**DECREE**

**No. 3762, dated 18/07/2016**

**ON THE APPROVAL OF THE PROPOSAL OF THE BOARD OF DIRECTORS OF THE DEPOSIT INSURANCE AGENCY**

Pursuant to and in view of the implementation of Article 53, point 5, letter "b", of Law No. 53/2014, dated 22/05/2014, "On Deposit Insurance", as amended; Article 53, point 4, of Law No. 8269, dated 23/12/1997, "On the Bank of Albania", as amended, and Decision No. 13, dated 08/06/2016, of the Board of Directors of the Deposit Insurance Agency,

I ORDER:

1. The approval of the Regulation "On compensation of insured deposits", according to the text attached to this decree.
2. The Deposit Insurance Agency shall be in charge of following-up the implementation of this decree.
3. The Research Department shall be in charge of publishing the Decree in the Official Gazette of the Republic of Albania.
4. The Decree shall enter in force 15 days after its publication in the Official Gazette of the Republic of Albania.
5. Upon the entry into force of this Decree, Decree No. 1827, dated 16/03/2008, on the adoption of the Regulation "On Deposit Compensation", shall be abrogated.

GOVERNOR OF THE BANK OF ALBANIA

**Gent Sejko**

**REGULATION**

ON THE COMPENSATION OF INSURED DEPOSITS

CHAPTER I

GENERAL PROVISIONS

Article 1

**Objective**

The objective of this Regulation is to determine:

1. the general rules regarding the stages, modalities and terms of compensation of the insured deposits;
2. rules applicable to the procurement of goods and services by the Agency to meet its functions in the event of the compensation of deposits;
3. relations between subjects participating in the process of the compensation of deposits.

Article 2

**Legal basis**

This regulation is drafted in support of and in view of the implementation of article 1, point 2, articles 11, 38, 39, 40, 41, 42, point 7, and article 44, point 2, of Law No. 53/2014, dated 22/05/2014, "On deposit insurance", as amended, as well as article 53, point 4, of Law No. 8269, dated 23/12/1997, "On the Bank of Albania", as amended.

Article 3

**Subjects**

The subjects of this Regulation are the banks and Savings and Credit Associations, liquidators, subjects under compulsory liquidation, agent banks and supporting subjects outsourced by the Agency to conduct the compensation process.

Article 4

**Definition of terms**

1. The terms used in this Regulation shall have the same meanings as in the provisions of the Law "On Deposit Insurance", as amended.
2. For the purposes of this Regulation, the following terms shall have the following meanings:

a) Agent bank is the member bank of the deposit insurance scheme, selected by the Board of Directors of the Agency to conduct the compensation process on behalf of and for the account of the Agency as a pay-out agent.

b) Subject under compulsory liquidation is the subject undergoing the compulsory liquidation process according to the Law "On Banks in the Republic of Albania" and the Law "On Savings and Credit Associations".

c) Outsourced subject is the individual, the trader or legal person, selected by the Agency for the provision of services and goods for the preparation and implementation of the compensation process.

ç) Single Customer View are consolidated data for the identification of each depositor uniquely in the IT system of the subject member of the scheme, through personal data of a specific depositor, specifying the exact amount of compensation the concerned depositor shall benefit.

d) The paylist is the document submitted by the Liquidator, containing the Single Customer View of depositors who receive compensation and the respective amounts for compensation from the Agency, sent to the agent bank following the verification process from the Agency.

f) Due unpaid obligations are obligations of depositors toward the subjects member of the scheme, calculated starting from the next day after their maturity date.

e) The representative of the depositor is a person authorized by power of attorney or by law, the heir of the depositor, or any other individual whom, on the basis of the legal rights, appears to benefit the compensation of deposit.

ë) Simulation is a process for testing the ability of the Agency, subjects of the deposit insurance scheme and outsourced subjects to conduct the compensation process.

f) The IT System for Reporting and Compensation of the Deposit Insurance Agency shall have the same meaning as the term defined in point 4, Article 26, of Law "On Deposit Insurance", as amended, hereby referred to as the IT System for Reporting and Compensation.

1. Titles and chapters in this Regulation are only used for orientation and referral and are not intended to condition or limit the interpretation of definitions and provisions of this Regulation.
2. Words in singular, in this Regulation, can be interpreted in plural and vice versa, whenever such a thing is necessary from the content of the provision.

5. Terms in masculine shall imply both feminine and vice versa.

CHAPTER II

PREPARATION FOR COMPENSATION IN DAY-TO-DAY ACTIVITIES

Article 5

**Human resources**

1. The Agency is entitled to employ additional staff, with term contracts, and without a contest procedure, who may be employees of the Supervisory Authority and the agent bank, experts from counterpart institutions, as well as international experts.
2. The Agency shall carry out constant trainings for its human resources as well as human resources of the agent bank and outsourced subjects, in relation to the correct and timely implementation of the compensation process.

Article 6

**Information technology**

1. The Agency shall create, adjust and maintain the IT System for Reporting and Compensation for the purpose of prompt and accurate compensation of deposits.
2. Subjects member of the scheme shall meet the pay-list criteria with the Single Customer View, according to the standard file format established by a decision of the Board of Directors of the Agency and shall take part in simulations for this purpose.
3. Member subjects shall report the Single Customer View within the deadline specified in the request of the Agency.

