



Pursuant to Article 35, paragraph 1, subparagraph 1.1 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 on August 16, 2010), amended and supplemented by Law No. 05/L –150 - (Official Gazette of the Republic of Kosovo / No. 10 / 03 April 2017, Prishtina), Article 114 of Law No. 04/L-093 on Banks, Microfinance Institutions and Non Bank Financial Institutions (Official Gazette of the Republic of Kosovo, No. 11 on May 11, 2012), Article 76 of Law No. 08/L-304 on Banks, article 8 and 47 of the Law 04/L-155 on the Payment System (Official Gazette of the Republic of Kosovo, No. 11 on May 2, 2013), Article 4 paragraph 3 of Law No. 05/L-045 on Insurance (Official Gazette of the Republic of Kosovo, No. 38/December 24, 2015, Pristina), Article 120,121,122 and 135 of Law No. 08/L-328 on Payment Services, Article 4 paragraph 1, Article 13 and 20 of Law no. 04/L-101 on Pension Funds, Article 27 of Law No. 04/L-018 on Compulsory Motor Liability Insurance - (Official Gazette of the Republic of Kosovo / No. 4/14 July 2011, Prishtina), the Board of the Central Bank of the Republic of Kosovo at the meeting held on December 17th, 2024 approved the following regulation:

REGULATION ON COMPLAINTS HANDLING PROCESS BY FINANCIAL INSTITUTIONS

Article 1

Purpose and scope

1. The purpose of this regulation is to define the criteria and procedures for the establishment of the internal handling function and customer complaints management by financial institutions, the reporting requirements on complaints by financial institutions, as well as the possibility of using alternative mechanisms for resolving disputes.
2. This regulation applies to all financial institutions that are licensed, authorized, registered and supervised by the CBK.

Article 2

Definitions

1. The expressions used in this article have the following meaning:
 - 1.1. "**Complaint**" The complaint means a statement of customer dissatisfaction addressed to a financial institution related to the accepted financial action, product or service. A

request for information or clarification or a request for an opinion, which does not contain an expression of dissatisfaction or lack of service shall not be considered a complaint."

1.2. "**Complainant**" means a person who submits a complaint to a financial institution. The complainant can be a previous, current or potential client of the financial institution;

1.3. **ATMs (Automated Teller Machine /ATM)"** - means the electromechanical device which serves for withdrawing or depositing cash, paying services, transferring funds between accounts, extracting account balances, etc.;

1.4. "**CBK** " means the Central Bank of the Republic of Kosovo;

1.5. "**Working day**" means any day other than Saturday, Sunday or public holiday;

1.6. "**Financial institution**" means a bank, insurance company, non-bank financial institution, microfinance institution, payment institution, electronic money institution that is licensed, regulated and supervised by the CBK in accordance with the Law on the Central Bank and the laws of other relevant ones of the Republic of Kosovo;

1.7. "**Customer** " means the natural or legal person that purchases or uses financial products or services offered by a financial institution or has purchased or used financial products or services offered by a financial institution in the past or is clearly trying to purchase or use financial products or services offered by a financial institution;

1.8. "**Advertisement**" means any form of publication, in the form of publication or broadcast in the media, such as television, radio or website, of announcements, labels, brochures, circulars, catalogs, price lists , as well as any other advertising material;

1.9. "**Arbitration agreement**" means an agreement between two or more persons to submit to arbitration all or some legal disputes that have arisen or may arise between them;

1.10. "**Mediation Agreement**" means the agreement reached in writing signed by the parties and the mediator for the resolution of the dispute between the parties in the mediation procedure. Regardless of the way the case is referred, the mediation agreement has the power of an executive title and is binding on the parties.

1.11. "**Senior Manager**" Senior Manager - the chief executive officer, chief financial officer, chief operating officer, chief risk officer of the bank and any person, other than a director, who (i) reports directly to the Board or participates in or has authority to participate in the main policy-making functions of the financial institution, as well as any other person who is defined as "Senior Manager" by the laws and regulations of the CBK in force.

