

INSTRUCTION
No. 1, dated 21.1.2025

**ON THE METHODS AND PROCEDURES FOR IMPLEMENTATION BY THE
ENTITIES ENGAGED IN FINANCIAL ACTIVITIES**

Pursuant to Article 102, point 4 of the Constitution and Article 28, point 3, letter “a”, of Law No. 9917, dated 19.5.2008, “On the prevention of money laundering and financing of terrorism”, as amended,

I HEREBY INSTRUCT:

CHAPTER I
GENERAL PROVISIONS

Article 1
Purpose

The purpose of this instruction is to determine the methods and procedures for implementation by the entities engaged in financial activities, pursuant to the provisions of Article 3 of Law No. 9917, dated 19.5.2008, “On the prevention of money laundering and financing of terrorism”, as amended.

Article 2
Definitions

1. The definitions provided in Article 2 of Law No. 9917, dated 19.5.2008, “On the prevention of money laundering and financing of terrorism”, as amended, shall apply directly to the terminology used in the content of this instruction. In the event that any term or phrase is found to have a meaning different from that provided by the law, the terminology provided in the law shall prevail.

2. In addition to what is provided in point 1 of this Article, for the purpose and implementation of this instruction, the following terms shall have the following meanings:

a) “Suspicious Activity Report” (SAR) is the electronic form by means of which the entities subject to this instruction report to the competent authority any suspicious transaction and activity, according to Annex I, “Suspicious Activity Report” (SAR), attached and forming part of this instruction;

b) “Cash Transaction Report” (CTR) is the electronic form by means of which entities subject to this instruction report to the competent authority every cash transaction in an amount equal to or greater than 1,000,000 (one million) ALL or the equivalent in other foreign currencies, carried out as a single transaction or as transactions linked to each other, according to Annex II, “Physical Cash Transaction Report” (PCTR), attached and forming part of this instruction;

c) “Remote Control Report” (RCR) is the form according to Annex III, “Remote Control Report” (RCR), attached and forming part of this instruction, which, upon the request of the competent authority, is completed and reported by the entities subject to this instruction, in relation to their fulfillment of legal obligations;

ç) “Centralised System” is the internal register for recording and holding data on customers and transactions, which is completed by the entities subject to this instruction and contains the data according to Annex IV, “For the registration and retention of data on customers and transactions,” attached and forming part of this instruction;

d) “Source of wealth” is the totality of the funds and property possessed by the customer;

dh) “Occasional Customer” is a person who uses the services provided by the entities subject to this instruction, even on a one-time basis, during a 1-year (one-year) period without establishing an ongoing business relationship with these entities;

e) “Batch transfer” means a transfer consisting of several individual transfers sent to the same financial institution but which may have more than one payee.

Article 3

Entities engaged in financial activities

1. The entities engaged in financial activities and subject to this instruction are:

a) banking entities, as well as any other entity licensed or supervised by the Bank of Albania, according to the provisions of Article 3, letter “a” of the law;

b) non-bank financial entities;

c) currency exchange offices;

ç) savings and credit associations and their unions;

d) postal services that provide payment services;

dh) stock exchanges and any other entity (agent, broker, brokerage firm, etc.) that carries out activities for issuance, advising, intermediation, financing and any other service related to the trading of securities;

e) companies engaged in life insurance or reinsurance, their agents or intermediaries, as well as pension funds;

ë) management companies of collective investment undertakings and pension funds, as well as their agents;

i) any natural or legal person who is engaged in providing virtual asset services.

CHAPTER II

DUE DILIGENCE

Article 4

Due diligence measures

1. “Due diligence” is the set of measures that must be implemented by the entities subject to this instruction for the purpose of:

a) the full and accurate identification and verification of the customer;

b) the identification of the ultimate beneficial owner and the verification of their identity;

c) to understand the ownership and control structure for customers that are legal persons or legal arrangements;

ç) to understand and collect information on the nature and purpose of the transaction or the establishment of the business relationship;

d) to carry out ongoing monitoring of the business relationship with the customer and analysis of the transactions conducted;

dh) to determine the risk profile of the customer.

