, using the internet;
 - 1.12. **Immediate payment** - shall mean an electronic payment with small monetary value available 24/7/365 which results in immediate interbank clearing, which implies crediting of the payer's account and confirmation for the payer, within seconds after the initiation of the payment. Immediate payment is made regardless of the basic instrument of the payment used and the clearing and settlement agreement;
 - 1.13. **PIN (Personal Identification Number)** – shall mean the numeric code, used to verify the holder’s identity. In electronic transactions, it is considered as the equivalent of an authorised signature;
 - 1.14. **Issuer** – shall mean the bank or the institution licensed or authorized by the CBK, which, according to the contract, issues the holder for use, the electronic payment instrument;
 - 1.15. **Receiver** – shall mean the bank or the institution licensed by the CBK which based on a contract with the merchant, accepts electronic payments initiated by the holders via

electronic payment instrument and carried out at the merchant via POS/EFTPOS or virtual POS. The receiver can be simultaneously an issuer and vice-versa;

- 1.16. **Holder** - shall mean the natural or legal person, who holds the EPI, based on the respective contract with the issuer;
- 1.17. **Merchant** - implies the natural or legal person, that based on the contract signed with the receiver, accepts the electronic payments via EPI, carried out using POS/EFTPOS/virtual POS devices;
- 1.18. **ATM (Automated Teller Machine)** - shall mean the electromechanical device that permits to withdraw or to deposit cash, to carry out payments of services, to transfer funds among the accounts, to create account statements, etc.;
- 1.19. **Terminal POS/EFTPOS** – shall mean the device that permits the use of the banking cards at a point of sale;
- 1.20. **Virtual POS Terminal (virtual POS)** - shall mean the device or similar application in services to the POS terminal, which permits the performance of transactions via internet or phone lines, using banking cards operating on real-time;
- 1.21. **Online operation** - shall mean the method in which transactions are carried with EPI via electronic means of communication between the system where this transaction takes place and the authorized system of the card issuer or service operator, are immediately approved by the latter, by freezing the funds in the account of the EPI holder;
- 1.22. **Offline operation**– shall mean the method in which the processing and approval of a transaction with EPI, in a terminal, is accomplished without contacting the issuer;
- 1.23. **Agent/clearing house** – shall mean an entity that calculates the net positions of the system participants, a potential central party and/or a possible settlement agent.
- 1.24. **International card companies** - shall mean international financial services companies that enable electronic fund transfers worldwide and facilitate the processing of payments between banks and merchants;

Article 3

Types of Electronic Payment Instruments

1. Electronic Payment Instruments, which permit the EPI holder to access the funds at a banking account or the money registered or saved electronically to carry out operations such as: cash depositing/withdrawal, payments and/or transfers of funds, reloading with monetary value, etc. are classified as follows:
 - 1.1. Remote access payment instruments, providing to the holder the possibility to access funds in his banking account, by using electronic and/or technical means, such as:
 - 1.1.1. banking cards;
 - 1.1.2. immediate payments.
 - 1.2. Other electronic banking services, such as: mobile banking, e-banking, etc.; and
 - 1.3. Electronic money instruments.
2. Determining EPI types under paragraph 1 of this Article has no restrictive/exhaustive character and depends on further technology developments.

