



Pursuant to Article 35, paragraph 1 subparagraph 1.1 and Article 65 of the Law No. 03/L-209 on Central Bank of the Republic of Kosovo (Official Gazette of the Republic of Kosovo, No.77 / 16 August 2010), amended and supplemented by Law No. 05/L –150 (Official Gazette of the Republic of Kosovo / No. 10 / 03 April 2017) and pursuant to Section III and IV as well as Article 135 of Law No. 08/L-328 on Payment Services and Article 8 of Law No. 04/L-155 on Payment Systems (Official Gazette of the Republic of Kosovo No. 12/03, May 2013), and Article 24b paragraph 15 of Law No. 03/L -333 on amending and supplementing Law No. 05/L-096 on the Prevention of Money Laundering and Combating the Financing of Terrorism, the Board of the Central Bank of the Republic of Kosovo, at the meeting held on December 17, 2024, approved the following:

REGULATION ON THE ESTABLISHMENT OF REQUIREMENTS FOR CREDIT TRANSFERS AND DIRECT DEBITS TRANSACTIONS IN EURO

Article 1

Purpose and Scope

This Regulation lays down the rules for credit transfer and direct debit transactions in euro within Kosovo and between Kosovo and the SEPA area, where both the payer's PSP and the payee's PSP are located in Kosovo or one of the PSPs is located in Kosovo and the other within the SEPA area, or where the sole PSP involved in the payment transaction is located in Kosovo.

Article 2

Exemptions

1. This Regulation shall not apply to the following:
 - 1.1. payment transactions carried out between and within PSPs, including their agents or branches, for their own account;
 - 1.2. payment transactions processed and settled through large-value payment systems, excluding direct debit payment transactions which the payer has not explicitly requested be routed via a large-value payment system;
 - 1.3. payment transactions through a payment card or similar device, including cash withdrawals, unless the payment card or similar device is used only to generate the information required to directly make a credit transfer or direct debit to and from a payment account identified by BBAN or IBAN;

- 1.4. payment transactions by means of any telecommunication, digital or ICT device, if such payment transactions do not result in a credit transfer or direct debit to and from a payment account identified by BBAN or IBAN;
 - 1.5. transactions of money remittance as defined in subparagraph 1.21 of paragraph 1 of Article 4 of Law No. 08/L-328 on Payment Services;
 - 1.6. payment transactions transferring electronic money, unless such transactions result in a credit transfer or direct debit to and from a payment account identified by BBAN or IBAN.
2. Where payment schemes are based on payment transactions by credit transfers or direct debits but have additional optional features or services, this Regulation applies only to the underlying credit transfers or direct debits.

Article 3

Definitions

1. For the purpose of this Regulation, and unless the context otherwise requires, the following definitions apply:
 - 1.1. “**credit transfer**” means a national or cross-border payment service for crediting a payee’s payment account with a payment transaction or a series of payment transactions from a payer’s payment account by the PSP which holds the payer’s payment account, based on an instruction given by the payer;
 - 1.2. “**direct debit**” means a national or cross-border payment service for debiting a payer’s payment account, where a payment transaction is initiated by the payee on the basis of the payer’s consent;
 - 1.3. “**payment initiation channel**” means any method, device or procedure through which payers can place payment orders with their PSP for a credit transfer, including online banking, a mobile banking application, an automated teller machine, or in any other way on the premises of the PSP;
 - 1.4. “**name of the payee**” means, in respect of a natural person, the name and surname and, in respect of a legal person, the commercial or legal name;
 - 1.5. “**PSP**” means a payment service provider;
 - 1.6. “**payer**” means a natural or legal person who holds a payment account and allows a payment order from that payment account or, where there is no payment account, a natural or legal person who makes a payment order to a payee’s payment account;
 - 1.7. “**payee**” means a natural or legal person who is the intended recipient of funds which have been the subject of a payment transaction;
 - 1.8. “**payment system**” means a funds transfer system with formal and standardized arrangements and common rules for the processing, clearing or settlement of payment transactions;
 - 1.9. “**payment scheme**” means a single set of rules, practices, standards and/or implementation guidelines agreed between PSPs for the execution of payment transactions within Kosovo

and across the SEPA area, and which is separated from any infrastructure or payment system that supports its operation;