Article 7

**Adequacy of financial means**

1. The Agency shall develop a strategy for the provision of liquid financial means as may be required for any member subject of the scheme and shall carry out an analysis of the costs of the compensation process and its modalities thereof.

2. The strategy for the provision of the required liquid assets shall be subject to simulation.

Article 8

**Public information and communication with depositors**

1. The Agency shall draft a strategy of public information and communication with depositors.
2. The Supervisory Authority and the Agency shall draft joint communication strategies for different scenarios of the insurance events.
3. The communication strategies shall be subject to joint simulations between the Supervisory Authority and the Agency.

Article 9

**Selection of the agent bank and the outsourcing of the supporting subjects**

1. The Agency shall carry out selection procedures for the agent banks and supporting subjects in accordance with Chapter IV of this Regulation and shall conduct simulations thereof with a view to meet their functions in the course of the compensation process.
2. Subjects member of the deposit insurance scheme shall report to the Agency, upon a request from the Agency, on contracts signed with different operators providing support services to them.

Article 10

**Verifications in subjects member of the scheme**

The Agency shall verify the following in member subjects:

1. data kept on deposits and depositors in the subject member of the scheme;
2. pay-list issued with the Single Customer View;
3. issued list of depositors, who may benefit, for social reasons, from preliminary and partial compensation payments.

Article 11

**Co-operation between the Supervisory Authority and the Agency**

1. The Supervisory Authority shall inform the Agency, in the event of circumstances that may cause insurance events, in order to take preparatory measures for the pay-out of the deposit compensation within a reasonable deadline.
2. The Supervisory Authority shall, *inter alia*:

a) invite employees of the Agency, in case of conducting inspections in the subject;

b) ensure the participation of the Agency in working groups established in cases specified in point 1 of this Article;

c) consult with the Agency on conducting an assessment of the costs of deposit compensation in order to determine the necessity of compensation by means of deposit pay-outs or transfer of the financial means of the Agency;

ç) provide to the Agency data on the financial situation of banks with the purpose of selecting the agent bank;

d) review for approval within 7 days, the proposal of the Agency on collection of premiums before the deadline, premium increase and collection of extraordinary contributions.

CHAPTER III

COMPENSATION PROCESS

Article 12

**Phases of the compensation process**

1. The compensation process is realized through the following three phases:
2. preliminary preparations for deposit compensation;
3. pay-out of deposit compensation; and
4. closure of the compensation process.
5. The Agency shall adopt internal acts on the organization of the compensation work in the Agency.

Article 13

**Preliminary preparations for deposit compensation**

1. The Board of Directors of the Agency shall authorize the General Director to conduct procedures for the preparation of deposit compensation, upon obtaining information from the Supervisory Authority according to Article 11, point 1, of this Regulation, or in any other case, when it deems appropriate, based on market conditions.
2. This phase shall last up to the beginning of the pay-out of compensations.
3. The General Director, upon obtaining the authorization from the Board of Directors, shall apply, but without limiting to, the following preparatory measures for compensation:

a) verifies data kept in the subject on deposits and depositors;

b) requires the subject to make available the pay-list with the Single Customer View of depositors and improve it according to the standard file format established by a decision of the Board of Directors of the Agency;

c) requires the subject to provide the list of depositors, who may benefit, for social reasons, from preliminary and partial pay-outs of compensation;

ç) reviews the strategy on providing liquid financial means needed for the compensation process in the respective subject, by aiming to optimize the costs and fulfilment of the legal time limits for compensation;

d) conducts an analysis of the compensation process costs and modalities thereof, pursuant to article 14, point 3, of this Regulation;

f) reviews the public information strategy;

e) verifies the fulfilment of the general and technical criteria by the agent banks and obtains economic offers for the assignment of the agent bank;

ë) obtains economic offers from outsourced subjects;

f) analyzes the adequacy of human resources and takes recruitment and training measures accordingly;

g) cooperates with the Supervisory Authority and the Ministry of Finance for the implementation of the compensation process;

gj) proposes a review of the regulatory framework and revises the internal acts, if deemed necessary.

Article 14

**Compensation of deposits**

1. Upon receipt of written notice by the Supervisory Authority on placing the subject under compulsory liquidation, the Board of Directors of the Agency shall adopt internal acts on the compensation of deposits, in particular the selection of the agent bank as well as the budget review, including the use of invested financial means.
2. Within twenty working days from the receipt of the notification under point 1 of this article, the Agency shall commence the payment of the deposit compensation.
3. The modalities for the payment of compensation, other than those provided in the Law “On Deposit Insurance”, as amended, shall be as follows:
4. payment via postal service;
5. ATM payments; or
6. a combination of the allowed payment methods.

Article 15

**Submission of the pay-list**

1. The Liquidator shall submit to the Agency the pay-list with the Single Customer View of depositors, within 2 days from the placement of the subject under compulsory liquidation. The pay-list shall be submitted to the Agency by uploading data to the IT System for Reporting and Compensation, according to the standard file format established by a decision of the Board of Directors of the Agency, as well as by written document accompanied by electronic mail.
2. The pay-list, according to point 1 of this article, shall contain the net value of deposits compensated to the maximum level of coverage, from which are deducted all liabilities under the Law "On deposit insurance", as amended, including tax liabilities payable in accordance with the legislation in force.
3. The uploading of data to the IT System for Reporting and Compensation is accompanied by the submission of the compliance statement set out in Annex 2 of this Regulation. The statement is signed by the Liquidator and the responsible persons in charge of drafting the payment list.
4. The Agency shall verify the data uploaded to the IT System for Reporting and Compensation, which are classified into three groups:

* fully compatible and ready for pay-out data;
* partially compatible and suspicious data;
* inaccurate and blocked data.