Chapter II

Transparency and consumer protection standards

Article 4

Establishing relations on issuance and usage of Electronic Payment Instruments

1. Agreements on issuing, possessing and using EPIs shall be established in writing between the issuer and the holder.
2. The contract under paragraph 1 of this Article shall contain at least the following conditions:
 - 2.1. The contract for keeping and using the EPI shall be drafted in Albanian language and in other languages, in compliance with the applicable laws in Kosovo;
 - 2.2. The issuer shall, prior to the signing of the contract, communicate to the possible holder of the EPI the contractual terms, including mutual rights and obligations,;
 - 2.3. The contract for holding and using EPI shall contain at least the following information:
 - 2.3.1. parties to the contract;
 - 2.3.2. the type of the issued EPI, type of equipment/device where the holder can use this instrument to carry out transactions;
 - 2.3.3. types of payment transactions that could be carried out via EPI;
 - 2.3.4. the duration of usage or the validity period of EPI;
 - 2.3.5. restrictions in carrying out transactions;
 - 2.3.6. the applicable security procedures and parties liabilities under the contract;
 - 2.3.7. the normal period within which the holder settles all liabilities arising from transactions executed through EPI;
 - 2.3.8. types and value of charges and commission fees relevant to the use of EPI as well as the conditions for their change;
 - 2.3.9. rules on carrying out transactions in foreign currency and the conditions for exchanging them;
 - 2.3.10. rules on the calculation of interest rate and effective interest rate on the EPI issued, if applicable;
 - 2.3.11. the right and procedure for filing a complaint on the use of EPI, and procedures for addressing it;
 - 2.3.12. the terms and conditions for contract renewal;
 - 2.3.13. the method, period of notice, conditions for terminating the contract; and
 - 2.3.14. Procedures and consequences in cases of a lost, destroyed, distorted, stolen or falsified/copied EPI.
 - 2.4. The following documents shall be attached to the contract:
 - 2.4.1. the list of allowed limits for transactions, charges, fees, and interest rates, when applicable, as well as the reference to the quotation date of applicable exchange rate for use of EPI-s, inside and outside the country;
 - 2.4.2. a description of the way of using EPI and the devices where it is used.

3. The issuer shall issue to the holder of EPI only after being assured that the client was informed and cleared on terms, mutual rights and obligations stipulated in the contract, and after the signature of the contract compiled in accordance with this Article.
4. The issuer must notify the holder in writing on the proposed amendments to the provisions of the contract.

Article 5

Issue and use of Electronic Payment Instruments

1. The subjects of this regulation have the right to issue EPI-s and provide electronic payments service via EPI-s, only upon being granted a license by the CBK.
2. The subjects of this regulation applying to issue a new type of EPI, at least one (1) month prior to providing the services of the electronic payments through the new EPI, shall notify in writing the Department of Licensing and Standardization at CBK with regard to the EPI, the method of services provision and the possibilities of the use of EPI, as well as the market assessment for this service.
3. The CBK may at any time prohibit the issuance or use of a new type of EPI if, according to its assessment, the requirements of this Regulation have not been met.

Article 6

Obligations of the issuer of Electronic Payment Instrument

1. The issuer of IPE shall meet the following requirements:
 - 1.1. Allow the holder to carry out transactions with IPE;
 - 1.2. Submit the PIN to the holder or authorized person in accordance with applicable laws, in a closed envelope, or through other forms that enable alternatives for electronic provision of PIN. The PIN can be assigned by the issuer or by the IPE holder;
 - 1.3. Provide confidential data on bank transactions only to the holder, in accordance with legal acts on data retention and bank secrecy;
 - 1.4. Accurately record and enter into the holder's account each transaction carried out by the holder via EPI;
 - 1.5. Ensure the prevention/elimination of technical obstacles or other deficiencies, during the normal execution of transactions with EPI;
 - 1.6. Not issue payment instruments unless requested by the holder, except when the issuer replaces an existing electronic payment instrument used by the holder;
 - 1.7. Record each transaction and save the records for a period of time defined by applicable laws so as to enable the identification of performed transactions and correction of errors in the cases defined in the contract;
 - 1.8. Inform the holder in writing and/or electronically upon the publication of the change occurring in the interest rates when they are applicable;
 - 1.9. Provide to the holder any information relevant to his transactions, upon the request by the latter;

- 1.10. Provide the holder with the possibility of notification in cases of losses, thefts, abuse and/or destruction of EPI-s, 24/7 via the available means of communication;
 - 1.11. Identify the person performing the notification referred to in subparagraph “1.10” of this paragraph, in order to ensure that he/she is the EPI’s holder;
 - 1.12. Record and save all data concerning the receipt of notification provided under subparagraph “1.10” of this paragraph, including the receipt of data on the identifying number of EPI, the informing person, the correct date and time of receiving information and the other additional circumstances;
 - 1.13. Following the receipt of notification under subparagraph “1.10” and identification of the person under subparagraph “1.10” of this paragraph, the issuer shall immediately take necessary measures to stop further use of the EPI, even when the holder has acted with a complete negligence or fraudulence; and
2. The issuer of EPI, during the process of issuing and monitoring the use of EPI, shall implement the requirements of applicable legislation on prevention of money laundering and financing of terrorism.

