



Pursuant to Article 35, paragraph 1, subparagraph 1.1, and Article 22, paragraph 2, subparagraph 2.3 of Law no. 03 / L-209 on the Central Bank of the Republic of Kosovo, and Article 8, paragraph 1, and paragraph 2, sub-paragraph 2.3 of the Law No. 04 / L-155 on Payments System, the Board of the Central Bank in the meeting held on November 27, 2014, approved the following:

Regulation On International Payments

CHAPTER I GENERAL PROVISIONS

Article 1 Purpose

The Central Bank of the Republic of Kosovo (CBK) through this Regulation sets out the requirements for the content of international payment orders, terms of their acceptance and execution as well as obligations for reporting.

Article 2 Scope

This regulation applies to all banks, branches of foreign banks and other financial institutions authorized to provide international payment services in the Republic of Kosovo.

Article 3 Definitions

For the purpose of this Regulation, the following terms shall have the following meaning:

- a) "payment transaction" means a transfer of funds from the payer to the payee;
- b) "payment service" means an authorized activity of financial institutions that allows the execution of payment transactions, including the activities of money deliveries (remittances);

- c) "international payment t" means a payment transaction, where the payment service provider of the payer or the payment service provider of the payee is located outside Kosovo;
- d) "outgoing international payment" means an international payment, where the payment service provider of the payer is located in Kosovo, while the payment service provider of the payee is located outside Kosovo;
- e) "incoming international payment" means an international payment, where the payment service provider of the payer is located outside Kosovo, while the payment service provider of the payee is located in Kosovo;
- f) "international payment order" means an order by the payer given to a payment service provider, ordering it to initiate international payment;
- g) "payer" means a natural or legal person that initiates international payment order;
- h) "payee" means a natural or legal person who is the final beneficiary under the international payment order;
- i) "payment service provider " means an institution licensed by the CBK to offer international payment services;
- j) "intermediary payment service", as part of a payment transaction, means a bank or foreign bank branch which is not the payer or the payment service provider for it, and neither payee or the payment service provider, but which intermediates between financial institutions in the process of international payment transaction execution;
- k) "Formal acceptance of international payment order" means giving consent by the payment service provider to process international payments based on international payment order. With the formal acceptance of international payment order, the payment service provider accepts the responsibility for its processing.
- l) "instruction" means a written recommendation issued by the CBK that has general application and is mandatory to all participants and is directly applicable;
- m) "Remittances" means a payment service where funds are received from a payer, without creating an account in the name of the payer or the payee, with the sole purpose of transferring the respective amount to the payee or to another payment institution that acts on behalf of the payee and / or when such funds are received on behalf of the payee and made available to him;
- n) "BBAN" (Basic Bank Account Number) means basic bank account number, which represents a numeric code that uniquely identifies a bank account within a country;
- o) "IBAN" (International Bank Account Number) means the international bank account number, which represents an alphanumeric code that is an extended version of BBAN and uniquely identifies the bank account at the international level; it is determined in accordance with International Standard ISO 13616.

CHAPTER II INTERNATIONAL OUTGOING PAYMENTS

Article 4 Content of international outgoing payment order

The international outgoing payment order should contain at least the following information:

- a) Name, address and account number of the payer, which may be IBAN or BBAN; in the case of remittances, instead of the account number it is displayed the personal registration number of the payer;
- b) Name, address and account number of the payee; in case of remittances, the account number of the payee is not displayed;
- c) Name, address, SWIFT code (Society for Worldwide Interbank Financial Telecommunication), BIC (Business Identifier Code), Code ABA (American Bankers Association) or other unique code acceptable for payment service provider to the payee;
- d) Payment's amount and currency;
- e) The date for processing international payment order by the payment service provider of the payer, and
- f) Data regarding payment:
 - i) for information of the payee;
 - ii) for reporting at the International Transaction Reporting System for compiling the balance of payments, which are determined by a special instruction, and
 - iii) for its unique identification, which shall be determined by special instruction.

Article 5 Acceptance of international outgoing payment order

1. The payer may submit for execution to the payment service provider the international outgoing payment order, which must be authorized in manner the required by the payment service provider.
2. A payment service provider is obliged to make a formal acceptance of international payment order submitted by the payer, if all of the following prerequisites are met:
 - a) the payment order is submitted to the payment service provider under the agreed terms;
 - b) money required for the execution of payment are available to the payment service provider;
 - c) the payment service provider has agreed with payer on the payment of relevant tariffs;
 - d) given date for processing in the payment order allows the payment service provider to respect it; and
 - e) the execution of payment does not violate any provision of the laws, regulations or instructions applicable to the payment service provider.