1.12. "**Intermediary**" means the third party, natural or legal person, engaged in the promotion or provision of financial services offered by a financial institution, as well as engaged in the preparation, conclusion and administration of agreements and contractual rights related to those products or services;

1.13 "**Internal complaints handling process**" means the procedure and rules of the financial institution on handling customer complaints, including how they should be submitted,

recorded, evaluated and decided regarding complaints;

- 1.14. "**Alternative dispute resolutions**" means the out-of-court procedure for resolving disputes between legal entities that arise between the client and financial institutions or any third party beneficiary, in accordance with the conditions provided for in this regulation and the legislation in force, such as mediation, conciliation and arbitration.

Article 3

General requirements

1. Each financial institution shall establish an internal handling and complaints management function to ensure that all customers are treated fairly and equally to enable timely resolution of their complaints.
2. The complaints handling and management function must review all complaints in a fair, independent, impartial manner, within specified time limits and in the interests of clients in accordance with this regulation and any applicable legal or regulatory requirements.
3. The establishment and scope of this function may vary depending on the size, complexity and profile of the financial institution.

Article 4

Complaints handling and complaints management policy and procedures

1. The financial institution shall develop policies and procedure rules for the establishment of the complaints handling and complaints management function and ensure its effective implementation. The scope of the policy should vary depending on the size, complexity and risk profile of the institution.
2. The policy according to paragraph 1 of this article must be approved by the Board of Directors and it shall be reviewed by the Board of Directors at least once every 18 months.
3. Senior management will adopt the necessary operational procedures for the adequate and efficient implementation of the complaints handling and management function policy.
4. Senior management shall ensure that the complaints handling and management function:
 - 4.1 Has the necessary authorizations and competence to perform his/her independent function and that it is equipped with sufficient human resources to ensure efficient regulatory compliance of handling and management complaints and protection of

client interests.

4.2 That the function is independent from the business units and is not involved in the performance of responsibilities, which may cause a conflict of interest in the risk of compliance of the protection of client interests.

5. The responsible officer appointed in the complaints handling department/division/ unit should report directly to the Senior Management of the financial institution. One of the members of Senior Management shall have direct responsibility for overseeing the complaints handling process and ensuring that the complaints handling process is in compliance with the applicable CBK laws and regulations.

Article 5

Staff qualification and training

1. The personnel responsible for complaints handling shall be trained on the complaints management policy of the financial institution and must possess high professional skills based on the delegated responsibilities for managing and handling of complaints, and the development plan of the financial institution.
2. Financial institutions must ensure that employees engaged in providing banking and financial services or advising clients must have integrity, professional qualifications, knowledge and experience , and to inform clients fully and accurately about the conditions for using these services, including the process of submitting a complaint and or exercising appropriate legal remedies.
3. Institutions must train business lines employees to ensure the compliance of the protection of client interests with the requirements of the applicable legislation and their internal policies.
4. The training program should be foreseen within the policy and updated before the introduction of new products, services, activities , or as well as applicable laws and regulations to ensure that all staff are informed of such requirements.

Article 6

Submission of complaints

1. The way of submitting complaints should be as easy as possible for customers.
2. Financial institutions must possess and have in operation all the necessary means of communication and logistics, for the submission of complaints by customers. Customers should be enabled to submit their complaints at least through the following ways:

- 2.1 Online through the institution's website or a dedicated site with easy access and properly identified;
 - 2.2 Telephone;
 - 2.3 Postal letter;
 - 2.4 E- mail ;
 - 2.5 Social media; or
 - 2.6 In person;
3. Financial institutions should not impose restrictions on how or in what form complaints may be submitted that would discourage customers or limit their right to file a complaint. Filing complaints shall not be subject to any fee or payment or conditional on using any special forms.
 4. If possible, financial institutions shall establish a call center where customers can call directly to submit their complaints. Under no circumstances shall financial institutions charge customers any additional fee above the rate for regular calls.
 5. Financial institutions shall receive complaints at all their branches and sales units.
 6. In order to ensure a quick, timely and fair complaints handling, financial institutions after receiving a complaint, shall assess whether that complaint is clear, complete and contains all the relevant evidence and necessary information for handling it. When appropriate, additional information should be requested promptly.

Article 7

Language

1. Complainants can lodge their complaints and communicate with the financial institution in one of the official languages of the Republic of Kosovo as defined by the relevant law or in the language of the agreement on the product or service, which is the subject of the complaint.
2. The financial institution must respond to the complainant in the same language that received the complaint.

