



Based on the Article 35, paragraph 1, sub paragraph 1.1 and Article 67, paragraph 6 of the Law 03/L-209 on the Central Bank of the Republic of Kosovo, the Central Bank Board in its meeting held on 26 March 2015, approved the following:

Regulation on Procedures for Imposing Administrative Penalties

Article 1 Purpose and Scope

This regulation establishes the procedures to be followed by the Central Bank of Kosovo (further the CBK) in the exercise of its powers in relation to the imposition of administrative penalties as specified in the Law on the CBK or any other legal law or act that authorizes the CBK to impose administrative penalties.

Article 2 Definitions

All terms used in this Regulation have the same meaning as the definitions set forth in the CBK Law and other relevant laws or other legal act, which gives the CBK power to impose administrative penalties.

Article 3 The basis for making recommendations for imposing administrative penalties

Recommendations to impose administrative penalties should be based on the reports compiled by the CBK relevant departments and divisions respectively, in the exercise of their powers.

Article 4

Initiating Procedure for administrative penalty

1. Administrative penalty proceeding is initiated on the notice for punitive administrative measures.
2. Notification for administrative penalty should be based on the report findings and comments submitted by the subject the notification is addressed to for imposition of administrative penalties. Notification is signed by the director of the relevant department, the head of the division respectively (when they come from independent divisions), is protocolled and sent to the address of the subject to which was submitted the notification for administrative penalty.
3. The notification should include and clearly prescribe the subject to which it is addressed, the administrative penalties to be imposed, as well as justification of the notification, describing the findings of the legal breaches specified in the report. The notification should also include the legal advice for the subject's right, within 15 days from the date of receipt, to request a review at the CBK Review Division.

Article 5

Procedure Development

1. If the subject that received the notification does not exercise the right for request review within 15 days, as specified in paragraph 3 of Article 4 of this Regulation, it is considered that the subject has agreed with the administrative penalties stated in the notification. In that case, the director of the department or the head of the relevant independent division responsible respectively that has issued the notification, within 10 calendar days, shall prepare and send the recommendation to the Executive Board for the decision, together with clarification that the subject to which the notification was send, did not exercise the right for request review within the time frame specified.
2. If the relevant subject exercises its right for request review, the request must contain all the arguments on the alleged right as in the case of submission of a request in other instances. Review Division in cooperation with other departments or divisions and in accordance with article 7, paragraph 2 of this Regulation, within 15 calendar days from the date of receipt, shall review the request and shall prepare the recommendation for the Executive Board decision.
3. After finalization of this procedure, a final report together with the decision on administrative penalties shall be submitted to the examined subject.

Article 6

Hearing procedure for the review request

1. After receiving the request for review, the Review Division, prior to considering the request for review, if it deems necessary shall enable the subject concerned a verbal declaration at the hearing organized in the presence of the person or division in charge regarding the notification for the administrative penalty.
2. If the subject concerned is invited according to the rule, but does not participate in the hearing, and his/her hearing is not necessary for ascertaining the factual situation, the Review Division will review the request even without the presence of the relevant subject.
3. Review Division also may decide only based on the request and other evidences submitted by the concerned subject without inviting relevant subject, if based on documents may come to the conclusion of the factual situation.
4. If the subject concerned takes part in the hearing, he / she will be allowed to declare and submit any document in the form of evidence that proves the opposite of findings specified in the notification for imposing administrative penalties.

Article 7

The Review Division Recommendations

1. After completing the necessary procedural actions and when considered that administered evidence are sufficient to come to the recommendation for review of the request for reconsideration, the Review Division prepares the recommendation for the Executive Board in accordance with article 5, paragraph 2 of this Regulation.
2. Review Division, if necessary may consult and seek opinions and support from relevant departments and divisions, as well as legal support from the Legal Department, so that the final recommendation is as professional and grounded as possible.

Article 8

Legal rights of the subject

The relevant subject has the right for a lawyer or other qualified person to represent him/her in the CBK administrative proceedings.

