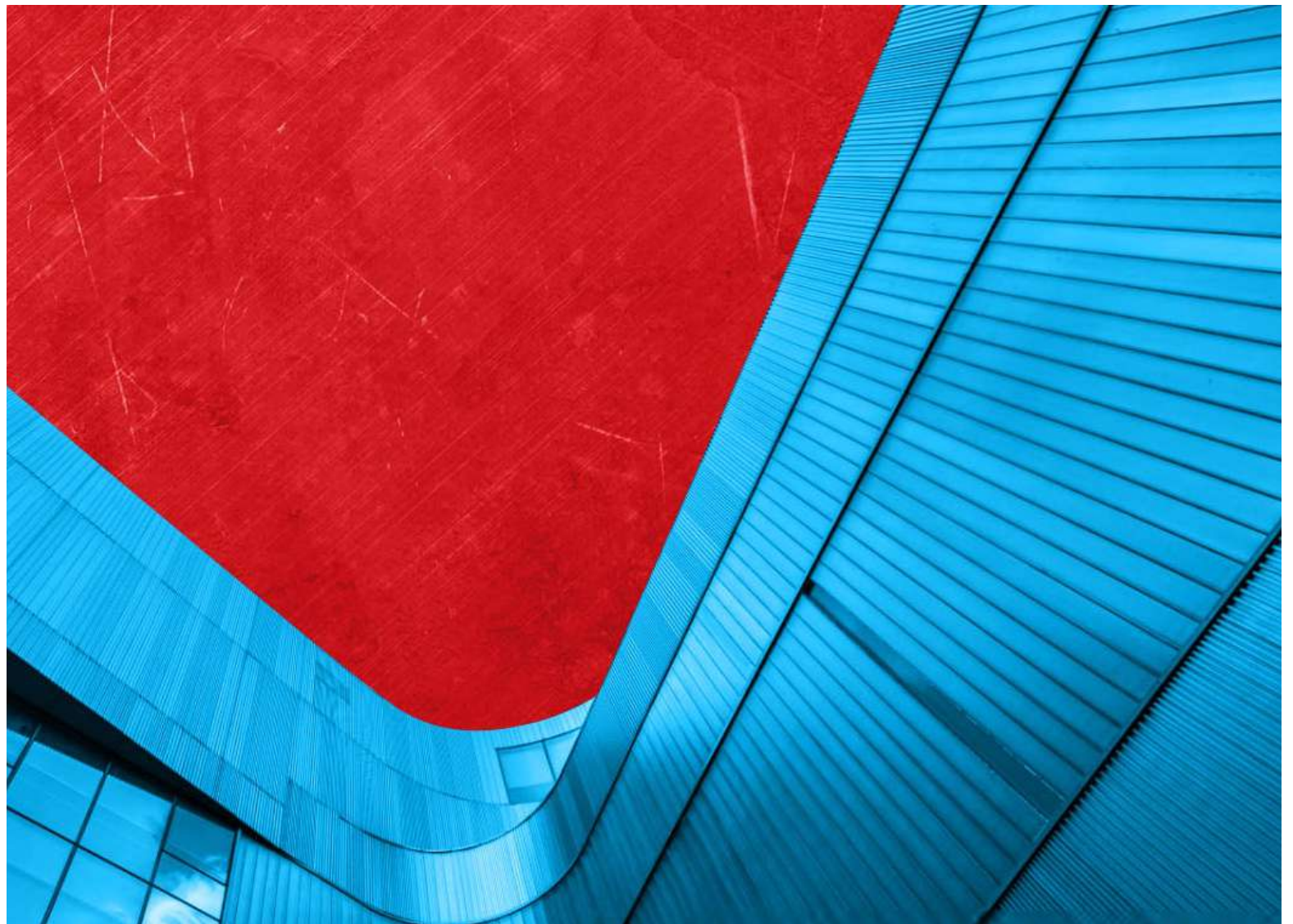


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■ **The Regulation on the Activity and Supervision of Electronic Money Institutions**

Katerina Kacani

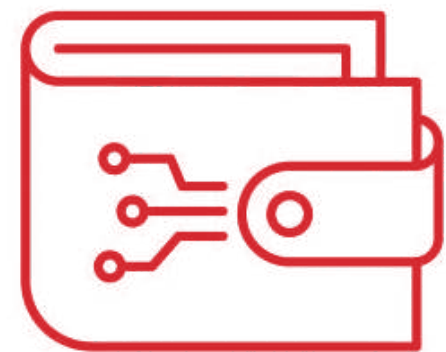
The Regulation on the Activity and Supervision of Electronic Money Institutions

The Supervisory Board of the Bank of Albania has approved The Regulation on the Activity and Supervision of Electronic Money Institutions with decision No. 57, dated December 21, 2022 “On the Approval of the Regulation “On the Activity and Supervision of Electronic Money Institutions”.



