



Pursuant to Article 35, paragraph 1.1 of the Law No.03/L-209 of the Central Bank of the Republic of Kosovo (Official Gazette of the Republic of Kosovo, No.77 / 16 August 2010), and Article 10 and 85 of the Law No. 04/L-093 on Banks, Microfinance Institutions and Non-Bank Financial Institutions (Official Gazette of the Republic of Kosovo, No. 11 / 11 May 2012), the Board of the Central Bank of the Republic of Kosovo at the meeting held on November 09, 2012, approved the following:

**REGULATION  
ON THE OPENING OF A REPRESENTATIVE OFFICE  
INSIDE AND OUTSIDE THE REPUBLIC OF KOSOVO**

**Article 1  
Purpose and Scope**

1. The purpose of this Regulation is to determine the terms and conditions, requirements, and procedures to be followed for the granting of approval for the establishment of representative offices inside and outside the Republic of Kosovo.
2. This Regulation applies to all banks licensed by the CBK to operate in the Republic of Kosovo who, in order to open a representative office outside the Republic of Kosovo, shall submit an application in written form to the CBK; this Regulations also applies to foreign banks who must acquire a permit issued by the CBK to open a representative office in the Republic of Kosovo.

**Article 2  
Definitions**

1. All terms used in this Regulation are as defined in Article 3 of the Law No. 04/L-093 on Banks, Microfinance Institutions and Non-Bank Financial Institutions, (hereafter: *the Law on Banks*) and/or as further defined herein for the purpose of this Regulation:
  - a) *Bank* means a shareholder company engaged in the business of banking, including a subsidiary, licensed by the CBK;
  - b) *Foreign Bank* means a person that is organized, has its head office and holds a license to engage in the business of banking in a jurisdiction other than the Republic of Kosovo;
  - c) *Representative Office* means a place of business that forms a legally dependent arm of a bank, and that is not separately incorporated, where activities are limited to the provision of information and liaison activities and studying markets and investment opportunities, and where a bank is not permitted to engage in the business of banking.

**Article 3**  
**Requirements to Open a Representative Office Inside the Republic of Kosovo**

1. A foreign bank, applying to open a representative office in the Republic of Kosovo under Article 10 of the Law on Banks, shall acquire a permit issued by the CBK.
2. The CBK shall issue its permit for the opening of a representative office of the foreign bank in the Republic of Kosovo, after it has analysed the following documentation:
  - a) The decision of the competent organ of the foreign bank for the opening of a representative office;
  - b) The statement of the foreign bank, by virtue of which it is committed to implement all the obligations that arise with the establishment in the Republic of Kosovo and the activity of the representative office;
  - c) The purpose of its opening;
  - d) The expected duration of the representative office's activity, its address and telephone number;
  - e) The names of proposed persons as directors of the representative office accompanied by their curriculum vitae (education, profession, experience, etc.);
  - f) The expected number of the office employees;
  - g) The registration document of the representative office in the Ministry of Trade and Industry;
  - h) Any permission if required from the supervisory authority of the respective country for the opening of the representative office.
3. The representative office of a foreign bank shall be registered and shall use the same name with that of the parent bank, by adding the words "Representative Office".
4. The representative office may carry out the representative and / or administrative functions, any promotional activities or market research for the purpose of the activity of the foreign bank, and its future possible investment in banking in the Republic of Kosovo. The representative office is not permitted to carry out any banking and/or financial activity, or any other commercial activity.
5. Within sixty (60) calendar days from the date of the receipt of an application for a representative office, the CBK shall approve or deny it.

**Article 4**  
**Requirements to Open a Representative Office Outside the Republic of Kosovo**

1. In order to open a representative office outside the Republic of Kosovo, banks licensed by the CBK to operate in Kosovo, shall submit an application in written form to the CBK.
2. The following documentation is required for the opening of a representative office:
  - a. The decision of the decision-making organ on the approval of this expansion outside the Republic of Kosovo;
  - b. The location and the area for the purposed representative office from the requesting bank;
  - c. A copy of the procedures and objectives for the proposed representative office, with the defined activities planned to be carried out;
  - d. The capital amount to be invested abroad, as well as the payments or costs for the purposes of purchase or hire the work premises and equipment's, and other operational costs;
  - e. Information about the person/persons proposed as directors of the representative office, accompanied by a brief description of the respective competences;
  - f. The organizational structure of the representative office together with the proposed number of employees;
  - g. The expected duration of the activity of the representative office;
3. The CBK shall issue its permit for the accomplishment of the bank expansion outside the Republic of Kosovo, only after it has been satisfied that after the analysis of the documentation provided in accordance with number paragraph 2 of this Article.
4. Within sixty (60) calendar days from the date of the receipt of an application for a representative office, the CBK shall approve or deny it.

**Article 5**  
**Criminal Penalties**

Carrying out of banking activities without having a license and giving false information regarding the application for license is considered criminal offense according to Article 84 of the Law on Bank, and shall be subject of criminal penalties.

**Article 6**  
**Entry into Force**

This Regulation shall enter into force on December 03, 2012.

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

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Gazmend Luboteni