Section 1

Article 5

Identification and verification of the customer

1. The entities must identify the customer and verify their identity through documents, data, or information obtained from reliable and independent sources, for every:

a) occasional customer;

- b) customer with whom they have an ongoing business relationship.
- 2. Customer within the meaning of the law is any:
 - a) natural person;
 - b) natural person who carries out profit-making activity;
 - c) private legal person that carries out profit-making activity;
 - ç) private legal person that does not carry out profit-making activity;
 - d) legal organization;
 - dh) legal representative, authorized representative, or proxy of the customer;
- 3. The identification of the customer, verification of their identity, and their legal status is ensured through documents:
 - a) originals;
 - b) or electronic documents that meet the validity requirements, according to the applicable legislation on electronic documents and electronic signatures.
- 4. The subjects must verify the identity of the customer before or during the establishment of the business relationship or the execution of a transaction for occasional customers.
- 5. The verification of the identity of the customer and the beneficial owner may be carried out after the establishment of the business relationship, provided that the verification:
 - a) is carried out as soon as practically possible;
 - b) does not lead to the interruption of the normal conduct of business activity; and
 - c) the risks of money laundering and terrorist financing are managed effectively, in accordance with the measures set out in Article 4/1 of the law.

Article 6

Electronic identification of the customer

- 1. The electronic identification of the customer may be carried out by the subjects of this instruction through secure electronic identification, in accordance with the requirements of the sectoral law “On electronic identification and trusted services”, only in cases where the following conditions are met:
 - a) the identity of the customer is verified on the basis of an official biometric identification document equipped with a photograph;
 - b) the non-resident customer is over 18 years of age;
 - c) the customer does not have residency or his identification document is not issued by high-risk countries.
- 2. Prior to the implementation of the electronic identification system, the entities must assess the risk of money laundering and terrorist financing in relation to this type of process, as well as take appropriate and effective measures to prevent the risk associated with transactions or business relationships conducted without the physical presence of the customer.

Article 7

Documentation for the identification and verification of the individual customer

- 1. The identification and verification of the identity of the individual customer is carried out by means of one of the following documents:
 - a) ID card (identity card);
 - b) passport.
- 2. For the foreign resident individual:
 - a) passport;
 - b) ID card (identity card) issued pursuant to the applicable legal framework for foreigners;
 - c) biometric residence permit issued pursuant to the applicable legal framework for foreigners.

3. For the non-resident individual:
 - a) passport;
 - b) ID card (identity card) for countries that are permitted to travel to the Republic of Albania with this document according to the applicable laws and bylaws in force.
4. For the identification and verification of the identity of the individual customer, the entities must also record and retain the following data:
 - a) permanent and temporary residence (if any);
 - b) employment.

Article 8

Documentation for the identification and verification of the customer conducting profit-making activity

1. For the category of individual customer conducting profit-making activity and private legal person customer conducting profit-making activity, for their identification and verification, as well as their legal status, the following documents are required:
 - a) registration document from the National Business Center;
 - b) court decision, statute and founding act, if any;
 - c) certificate of registration of the taxable person issued according to the applicable legal framework, which reflects the NUIS/NIPT number;
 - ç) the address of the main place of business activity, as well as the address of the branches where the activity is carried out, if any.
2. For the category of customers provided for in point 1 of this article, who are non-residents, the following documents are required:
 - a) documentation proving the registration of the foreign company in the country of residence;
 - b) the company's statute, if any;
 - c) the equivalent registration document of the taxable person (NUIS/NIPT) in the country of residence;
 - ç) the address of the main place of business activity, as well as the address of the branches where the activity is carried out, if any.
3. For this category of customers, entities identify and verify whether any person acting on behalf of the customer is their legal representative or authorized person. Identification and verification of their identity and legal status are carried out according to the documentation required in Article 11 of this instruction.

Article 9

Documentation for the identification and verification of customers that do not carry out profit-making activities

1. For the private legal person that does not carry out profit-making activities, for the identification and verification of its legal status, entities require the following documents:
 - a) the act of establishment and the statute;
 - b) the court decision;
 - c) the certificate of registration of the legal person with the NUIS/NIPT number, issued according to the applicable legal framework;
 - ç) the permanent seat, the address of the main place of activity or of the branches where the activity is carried out.
2. For the non-resident private legal person that does not carry out profit-making activities, for the identification and verification of its legal status, the following documents are required:
 - a) the act of establishment, the statute, the court decision or other equivalent relevant documentation according to the country of origin;

b) the certificate of registration of the legal person or equivalent document according to the country of origin.

