

**Rulebook**  
**for the**  
**Licensing of**  
**Savings & Credit Associations**  
**and their Unions**

## **General**

### **Article 1**

- 1.1 The subjects of this rulebook are Savings & Credit Associations and their Unions
- 1.2 This rulebook stipulates the time period, procedures and conditions for the approval or refusal of the granting of a license, and also for its suspension or revocation, for the creation of activities stipulated in the Law No. 8782, dated 03.05.2001 "For Savings & Credit Associations", Chapter 2 "Activities", Articles 9,10,11.
- 1.3 The legal bases of this rulebook are Law No. 8269, dated 23,12,1997 "For the Bank of Albania", Law No. 8365, dated 02.07.1998 "For Banks in the Republic of Albania", article 12, Law No. 8782 , dated 03.05.2001 "For Savings & Credit Associations" 45, 46, 47.
- 1.4 Throughout this rulebook , savings & credit associations and their unions will be referred to as "associations" for simplicity's sake. Terms used have the same meaning as those defined in Law No. 8782, date 8782, dated 03.05.2001 "For Savings & Credit Associations", article 3 and in Law No. 8365, dated 02.07.1998, "For Banks in the Republic of Albania" Article 2.

## **Licensing**

### **Article 2**

The request from an association to obtain a license is made to the Bank of Albania. The chairman of the Board of Directors fills the request according to form no. 1, table no.1/1 which is accompanied by the documentation as below :

- 2.1 A declaration of commitment to respect, throughout its activity, Albanian legislation and sublegal acts issued by the Bank of Albania throughout the period of activity. This is to be signed by the Chairman of the Board of Directors, as in form no. 1, table 1/2
- 2.2 Decision of Registration issued by the Court of Tirana District
- 2.3 The complete documentation presented to the court, including Statute and internal acts.
- 2.4 Information on the members of the Board of Directors and the Supervisory Committee, as in form no.1, table 1/6
- 2.5 An official certificate for the chairman of the Board of Directors and the chairman of the Supervisory Committee, which verifies that they have not been convicted of any crime by the courts.
- 2.6 The names of members which are judicial persons.
- 2.7 A forecast to show the progress in the level of members, contributions, deposits, loans in the first 2 years , a balance sheet, income and expenditure account, according to form no. 1, tables (1/3), (1/4), (1/5).
- 2.8 Documentation is to be in the Albanian language, in 2 copies, in the original or by notarised photocopy.

### **Article 3**

### **The Approval or Refusal of a request for a License**

- 3.1 The Bank of Albania verifies that the documentation is completed and presented in accordance with the demands of this rulebook.
- 3.2 When the documentation presented is not complete and does not fulfill the requirements of this rulebook, the Bank of Albania issues a notice which details the material omitted, the inconsistency with the law or the extra information needed.
- 3.3 The omissions noted and the objections made in relation to the documentation presented, according to the requirements of the rulebook, are addressed within 1 month of the day on which notice is received. If they are not addressed, all documentation is returned to the applicant.
- 3.4 The date of acceptance of the request for a license is considered to be the date when the applicant has fulfilled the demands of the rulebook. The applicant is notified in writing of this date by the Supervisory Department.
- 3.5 The Bank of Albania approves or refuses the request for a license within 30 days of the day on which the applicant is notified in writing by the Supervisory Department. The decision is taken by the administrators of the Bank of Albania, the Supervisory Department notifies the applicant in writing of the decision within 10 days of the decision being made. In the case of refusal information for the reason for refusal is given.
- 3.6 The Bank of Albania may verify on-site the documentation presented.
- 3.7 The Bank of Albania reserves the right to seek extra information and to reasonable extension of time periods for decision making.
- 3.8 The Association, once it has received the license, respects at all times the acts of the Bank of Albania for supervision and reporting on its activity

### **Article 4**

#### **Publication and Registration**

- 4.1 The granting of a license to the subjects of this rulebook is published in the Official Bulletin of the Bank of Albania and in one newspaper with high circulation.
- 4.2 The Supervisory Department of the Bank of Albania maintains a register for public view where it enters all licenses granted. The pages of this register are numbered and sealed.
- 4.3 This register maintains the name of the association, the address of its central office, the addresses of the members of the Board of Directors and the Supervisory Committee.
- 4.4 A copy of this register is held for public view in the regional offices of the Bank of Albania.

### **Article 5**

#### **Suspension, revocation of License**

The administrators of the Bank of Albania decide to suspend or revoke the license when :

- 5.1 The license has been obtained on the basis of false information, regardless of whether the information has been given by the applicant or for the applicant (by another party), with regard to the fulfillment of requirements of Art.2 and of Art. 3, point 3.7

- 5.2 The association has not started its activity or has interrupted its activity for more than 6 months.
- 5.3 The General Assembly of the association decides to dissolve or liquidate the association
- 5.4 The association engages in activity contrary to Albanian legislation
- 5.5 The association does not consistently respect the rulebook of the Bank of Albania.
- 5.6 The financial situation of the association is getting worse, according to the indicators used.

The decision for suspension or revocation of the license is communicated immediately to the association along with the reasons for the decision.

The decision for suspension or revocation of the license is published in the Official Bulletin of the Bank of Albania and in one or a few local newspapers with high circulation. The decision comes into effect when the Bank of Albania stipulates and for a time period (in the event of suspension) stipulated by the Bank of Albania.