Article 7

Publication of information

1. The issuer shall provide free of charge accessible information, within his premises and via the mass media, on:
 - 1.1. the applicable interests rates and effective interest rates;
 - 1.2. the amount of applicable charges and provisions, as well as the commission fees charged to the holder when EPI is used in devices supplied by providers other than the issuer.
2. The issuer shall be obliged to provide information on the holder's request regarding the transactions performed through EPI. This information should be in writing, wherever possible, transmitted also via electronic means, and should contain:
 - 2.1. a reference allowing the holder to identify the transactions, including information on the merchant and/or place of transaction, as well as the type, date, time and the reference number of the executed transaction;
 - 2.2. the transaction amount by which the holder’s account has been debited, including the amount denominated in the original foreign currency;
 - 2.3. the interest rates, the possible commission fees and/or charges for each transaction, if applicable; and
 - 2.4. the new services that it can provide with regard to EPI.

Article 8

Obligations of the holder of Electronic Payment Instrument

1. In addition to the requirements of Article 6 of this Regulation, the contract for the payment instrument shall also include the obligations of the holder according to which he shall:
 - 1.1. Use the Electronic Payment Instrument carefully and in compliance with the terms and conditions, as set out in the contract;

- 1.2. keep secret his PIN and/or his password and take all the necessary measures against access by a different person;;
 - 1.3. Immediately inform the issuer if one of the following events occur:
 - 1.3.1. EPI is destroyed, lost, stolen, falsified/copied;
 - 1.3.2. notices an abuse/fraud related to his PIN/password, that could enable third persons access his account;
 - 1.3.3. a transaction is executed via EPI without the holder's approval;
 - 1.3.4. notices an error or mismatches in maintaining his account by the issuer.
 - 1.4. Not write his PIN/password in an easily recognizable place that would enable a third person to read it;
 - 1.5. Provide complete and accurate personal data for identification purposes; and
 - 1.6. Immediately inform the issuer on any change of his personal data.
2. The notification for the cases provided in subparagraph 1.3, paragraph 1 of this Article, is made by different means of communication, in line with the definitions stipulated in the contract.
 3. The holder shall be held responsible for losses incurred due to the loss or theft of EPIs, until the time of notification. As soon as the holder has notified the issuer, he is not thereafter liable for the loss incurred, except when he acted upon fraud circumstances.
 4. By derogation from paragraph 1, 2 and 3 of this Article, the holder is not liable if the EPI has been used without the physical presence and/or electronic identification of the instrument itself, except where he operates upon fraud/negligence circumstances. The use of a confidential code or any other similar proof of identity is not, by itself, sufficient to entail the holder's liability.

Article 9

Compensation/Indemnification of the Holder by the Issuer

1. In addition to what was provided for in paragraphs 3 and 4 of Article 8 of this Regulation, the issuer shall be liable to cover the financial damages occurred to the holder:
 - 1.1. For non-execution or defective execution of the holder's transactions, even if a transaction is initiated at devices/terminals authorised for use by the issuer, but which are not under the issuer's direct or exclusive control;
 - 1.2. The transactions were not authorised by the holder, as well as for any error or any other irregularity attributable to the issuer, in maintaining the holder's account.
 - 1.3. Transaction executed by the holder, at the time determined or through the devices/applications of the issuer, has been delayed during the transfer which causes financial damages to the holder.
2. Compensation/indemnification of financial damages under paragraph 1 of this Article, shall include:
 - 2.1. The amount of the unexecuted or erroneously executed transaction, if any, and relevant interest thereon; and
 - 2.2. The amount required to restore the holder's remaining account to the previous state, before the unauthorised transaction took place.