1. The cleaning out of data is conducted in order to identify incompatible data, such as typing errors, duplicated personal data or other irregularities.
2. Fully compatible and ready for pay-out data are verified through the IT System for Reporting and Compensation, according to the acts approved by the Board of Directors of the Agency.
3. Data evaluated as fully compatible and ready for pay-out shall be approved by the relevant structures of the Agency, according to the acts adopted by the Board of Director and shall be included in a pay-list, consolidated for each depositor.
4. The accurate and consolidated pay-list for compensation of the insured depositors, both in written and electronic form, shall be sent to the agent bank or the subject under liquidation according to the modality of compensation.
5. The remaining part of data is returned to the Liquidator for the respective specifications.
6. The Liquidator shall correct inaccurate, incomplete, false or counterfeit data and shall upload them in the same manner, according to the definitions of this article and the deadline set by the Agency.

Article 16

**Co-operation with the Liquidator**

1. In the compensation process, the Liquidator shall co-operate with the Agency, in view of:

a) conducting the compensation process through the subject under compulsory liquidation and / or the agent bank;

b) examining complaints from depositors concerning the compensation of deposits;

c) informing the employees of the subject under compulsory liquidation and depositors about the compensation of deposits;

ç) protecting the interests of the Agency for the coverage of expenses and amounts paid for the liquidation process.

1. The Liquidator meets the criteria for the Single Customer View of the depositors, according to article 15 of this Regulation.
2. The Liquidator shall deliver to the Agency the information provided in the Law on Deposit Insurance, as amended, and any other information requested by the Agency, in particular, in view of:

a) accounting and statistical statements on transactions with deposits over the last three months before the subject was placed under liquidation;

b) data on frauds or deposits used for money laundering or terrorist financing;

c) data on payment points of the subject under liquidation set up for the compensation of deposits and their working regime, in case the compensation is carried out in the subject placed under liquidation;

ç) data on executed compensation payments, including preliminary and partial payments, if any, as well as the balance of the unpaid deposits, in case the compensation of deposits is carried out in a subject placed under liquidation;

d) data on the employees of the subject under liquidation and outsourced subjects related to the compensation of deposits;

dh) notifies the Agency of any complaints that may be filed by the depositors regarding the compensation of deposits and supports its examination thereof.

1. In case it is found out that the compensation was conducted based on false and inaccurate data, the Liquidator shall reimburse the Agency for the amount wrongly compensated.
2. When the compensation is conducted by the agent bank, the Agency shall inform the Liquidator of the compensated depositors.

Article 17

**Relationship with the agent bank**

1. The General Director shall sign the authorization for the compensation of deposits, which is sent to the Agent Bank, pursuant to Chapter IV of this Regulation.
2. The Agency shall send to the agent bank the pay-list with the Single Customer View of depositors, in accordance with Annex 1 of this Regulation, accompanied by a written memo as well as in electronic form.
3. The Agency shall transfer to the agent bank the liquid financial means for the compensation of deposits and pay for the provision of this service according to the amounts negotiated, unless this service is provided free of charge.
4. The agent bank shall report to the Agency, upon a request from the Agency and in accordance with the terms and sample documents provided for in the contract of the Agency, in particular on the following:
5. amounts and number of depositors who have benefited compensations;
6. amounts and number of depositors remained to be compensated.
7. For matters not expressly regulated in this Regulation and the deposit compensation contract, parties shall act in accordance with the Law "On Deposit Insurance", as amended, and the by-legal acts in force.

Article 18

**Public information and communication with depositors**

1. The Agency shall inform the public and communicate with depositors on the commencement, progress and completion of the compensation process.
2. The information and communication ways are, but without limitation to, the following:

a) press conferences;

b) publications, media communications;

c) notifications in the official website of the Agency;

ç) communications through free of charge telephone lines and call centres;

d) communications through the electronic profiles of the Agency in social networks.

Article 19

**Pay-out procedures**

1. To benefit a deposit compensation, depositors should submit their identification documentation according to Annex 3 of this Regulation.
2. The payout procedure for the compensation amount shall be in accordance with Annex 3 of this Regulation and the deposit compensation contract.

Article 20

**Depositors’ claims**

1. Every depositor benefitting from the deposit insurance scheme may submit his/her claims by filling out a sample document approved by the General Director of the Agency and published in the official website of the Agency.
2. The complaint may be filed within sixty calendar days from the rejection of the deposit compensation.
3. The compensation payout shall be rejected if:
4. the identification data submitted, as well as the amount of the claimed deposit, do not match with the pay-list data;
5. the claimer of the insured amount is not included in the pay-list.
6. The Agency shall provide the Liquidator with data on claims filed with the agent bank and shall obtain data on claims filed by depositors with the subject placed under compulsory liquidation.
7. In the event the deposit compensation is conducted in a subject placed under compulsory liquidation, the Liquidator shall keep consolidated data on depositors' claims filed with him/her and inform the Agency thereof, in accordance to the request of the Agency.
8. The Agency and the Liquidator shall examine the claims together with the supporting documentation submitted by the depositors. The Liquidator shall correct the pay-list data according to the decision of the Agency on claims and submit it to the Agency in the same manner, in accordance with article 15 of this Regulation.
9. If deemed that in order to asses the complaint, other documents and facts need to be submitted to prove the claim for deposit compensation, the depositor shall submit them within 8 working days from the notification of the Agency.
10. Each depositor is entitled to appeal the decision of the Agency to the Supervisory Authority within 15 calendar days from the date of the decision of the Agency.