- 1.10. “**PSU**” or “**payment service user**” means a natural or legal person making use of a payment service in the capacity of payer or payee;
- 1.11. “**BBAN**” means a payment account number identifier, which unambiguously identifies an individual payment account with a PSP in Kosovo, and which can only be used for national payment transactions while the same payment account is identified by IBAN for cross-border payment transactions;
- 1.12. “**IBAN**” means an international payment account number identifier, which unambiguously identifies an individual payment account, the elements of which are specified by the International Organization for Standardization (ISO);
- 1.13. “**BIC**” means a business identifier code that unambiguously identifies a PSP, the elements of which are specified by the ISO;
- 1.14. “**ISO 20022 XML standard**” means a standard for the development of electronic financial messages as defined by the ISO, encompassing the physical representation of the payment transactions in XML syntax, in accordance with business rules and implementation guidelines of Kosovo or SEPA schemes for payment transactions falling within the scope of this Regulation;
- 1.15. “**large-value payment system**” means a payment system the main purpose of which is to process, clear or settle single payment transactions of high priority and urgency, and primarily of large amount;
- 1.16. “**settlement date**” means a date on which obligations with respect to the transfer of funds are discharged between the payer’s PSP and the payee’s PSP;
- 1.17. “**collection**” means a part of a direct debit transaction starting from its initiation by the payee until its end through the normal debiting of the payer’s payment account;
- 1.18. “**mandate**” means the expression of consent and authorization given by the payer to the payee and (directly or indirectly via the payee) to the payer’s PSP to allow the payee to initiate a collection for debiting the payer’s specified payment account and to allow the payer’s PSP to comply with such instructions;
- 1.19. “**retail payment system**” means a payment system the main purpose of which is to process, clear or settle credit transfers or direct debits which are primarily of small amount, and that is not a large-value payment system;
- 1.20. “**cross-border payment transaction**” means a payment transaction initiated by a payer or by a payee where one of the payer’s PSP and the payee’s PSP is located in Kosovo and the other in another location outside Kosovo but in the SEPA area;
- 1.21. “**national payment transaction**” means a payment transaction initiated by a payer or by a payee, where the payer’s PSP and the payee’s PSP are both located in Kosovo;
- 1.22. “**reference party**” means a natural or legal person on behalf of whom a payer makes a payment, or a payee receives a payment;
- 1.23. “**CBK**” means the Central Bank of Republic of Kosovo;

- 1.24. “**SEPA**” means the Single Euro Payments Area;
 - 1.25. “**SEPA area**” means the geographical scope of the SEPA schemes as determined by the criteria established by the EPC;
 - 1.26. “**EPC**” means the European Payments Council;
 - 1.27. “**ISO**” means the International Organization for Standardization;
 - 1.28. “**EBA**” means the European Banking Authority;
 - 1.29. “**Law on Payment Services**” means Law No. 08/L-328 on Payment Services.
2. Unless otherwise specifically provided for in the previous paragraph, for the purposes of this Regulation and any other measure implementing it, terms used shall have the same meaning as defined in the Law on Payment Services.