Article 10

Establishment of relationships on acceptance of payments by electronic payment instrument

1. The written contract between the provider and merchant establishes and determines the relations on acceptance of the payments with EPI.
2. The contract according to paragraph 1 of this Article should contain at least the following conditions:
 - 2.1. Contract on acceptance of payments by EPI is drafted in Albanian and other languages in accordance with the applicable legislation;
 - 2.2. Prior to signing the contract, the receiver shall present to the merchant all contract conditions, by clarifying the reciprocal rights and obligations. The contract should contain at least the following information:
 - 2.2.1. Parties in the contract;
 - 2.2.2. Type of EPI to be used for transactions with the merchant;
 - 2.2.3. Applicable procedures, including security procedures and merchant's obligations related to the performance of transactions;
 - 2.2.4. Period and manner of payment to the merchant by the receiver;
 - 2.2.5. Cases of refusal to accept payment by EPI;
 - 2.2.6. Cases of keeping the EPI;
 - 2.2.7. Procedures regarding to the right of submitting complaints;
 - 2.2.8. Conditions and deadlines in relation to contract renewal;
 - 2.2.9. Manner, notification deadline and conditions for termination of the contract.
3. The contract shall not contain any prohibiting clause for the merchant to use only one receiver's system.
4. The contract may contain compulsory clauses only with regard to technical aspects of payment processing by EPI.

Article 11

Obligations of the receiver of payments by Electronic Payment Instruments

1. In order to receive payments by EPI, the receiver should fulfil the following conditions:
 - 1.1. Open a bank account in the name of the business or the merchant;
 - 1.2. Enable the acceptance and performance of transactions by EPI;
 - 1.3. Record each transaction and save the records for a period a significant period of time, so as to enable the identification of performed transactions and correction of errors in the cases defined in the contract
 - 1.4. Apply safety procedures for ensuring the performance of transactions by EPI;
 - 1.5. Implement legal acts for maintaining data and bank secrecy; and
 - 1.6. Notify the merchant in written with regard to proposal for changing the contract provisions.

Article

12

Standards on protection of EPI holder

1. The receiver shall include in the contract, pursuant to Article 10 of this regulation, some conditions to ensure the protection of EPI holder, whereby the merchant:
 - 1.1. May request the holder to present an identification document, in case doubts of his identity, prior to accepting a payment by the EPI;
 - 1.2. Should reject a payment via the EPI, under Article 10, subparagraph 2.2.5, of this Regulation, in the following cases:
 - 1.2.1. EPI invalidity;
 - 1.2.2. Notice on EPI's theft or loss;
 - 1.2.3. Inconsistency between the authorized signature in the EPI with the signature of the transaction document or identity card;
 - 1.2.4. Refusal by the holder to provide an identification document or if the merchant identifies that an unauthorised person is using EPI;
 - 1.2.5. Inability to receive confirmation on the performance of transaction;
 - 1.2.6. Absence or incorrectness of at least one EPI safety element;
 - 1.2.7. Doubts on an EPI forgery/copying;
 - 1.2.8. Absence of authorized signature in EPI, if this is essential for validity effect;
 - 1.3. May hold EPI, according to Article 10, subparagraph 2.2.6, of this Regulation, in the following cases:
 - 1.3.1. Notice on EPI theft or loss;
 - 1.3.2. Inconsistency of signature in EPI with the signature in purchase receipt;
 - 1.3.3. Use of EPI by an unauthorised person;
 - 1.3.4. Getting an order from the receiver on keeping the EPI; and
 - 1.3.5. concluding that at least one of the safety elements is not correct.
 - 1.4. Should ensure the safety procedures according to Article 10, subparagraph 2.2.3, of this Regulation and shall not make public personal data and/or cardholder number, to unauthorised persons, as well as shall not allow wrong/incorrect use or forgery/copying of EPI;
 - 1.5. Should not accept payments performed by EPI, within the same conditions and terms as with cash payments and should not apply commission or additional charges towards the holder, upon the payments performed through them.