Article 8

Confirmation of receipt

1. The receipt of each complaint must be formally acknowledged and the complainant shall be informed about the process of complaint handling that will follow (confirmation of receipt).
2. The confirmation of receipt pursuant to the previous paragraph shall be in writing and given to the complainant on a paper or via email if the complainant prefers electronic communication.

3. The confirmation shall include at least the following information:
 - 3.1 a unique identification number/reference number;
 - 3.2 full name of the complainant, personal number and contact information of the complainant;
 - 3.3 the date when the complaint was received;
 - 3.4 the name and contact information (phone number, e- mail and postal address) of the unit of the financial institution responsible for complaints handling.
4. The confirmation should also describe the next steps the financial institution will take and the time frame within which the complaint is expected to be resolved.
5. If additional information or documents are needed to evaluate the complaint, the financial institution shall immediately request this information and shall instruct the complainant on the manner and reasonable time determined for submitting the appropriate information.
6. If the complaint is submitted directly via a telephone, the customer shall be informed by telephone for confirmation of receipt and instructed regarding the procedure on the complaint handling process.
7. Summary information regarding the complaint submission form is provided in Annex 1 of this regulation.

Article 9

Complaints register

1. Financial institutions should develop and maintain an electronic database, in which all complaints will be registered and stored based on a unique identification/reference number. The unique identification number will be referred to throughout the communication regarding the complaint between the financial institution and the complainant.
2. Financial institutions shall record all communication and other materials related to each complaint in the database.
3. Records in the database shall be kept for 5 years from the date when the complaint case was closed.
4. All documents and accompanying materials, if they are not part of the database itself, shall be kept in the database and shall be easily accessible, when requested by an authorized person of the financial institution or CBK.

5. Based on the portfolio of offered products and services, each financial institution shall develop a complaint management database in accordance with the circumstances of the provision of financial products and services.

Article 10

Time limits

1. Complaints shall be handled and resolved by the financial institution according to the time limit. The decision on the complain must be taken and communicated to the complainant within the time limit defined in this article.
2. If the time limit for complaints handling is not provided by a special law applicable to the financial institution, the complaint must be resolved within fifteen (15) calendar days from the date of its receipt. The deadline for handling complaint starts from the next day after the day of its receipt.
3. Specific complaints of unsuccessful transaction, whether depositing or withdrawing cash through the ATM, shall be resolved within seven (7) calendar days from the date of its receipt.
4. For complex complaints that require a deeper analysis within the financial institution, the deadline for handling the complaint can be extended up to thirty (30) calendar days.
5. Any time extension beyond the limits defined in paragraph 2 of this article shall be approved by the head of the department/division/complaint handling unit of the financial institution and must be recorded as evidence in the complaints database.
6. The financial institution shall inform the complainant immediately about the extension of the complaint review deadline, its cause and the expected date when the institution's review and evaluation will complete the final response. The total duration of the extension of the deadline must not exceed the period of thirty (30) calendar days.
7. The period during which the financial institution is waits for additional information to be provided by the complainant does not count towards the time limit for complaint resolution.
8. The date when the financial institution receives the complaint via e-mail or in physical form through the protocol is considered to be the date of receipt of the complaint for the purpose of the time limit defined by this article. If the complaint is received during a non-working day, the deadline for this complaint will be calculated from the next first working day.

Article 11

Complaints resolution

1. Complainants shall be informed about the resolution of their complaints, through a written response, in electronic form or another form acceptable to the complainant. The response shall be reasonably concise and written in plain language understandable to the complaining party.
2. The final response to the complainant shall include:
 - 2.1. the identification / reference number;
 - 2.2. the information on the name and contact details of the complainant;
 - 2.3. the date the complaint was received,
 - 2.4. a summary of the complaint (refusal or proposed resolution) correctly and in plain language;
 - 2.5. Reasoning on the decisive reasons for deciding/resolving the complaint;
 - 2.6. legal advice;
 - 2.7. the name and contact information (phone number, e- mail and postal address) of the unit of the financial institution responsible for complaint handling.
3. Complainants should also be informed/advised about the other steps they can take if they do not agree with the resolution of their complaints, especially regarding their right to:
 - 3.1. submit the complaint to CBK;
 - 3.2. submit the complaint to another public authority or alternative dispute resolution mechanism, when applicable;
 - 3.3. file a lawsuit in court.