3. For this category of customers, entities identify and verify whether any person acting on behalf of the customer is their legal representative or authorized person. The identification and verification of their identity and legal status is carried out according to the documentation required in Article 11 of this instruction.

Article 10

Documentation for the identification and verification of legal arrangements

1. The entities subject to this instruction, for customers that are legal arrangements, must:
 - a) to identify and verify the legal status through:
 - i. founding documents;
 - ii. registration documents or similar facts of their existence;
 - iii. legal form;
 - iv. the address of conducting the activity;
 - b) to obtain essential information and to verify the data and documentation for:
 - i. founders;
 - ii. beneficiaries;
 - iii. the custodian or the person who exercises actual control over them;
 - iv. trustees;
 - v. other regulated agents and service providers, including advisers, managers, accountants and tax advisers;
 - vi. the directors and/or legal representatives (for legal persons) and the provisions governing legal relations;
 - c) verify whether any person acting on behalf of the legal arrangement is authorized and identify and verify their identity;
 - ç) in the case of beneficiaries of trusts or legal arrangements, determined based on specific characteristics or class, sufficient information must be obtained about the beneficiary so as to ensure the identification of the beneficiary at the time of payment or the exercise of the beneficiary's rights.
2. The subjects of this instruction identify and verify the identity and legal status, according to the requirements set out in point 1 of this Article, through the documentation provided for in Articles 7, 8, 9 and 11 of this instruction.

Article 11

Documentation for the identification and verification of the legal representative, authorized representative, or proxy of the customer

1. The subjects of this instruction determine for all customers, prior to establishing the business relationship or during the monitoring process of this relationship, whether they are acting on behalf of another person and take reasonable measures to obtain sufficient data for the identification of that person and the verification of the data.
2. The subjects of this instruction shall verify whether any person acting on behalf of their customer is authorized and shall identify and verify their identity and legal status, as well as the data of the legal representative, authorized representative, or proxy of the customer, through:
 - a) the act of representation;
 - b) the documentation provided for in Articles 7, 8, 9, 10, and 12 of this instruction.

Article 12

Additional documents for the identification and verification of the customer

1. The subjects may request from the customer, whether resident or non-resident, but not limited to these, as needed for the identification and verification of the customer's identity and legal status, as well as in all cases where there is information or suspicion of money laundering or terrorist financing, the documents as below:

- a) For natural persons and legal representatives:
 - i. certificates issued by the national civil status register;
 - ii. vehicle driving license;
 - iii. employment booklets or employment contracts, employment verification or other documents proving the employment relationship;
 - iv. contract of purchase or lease of the residence;
 - v. contracts with service operators, such as: landline telephone, mobile phone, electricity, for water supply and sewerage services, others;
 - vi. residence certificate issued by the local authorities;
- b) For natural and legal private persons who carry out profit-making activities:
 - i. permit, authorisation, verification or license for undertaking the activity, if applicable;
 - ii. contract of purchase or lease of the headquarters and place of business activity;
- c) For legal persons who do not carry out profit-making activities:
 - i. permit, authorisation, verification or license for undertaking the activity, if applicable;
 - ii. contract of purchase or lease of the place of business activity.

2. The entities, in addition to what is provided for in point 1 of this Article, may request any other document deemed necessary in the context of the customer identification and verification process.

Article 13

Identification and verification of the beneficial owner

1. The entities defined by this instruction must carry out the identification and verification of the identity of the beneficial owner or owners of their customers through the following documents:

- a) the documentation provided for in Articles 7, 8, 9, 10, 11 and 12 of this instruction;
- b) extract from the register of beneficial owners;
- c) information or data obtained from reliable sources, on the basis of which the entity ensures the identity of the beneficial owner.