Article 13

Transparency standards of the issuer of other banking electronic services

1. In addition to what is stipulated with regard to the contract for issuing the EPI according to Article 4 of this Regulation, the issuer shall make available, in writing, information regarding:
 - 1.1. Rules of holder's electronic identification;
 - 1.2. the rules to be followed by the holder regarding the execution of payment orders, as well as using other services specified in the contract.;

- 1.3. Best and safest practices for performing transactions with payment instruments, which the holder should adhere to.
2. The issuer provides to the holder the possibility to access funds in his account and to perform transactions through the electronic payments applications in the electronic banking services, via the communication means as telephone, internet, mobile, etc.
3. The holder, in line with the terms as established in the contract, instructs the issuer to debit his account with the amounts of executed transactions and on the fees and commissions applied by the issuer, or is committed to pay the amounts that are due to the account specified by the Bank within a definite period of time.
4. The issuer guarantees to the holder the needed security related to the transactions performed through the means of communication as established in the contract.
5. The issuer informs promptly the holder in the event of the transaction rejection or non-execution being ordered by this last one, if the rejection/or un-execution is due to circumstances independent of the issuer.

Article 14

The irrevocability of payment order

The order given by the holder of the EPI-s regarding the authorisation of a transaction could be revoked only prior to the authorisation. Upon the authorisation of the transaction by the holder, the order is irrevocable, except if the contractual terms on the use of EPI, provide differently.

Chapter III

Remote access payment instruments

Article 15

Types of bank cards

1. The bank payment bank cards may be:
 - 1.1. **Cash Cards** – that make possible the use only in ATM or cash machine enabling the holder to withdraw only in cash;
 - 1.2. **Debit cards** – that allow the authorised holder to access his account at the issuer, to carry out purchasing within the available funds in this account and/or withdrawal of cash, if the card is combined with cash function;
 - 1.3. **Deferred debit cards** – similar to debit cards, except that the settlement of the payment in the account is performed after a definite period of time as stipulated in the terms of the contract;
 - 1.4. **Credit cards** – that allow the holder to use a granted line of credit. It enables the holder to make a purchase and/or withdraw cash up to a prearranged ceiling. The credit granted can be settled in full by the end of a definite period of time or can be settled in part, with the balance taken as extended credit, in line with the terms established in the contract;
 - 1.5. **Charge cards** – Charge cards – similar to credit cards, except that the credit granted should be settled in full within the time limit as established in the contract.
2. Bank payment cards may also have a combination of the above functions.

Article 16
Additional card

Upon the consent of the account title-holder and/or of the main cardholder, the issuer may issue an additional card for the same account. This contract is signed also by the third person, holder of this additional card.

Article 17
Transactions performed with banking cards

1. The transactions that can be carried out with banking cards are as follows:
 - 1.1. Cash withdrawal and deposit from/to an ATM terminal;
 - 1.2. payment of goods and services and cash withdrawal from a POS/EFTPOS terminal;
 - 1.3. Payment of goods and services, as well as transfer of funds between accounts from a virtual POS/EFTPOS terminal;
 - 1.4. Payment of services from ATM terminals;
 - 1.5. Transfer of funds between accounts through an ATM terminal;
 - 1.6. Transfer of the current account balance to a deposit account through an ATM terminal;
 - 1.7. Online payments; and
 - 1.8. Printing of account balance or issuance of an overview of last actions in the account, as well as performance of other transactions, non-payments, such as:
 - 1.8.1. Changing the PIN at an ATM etc.;
 - 1.8.2. Setting the PIN at the POS.
2. The receiver make possible that the transactions specified in paragraph 1 of this Article, be carried out in all POS/EFTPOS and ATM being supplied and financed by them, by using the banking cards issued within the territory of Kosovo or abroad, in compliance with the agreements with the international associations of cards.

Article 18
Equipment for the use of electronic payment instruments

1. The equipment in which EPI transactions are executed, or the visible environment nearby, shall mandatory have on:
 - 1.1. logo of the receiving bank; and
 - 1.2. Logo of the card operators accepted from this device.
2. Receiver places the devices in such places where the holder, or a definite group of holders, could have free and secure access.

