



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 102 and 114 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 August 29, 2013 approved the following:

REGULATION ON REPORTING OF MICROFINANCE INSTITUTIONS TO THE CBK

Article 1 Purpose and Scope

1. The purpose of this Regulation is to determine the terms, conditions and rules of reporting of Microfinance Institutions (hereafter: MFI's), to the CBK.
- 2 This Regulation applies to all MFI's that are registered by the CBK to operate in the Republic of Kosovo.

Article 2 Definitions

1. All terms used in this Regulation have the same meaning with the following definitions for the purposes of this Regulation:
 - a. *Principal shareholder* – means a person that owns, directly or indirectly, alone or in concert with another person, ten percent or more of any class of voting shares of a MFI or ten percent of the equity interest in a MFI.
 - b. *Branch of a foreign MFI or branch of other foreign Financial Institution* (hereafter: *branch of foreign MFI*) - means a legal person that is organized to operate microfinance activities within the Republic of Kosovo but its parent MFI or *parent Financial Institution* has its head office and holds a license to engage in the activities of microfinance in a jurisdiction other than the Republic of Kosovo;

- c. *Senior Manager* - means the chief executive officer, chief financial officer, chief operating officer and chief risk officer of a MFI and any person, other than a director, who:
- (i) reports directly to the board or participates or has authority to participate in major policymaking functions of the MFI, whether or not such person has an official title or receives compensation for such actions, and
 - (ii) is designated as a senior manager by the CBK.

In the case of a foreign MFI registered to operate one or more branches in Kosovo, the manager of the principal branch in Kosovo will be deemed to be a member of senior management.

- d. *MFI- Related Person* – means any person that maintains with the MFI at least one of the following relationships:
- i. any Senior Manager or Director of the MFI and any principal shareholder or founder of the MFI;
 - ii. any person who is related to a Senior Manager or Director or principal shareholder or founder of the MFI by marriage or consanguinity to the second degree,
 - iii. any legal entity in which a Senior Manager or Director or principal shareholder or founder of the MFI is also a principal shareholder;
 - iv. any person that has a significant interest in a legal entity in which the MFI has a significant interest;

Article 3 General Requirements

1. Each MFI operating in Kosovo shall submit to the CBK reports concerning its financial condition, administration and operations. The Reports shall be prepared in the formats provided by CBK which may be amended as needed.

Article 4 Reports and Reporting Periods

1. Monthly Reports

MFI's shall submit to the Banking Supervision Department of the CBK the following monthly report no later than *fifteen* days after each month-end:

1. Report on Deposits and Loans - CBK Form 5.

2. Quarterly Reports

The following quarterly reports shall be submitted to the CBK no later than fifteen days after each quarter-end:

1. Statement of Financial Position – CBK Form 1
2. Statement of Income – CBK Form 2
3. Summary of Asset Classifications and Provisions - CBK Form 3
4. Loan Distribution – CBK Form 4
5. Credit Concentration – CBK Form 6
6. Loans to MFI Related Persons – CBK Form 7
7. Maintenance of minimum capital - CBK Form 8
7. Liabilities to banks and other financial institutions – CBK Form 9

Article 5 Annual Report

MFI's shall submit to the CBK its Audited financial statements and management letter for the preceding year - within 4 months of the ending of its financial year.

Article 6 Additional reporting

CBK may, on an *ad hoc* basis, increase the frequency of reporting and/or expand reporting requirements as it considers necessary to carry out its supervisory responsibilities.

Article 7 Obligations of Micro Finance Institutions

1. MFI shall submit the reports within the terms and on the required form specified by CBK.
2. The reporting form of the MFIs according to this Regulation shall take place in hard copy and electronic form.
3. The cover letter of the submission of hard copy reports to CBK shall be signed and stamped by the officer who is responsible for the unit preparing the reports and by the managing director or his/her authorized officer.

Article 8
Remedial Measures and Civil Penalties

Any violation to the provisions of this Regulation shall be subject to the remedial measures and penalties provided for in Articles 105 and 106 of the Law no.04/L-093.

Article 9
Entry in to Force

This Regulation shall enter into force 15 days after approved by Board of the CBK.

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

Mejdi Bektashi