The Regulation determines the rules for the activity of electronic money institutions, risk management related to the supervision, as well as the rules and requirements for issuers of electronic money.

The regulation applies to electronic money institutions and banks/branches of foreign banks in the capacity of the issuer of electronic money.



The main provisions of the EMI Regulation include the requirement for electronic money institutions to create and develop a risk management system in accordance with the nature, volume, and complexity of their activities/services.

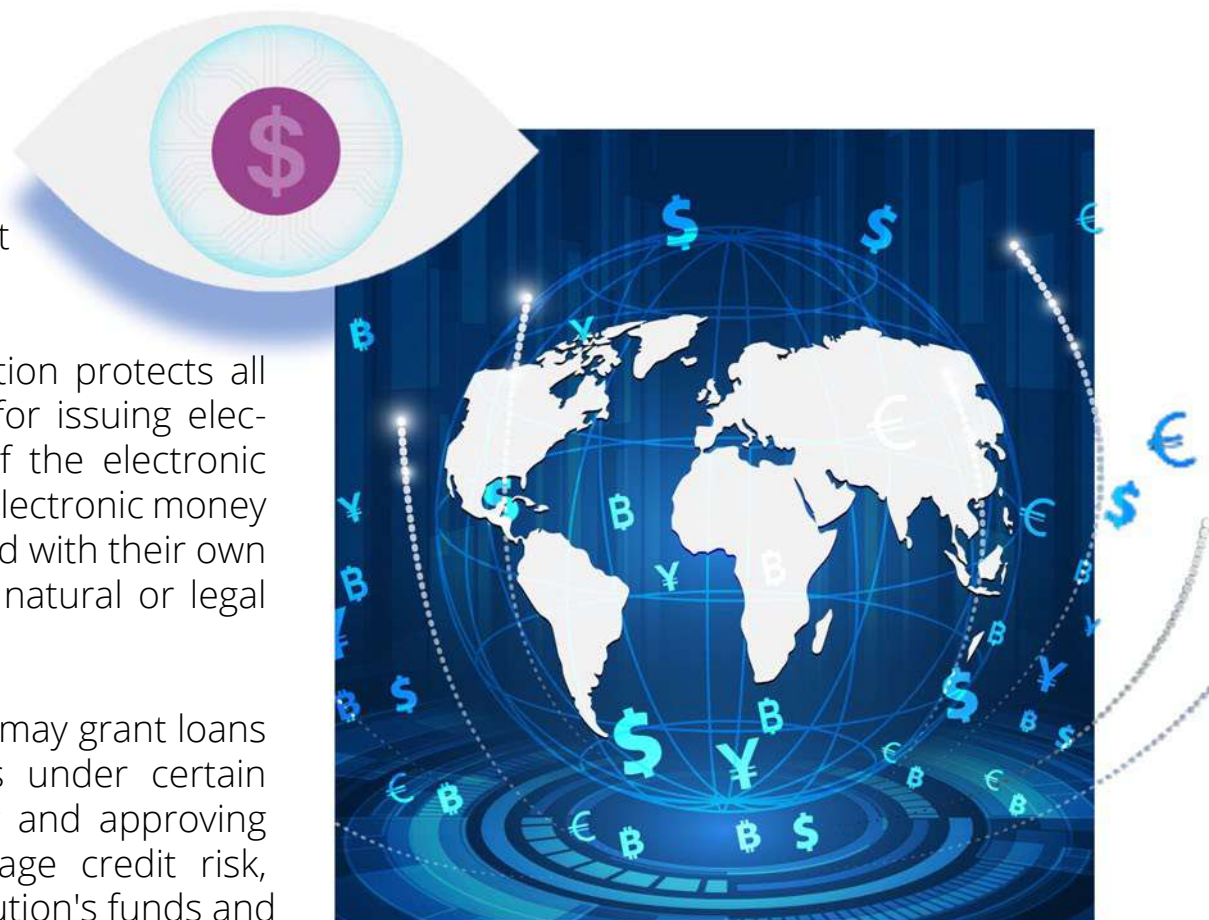
Risks related to the activity of issuing electronic money may include operational risk, market risk, liquidity risk, money laundering, or financing of terrorism risk, and exchange rate risk. The internal control function/unit independently ensures the effectiveness of the internal control system, as well as the management/governance and risk management system and processes.

