

Based on Article 35 paragraph 1 sub-paragraph 1.1, Article 22, paragraph 2, sub-paragraph 2.3 and Article 65 of Law No. 03 / L-209 on the Central Bank of the Republic of Kosovo (Official Gazette of the Republic of Kosovo, No. 77/16 August 2010), Article 8 paragraph 1 sub-paragraph 1.1 and paragraph 2 sub-paragraph 2.3 of Law 04 / L-155 on the Payment System (Official Gazette of the Republic of Kosovo, No. 12/03 May 2013), and Article 1 and Article 85 of 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 December 20, 2022, approved the following:

## **REGULATION ON ACCESS TO PAYMENT ACCOUNT WITH BASIC SERVICES (PAYMENT ACCOUNT WITH BASIC FEATURES)**

### **CHAPTER I**

#### **GENERAL PROVISIONS**

##### **Article 1**

##### **Purpose and Scope**

1. This regulation shall aim to determine the conditions for customers' access to payment accounts with basic services as a necessary tool to encourage their participation in the financial market and to allow them to receive the benefits brought about by the financial market.
2. This regulation shall apply to all banks and branches of foreign banks (hereinafter: Banks) operating in the Republic of Kosovo, licensed by the CBK.

##### **Article 2**

##### **Definitions**

1. All terms defined in this regulation shall have the same meaning as the terms defined in the Law on Banks, Microfinance Institutions and Non-Bank Financial Institutions, the Law on the Payment System and/or as defined below for the purpose of this Regulation:
  - 1.1. **Customer** – means any natural person acting for purposes not related to the exercise of trade, business, craft or own profession;
  - 1.2. **Payment account** - means an account held in the name of one or more customers, which is used to carry out payment transactions;
  - 1.3. **Payment transaction** - an act, initiated by the payer or by the payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and the payee.
  - 1.4. **Payment order** - any instruction by a payer or payee to his or her payment institution requesting the execution of a payment transaction;
  - 1.5. **Direct Debit** – means a payment service for debiting a payer's payment account, in the case

when the payment transaction is initiated by the payee based on the consent given by the payer;

- 1.6. **Payer** – means a natural or legal person who holds a payment account and allows a payment order from that account, or, where the payer does not have a payment account, a natural or legal person who executes a payment order on the payment account of a beneficiary/payee;
- 1.7. **Payee** – means a natural or legal person who is the intended recipient of funds that have been the subject of a payment transaction;
- 1.8. **Credit transfer** – means a payment transaction originated by the payer, who issues a payment order to its institution instructing it to transfer funds from the payer’s account to the payee or to the payee’s account;
- 1.9. **Payment service** - means any activity, individual or joint, that enables the execution of payment transactions, including the issuance and management of payment instruments, those activities enabling cash deposits and withdrawals, and any other functional service thereto.
- 1.10. **Fee** – means all charges payable by the customer to the bank for or in connection with the services provided by a payment account;
- 1.11. **Standing order** – means an instruction given by the payer to the bank that holds the payer's payment account, to carry out credit transfers at regular time periods or on predetermined dates;
- 1.12. **Card** – any card, including an ATM, POS, debit, credit or stored value card, used by a customer to effect a fund transfer, and excluding a card issued by merchants for the sole use of their store or chains of stores;
- 1.13. **Overdraft** – means a credit arrangement whereby a payment service provider makes available to the customer a fund that exceeds the current balance in the customer's payment account;
- 1.14. **Funds** – means cash, banknotes and euro coins;

### **Article 3**

#### **Conditions for accessing payment accounts with basic services**

1. Payment accounts with basic services shall be offered to customers by all banks operating in the Republic of Kosovo, licensed by the CBK.
2. Banks should not set obstacles for customers who want to benefit from the advantages that participation in the financial market brings. Access to payment accounts with basic services should be provided by banks to customers, regardless of customers' financial circumstances, such as their employment status, income level, credit history or bankruptcy.
3. The bank shall ensure that access to a payment account with basic services is not conditional on the purchase of additional services.
4. Banks shall be obliged to open a payment account with basic services or reject a customer's application for a payment account with basic services, in each case without delay and no later than 10 working days after the full acceptance of the application.
5. The bank shall reject an application for opening a payment account with basic services when the opening of such an account may result in a violation of the provisions for the prevention of money laundering and terrorist financing.