2. In those cases where the register of beneficial owners does not exist in the country of origin, the entity carries out the verification of the beneficial owner according to the ownership documentation submitted by the customer.

3. The entities verify the data they hold regarding the beneficial owners with the data registered in the Register of Beneficial Owners. In case of discrepancies between the data managed by the entity, according to point 1 of this Article, and the data registered in the Register of Beneficial Owners, the entity implements the obligations set out in Article 6 of Law no. 112/2020, "On the beneficial owner register", as amended.

4. The entities may refer, for the determination of the beneficial owner of their customers, to the examples provided in Annex V, "Indicative examples for the determination of the beneficial owner," attached to this instruction.

Section 2

Article 14

The customer's ownership and control structure

1. The entities must understand the ownership structure for customers who are legal persons or legal arrangements through:

- a) the act of establishment, the statute, and the court decision for the registration of the legal person in accordance with the legal framework in force;
- b) extracts from the commercial register (domestic or foreign);
- c) documentation collected in the context of the identification and verification of the beneficial owner;
- ç) the ownership diagram provided by the customer and the documentation submitted by them.

2. The entities may obtain other additional documents, within the framework of this article, through:

- a) independent audit reports;
- b) access to international databases or registers (*Worldcheck*, *Factiva*, *Lexus Nexus*, etc...);
- c) the customer's official website;
- ç) public information obtained from third parties (e.g.: public notary, chartered accountant, lawyer, etc.);
- d) information provided by the customer regarding senior management meetings, minutes, lists of authorizations and the hierarchical delegation of responsibilities, or any other document that may allow them to identify the ownership structure and the beneficial ownership.

3. The entities determine which individuals own or control the customer, including those persons who exercise the ultimate effective control over the legal person or legal arrangement, as follows:

- a) for legal persons, this must also include the identification of individuals who constitute the decision-making and administrative part of the legal person and the keeping of records of actions undertaken, as well as of any difficulties encountered during the verification process;
- b) in the case of legal arrangements, this also includes the identification of the founder, the beneficiary, the trustee, or the person with actual control over them.

4. The entities determine for all customers, prior to establishing the business relationship or during the monitoring process of this relationship, whether they are acting on behalf of another person and take reasonable measures to obtain sufficient data to identify that person and verify the data.

5. The entities verify whether any person acting on behalf of their customer is authorized and identify and verify that person's identity.

6. For legal persons, this must also include the identification of individuals who constitute the decision-making and administrative part of the legal person and the keeping of records of actions undertaken, as well as of any difficulties encountered during the verification process. In the case of legal arrangements, this also includes the identification of the founder, the beneficiary, the trustee, or the person with actual control over them.

Article 15

Collection of information on the purpose of the transaction and establishment of the business relationship

1. The entities must collect information on the purpose and nature of carrying out the transaction or establishing the business relationship, on the basis of which they must create the customer's risk profile.

2. The entities create the risk profile of the customer to whom due diligence is applied according to Article 4/1 of the law, in order to ensure the specific purpose and nature of the business relationship or the carrying out of the transaction, by undertaking one or more of the following steps:

a) request supporting documentation on the source of funds and the customer's financial means, such as:

- i. employment contract;
- ii. salary certificate;
- iii. sale-purchase or lease contracts of movable or immovable property;
- iv. donation contract;
- v. legal acts of inheritance of property, as well as other supporting documents;
- vi. other acts of transfer of ownership of movable or immovable property;

b) collect information from open sources for customers, such as:

- i. searches on websites *web* through internet platforms¹;
- ii. written or audiovisual media;
- iii. other sources;

c) collect and verify the information obtained from the customer in public registers, such as:

- i. the commercial register;
- ii. the register of beneficial owners;
- iii. the register of non-profit organisations;
- iv. or other public registers;

ç) assess the customer's financial capacity through the documents made available by the customer, as well as public data in the commercial register, such as:

- i. financial statements for commercial entities;
- ii. decisions on the distribution of dividends for legal persons;
- iii. other relevant information.

3. The entities shall retain the documentation and information obtained according to the above steps in accordance with Articles 39 and 40 of this instruction.