Article 12

Alternative dispute resolution procedures

1. For the resolution of disputes between clients and financial institutions, the financial institution, in addition to notification of regular means, is obliged to notify clients on the possibility of using alternative mechanisms, such as mediation and arbitration in accordance with the relevant legal provisions that cover the alternative resolution of disputes and consumer protection.

2. All pre-contractual agreements must contain a clause for alternative dispute resolution such as the option of mediation in accordance with Law No. 06/L -009 on Mediation or arbitration in accordance with Law no. 02/1-75 on Arbitration.
3. Financial institutions must make available to clients the following information about dispute resolution options:
 - 3.1. alternative dispute resolution mechanisms;
 - 3.2. contact information on alternative dispute resolution mechanisms;
 - 3.3 the language in which the procedure can be conducted
 - 3.4. the sectors and categories of disputes covered by alternative dispute resolution;
 - 3.5. any information or documents that the client will be required to provide;
 - 3.6. information on legal recommendations on other available legal remedies, such as competent courts.
4. After exhausting regular legal remedies such as complaints to the financial institution and CBK, the parties have the right to agree on the option of mediation for the resolution of disputes related to the implementation of the contract as referred to in this article.
5. Without prejudice to the aforementioned paragraph, a dispute may be resolved by arbitration if this is provided for in the agreement between the parties.
6. Resolution of a dispute by arbitration agreement or arbitration award is final, except as provided by applicable law.

Article 13 Intermediaries

1. If a financial institution uses intermediaries for providing financial products and services, upon signing the cooperation service agreement with an intermediary, this agreement must contain the provision that describes in detail the process of submitting a complaint to the relevant financial institution.
2. In case of any dispute, the parties are notified of the regular and alternative means defined in Article 12 of this regulation, in case the party is dissatisfied with the resolution of the complaint.

Article 14 Disclosures

1. The financial institutions shall clearly inform clients about the ways to submit a complaint. Any communication means and material addressed to clients shall include information about the right to lodge a complaint, including all relevant contacts.

2. The scope and content of the disclosure of information may differ depending on the means of information/media used and the purpose of the communication, as follows:
 - 2.1. Information leaflets, brochures and pre-contractual information shall include a clearly visible text and conspicuous manner that lists all contacts to lodge a complaint and describes the complaints and handling process, as well as informs the client about the next steps that he can undertake if he is not satisfied with the resolution of the complaint.
 - 2.2. The documentation attached to each contractual agreement shall also list all contacts for lodging a complaint and describe the process of complaints handling , as well as inform the client about the next steps he can take if he is not satisfied with the resolution of the complaint;
 - 2.3. Websites shall include the information listed under subparagraph (2.1) of this article and shall contain a form through which clients can submit a complaint.
3. The information listed in paragraph 1 and 2 to be disclosed by financial institutions shall include the following:
 - 3.1 Description of the complaints handling process in plain language and each step taken;
 - 3.2 Information regarding the maximum duration to respond to the complaint;
 - 3.3 Information regarding appeal options, if applicable;
 - 3.4 Information about other mechanisms that the complainant can use to pursue the complaint if he is not satisfied with the solution proposed by the financial institution. The information regarding further options must contain the specific contact at the CBK and relevant contact information of other authorities, if applicable (e.g. for relevant courts).
4. The information listed in paragraphs 2 and 3 of this article shall be visibly displayed in the form of brochures or flyers and will be visible in all branches, units and sales points of the financial institution.

Article 15

Reporting to the Senior Management and the Board

1. The financial institution for each quarter shall prepare an analytical report on complaint handling and management , which report shall be submitted to the Senior Management or any internal Committee appointed by the institution for the evaluation of the complaints resolution process.
2. At least every six months such a report shall be presented to the Board of Directors and the same shall include the following information:
 - 2.1. number of complaints received, types and issues of complaints,
 - 2.2. the products or services to which the complaint relates,