Article 21

**Closure of the compensation process**

1. By the end of the legal timeline for compensation, the Board of Directors of the Agency shall take decisions on the closure of the process, according to the internal acts of the Agency.
2. The Board of Directors of the Agency shall analyze the dynamics of the compensation process through reports from subjects involved, and shall adopt a plan of measures aiming to improve the process.
3. By the end of the compensation process, the Agency shall notify the depositors who have failed to appear within the deadline for compensation.

CHAPTER IV

SELECTION OF THE AGENT BANKS AND OUTSOURCING OF SUPPORTING SUBJECTS

Article 22

**Selection phases of the agent banks and supporting subjects**

1. Pursuant to Article 42, point 7, of the Law on Deposit Insurance, as amended, the selection of the bank agents goes through two phases:
2. First phase - evaluation of banks member of the scheme according to the general and technical criteria and signature of deposit compensation contracts with banks selected from the preliminary list. This phase takes place during the day-to-day operations, according to Chapter II of this Regulation. The preliminary list consists of no more than three member banks which meet the general criteria and receive the highest scores from the assessment of the technical criteria in descending order, according to Annex 4 of this Regulation.
3. Second phase - evaluation of the economic offers of banks selected from the preliminary list during the preliminary preparation, according to Article 12, point 1, letter "a" of this Regulation and delivery of authorizations to conduct the compensation process to the winning agent bank, following written notification from the Supervisory Authority on placing the subject under compulsory liquidation.
4. In case of inability to carry out the selection procedures for the agent bank, the Board of Directors of the Agency, upon the proposal of the General Director, shall decide to sign the contract directly with one of the banks member of the scheme. In this case, the Board of Directors may request the official opinion of the Supervisory Authority on the direct selection of the agent bank.
5. Pursuant to Article 42, point 7, of the Law on Deposit Insurance, as amended, the selection of the supporting subjects shall be carried out during the period of preparation for compensation in the day-to-day operations, according to Chapter II, as well as during the compensation process, according to Chapter III of this Regulation.

Article 23

**Competencies for the selection of the agent banks**

1. Every three years, the Board of Directors of the Agency shall select the agent banks among banks member of the deposit insurance scheme.
2. The Board of Directors of the Agency shall establish a Standing Evaluation Commission for the selection of the agent banks. This decision shall also determine the Chairman of the Commission.
3. The Standing Evaluation Commission consists of 5 persons, as follows: one member from the Board of Directors of the Agency, the General Director of the Agency, one representative from the Supervisory Authority and employees of the Agency. The Commission may also include specialists / experts in the field. The Supervisory Authority, upon a request from the Standing Evaluation Commission, shall submit its official opinion on the financial situation of banks member of the scheme, including data not earlier than three months from the assessment date.

Article 24

**First phase – selection of the banks from the preliminary list**

1. The selection of member banks from the preliminary list shall be carried out during the period of preparation for compensation, in the course of the daily activity, according to Chapter II of this Regulation. This phase begins by sending invitations to the banks member of the scheme and ends with the decision of the Board of Directors of the Agency on the selection of the banks for the preliminary list.
2. The Board of Directors of the Agency shall authorize the Standing Evaluation Committee to initiate procedures under this Article.
3. The General Director shall sign the invitations to be sent to all the banks member of the scheme. Invitations are accompanied by the general and technical criteria of qualification, instructions, and terms of deposit compensation contracts as well as any other necessary information.
4. The evaluation of the banks member of the scheme by the Standing Committee shall be carried out in accordance with the criteria and procedures set out in Annex 4 of this Regulation.
5. The Board of Directors shall examine the report of the Standing Evaluation Committee and take a decision on the signature of a contract to conduct the compensation process with no more than three member banks ranked first in the classification.
6. Contracts are signed with three member banks which are estimated to:
7. meet the general criteria; and
8. receive the highest scores for meeting the technical criteria, in descending order.
9. The acts of the Board of Directors of the Agency for the selection of the agent banks are final and may not be appealed.

Article 25

**Signature of contracts with the banks selected from the preliminary list**

1. Deposit compensation contracts shall be signed by the General Director of the Agency within the time limit set in the decision of the Board of Directors on the selection of the banks for the preliminary list.
2. The term of the contract is 1 year (one year), with a one-year right to re-election for the other 2 (two) upcoming years.
3. The Director General shall approve and sign the sample contract for compensation of deposits with the agent banks, which defines the rights and duties of the parties, the terms of service delivery and the relevant guideline documents.
4. Banks selected from the preliminary list, with which deposit compensation contracts have been signed, shall be re-evaluated annually by the Standing Evaluation Committee concerning the compliance with the general and technical criteria.
5. The contract is considered as renewed for 1 (one) year, if the bank, by a decision of the Board of Directors of the Agency, meets all the general and technical criteria.
6. The Agency shall take measures for the selection of the agent banks from the preliminary list, 6 months before the end of the effective contracts with the banks selected from the list.