Article 4

Requirements for executing credit transfer and direct debit transactions

1. PSPs shall carry out credit transfer and direct debit transactions in accordance with the following requirements:
 - 1.1. they must use the payment account identifier specified in point (1)(a) of Annex I for the identification of payment accounts’ regardless of the location of the PSP concerned;
 - 1.2. they must use the message formats specified in point (1)(b) of Annex I, when transmitting payment transactions to another PSP or via a retail payment system;
 - 1.3. they must ensure that PSUs use the payment account identifier specified in point (1)(a) of Annex I for the identification of payment accounts, whether the payer’s PSP and the payee’s PSP or the sole PSP in the payment transaction is located in Kosovo;
 - 1.4. they must ensure that where a PSU that is not a consumer or a microenterprise, initiates or receives individual credit transfers or individual direct debits which are not transmitted individually, but are bundled together for transmission, the message formats specified in point (1)(b) of Annex I are used.
2. Without prejudice to subparagraph 1.2 of the first paragraph, PSPs shall, upon the specific request of a PSU, use the message formats specified in point (1)(b) of Annex I of this regulation in relation to that PSU.
3. PSPs shall carry out credit transfers in accordance with the following requirements, subject to any obligation laid down in Law No. 06/L-082 on the Protection of Personal Data:
 - 3.1. the payer’s PSP must ensure that the payer provides the data elements specified in point (2)(a) of Annex I;
 - 3.2. the payer’s PSP must provide the data elements specified in point (2)(b) of Annex I to the payee’s PSP;
 - 3.3. the payee’s PSP must provide or make available to the payee the data elements specified in point (2)(d) of Annex I.
4. PSPs shall carry out direct debits in accordance with the following requirements, subject to any obligation laid down in Law No. 06/L-082 on the Protection of Personal Data:

- 4.1. the payee's PSP must ensure that:
 - 4.1.1. the payee provides the data elements specified in point (3)(a) of Annex I with the first direct debit and one-off direct debit and with each subsequent payment transaction;
 - 4.1.2. the payer gives consent both to the payee and to the payer's PSP (directly or indirectly via the payee), the mandates, together with later modifications or cancellation, are stored by the payee or by a third party on behalf of the payee and the payee is informed of this obligation by the PSP in accordance with article 44 and 45 of the Law on Payment Services.
- 4.2. the payee's PSP must provide the payer's PSP with the data elements specified in point (3)(b) of Annex I;
- 4.3. the payer's PSP must provide or make available to the payer the data elements specified in point (3)(c) of Annex I;
- 4.4. the payer must have the right to instruct its PSP:
 - 4.4.1. to limit a direct debit collection to a certain amount or periodicity or both;
 - 4.4.2. where a mandate under a payment scheme does not provide for the right to a refund, to verify each direct debit transaction, and to check whether the amount and periodicity of the submitted direct debit transaction is equal to the amount and periodicity agreed in the mandate, before debiting their payment account, based on the mandate-related information;
 - 4.4.3. to block any direct debits to the payer's payment account or to block any direct debits initiated by one or more specified payees or to authorize direct debits only initiated by one or more specified payees.
- 4.5. where neither the payer nor the payee is a consumer, PSPs are not required to comply with subparagraph 4.4, sub-subparagraphs 4.4.1, 4.4.2 or 4.4.3.
- 4.6. the payer's PSP shall inform the payer of the rights referred to in subparagraph 4.4 in accordance with Articles 51 and 52 of the Law on Payment Services.
- 4.7. Upon the first direct debit transaction or a one-off direct debit transaction and upon each subsequent direct debit transaction, the payee shall send the mandate-related information to his PSP and the payee's PSP shall transmit that mandate-related information to the payer's PSP with each direct debit transaction.
5. In addition to the requirements referred to in paragraphs 1 and 2, the payee accepting credit transfers shall communicate its payment account identifier specified in point (1)(a) of the Annex to its payers, when a credit transfer is requested.
6. Before the first direct debit transactions, a payer shall communicate its payment account identifier specified in point (1)(a) of the Annex.
7. Where the framework agreement between the payer and the payer's PSP does not provide for the right to a refund, the payer's PSP shall, without prejudice to sub-subparagraph 4.1.2 above, verify each direct debit transaction to check whether the amount of the submitted direct debit transaction is equal to the amount and periodicity agreed in the mandate before debiting the payer's payment account, based on the mandate-related information.

8. PSPs shall not require PSUs to indicate the BIC of the PSP of a payer or of the PSP of a payee.
9. The payer's PSP and the payee's PSP shall not levy additional charges or other fees on the read-out process to automatically generate a mandate for those payment transactions initiated through or by means of a payment card at the point of sale, which result in direct debit.