3. In case of failure of formal acceptance, at the latest by the end of the next working day from the submission date, the payer must be notified and be reimbursed by corresponding money.

Article 6
Execution of international outgoing payment order

1. The processing of international outgoing payment order by payment service providers shall be done by the end of the next working day from the day of formal receipt, unless otherwise agreed between the payment service providers and payer.
2. The processing of international outgoing payment order by the local intermediary payment service shall be conducted within the day of its transfer to the local intermediary payment service from the payment service provider for the payer.
3. If an international outgoing payment order is submitted after working hours or after a certain period of time, it can be treated as being transferred in the beginning of the next working day.
4. When during the execution of a payment an international outgoing payment order is transferred from:
 - a) payer's payment service provider to the payee's payment service provider or to an intermediary payment service , or
 - b) local intermediary payment service provider to another intermediary payment service provider or to payee's payment service provider;

Necessary data for its proper processing and adequate information of the payee should be forwarded.

5. Payer's payment service provider and the local intermediary payment service provider are obliged to contract foreign intermediary payment service provider who have proper authorization in states where they are situated and necessary capacity to perform the payment service.

CHAPTER III
INTERNATIONAL INCOMING PAYMENTS

Article 7
Content and acceptance of international incoming payment order

1. The international incoming payment order should contain at least the following information:
 - a) Name and address of the payer;
 - b) Code (SWIFT, BIC, ABA or other unique acceptable code) or the name and address of the payer's payment service provider;
 - c) Name, address and account number of the payee, which may be IBAN and BBAN; in the case of money deliveries (remittances) , the account number of the payee is not displayed;

- d) The amount and currency of payment, and
 - e) Data on payment for informing of payees.
2. If the information required in paragraph 1 of this article are missing or are incomplete in international incoming payment order, within the next working day the payee's payment service provider should request their delivery or completion by intermediary payment service provider, the payer's payment service provider or payee.
 3. If the information required under paragraph 2. of this article are
 - a) provided, but are not adequate, or
 - b) not provided within a reasonable period of time;there shall not be a formal receipt and international incoming payment order should be returned back.
 4. In case the payment data as regards to reporting to the International Transaction Reporting System for compiling the balance of payments, which are determined by a special instruction, cannot be drawn from international incoming payment order, the payment payee's service provider shall seek their provision from the payee.

Article 8

Execution of international incoming payment order

1. Processing the international incoming payment order by the payment service provider for the payee shall be made by the end of the next working day from the day of its formal receipt, unless otherwise agreed between the payment service provider and the payee.
2. Processing of international incoming payment order by the local intermediary payment service shall be done within the day of its transfer to local intermediary payment service from the payer's payment service provider or other intermediary payment service.
3. If an international incoming payment order is transferred after the closure of the working day or after a certain period of time, it can be treated as being transferred in the beginning of the next working day.
4. When during the execution of a payment an international incoming payment order is taken by payment service provider or intermediary payment service, there should be evidenced the necessary data for its proper processing and proper information of the payee
5. The payment service provider for the payee and local intermediary payment service are obliged to contract foreign intermediary payment service which have proper authorization in states where they are situated as well as necessary capacities to perform the service of payment.

CHAPTER IV REGULATORY REPORTING

Article 9 Regulatory reporting service

1. Banks and branches of foreign banks that are connected to SWIFT system are required to register in the CBK Regulatory Reporting Service, which service operates through SWIFT system,
2. Banks and branches of foreign banks that are connected to SWIFT, but temporarily utilise alternative communication arrangements for their international payments are obliged to report them in the manner prescribed by the CBK with specific instruction.

CHAPTER V PENALTIES

Article 10 Penalties

Any breach of provisions of this regulation will be subject to penalties as specified in the Law on the Central Bank and Law on Payment System.

CHAPTER VI FINAL PROVISIONS

Article 11 Instruction

Executive Board of CBK may issue instructions to implement the provisions laid down in this Regulation.

Article 12 Repeal

Regulation on International Payments, adopted on 26 December 2013, shall be repealed with the entrance into force of this Regulation.

Article 13
Entry into force

This Regulation shall enter into force on February 2, 2015.

Chairman of the Board of the Central Bank

Bedri Peci