Article 16

Ongoing monitoring of the customer, transactions, and business relationship

1. The entities must conduct ongoing monitoring of the business relationship with the customer. This monitoring must include the analysis of transactions carried out throughout the duration of this relationship, to ensure that they are consistent with the entity's knowledge of the customer, the nature of their business and risk profile, as well as the source of funds.

2. The entities must ensure, through the review of customer files, that the documents, data, and information collected during the due diligence process are updated and are valid and appropriate.

3. The entities must pay increased attention to customers or business relationships with legal persons with indirect ownership² and customers who are categorized as high risk, especially when there is evidence that the customer's actual situation has changed.

4. The entities must conduct ongoing monitoring of the business relationship with the customer and continuous review of transactions.

5. In the case of an ongoing relationship with the customer, the entities update the data and information obtained, whenever necessary, based on due diligence measures, the monitoring of this relationship, and the customer's risk profile. In addition, the entities verify the data and information obtained within the framework of due diligence, including data regarding the legal ownership structure and beneficial ownership, for their customers, at least:

¹ *Google*, ose motor kërkimi të ngjashëm, të tjerë.

² Sipas përkufizimit të ligjit që ka objekt regjistrimin e pronarëve përfutues.

- a) once a year for high-risk customers;
- b) once every 3 years for medium-risk customers;
- c) once every 5 years for low-risk customers.

Article 17

Customer risk profile

1. The entities create the customer's risk profile to understand the purpose and nature of conducting the transaction, establishing the business relationship, or during ongoing monitoring.
2. The risk profile serves the entities in determining and applying due diligence and enhanced due diligence measures towards the customer.
3. In the assessment of the customer risk profile, the entities rely on the information obtained within the framework of simplified, due, and/or enhanced diligence.

Article 18

Impossibility in exercising due diligence measures

1. If the entities are unable to apply the due diligence obligations towards the customer:
 - a) must not open accounts, start a business relationship, or carry out transactions;
 - b) must submit a suspicious activity report to the competent authority.
2. In cases where the entity has initiated the business relationship and, as a result of the customer's failure to present documents or for other reasons, is unable to fulfill the due diligence obligation, the entity must terminate the business relationship and must submit a suspicious activity report to the competent authority.

Section 3

Other measures

Article 19

Technological developments

1. Entities must implement policies and take appropriate measures, as the case may be, for the identification and assessment of the risk of money laundering and terrorist financing, related to:
 - a) the development of new products, business practices, methods of offering, or distribution channels;
 - b) the use of new or developing technologies.These measures must be implemented before the introduction of new products and business practices or new technologies, for both new and existing products, in order to manage and reduce the identified risks.
2. Entities must implement specific procedures and take appropriate and effective measures to prevent the risk related to transactions or business relationships conducted without the physical presence of the customer.

Article 20

Reliance on third parties

1. Entities, pursuant to Article 6/1 of the law, may rely on third parties to carry out the measures provided for in the law and in this instruction, provided that they ensure compliance with the following criteria:

a) the entity relying on a third party must be able to immediately obtain the necessary information regarding the due diligence measures and the required documentation for the identification and verification of the customer;

b) the entity must take appropriate measures to ensure that copies of the identification data and other relevant documentation related to due diligence requirements are made immediately available by the third party, at the request of the entity itself or the competent authorities in accordance with the law;

c) the entity must ensure that:

i. the third party is regulated by law, meaning the activity carried out by the third party is regularly defined within the relevant legal framework;

ii. the third party is supervised or monitored by the relevant authority for the anti-money laundering and counter-terrorist financing system. In this sense, the third party is licensed and supervised by the relevant authority;

iii. the third party has an internal control structure also responsible for compliance with these obligations. In this sense, the third party must respect and guarantee the requirements of the law and this instruction regarding internal control;

iv. the third party has taken appropriate measures to comply with the requirements for due diligence measures and data retention, according to the provisions of the law and this instruction. In this sense, the third party must respect and guarantee the requirements of the law and this instruction, in connection with due diligence measures, management and retention of documentation.