Article 19
Personal identification number (PIN)

1. PIN is a personal number that identifies each holder who makes use of the EPI. The PIN is set by the issuer or by the client/card holder, personally.
2. The issuer provides to each cardholder a PIN, which includes at least a four digit-numbers. The PIN is consigned to the holder in a closed envelope at the moment of

granting the card or through other forms, which allow for alternatives of giving the PIN electronically.

3. The banking card could be used only with the PIN created especially for it. If the holder forgets his PIN, the issuer shall generate a new PIN, within the terms as specified in the contract, or shall issue a new card with a new PIN.
4. PIN may be entered into the keyboard of each POS/EFTPOS terminal or ATM that accepts banking card, to carry out the transactions as specified in Article 17, of this Regulation. The mandatory use or not of PIN in POS/EFTPOS terminals depends even on the issuer/receiver type.
5. The holder may change his PIN through an ATM terminal, in a new PIN, of which only he is aware, if his bank provides this service to him.

Article 20

Card ownership and delivery back to the issuer

1. The card issued to the holder is under the ownership of the issuer.
2. Upon the termination of the term as established in the contract on issuing the banking card, the holder returns the card back to the issuer within the term agreed in the contract, if so requested by the issuer.

Article 21

Settlement of banking card payments

Payment settlement in Euros or other currencies performed by a bank card issued in the territory of Kosovo shall be settled through international or local companies of card and/or correspondent banks, in accordance with the bilateral or multilateral agreements, concluded between the issuer/receiver and international card companies.

Chapter IV

Electronic money

Article 22

Issuance of electronic money and relations between the parties

1. Issuance of electronic money does not include the activity of receiving or accepting deposits, provided that the electronic money is issued promptly following the admission of funds. As a replacement of banknotes and coins, electronic money is used as an instrument for performing payments for limited amounts, and not as a saving instrument.
2. Electronic money has the following characteristics:
 - 2.1. It is a monetary value representing an obligation of the issuer towards the holder;
 - 2.2. It is issued in exchange of an amount of money, which cannot be lower than the monetary value of the electronic money issued;
 - 2.3. Issuance does not necessarily require the existence of a bank account;
 - 2.4. Allows the holders to perform payments and electronic transfers in limited amounts, both *online* and *offline*; and

- 2.5. It is accepted as means of payment by third parties.
3. Issuer shall not give credits from funds acquired or held in exchange of issuance of electronic money.
 4. Issuer shall not give interest or any other benefit to the electronic money holder, for holding electronic money, during the time he holds the electronic money.
 5. Issuer shall not include the funds acquired or kept with the aim of giving electronic money in the calculation of minimum reserve requirements.
 6. Relations on the issuance of electronic money instruments are established and set forth in a contract between the issuer and holder according to determinations of Article 4 of this Regulation.
 7. The relations on receiving electronic money instruments are established and set forth through the contract between the receiver and the merchant according to determinations of Article 10 of this Regulation.
 8. Minimum and maximum limits, within which electronic money is issued, are set forth in the contract of electronic money issuance determined in Article 4 of this Regulation.
 9. The holder shall keep the issuer responsible when the former has incurred a damage or devaluation of electronic money due the malfunction of a device authorized by the issuer for receipt of electronic money instrument as a mean of payment.

Article 23

Types of electronic money instruments

1. Electronic money instruments can be in the following form:
 - 1.1. Prepaid cards, which are plastic cards with purchasing power; and
 - 1.2. Prepaid computer products, which consist in special programmes that enable the holder to transfer electronic money through electronic communication networks.
2. The electronic instruments according to paragraph 1 of this Article are not exhaustive and will depend on the development of technology.

Article 24

Exemptions

1. For the purposes of this Regulation, the following shall not be considered as electronic money:
 - 1.1. monetary values that are stored on prepaid instruments, which are used to meet customers specific needs and may be used for limited purposes because they:
 - 1.1.1. allow the holder to purchase certain goods and/or services, provided by the issuer only in the premises where the electronic money issuer conducts the activity, or within a defined network of service providers, subject to a commercial agreement with the electronic money issuer (a certain store, chain of stores); or
 - 1.1.2. Can only be used to purchase a limited number of goods and/or services;
 - 1.1.3. the monetary value used to purchase digital goods or services and that are used only through a digital device such as computer and/or cellular phone, for as

long as the electronic IT or digital communications operator is not an intermediary between the user of the payment service and supplier of goods.