Katerina Kacani

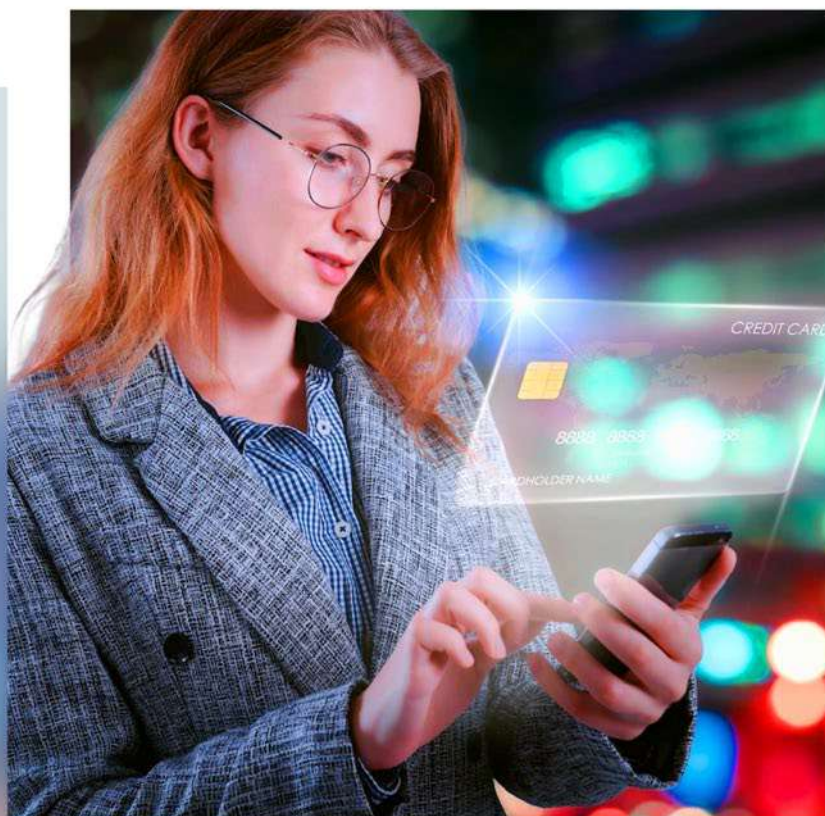
The regulatory capital of the user of electronic money cannot fall below the amount of the minimum initial capital.

The electronic money institution protects all funds received in exchange for issuing electronic money in the value of the electronic money surplus. The funds of electronic money holders must not be combined with their own funds or those of any other natural or legal person.

Electronic money institutions may grant loans related to payment services under certain conditions, including drafting and approving internal regulations to manage credit risk, granting loans from the institution's funds and



The electronic money institution must ensure sufficient levels of capital for exercising safe and sustainable activity, as well as for the fulfillment of its obligations during the day-to-day activity.



not from the funds received or held by users of payment services, and repaying the loan within a period not longer than 12 months.

The issuer of electronic money issues electronic money for a value equal to the nominal value of the funds received by the electronic money holder and repays the holder, at any time and in nominal value, the monetary value of the electronic money held by the latter.

The issuer of electronic money is prohibited from paying interest or any other benefit to the holder of electronic money for the period during which the latter holds the electronic money.

Katerina Kacani

Electronic money institutions report according to the requirements defined in the applicable legislation, including sending a copy of the annual report and the opinion of the authorized accounting expert to the Bank of Albania within the first six months of the following year.

The Bank of Albania applies supervisory and/or disciplinary measures provided for in the legislation for banks and payment services in case of non-fulfillment of the requirements of this regulation. ■



This Decision has been published in Official Gazette No. 2, dated 05.01.2023 and entered into force on 01.03.2023. ■



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