2. The entities subject to this instruction that rely on third parties must, prior to establishing the relationship with the customer, in addition to the criteria set forth in point 1 of this article, also take into account the following criteria:

a) when establishing a relationship with third parties abroad, the available information regarding the risk level of that country must also be taken into consideration;

b) reliance on third parties established in high-risk countries is prohibited except where the third party is a branch or majority-owned subsidiary of the entity, established in Albania according to the policies and procedures of the parent undertaking, which are in compliance with the law;

c) reliance on third parties is prohibited for the cases provided for by law;

c) reliance on third parties is prohibited when this is determined by the competent authority.

3. In any case, if the obligations are not fulfilled by the third parties, the legal responsibility remains with the entity subject to this instruction that relies on the third party.

CHAPTER III ENHANCED DUE DILIGENCE

Article 21 **Enhanced due diligence measures**

1. Enhanced due diligence must include additional measures, beyond those provided for due diligence, for business relationships, customers, or transactions with high risk.

2. For the purpose of implementing enhanced due diligence, the entities subject to this instruction must take the following measures:

a) to understand and test the profile of the customer, the business, and its activity in relation to the services, products, and transactions offered by the entity;

b) to identify relevant information and assess the potential risk of money laundering/terrorist financing, in support of decisions aimed at protecting against financial, regulatory, or reputational risks, as well as adapting to legal requirements;

c) to apply enhanced due diligence measures to business relationships, customers, and

transactions as specified in Article 8 of the law;

ç) to apply enhanced due diligence measures in establishing correspondent relationships for correspondent banking or financial services provided by the banking entities of the law before establishing a business relationship.

Article 22

Categories of customers, transactions, and business relationships subject to enhanced due diligence

1. The entities must apply enhanced due diligence measures to business relationships, customers, and transactions specified in Article 8 of the law, for:

a) politically exposed persons (PEPs), including family members, persons closely associated personally, through work, or business relationships with politically exposed persons as defined in points 10, 10/1, and 10/2 of Article 2 of the law;

b) non-profit organizations;

c) legal arrangements;

ç) business relationships and transactions with non-resident customers assessed as high-risk;

d) companies with bearer shares;

dh) with all categories of customers who reside or conduct their activities in countries for which the adoption of special measures is required, according to the definitions or requirements of the competent authority, or for customers for whom such measures are required;

e) with all high-risk countries designated by the competent authority or the Council of Ministers;

ë) for all complex, high-value, and unusual transactions, which have no apparent economic or legal purpose;

f) beneficiaries of life insurance policies. This category of transactions or business relationships shall be considered by the entities in advance as a risk factor to determine whether or not to apply enhanced due diligence measures;

2. For the application of enhanced due diligence to customers, entities may require the physical presence of customers and their representatives before establishing a business relationship.

Article 23

Other categories subject to enhanced due diligence

1. In addition to the categories defined in Article 22 of this instruction, entities may define other categories of business relationships, customers, transactions, products, services, distribution channels, countries or geographical areas assessed as high-risk to which enhanced due diligence measures must be applied.

2. In implementation of point 1 of this Article, entities must draft and implement procedures and policies to identify the level of risk according to categories of customers or business relationships. These procedures and policies must be in accordance with the entity's activity and proportionate to the identified risk.

3. The policies and procedures of the entities must be based on:

a) the risk presented by the customer, their geographical position and the entirety of products and services;

b) the customer acceptance policy and the monitoring of the business relationship;

c) the process of categorizing all customers according to the level of risk.

Article 24

Enhanced due diligence measures for politically exposed persons

1. The entities subject to this instruction include in their internal regulations and procedures the methods of assessing and managing the risk of the customer, the business relationship, and transactions in order to determine, among other things, whether a customer or the beneficial owner of the customer is a politically exposed person.

2. In relation to what is provided in point 1 of this Article, the entities:

a) must seek information in available sources, such as: the updated list of domestic politically exposed persons, specific databases (*Worldcheck*, *Factiva* etc.), as well as open sources of information;

b) must obtain the approval of senior management for establishing business relationships or continuing such relationships when an existing customer becomes a politically exposed person;

c) must carry out enhanced and ongoing monitoring of business relationships with these customers;

ç) must take appropriate measures to determine the source of wealth and the source of funds.

3. For family members, persons closely associated personally, professionally or in business with politically exposed persons, the same measures provided in this Article shall apply.