- 2.3.the branches/units with which the complaint is related,
 - 2.4.the average processing time of complaints resolution, and
 - 2.5.the complainst resolution, the number of complaints that were rejected or upheld, in particular the complaints that requested compensation and/or forms of compensation.
3. The report defined in paragraph 1 and 2 shall also address any recurring or systematic problems, as well as the fundamental causes of complaints filed that may affect the correction of processes, as well as other financial products and services.
 4. As an integral part of the report, submitted to the Senior Management /Board of Directors shall be presented proposals to lower the number of the most frequent or systematically important complaints through implementing changes to the sales process, marketing communication or product design or other relevant changes in the operation of the institution.
 5. The financial institution shall discuss the report and agree on a solution regarding the content of the report and the proposed response to the most frequent or systemically important complaints.
 6. Minutes of meetings of the Senior Management and the Board of Directors shall disclose that reports and related proposals have been discussed and that Senior Management and/or the Board of Directors have made formal decisions about the complaint management processes and proposals.

Article 16

The internal audit

1. The internal auditor shall include the complaints handling and management process in the annual work plan based on the risk methodology assessment.
2. The scope and frequency of internal audits should be guided by the comprehensive assessment of risk control.

Article 17

Reporting to the Central Bank of Kosovo

1. Financial institutions shall report electronically to CBK the quarterly analysis of the internal complaint review process.
2. The quarterly report shall be sent to the CBK no later than thirty (30) calendar days after the end of each reporting quarter.
3. The reports are prepared in the formats and guidelines determined by CBK and may be changed from time to time.
4. The CBK may request other additional reports and perform preliminary examinations if it considers this necessary for further supervision.

Article 18
Complaints handling by the Central Bank of Kosovo

1. If the complaint is not resolved in a timely manner in accordance with Article 10 of this regulation, or if a complainant does not agree with the resolution of the complaint, the complaint may be submitted to the CBK for further processing.
2. Financial institutions are obliged to appoint an officer who is responsible for customer care within the institution and designate the same as single point of contact to provide the CBK with information regarding any complaint that is examined by the CBK , within a reasonable time determined by CBK.
3. The contact person will be responsible for collecting all relevant information from the financial institution related to the complaint and providing it to the CBK within a maximum period of five (5) working days. Any extension beyond the defined time limit for which the CBK is waiting for additional information from the financial institution should not exceed ten (10) working days .
4. The CBK defines the rules of procedure for the internal complaints handling within the CBK.

Article 19
Protection of personal data

Any processing of personal data according to this regulation, related to complaints handling procedures, must be carried out in accordance with the legislation in force for the protection of personal data.

Article 20
Enforcement, remedial measures and administrative penalties

Any violation of the provisions of this regulation will be subject to remedial measures, administrative penalties and monetary penalties as defined in Law No. 03/L-209 on the Central Bank of the Republic of Kosovo, supplemented and amended by Law No. 05/L -150, Law No. 04/L-093 on Banks, Microfinance Institutions and Non Bank Financial Institutions, Law No. 08/L-304 on Banks, Law No. 04/L-155 on the Payment System, Law No. 05/L -045 on Insurance, Law No.08/L-328 on Payment Services, Law No. 04/L-101 on Kosovo Pension Funds, as well as Law No. 04/L-018 on compulsory motor liability insurance .

Article 21
Annex

An integral part of this regulation is Annex 1 Complaint submission form.

Article 22
Withdrawal

With the entry into force of this regulation, the Regulation on the internal process of complaints handling approved by the Board of the Central Bank of the Republic of Kosovo on September 25, 2014 is repealed.

Article 23
Entry into force

This Regulation shall enter into force 10-(ten) days after the entry into force of Law No. 08/L-328 on Payment Services and Law No. 08/L-304 on Banks.

Dr.sc Bashkim Nurobja
Chairman of the Board of Central Bank of the Republic of Kosovo

ANNEX 1 – COMPLAINT SUBMISSION FORM
Standard form for the submission of complaints

1.a Personal data of the complainant

Name / Business Name Last name Personal number / Unique
number of the legal entity

Residential address/business Town
location

Phone number e- mail

1. b Personal data of the legal representative (if applicable) (an authorization or other official document as evidence of the appointment of the representative)

Name / Business Name Last name Identification number/unique
number of the legal entity

Residential address/ business Town
location

Phone number e- mail

1. c. Information on the complaint

Description of the purpose of the complaint (please clearly specify the object of the complaint)

Please attach all the information that supports the mentioned facts

Description of damage, loss or damage caused (where relevant)

Other comments or relevant information (where necessary)

Date: __/__/202__