Article 26

**Second phase – evaluation of the economic offers**

**Selection of the agent bank in the insurance event**

1. The selection of the agent bank from the preliminary list is carried out once the Board of Directors of the Agency authorizes the Standing Evaluation Committee to initiate procedures under this Article. The decision shall also define the limit fund for the pay-out of the agent bank for the service provided, upon the proposal of the Standing Evaluation Committee. This fund shall be applicable if none of the offers to be submitted by the selected banks includes the provision of free service.
2. This phase begins with the delivery of requests for economic offers to the banks included in the preliminary list and ends with the decision of the Board of Directors of the Agency on the selection of the winning agent bank.
3. Prior to receiving any economic offers, and if deemed reasonable, the Standing Evaluation Committee may verify the fulfilment of the general and technical criteria by the banks included in the preliminary list, according to point 6, Article 24, of this Regulation.
4. The General Director shall sign the request for offer to be sent to the banks included in the preliminary list.
5. If deemed reasonable, the Standing Evaluation Committee shall conduct negotiations with the banks to clarify and improve the terms of the contracts; the modalities of transfer of the monetary financial means of the Agency; the list of branches and the bank payment points; as well as the service delivery methodology and composition of the staff involved with the compensation process.
6. Banks shall submit their economic offers for deposit compensation services within the deadline set forth in the notification of the Standing Evaluation Committee.
7. The Standing Evaluation Committee shall submit the evaluation report for examination to the Board of Directors, with a classification of the submitted offers in descending order. The bank that is deemed to have submitted the most economically advantageous offer, according to Annex 4, of this Regulation, shall be ranked first.
8. The Board of Directors shall decide on the selection of the agent bank only after receiving written notification from the Supervisory Authority on the placement of the subject under compulsory liquidation. This decision shall determine the manner of payment of the compensation, the payment of the agent bank (if any), and the transferring modality of the monetary financial means of the Deposit Insurance Agency, etc.
9. Whenever it deems reasonable, the Steering Council may select more than one agent bank from the preliminary list.
10. The wining agent bank(s) shall be sent the authorization for compensation of deposits not later than the next working day following the decision of the Board of Directors.
11. The decision of the Board of Directors on the selection of the agent bank(s) shall enter into force immediately and shall be published in the official website the Agency.
12. If the winning agent bank(s) infringes the terms of the contract or withdraws, the Board of Directors of the Agency shall take a decision to replace it and select the agent bank that is ranked second in the final assessment.

Article 27

**Selection of the supporting subjects**

1. The supporting subjects that provide services and goods for the preparation and compensation of deposits may include: services for the development and maintenance of the IT System for Reporting and Compensation and other electronic platforms; accounting and supporting services for actions related with the compensation pay-list, audit services, legal services; call centres; professional consultancy services; financial services; recovery evaluation services, mediation and reconciliation services, physical storage services.
2. The organizational units of the Agency shall submit to the General Director a proposal on outsourcing of the supporting subjects through a market research on contract limit values, technical specifications, terms of reference and qualification criteria. Determination of the limit fund is based on the full amount payable, without VAT, in the domestic market and, if deemed necessary, on the amounts payable from counterpart deposit insurance schemes.
3. The General Director, based on the proposal of the organizational units of the Agency, shall require the Board of Directors to grant the authorization to initiate the selection procedures for the supporting subjects. The decision of the Board of Directors shall determine the categories of supporting subjects for which the selection procedures shall be conducted and the respective limit funds for each contract.
4. Upon the proposal of the General Director, the Board of Directors shall decide on the receipt of services and goods, according to point 1 of this Article, from subjects that are or have been contracted by the Agency, without undergoing selection procedures, when deemed that the fulfilment of their obligations has been satisfactory.
5. Subjects providing goods and / or services other than those specified in point 1 of this article (maintenance, chancellery, transportation, conferences, fuel, postal services, trainings, staff accommodation, roundtables, free of charge telephone lines, information and promotional materials, etc.) are directly contracted in the compensation process, by order of the General Director, upon a proposal from the respective sector of the Agency, according to Chapter III of this Regulation.

Article 28

**Evaluation of the supporting subjects**

1. The General Director of the Agency shall establish a Unit for the evaluation of the supporting subjects set out in paragraph 1, Article 27, of this Regulation, except for cases for which point 4, article 27, of this Regulation applies. The Unit shall consist of 3 persons and may be composed by the employees of the Agency and / or specialists / experts in the field.
2. The Evaluation Unit shall send an invitation for offer to no more than 3 (three) supporting subjects of the same nature. Invitations are accompanied with the qualification criteria, instructions, contract terms and any other necessary information.
3. The evaluation of the supporting subjects by the Evaluation Unit shall be carried out in accordance with the criteria and procedures set forth in Annex 4 of this Regulation.
4. The Evaluation Unit shall compile a report, classifying subjects that meet the qualification criteria according to the descending order of submitted offers. The subject that has offered the lowest price shall be ranked first.
5. The General Director shall examine the report of the Evaluation Unit and order the signature of the contract with the winning subject for each category.
6. The General Director shall approve and sign the sample contract for service provision and supply of goods, if any, with the supporting subjects.
7. The orders of the General Director on the selection of subjects are final and may not be appealed.

