



Pursuant to Article 35, paragraph 1, subparagraph 1.1, and Article 65 of the 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), as amended and supplemented by the Law No. 05/L-150 (Official Gazette of the Republic of Kosovo, No. 10/03 April 2017) and Article 4, paragraph 3, Article 60, Article 61 and Article 62 of Law 05/L-045 on Insurances (Official Gazette of the Republic of Kosovo, No. 38/24 December 2015), the Board of the Central Bank, at its meeting held on 27 March 2025, adopted the following:

**REGULATION ON AMENDING AND SUPPLEMENTING THE REGULATION ON THE
CALCULATION OF THE MINIMUM LIMIT OF SOLVENCY, CAPITAL ADEQUACY
AND GUARANTEE FUND FOR NON-LIFE INSURERS**

**Article 1
Purpose**

The purpose of this regulation shall be amending and supplementing the Regulation on the calculation of the minimum limit of solvency, capital adequacy and guarantee fund for non-life insurers approved by the Board of the Central Bank on 30 May 2019 (hereinafter: the basic regulation).

Article 2

1. In Article 2 paragraph 1 of the basic regulation, after subparagraph 1.10, subparagraph 1.11 shall be added with the following text:
 - 1.11 Repossessed assets - are mortgages (in the case of immovable property) or pledges (in the case of movable property) which the insurer has used as collateral (security instrument) when contracting an insurance coverage and for which the insurer acquires the right of ownership according to the relevant legislation in force.

Article 3

1. The numbering of the subparagraphs of paragraph 2 of Article 6 of the basic regulation, shall be amended in such a manner that the numbering from 1.1 to 1.13 of the subparagraphs shall be amended to 2.1 to 2.14.
2. Article 6, paragraph 2, subparagraph 2.8 (as numbered from paragraph 1 of this article) of the basic regulation shall be amended and supplemented as follows:
 - 2.8. Land, buildings and equipment as defined by IAS 16 Property, Plant and Equipment and right-of-use assets as defined by IFRS 16 Leases of property/facilities that are used as space necessary for carrying out its business activity, for providing services and for administrative purposes which:

- 2.8.1. are not registered or notarized in the name of the insurer;
 - 2.8.2. properties are not recorded in the books according to the value determined based on the assessment of a licensed evaluator in the Republic of Kosovo and the CBK Regulation on the valuation of immovable property;
 - 2.8.3. are mortgaged and are not free from any other encumbrance. These assets will be considered deductible to the extent that the properties may be allowed to be counted against the liabilities they cover.
 - 2.8.4. exceed 75% of the core capital. The portion of the value carried over 75% of the core capital will be deducted from the capital. In circumstances that justify a percentage higher than 75% of the core capital according to the CBK's assessment, the CBK may allow an exemption of up to 100% of the core capital for up to 3 months. In such cases, the insurer must seek prior approval from the CBK.
 - 2.8.5. which were made without the prior approval of the CBK, excluding assets defined by IFRS 16 – Leases, for which prior approval from the CBK is not required.
3. Article 6, paragraph 2, subparagraph 2.9 (as numbered from paragraph 1 of this Article) of the basic regulation shall be amended as follows:
- 2.9. The assets repossessed shall be as follows:
- 2.9.1. 25% of land, buildings and rights in immovable assets that have been repossessed for the settlement of obligations under insurance contracts and that are held by the insurer for more than 3 months but less than 6 months and that are not used as space necessary for carrying out its business activity, for the provision of services and for administrative purposes.
 - 2.9.2. 50% of the land, building and rights in immovable assets that have been repossessed for the settlement of obligations under insurance contracts and that are held by the insurer for more than 6 months but less than 9 months and that are not used as space necessary for carrying out its business activity, for the provision of services and for administrative purposes.
 - 2.9.3. 75% of the land, building and rights in immovable assets that have been repossessed for the settlement of obligations under insurance contracts and that are held by the insurer for more than 9 months but less than 12 months and that are not used as space necessary for carrying out its business activity, for the provision of services and for administrative purposes.
 - 2.9.4. 100% of land, buildings and rights in immovable assets that have been repossessed for the settlement of obligations under insurance contracts and that are held by the insurer for more than 12 months and that are not used as space necessary for carrying out its business activity, for the provision of services and for administrative purposes.
 - 2.9.5. 50% of movable assets that have been repossessed for the settlement of liabilities under insurance contracts and which have been held for sale for more than 3 months but less than 6 months.
 - 2.9.6. 100% of movable assets that have been repossessed for the settlement of liabilities under insurance contracts and which have been held for sale for more than 6 months.

4. In Article 6, paragraph 2, a new subparagraph numbered 2.10 shall be added with the following text:
 - 2.10. Investment Property as defined in IAS 40 Investment Property excluding IFRS 16 Leases, which are entered into without prior approval of the CBK, or which meet the requirements set out in Article 3, paragraph 2, subparagraphs 2.8.1, 2.8.2 and 2.8.3 of this Regulation as well as the portion exceeding 15% of the core capital.
5. The numbering of subparagraphs 2.10 to 2.13 (according to the numbering from paragraph 1 of this article) of Article 6, paragraph 2 of the basic regulation, shall be amended as numbering from 2.11 to 2.14.

Article 4

Transitional provisions

For properties already recognized as capital by insurers and approved by the CBK before the entry into force of this regulation, which cause changes in the structure and adequacy of capital resulting in a capital shortage, the period of adaptation to the requirements of this regulation, according to paragraphs 2 and 3 of Article 3, shall last until 31 March 2026.

Article 5

Entry into force

1. All other provisions of the basic regulation shall remain in force, except for the provisions amended and supplemented by this regulation which take effect from the entry into force of this regulation.
2. This regulation shall be an integral part of the basic regulation.
3. This regulation shall enter into force on 1 July 2025.

Dr.sc. Bashkim Nurboja

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