Article 5

Enforcement, Improvement Measures and Penalties

1. Any violation of the provisions of this Regulation shall be subject to corrective measures and/or administrative and civil penalties as defined within article 67 of the Law No. 03/L-209 on Central Bank of the Republic of Kosovo, as amended and supplemented by Law No. 05/L –150 and article 124 of the Law No. 08/L-328 on Payment Services.
2. Paragraphs 3 to 11 of Article 124, of the Law on Payment Services are applicable to any violation of the provisions of this Regulation.

Article 6

Complaint and alternative dispute resolution procedures

The complaint and alternative dispute resolution procedures provided for in article 120, 121 and 122 of the Law on Payment Services are applicable to any disputes concerning rights and obligations arising from this Regulation between PSUs and their PSPs

Article 7

Annex

The integral part of this regulation is Annex I Technical requirements (article 4)

Article 8

Guidelines

PSPs shall abide, in what concerns to measures to be taken in accordance with this Regulation, unless otherwise determined by the CBK, to the relevant guidelines issued by EBA.

Article 9

Transitional Period

PSPs subject to this Regulation shall adapt their activities and operations to the provisions of this Regulation at least one (1) month before applying to the EPC for participation in a SEPA scheme, but not more than a maximum period of 18 months – a period corresponding to the transitional period in Article 139 of Law No. 08/L-328 on Payment Services.

Article 10

Entry into force

This Regulation shall enter into force 10 days after the entry into force of Law No. 08/L-328 on payment services, with the exception of the provisions amended by Law No. 03/L-333 on amending and supplementing Law No. 05/L-096 on the Prevention of Money Laundering and Combating the Financing of Terrorism, which shall enter into force 10 days after the entry into force of this Law.

Dr.sc. Bashkim Nurboja

Chairperson of the Board of Central Bank of the Republic of Kosovo

ANNEX I
TECHNICAL REQUIREMENTS (ARTICLE 4)

- (1) In addition to the essential requirements set out in Article 4, the following technical requirements shall apply to credit transfers and direct debit transactions:
- (a) The payment account identifier referred to in Article 4 paragraph 1 subparagraphs 1.1 and 1.3 must be IBAN.
 - (b) The standard for message format referred to in Article 4 paragraph 1 subparagraphs 1.2 and 1.4 must be the ISO 20022 XML standard.
 - (c) The remittance data field must allow for 140 characters. Payment schemes may allow for a higher number of characters, except if the device used to remit information has technical limitations relating to the number of characters, in which case the technical limit of the device applies.
 - (d) Remittance reference information and all the other data elements provided in accordance with points (2) and (3) of this Annex I must be passed in full and without alteration between PSPs in the payment chain.
 - (e) Once the required data is available in electronic form payment transactions must allow for a fully automated, electronic processing in all process stages throughout the payment chain (end-to-end straight through processing), enabling the entire payment process to be conducted electronically without the need for re-keying or manual intervention. This must also apply to exceptional handling of credit transfers and direct debit transactions, whenever possible.
 - (f) Payment schemes must set no minimum threshold for the amount of the payment transaction allowing for credit transfers and direct debits but are not required to process payment transactions with zero amount.
 - (g) Payment schemes are not obliged to carry out credit transfers and direct debits exceeding the amount of EUR 999 999 999,99.
- (2) In addition to the requirements referred to in point (1), the following requirements shall apply to credit transfer transactions:
- (a) The data elements referred to in Article 4 paragraph 3 subparagraph 3.1, are the following:
 - (i) the payer's name and/or the IBAN of the payer's payment account;
 - (ii) the amount of the credit transfer;
 - (iii) the IBAN of the payee's payment account;
 - (iv) where available, the payee's name;
 - (v) any remittance information.
 - (b) The data elements referred to in Article 4 paragraph 3 subparagraph 3.2 are the following:
 - (i) the payer's name;
 - (ii) the IBAN of the payer's payment account;
 - (iii) the amount of the credit transfer;