Article 29

**Cancellation of the selection procedures**

1. In accordance with the decision of the Board of Directors of the Agency or by order of the General Director pursuant to the respective competencies, the selection procedures shall be cancelled in the following cases:
2. if no documents or offers have been submitted from the banks and / or subjects within the specified timelines;
3. if on the basis of the evaluation results, a decision on the rejection of all banks and / or subjects has been taken due to non-fulfilment of the criteria.
4. In cases of cancellation of procedures, according to point 1 of this Article, the Board of Directors of the Agency shall have the right to decide, on:
5. repetition of procedures;
6. signature of contracts directly with a bank or supporting subject as defined in point 1, Article 27.

CHAPTER V

FINAL PROVISIONS

Article 30

**Sanctions**

1. In the event of violation of the provisions of this Regulation and acts approved thereof by the Liquidator or the employees of the subject under liquidation, The Agency shall propose sanctions to the Supervisory Authority.
2. In the event of violation of the provisions of this Regulation and acts approved thereof by the outsourced supporting subjects, The Agency shall apply the sanctions set forth in the signed contract.

Article 31

**Action Plan for compensation**

The General Director of the Agency shall adopt, within six months from the entry into force of this Regulation, an Action Plan containing sample documents and internal operational procedures of the Agency for the preparation and conduct of deposit compensation.

Article 32

**Entry into force**

1. This Regulation shall enter into force 15 days after its publication in the Official Gazette.
2. This Regulation shall repeal the Regulation "On Deposit Compensation" and the Guideline "On Procedures of Deposit Insurance Compensation", approved by Decree No. 1827, dated 06/03/2008, of the Governor of the Bank of Albania.

ANNEX 1

PAY-LIST

**For individuals**

|  |  |  |
| --- | --- | --- |
| **No.** | **Description** | **Comments** |
| 1 | Unique code of the depositor in the bank / SCAs | According to data in the bank /SCAs under compulsory liquidation |
| 2 | Name | Name |
| 3 | Father’s name | Father’s name |
| 4 | Surname | Surname |
| 5 | Surname before marriage | Surname before marriage |
| 6 | Gender | Gender |
| 7 | Type of identification document | 1. ID |
| 2. Passport |
| 3. Other |
| 8 | Personal identification number of the depositor | Unique identification number according to the ID document |
| 9 | Number of the identification document | Number of the identification document |
| 10 | Date of issuance of the ID document | Date of issuance of the ID document |
| 11 | Date of expiry of the ID document | Date of expiry of the ID document |
| 12 | Birthday | Birthday |
| 13 | Address | Address |
| 14 | Phone number | Phone number |
| 15 | e-mail | e-mail |
| 16 | Compensation amount | Total amount to be compensated to the depositor |
| 17 | Date of submission of the pay-list | Date of submission of the pay-list |

**For traders and companies**

|  |  |  |
| --- | --- | --- |
| **No.** | **Description** | **Comments** |
| 1 | Unique code of the depositor in the bank / SCAs | According to data in the bank /SCAs under compulsory liquidation |
| 2 | Name of subject | Name of subject |
| 3 | Unique ID number of the subject | NIPT |
| 4 | Date of registration of the subject | According to the NRC extract |
| 5 | Legal form | TR, SHA, SHPK, SHK, SHKM |
| 6 | Address | Address |
| 7 | Phone number | Phone number |
| 8 | e-mail | e-mail |
| 9 | Compensation amount | Total amount to be compensated to the subject |
| 10 | Date of submission of the pay-list | Date of submission of the pay-list |

ANNEX 2

DATA COMPLIANCE STATEMENT

We hereby declare that the information provided in the standard file format established by a decision of the Board of Directors of the Agency was prepared and submitted to the Agency in accordance with the requirements of the Law on Deposit Insurance, as amended, and the Regulation on deposit compensation.

The Units in charge of preparing and monitoring this information ensure the authenticity of the transaction registration and the fact that the information provided to the Agency in the Standard File Format, in their best knowledge, is true and accurate. Data processing systems comply with the requirements of the Agency.