Article 9

The use of languages in the session

1. Review procedure at the hearing is held in one of the official languages defined by the Law on official languages in Kosovo, while the subject that filed the request for review is entitled to use his/her mother tongue during the hearing.
2. If during the hearing, at the CBK request is used a language other than official languages, the CBK shall provide an interpreter.

Article 10

Signing of Recommendations

1. The review procedure is concluded with the Review Division recommendation.
2. The reasoned and signed recommendation by the Head of the Review Division, confirmed by the Legal Department, together with the draft decision on administrative penalties from the relevant department or division respectively, conform to the procedure for submitting materials to the Executive Board shall be send to the latter within the timeframe specified in Article 5, paragraph 2 of this Regulation.

Article 11

Administrative penalties imposing

After receiving a recommendation for imposing administrative penalties, the Executive Board during the decision-making shall act in accordance with Article 67, paragraph 7 of the Law on the Central Bank of the Republic of Kosovo.

Article 12

Proceedings for the decision to impose administrative penalties

1. As defined in Article 36, paragraph 1, subparagraph 1.12, and Article 67, paragraph 1 of the Law on the CBK, the Executive Board after analyzing all recommendations and reports presented, and pursuant to Article 11 of this Regulation shall make a decision to impose administrative penalties.
2. The decision of the Executive Board for administrative penalties should be implemented by the subject within the deadline given in that decision.

3. In the case of an administrative penalty that is not a written warning the CBK will take other steps that are necessary to ensure its implementation.
4. Any monetary penalty shall be paid in the Republic of Kosovo Budget account.

Article 13

The decision to impose administrative penalties

1. The decision to impose administrative penalties should be in accordance with the Law on General Administrative Procedures.
2. The decision for imposing administrative penalties against a legal person shall be addressed to the Head of the Institution, and a copy to the Chairman of the Board of Directors. If a legal entity is a foreign financial institution that operates through a branch in Kosovo, the decision shall be addressed to the Senior Manager in Kosovo, and a copy in English language to the Head of the Institution, at the institution's central office.
3. The decision to impose administrative penalties against a natural person who is a shareholder, member of the Board of Directors, senior manager or employee of a financial institution, shall be addressed to the natural person concerned and a copy to the Chairman of the Board of Directors and to the Head of the Institution. If a natural person is a senior manager or employee of a foreign financial institution, operating through a branch in Kosovo, a copy of the decision shall be addressed to a natural person concerned, Senior Manager in Kosovo and to the Head of the Institution at the institution's central office.

Article 14

Ongoing violations

1. If the violation is of an ongoing nature, the CBK may impose a monetary penalty in accordance with Article 67, paragraph 3 of the Law on the Central Bank of the Republic of Kosovo.
2. In case of non-compliance with the order determined by paragraph 1 of this Article, the CBK will take other binding measures, as needed for implementation of the tasks entrusted to the Central Bank by the CBK Law or any other law.

Article 15

Instruction

For the purpose of implementing this Regulation, the Executive Board may issue relevant Instructions.

Article 16

Publication

The Executive Board may decide to publish a decision for imposing administrative penalties if it considers that is necessary to inform the public.

Article 17

Other legal responsibilities

The imposing of administrative penalties by the Executive Board does not impede civil or criminal liability under the provisions of applicable laws.

Article 18

Cooperation with foreign supervisory authorities

If deemed necessary, the CBK may cooperate with central banks and supervisory authorities in foreign countries, to the extent permitted by the Law on the CBK and other laws regarding the exchange of information relating to the violation.

Article 19

Legal means

1. The decision for imposing administrative penalty is a final decision in the administrative procedure.
2. Against the decision for imposing administrative penalty, a complaint can be filed in the competent court within the legally prescribed time frame.

Article 20

Applicable law

For any matter that is not regulated by this Regulation shall apply provisions of the Law on General Administrative Procedures.

Article 21

Abolition

Entry into force of this Regulation abolishes the Regulation on Procedures for Imposing Administrative Penalties dated September 26, 2013.

Article 22

Entry into force

This Regulation shall enter into force on April 1, 2015.

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

Bedri Peci