6. The bank may refuse an application for opening a payment account with basic services, if the customer already holds a payment account in any bank that allows him to use the services mentioned in Article 4 paragraph 1 of this regulation, unless the customer provides evidence that he has received notification that the payment account will be closed by the bank. Pursuant to this paragraph, the bank will act without violating the principles of customer non-discrimination provided for in this regulation or any other act.
7. The bank, before opening a payment account with basic services, may request to verify whether or not the customer holds a payment account with basic services. Banks for opening such an account could rely on a statement of authenticity signed by the customer for this purpose.
8. In the event that the bank proves that the customer had a payment account with basic services, therefore gave a false statement when opening the basic account, the bank may request from the customer that for the services received from the bank through the payment account with basic services, the customer must pay fees retroactively according to the bank's standard price list. The statement of authenticity must contain a clause defining the right of the bank to ask the customer to pay the fees retroactively, the same clause must also be provided in the bank's contract with the customer when opening the payment account with basic services.
9. In case of refusal to open a payment account with basic services, the bank immediately informs the customer of the refusal and the specific reason for this refusal, in writing and free of charge, unless such disclosure would be contrary to the objectives of general safety. Through the notification of the refusal to open a payment account with basic services, the bank advises the customer on the procedure to submit a complaint against the refusal, if there is a complaint, providing the relevant contact details.
10. If the CBK, after examining the customer's complaint according to the procedure for examining complaints, proves that the bank does not have a reasonable ground for refusing to open a payment account with basic services, it will ask the bank to open it.

#### **Article 4**

##### **Characteristics of a payment account with basic services**

1. Banks shall offer payment accounts with basic services which include at least the following services:
  - 1.1. services enabling all the operations required for the opening, operating and closing of a payment account;
  - 1.2. services enabling funds to be placed in a payment account, as defined in Annex 1 of this regulation;
  - 1.3. services enabling cash withdrawals from a payment account, as defined in Annex 1 of this regulation.
  - 1.4. execution of the following payment transactions:
    - 1.4.1. direct debits;
    - 1.4.2. payment transactions through a card, including online payments;
    - 1.4.3. credit transfers, including standing orders, at, where available, ATMs and bank counters, or via the online platforms;
2. The services listed in subparagraphs 1.1 to 1.4 of paragraph 1 of this article shall be offered by banks in the same form that they offer them to customers holding payment accounts.

3. Banks shall be obliged to offer debit cards to holders of payment account with basic services. Banks must ensure that there is no visible discrimination illustrated, for example, by a different card appearance, by a different payment account number or by a different card number.
4. The bank shall offer, free of charge, to holders of payment account with basic services, at time intervals that do not exceed one calendar month, an account statement, in which every credit and debit recorded in the account since the issuance of the last statement is noted, as well as for the final balance of the account. The account statement can be sent via e-mail or given to the account holder personally, or in any other form depending on the customer's choice. The method of obtaining the account statement must be disclosed to the client before the account is opened, including the method of sending it to the client and the possibility of selecting the method of acceptance by the client.
5. Banks shall offer payment accounts with basic services in euro currency.
6. Banks may allow overdraft and credit product for customers in the payment account with basic services.
7. Banks, without charging additional fees, must allow customers to manage and perform payment transactions from the payment account with basic services defined in points 1.1 to 1.4, paragraph 1 of this Article, through online platforms, when applicable.

## **Article 5**

### **Fees related to the provision of the payment account with basic services**

1. Banks shall provide the services defined in Article 4, paragraph 1, of this regulation free of charge or at a reasonable monthly fee, if they foresee this fee in their internal policies for determining fees.
2. The reasonable value of the compensation according to paragraph 1 of this Article cannot be higher than 0.12% of the value of the average net monthly salary in the Republic of Kosovo as recently published by the Kosovo Agency of Statistics.
3. In relation to paragraph 2 of this Article, banks for the payment account with basic services may set lower fees than the reasonable value defined in paragraph 2 or even free of charge.
4. Banks shall offer all the services provided in Article 4, paragraph 1 of this regulation, free of charge, to the categories of customers who belong to the group of vulnerable customers who benefit from the rights provided by the legislation regulating pensions and social assistance in the Republic of Kosovo, confirmed by the Ministry of Finance, Labour and Transfers (or successor ministry).
5. For the purpose of paragraph 4 of this Article, groups of vulnerable customers are considered groups that benefit:
  - 5.1. Pensions:
    - 5.1.1. Basic pension;
    - 5.1.2. Contributory pension;
    - 5.1.3. Pension for persons with disabilities- adults;
    - 5.1.4. Pension for persons with disabilities -paraplegic and tetraplegic;
    - 5.1.5. Pension for persons with disabilities - children;
    - 5.1.6. Early pensions of the Trepça complex;