ANNEX 3

PAY-OUT PROCEDURE FOR THE AMOUNT OF COMPENSATION

1. Compensation of pay-out to individual depositors
2. The compensation pay-out shall be effectuated through the concrete verification of the identity of the individual and of the identification document data (biometric passport or identity card), as follows: name, surname, personal identification number.
3. Once the identity of the depositor entitled to compensation has been confirmed, the agent bank photocopies his/her identification document, fills in the missing data on the pay-list, and issues a certificate / mandate for the compensation payout, defining the value of money withdrawn or transferred to another bank account. A copy of this certificate / mandate shall be sent to the Agency.
4. Following the signature of the certificate from the depositor and the responsible employee, the compensation payout shall be effectuated or the money transfer order shall pass to the account specified by the depositor.
5. In case of a payout compensation claim from a minor, 14 to 18 years of age, the notarized approval of his/her legal representatives (parents, adopters, guardians) must be submitted for an individual appearance of the minor in order to benefit the compensation.
6. The payout of the compensation amount in cases when the beneficiary is a minor may be done through transfer to another bank account opened by the parents or the legal custodians of the minor, on behalf of the latter. Payment in any other form shall be possible only if a Court decision is submitted to authorize such action.
7. Documents submitted by the legal representative of the minor beneficiary of the deposit shall be as follows:
8. birth certificate of the minor beneficiary of the deposit - for the parents;
9. birth certificate of the adopted minor - for the adoptive parents;
10. decision of the guardianship and care body on assigning the custodian of the minor - for custodians;
11. identification document of the minor.
12. The payout of the compensation amount for persons with limited capacity to act, other than those specified in the above points, as well as persons who are not competent to act shall only be effectuated when granted by a decision of the Court, except in cases when the payouts are transferred to the bank accounts of those persons in other banks.
13. Documents submitted by the legal representative of the depositor with limited capacity or lacking the capacity to act, shall be as follows:
14. identification document of the depositor with limited capacity (lacking the capacity) to act;
15. decision of the guardianship or care body that acknowledges the depositor as a person with limited capacity (lacking the capacity) to act and the decision on the appointment of the guardian.
16. In cases when the authorized person shows up to benefit the deposit, the identity of the authorized person must also be verified, in addition to the identity of the authorizing depositor. The authorized person shall also submit the original power of attorney or a notarized copy. The power of attorney of the representative of the depositor must contain the data of the identification document of the depositor. For power of attorneys compiled outside the territory of the Republic of Albania, the apostil legalized by the diplomatic or the consular representation of the Republic of Albania should be included, unless otherwise provided in the relevant international agreement. The power of attorney and apostil drafted in a foreign language must be accompanied by a certified translation in Albanian language. If the notary does not possess the ability to translate a specific language into Albanian, the translation may be done by a translator, whose authenticity of signature is notarized by the notary.
17. The payout of the compensation amount for heirs shall only be done if a Court decision on the recognition of the title of heir is submitted, as well as a Court decision on the division of inheritance or an inheritance-sharing agreement in the form of a notary act. If, in documents submitted by individuals, the depositor’s identification data are missing, such data shall be considered as valid if the pay-list data are in full compliance with data of the inheritance document proving the right of the individual to inherit.
18. In cases when the holder with full rights of a deposit has died before / after the subject is placed under compulsory liquidation and such fact was not known to the Liquidator at the time of the preparation of the pay-list, the agent bank shall not effectuate the pay-out, and shall require the Agency to review the list for the case in question. The Agency, as it sets out the list of persons authorized to withdraw the compensation amount, completes it by including the heirs of the dead depositor (*mortis causa*).
19. Payout of compensation to traders and companies
20. The payout of compensation to traders and companies shall be effectuated through the submission of the following documents:
21. The original extract from the National Registration Centre of the trader/company, which holds a date not earlier than 10 days from filing for compensation benefit; for subjects registered abroad, a certificate of registration, translated and legalized by the consular service of the Ministry of Foreign Affairs of the Republic of Albania, holding a date not earlier than 10 days from the appearance for compensation benefit.
22. Certificate of registration of the trader / company to the tax authority, whose authenticity with the original is to be certified by the notary, not prior to 10 days from the appearance for compensation benefit;
23. Authorization from the administrator of the subject to transfer the compensation amount to his/her bank account. The name of the person signing the authorization should be included in the NRC extract. This authorization should necessarily specify the IBAN and the exact name of the bank where the compensation amount shall be transferred.
24. Submission of data and identification documents (biometric passport or identity card) of the individual submitting the authorization / form for transferring the compensation amount.
25. Upon receiving the consent of the depositor benefiting the compensation, the agent bank shall provide the depositor with the relevant document confirming the payment, specifying the amount of money transferred to another bank account and a copy of such document is to be sent to the Agency.
26. Following the confirmation of the identity of the depositor receiving the compensation, the agent bank shall administer the submitted documents, photocopy the identification document of the person, fill out the missing data on the pay-list, and issue a certificate for the payment of compensation, specifying the amount of money transferred to another bank account. A copy of this certificate is to be sent to the Agency.
27. Upon signature of the certificate by the depositor and the responsible employee, the compensation payment shall be effectuated or the order on money transfer to the account specified by the depositor shall be executed.
28. Upon signature of the document from the depositor and the responsible employee, the order on money transfer to the account specified by the depositor shall be executed.

- The following do not affect the result of the data verification:

1. the result of the verification of elements, such as: surname, father’s name and surname, shall be accepted if not more than two signs do not match when written. For example, Artan - Artin, Mariana - Marjana, Baci - Baçi, Nerenxa - Nerënxa.
2. mismatch of letters "е" and "ë", "c" and "ç", "Е" and "Ё", "C" and "Ç" in written names and surnames;
3. writing manner of dual names (surnames), in accordance to local customs (for example, Paulin at Shtjefni). In such cases, small or big letters may be used, "-" and “ ’ “ may be included or removed, and the letter may be changed in order to fit with a usable element of the name, which intends gender or place.
4. The agent bank shall attach to the pay-list all the documentation justifying the payout of compensation, submitted by the depositor or third parties on behalf of and / or for the account of the depositor.