Article 25

Electronic money ownership

Holder is the legitimate owner of the fund that pays the issuer for the electronic money maintenance and/or use.

Article 26

Electronic money duration

1. The duration of electronic money is established in the contract for the issue of electronic money.
2. Following the termination of the time limit stipulated under the contract, according to item 1 of this Article, EPI is invalid and cannot be used. At the moment of expired EPI acceptance, the issuer shall eliminate it.

Article 27

Return of funds from the electronic money instruments

1. Upon the request of the holder, and pursuant to conditions and terms determined in the in the contract for electronic money, the issuer shall return, at any time, the nominal value of the electronic money in the EPI.
2. Redemption may be subject to a fee only if stated in the contract between the parties and only in any of the following cases::
 - 2.1. Return of money is requested before the termination of the contract;
 - 2.2. the contract provides for a termination date and the EPI holder terminates the contract before that date; or
 - 2.3. Return of unused funds is requested more than one year after the date of termination of the contract.
3. Where return is requested before the termination of the contract, the electronic money holder may request return of his electronic money in whole or in part.
4. When the refund is requested by the electronic money holder after the date of the termination of the contract, the electronic money issuer returns the total monetary value of the remaining electronic money.
5. The issuer is liable to the holder, in cases when the latter has suffered losses or damages due to failure of the device authorised by the issuer for receipt of electronic money instrument as means of payment.

Article 28

Losses and/or damage

In cases of identified loss or damage of electronic money, the issuer shall return the remaining funds to the holder, in compliance with the conditions set forth in the contract between the parties.

Chapter V
Reporting and protection of information during the use of an EPI

Article 29
Reporting with CBK

1. Issuer or receiver reports to CBK according to the Regulation in force and the format set forth in the payment instruments reporting methodology, the following information:
 - 1.1. Number and type of the issued electronic payment instruments;
 - 1.2. Number, type and value of the transactions performed with electronic payment instruments;
 - 1.3. Number of merchants with whom the receiver has concluded a contract on the acceptance of payments with electronic payment instruments;
 - 1.4. Number of ATM and POS/EFTPOS terminals they possess;
 - 1.5. Recorded efforts on evading or violation of rules; and
 - 1.6. Any other data requested from payment instruments reporting methodology.

Article 30
Reporting methodology

The CBK shall draft the payment instruments reporting methodology, aiming to collect information from the issuer, in the function of assessing and controlling the payment system, as well as for statistical purposes. Regardless, the CBK may request again, as needed, additional information by an ad hoc basis as it deems necessary to satisfy monitoring responsibilities.

Article 31
Personal data protection

1. The information related to the payment transactions is protected and addressed according to the legislation in force and the issuer/receiver shall maintain and preserve the confidentiality of holder/merchant data related to the use/accepting electronic payment instruments. This obligation is part of the contract between the parties.
2. Information transmitted at the moment of payment shall, in no case, violate the protection of personal data.
3. The issuer or receiver shall take the necessary measures to guarantee that no one else is able to read the holder's personal data during the use of electronic payment instruments.
4. Holder's personal information, in relation to his actions can be made public only in cases allowed and explicitly stipulated in the applicable legislation.

Chapter VI
Final provisions

Article 32

Applicability of requirements of the Regulation on Effective Interest Rate and Disclosure Requirements

In addition to the requirements of this Regulation, the financial institutions shall, during the issuing and use of EPIs, apply all requirements of the Regulation on Effective Interest Rate and Disclosure Requirements, as well as the applicable legislation in relation to the financial products and services.

Article 33

Remedial Measures and Civil Penalties

Any violation of the provisions of this Regulation shall be subject to remedial measures and penalties, as provided in the applicable legislation.

Article 34

Entry into force

This Regulation shall enter into force 60 days after its approval by the Board of the Central Bank of the Republic of Kosovo.

Chairman of the Board of the Central Bank of the Republic of Kosovo

Prof. Dr. Bedri Peci