- (iv) the IBAN of the payee's payment account;
 - (v) any remittance information;
 - (vi) any payee identification code;
 - (vii) the name of any payee reference party;
 - (viii) any purpose of the credit transfer;
 - (ix) any category of the purpose of the credit transfer.
- (c) In addition, the following mandatory data elements are to be provided by the payer's PSP to the payee's PSP:
- (i) the BIC of the payer's PSP (if not agreed otherwise by the PSPs involved in the payment transaction);
 - (ii) the BIC of the payee's PSP (if not agreed otherwise by the PSPs involved in the payment transaction);
 - (iii) the identification code of the payment scheme;
 - (iv) the settlement date of the credit transfer;
 - (v) the reference number of the credit transfer message of the payer's PSP.
- (d) The data elements referred to in Article 4 paragraph 3 subparagraph 3.3 are the following:
- (i) the payer's name;
 - (ii) the amount of the credit transfer;
 - (iii) any remittance information.
- (3) In addition to the requirements referred to in point (1), the following requirements shall apply to direct debit transactions:
- (a) The data elements referred to in Article 4 paragraph 4 subparagraph 4.1 sub-subparagraph 4.1.1, are the following:
- (i) the type of direct debit (recurrent, one-off, first, last or reversal);
 - (ii) the payee's name;
 - (iii) the IBAN of the payee's payment account to be credited for the collection;
 - (iv) where available, the payer's name;
 - (v) the IBAN of the payer's payment account to be debited for the collection;
 - (vi) the unique mandate reference;
 - (vii) the date on which the payer's mandate was signed;
 - (viii) the amount of the collection;
 - (ix) where the mandate has been taken over by a payee other than the payee who issued the mandate, the unique mandate reference as given by the original payee who issued the mandate;
 - (x) the payee's identifier;

- (xi) where the mandate has been taken over by a payee other than the payee who issued the mandate, the identifier of the original payee who issued the mandate;
 - (xii) any remittance information from the payee to the payer;
 - (xiii) any purpose of the collection;
 - (xiv) any category of the purpose of the collection.
- (b) The data elements referred to in Article 4 paragraph 4 subparagraph 4.2, are the following:
- (i) the BIC of the payee's PSP (if not agreed otherwise by the PSPs involved in the payment transaction);
 - (ii) the BIC of the payer's PSP (if not agreed otherwise by the PSPs involved in the payment transaction);
 - (iii) the payer reference party's name (if present in dematerialized mandate);
 - (iv) the payer reference party's identification code (if present in dematerialized mandate);
 - (v) the payee reference party's name (if present in the dematerialized mandate);
 - (vi) the payee reference party's identification code (if present in dematerialized mandate);
 - (vii) the identification code of the payment scheme;
 - (viii) the settlement date of the collection;
 - (ix) the payee's PSP's reference for the collection;
 - (x) the type of mandate;
 - (xi) the type of direct debit (recurrent, one-off, first, last or reversal);
 - (xii) the payee's name;
 - (xiii) the IBAN of the payee's payment account to be credited for the collection;
 - (xiv) where available, the payer's name;
 - (xv) the IBAN of the payer's payment account to be debited for the collection;
 - (xvi) the unique mandate reference;
 - (xvii) the date of signing of the mandate;
 - (xviii) the amount of the collection;
 - (xix) the unique mandate reference as given by the original payee who issued the mandate (if the mandate has been taken over by another payee than the payee who issued the mandate);
 - (xx) the payee's identifier;
 - (xxi) the identifier of the original payee who issued the mandate (if the mandate has been taken over by a payee other than the payee who issued the mandate);
 - (xxii) any remittance information from the payee to the payer.
- (c) The data elements referred to in Article 4 paragraph 4 subparagraph 4.3 are the following:
- (i) the unique mandate reference;

- (ii) the payee's identifier;
- (iii) the payee's name;
- (iv) the amount of the collection;
- (v) any remittance information;
- (vi) the identification code of the payment scheme.