- 5.1.7. Pensions of TMK members;
  - 5.1.8. Pension of KSF security force;
  - 5.1.9. Compensation for the blind;
  - 5.1.10. Family pension;
  - 5.1.11. Pension of work invalids;
  - 5.1.12. Pension of martyrs' families;
  - 5.1.13. Pension of war invalids;
  - 5.1.14. Pension of civilian victims;
  - 5.1.15. Pension of civil invalids;
  - 5.1.16. Pension of the missing of the war;
  - 5.1.17. Pension of the KLA fighter veteran;
- 5.2. Social assistance;
- 5.3. Other vulnerable groups that may be foreseen by legislation in the Republic of Kosovo; confirmed by the Ministry of Finance, Labour and Transfers (or successor ministry).
6. Customers, in addition to the basic services defined to be performed through the payment account with basic services in Article 4, paragraph 1, according to the fee defined in the regulation in Article 5, can also perform other services according to the bank's standard price list.

## **Article 6**

### **Contract termination**

1. Banks can unilaterally terminate a contract of a payment account with basic services only when at least one of the following conditions is met:
  - 1.1. the customer intentionally uses the payment account for illegal purposes;
  - 1.2. there has been no transaction on the payment account for more than 24 consecutive months;
  - 1.3. the customer has provided incorrect information to open a payment account with basic services in violation of Article 3 of this regulation.
  - 1.4. the customer has subsequently opened a second account with basic services, which allows him to use the services listed in Article 4 of this regulation, when he already holds a payment account with basic services;
2. When the bank terminates the contract of a payment account with basic services for one or more of the reasons mentioned in sub-paragraphs 1.2., 1.3., and 1.4. of paragraph 1 of this Article, it shall inform the customer, in writing and free of charge, of the reasons for the termination at least 1 month before the termination of the contract takes effect, unless such disclosure would be contrary to the general security objectives. When the bank terminates the contract in accordance with sub-paragraph 1.1. of this Article, its termination shall take effect immediately.
3. Through the notice of termination of the contract, the bank advises the customer on the procedure to submit a complaint against the termination of the contract, if there is a complaint, providing the relevant contact details.

## **Article 7**

### **Obligation to inform customers regarding the provision of payment accounts with basic services**

1. Banks shall make available to customers, free of charge, clear and understandable information on the right to open and use a payment account with basic services.
2. Banks must disclose, free of charge, information and provide adequate assistance regarding the specific features of the payment account with basic services, fees and terms of use, as well as the steps customers must take to exercise their right to open a payment account with basic services.
3. The information must make it clear that the purchase of additional services is not mandatory to open a payment account with basic services.
4. The bank must disclose such information in visible and easily accessible spaces for customers through brochures in the bank's offices as well as on the bank's official website.

## **Article 8**

### **Breaches, Remedies and Civil Penalties**

Any violation of the provisions of this regulation shall be subject to administrative measures and civil penalties, as defined in the Law on the Central Bank of the Republic of Kosovo, the Law on Banks, Microfinance Institutions and Non-Bank Financial Institutions, and the Law on the Payment System.

## **CHAPTER II**

### **FINAL PROVISIONS**

## **Article 9**

### **Conversion of current accounts into payment accounts with basic services**

Existing customers who have a payment account, upon request, have the right to convert their account into a payment account with basic services if they meet the conditions set forth in this regulation. In the case of conversion of the current account, the customer's account number (IBAN) is saved. No fee applies for payment account conversion.

## **Article 10**

### **Annex**

Annex 1 is an integral part of this Regulation.

## **Article 11**

### **Entry into force**

This Regulation shall enter into force on August 1, 2023, with the exception of Article 5 paragraph 4, which enters into force on January 1, 2024.

Flamur Mrasori

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

### **Annex 1**

Table with explanatory notes about basic services that must be included in the payment account with

basic services:

Transactions allowed in payment accounts with basic services	Transaction provision channel	Number of transactions allowed
Deposits	Counter	No limit
	ATMs inside the facilities of the issuing bank	
	ATMs outside the facilities of the issuing bank	
Withdrawals	Counter	No limit
	ATMs inside the facilities of the issuing bank	
	ATMs outside the facilities of the issuing bank	
Direct debit		No limit
Payment transactions through cards	Payment terminals (POS) in Kosovo	No limit
	Online/E-Commerce in Kosovo	
Credit transfers within the bank	Counter	No limit
	E-banking/M-banking	
	ATMs inside the facilities of the issuing bank	
	ATMs outside the facilities of the issuing bank	