ANNEX 4

QUALIFICATION CRITERIA

1. **General selection criteria for banks and supporting subjects**
2. The Agency shall qualify subjects and banks, provided they meet these general criteria.
3. Subjects and banks must submit original or notarized documents, issued not earlier than three months from the date of the opening of the procedure, as follows:
4. confirmation that the bank / subject is not in a bankruptcy (custody) process, (active status);
5. confirmation that the bank / subject (their administrators) have not been convicted for a criminal offense;
6. confirmation that the bank / subject (their administrators) have not been convicted with a final court decision related to their professional activity;
7. confirmation that the bank / subject has met the fiscal obligations issued by the tax administration;
8. confirmation that the subject has paid all the social security obligations issued by the tax administration.

**2. Technical evaluation criteria. Bank points**

1. The number of branches, and payout and cash register points and their geographic distribution. [30%]
2. Technical capability for making payments, in particular for the IT system, which should be equipped with a database updated every 24 hours, [20%] and enable direct electronic money transfers as well as cash payment, and *on-line* payment branches and points.
3. Effective monitoring systems and internal audit systems for protection of *cash* transactions. [15%]
4. Ability to report at any time to the Agency, in particular report on the Single Customer View of depositors. [10%]
5. Readiness and ability to initiate deposit compensation within 2 (two) business days after the notification of the Agency. [20%]
6. Readiness to receive the depositors’ flow and documentation, and human and professional capacities to process complaints. [5%]

**TOTAL (technical proposal) 100%**

The minimum points for the technical proposal to be included to the preliminary list are 70%.

The selected winner shall be the agent bank that was evaluated with the maximal percentage for its technical proposal and submitted a free of charge or the cheapest economic offer. If two agent banks have been evaluated with the same high percentages for their technical proposals, the selected winner will be the agent bank which has submitted a free of charge or the cheapest offer. Economic offers shall be presented in value in ALL.

**C. Technical criteria for the selection of the supporting subjects**

Supporting subjects shall qualify, once they have met the following criteria deemed necessary by the Agency, as long as they are in proportion to the nature and size of the contract and non-discriminatory:

1. professional qualification: subjects shall submit their professional, industrial or commercial licenses issued by the competent state authorities for the required activities and for which a contract shall be signed;
2. technical skills: subjects shall prove they possess the necessary technical and professional qualifications, organizational capacities, machinery, equipment and other physical assets, organizational skills, reputation and credibility, adequate experience, similar contracts for the requested service, as well as the necessary staff to execute the contract;
3. economic and financial situation: subjects shall prove they possess the economic and financial capacity to execute the contract, by means of bank statements or, where appropriate, by means of a certification on professional risk insurance, financial statements or statement extracts, a statement of the total turnover of the subject and, if necessary, a statement of the turnover realized for a period up to the last 3 financial years.
4. legal capacities: subjects shall prove they possess the legal capacity to enter into contracts or, in case of merging companies, prove they enjoy such skills at the time of the signature of the contract.

**Evaluation procedure of banks and supporting subjects**

**A. Evaluation of general and technical criteria**

1. Members of the Evaluation Committee / Unit shall declare a conflict of interest and fulfil the obligation to preserve confidentiality throughout the procedure.
2. The Commission / Unit shall keep minutes and the documentation on the application of the selection procedures, including information on requests for participation and submitted offers, signed contracts and their implementation.
3. Envelopes for participation in the qualification procedure shall be received and opened simultaneously, in the presence of the members of the Commission / Unit, in a single day after the expiry of the deadline set for submitting them.
4. Envelopes submitted to the Commission / Unit beyond their acceptance deadline shall not be accepted and shall be returned to the respective bank / subject.
5. If the Commission / Unit notice any deficiencies in the documentation of the bank / subject, it may decide on its notification and establish a deadline to fill in such deficiencies. The notification of the bank / subject shall be carried out by the authorized member of the Commission / Unit. The evaluation process is suspended until completion of the documentation according to the notification of the Commission / Unit.
6. The Commission / Unit shall evaluate the compatibility of the documents submitted by the bank / subject with the qualification requirements.
7. As a general rule, the deadline to review the documents is determined by the Commission / Unit. The deadline may be postponed according to the decision of the Commission / Unit while notifying the Board of Directors of the Agency / General Manager.
8. Banks / subjects that fail to meet the criteria shall be disqualified and notified of their disqualification within seven days from the decision.

**B. Disqualification**

1. The Agency shall disqualify every bank / subject providing false information for qualification purposes, at any time, until the notification of the winning contract.
2. The Agency shall exclude from participation in the selection procedures every bank / subject, when there is information they have been convicted by a final court decision for any of the following criminal offenses:
3. participation in a criminal organization;
4. corruption;
5. fraud;
6. money laundering;
7. falsification.
8. The Agency may request each bank / subject to submit documents and, when in doubt, it may address the competent authorities to obtain the necessary information on the integrity and financial situation of the subjects concerned.
9. The disqualification decision may be taken by the Agency even if:
10. the bank / subject (or their staff) violates the law on the deposit insurance, as amended, and by-legal acts in force;
11. there is a discrepancy between the bank / subject and the criteria and requirements of the Agency evidenced during the verification and reporting process;
12. the bank / subject has not satisfactorily fulfilled the previous contracts with the Agency.
13. The decision on the disqualification of a bank / subject shall be taken by the Board of Directors of the Agency / General Director, upon the proposal of the Evaluation Committee / Unit. The notification thereof shall be submitted to the bank / subject not later than 7 working days from the respective decision.