The association, once it has received official notice of the Bank of Albania decision to revoke its license, is immediately forbidden to create the activities in Articles 9,10,11 of the law no. 8782 date 03.05.2001 "For Savings & Credit Associations" during the period of suspension or revocation of its license.

#### **Article 6**

##### **Final Dispositions**

- 6.1 Savings and Credit Associations which are created and are members of a licensed are represented by the Union in the process of presenting the necessary documentation for the granting of a license by the Bank of Albania. In this case the documentation consists of :
  - a) the list of savings and credit associations, members of the union
  - b) a request for a license, signed by the chairman of the board of directors of the association and the chairman of the board of directors of the union, as in form no. 2, table (2/1)
  - c) a declaration of commitment signed by the chairman of the board of directors of the savings and credit association, as in form no. 2, table (2/2)
  - d) the information on the registration of the savings and credit association in the First Court of Tirana
  - e) form no. 2, table (2/3) for every member of the union, signed by the chairman of the board of directors of the savings and credit association and the chairman of the board of directors of the union.
  - f) information for members of the board of directors and the supervisory committee, as in form no.2, table 2/4
- 6.2 The union is obliged to inform the Bank of Albania if one of more members leave the union.

#### **Article 7**

##### **Contemporary Dispositions**

- 7.1 All associations that have been established and have been active before the approval of the Law No. 8782, dated 03.05.2001, "For Savings & Credit Associations", are obliged to make requests and to fulfill the documentation no later than 90 days after this rulebook comes into force.
- 7.2 Until the decision is taken by the Bank of Albania for the approval or the refusal of the request for a license the savings and credit association continues its activity. If, 6 months after the date of the request for the license, the decision for approval or refusal is not taken, the Supervisory Department explains in writing to the administrators of the Bank of Albania the reason for the delay. On the basis of this information the administrators decide on whether to allow the

association to continue its activity, and also decide a time period for the implementation of this decision.

- 7.3 The association liquidates in the event of the refusal of the request for the granting of a license, in the event of the passing of the time period stipulated in point 7.1 and in the event of the association losing its right to continue according to point 7.2
- 7.4 For Article 2 of the rulebook, the documentation presented for form 1, tables (1/2) (1/3)(1/4)(1/5)(1/6) contains the most recent information.
- 7.5.1 All unions that have been established and have been active before the approval of the rulebook for licensing, after completing the requirements of point 7.2:
- 7.5.2 Represent savings and credit associations that are members of the union in the completion of the requests for the granting of a license from the Bank of Albania. The union undertakes to inform the Bank of Albania when a member leaves the union.
- 7.5.3 Savings and credit associations, which are members of a licensed union, entrust in the union the right to give all information for the completion of requests for granting of a license.

#### **Article 8**

- 8.1 This rulebook comes into effect 15 days after its publication in the Official Bulletin of the Bank of Albania

# FORM 1

<b>Table 1/1</b>		
<b>Request for License</b>		
1.	Full name of association	
2.	Shortened name of association	
3.	Address and telephone no. of central office	
4.	Date of establishment	
5.	Period of activity, stipulated in internal acts	
6.	Date of registration in Tirana court	
7.	Registration number in court	
8.	a)Board of Directors Chairman : Members:  b)Supervisory Committee Chairman Members	
9	Number of members	
10.	Value of capital paid in on establishment	
11.	Date of request for license	
.	Request made by : Chairman of the Board of Directors of the Association Name, surname Signature	
1.1	Date of minutes request for license	

This page contains the declaration of commitment document.



<b>Table 1/3</b>			
<b>Forecast of Balance Sheet</b>		<b>Amount in Leke</b>	
<b>Assets</b>		N + 1 year	N + 2 years
1	Cash		
2	Current a/c in bank or union		
3	Time deposits in bank or union		
4	Investments in letters of value		
5	Loans		
5.1	Loans for less than 1 year		
5.2	Loans for 1- 2 years		
5.3	Loans for more than 2 years		
6	Other Assets		
	<b>Total Assets</b>		
	<b>Liabilities and Capital</b>		
1	Loans from banks or union or other institutions		
2	Time Deposits of members – without interest		
3	Time Deposits of members – with interest		
4	Deposits blocked as guarantee for loans		
5	Other liabilities		
	<b>Total Liabilities</b>		
1	Paid in capital		
2	Donations		
3	Reserves created from surplus		
4	Surplus/Loss accumulated		
5	Surplus or Loss during the year		
	<b>Total Capital</b>		
	<b>Total Liabilities and Capital</b>		

<b>Table No.1/43</b>			
<b>Forecast Income and Expenditure Account</b>		<b>Amount in Leke</b>	
		N+ 1 year	N+ 2 years
	<b>Income</b>		
1	Interest on loans		
2	Interest on deposits		
3	Interest on letters of value		
4	Other income		
A	<b>Total Income</b>		
	<b>Expenses</b>		
1	Expenses on lending		
2	Expenses on deposits		
3	Expenses for loan provisions		
4	Administrative Expenses		
5	Other Expenses		
	<b>Total Expenses</b>		
B	<b>Total Surplus/Deficit</b>		
	Donations received		
	<b>Surplus/Deficit after Donations</b>		

<b>Table No. 1/5</b>			
<b>Forecasts</b>		<b>N+1 year</b>	<b>N + 2 years</b>
1	Total no. of members		
2	Total deposits		
3	Total number of borrowers		
4	Maximum amount of loans		
5	Average amount of loans		