Article 25

Enhanced due diligence measures for non-profit organizations

1. The entities include in their internal regulations and procedures the policies for assessing and managing the risk of the business relationship with customers who are non-profit organizations.

2. In relation to the provisions of paragraph 1 of this Article, the entities:

a) must request and obtain data on the nature of their activity, administration and management, as well as the source of funds;

b) must analyse such information through the implementation of risk management procedures;

c) must carry out increased and ongoing monitoring of the business relationships with these customers.

Article 26

Enhanced due diligence measures for business relationships or transactions involving high-risk countries

1. In relation to business relationships or transactions involving high-risk countries, pursuant to letter “F” of Article 22 of the law, the entities must apply the following enhanced due diligence measures to the customer:

a) to obtain additional information about the customer and the beneficial owner;

b) to obtain additional information about the nature of the business relationship;

c) to obtain information on the source of funds and the source of wealth of the customer and the beneficial owner;

ç) to obtain information on the reasons for the intended or executed transactions;

d) to obtain the approval of the senior management for establishing or continuing the business relationship;

dh) to carry out enhanced monitoring of the business relationships by increasing the number, frequency, or periodicity of the controls applied and by selecting transaction patterns that need further scrutiny.

2. Obtaining additional information includes, but is not limited to, the following:

a) the identification and verification of the customer or the beneficial owner from open sources and independent sources to better understand the background, ownership, and financial situation

of the customer or other parties to the transaction, or the local market reputation through reviewing media sources;³

b) obtaining information and verifying the source of funds or wealth of the customer and their beneficial owners, focusing on the information conveyed by the data of banking and/or financial groups or from financial intelligence institutions;

c) obtaining additional information from the customer regarding the purpose and intended nature of the business relationship.

3. In addition to the above measures, the entities shall apply one or more of the additional measures related to customers or transactions involving high-risk countries:

a) apply additional elements of enhanced due diligence;

b) use enhanced reporting mechanisms or systematic reporting of financial transactions to the responsible person/structures within the entity;

c) restrict business relationships or transactions with individuals or natural/legal persons from high-risk countries.

Article 27

Enhanced due diligence measures for complex transactions, with unusually large values, without an apparent economic or legal purpose

1. The entities must pay special attention to all complex transactions, with unusually large and uncommon values, which have no apparent economic or legal purpose and, at the same time, analyze the reasons and purpose for carrying out such transactions.

2. The entities, in order to analyze the reasons and purpose of carrying out such transaction(s), according to point 7, of Article 8, of the law and for retaining the data leading to written conclusions, must:

a) request supporting documentation regarding the source of funds, property, and the customer's financial capabilities, such as:

i. employment contract;

ii. salary certificate;

iii. certificate of social or health insurance contributions;

iv. contract of sale or lease, of movable or immovable property;

v. donation contract;

vi. legal acts of acquisition of property by inheritance or other similar documents;

vii. other documents deemed necessary by the entity in accordance with the nature of the transaction and the customer's profile;

b) collect information from open sources or special subscriptions for customers, such as:

i. searches on websites *web* through internet platforms⁴;

ii. written or audiovisual media, others;

c) collect and verify the information obtained from the customer in public registers, such as:

i. the commercial register;

ii. the register of beneficial owners;

iii. the register of non-profit organisations;

iv. other registers to which the entities have access;

ç) assess the customer's financial capacity through documents made available by the customer, as well as public data in the commercial register, such as:

i. financial statements for commercial entities;

ii. decisions on the distribution of dividends to the owners;

iii. other relevant information.

³ Raportet ndërkombëtare të vlerësimit të vendit përfshirë raportet e DASH, Indeksi i Bazelit, Raportet e BE-së, FMN-së, e të tjera.

⁴ *Google*, ose motor kërkimi të ngjashëm.

3. Entities, when analysing complex transactions with high and unusual values that do not have an obvious economic or legal purpose, must take into account the indicators reflected in Annex VI, “Indicators for the analysis of high-value, unusual transactions without an obvious economic and legal purpose”, attached hereto and forming part of this instruction, but not limited thereto.

4. Entities retain the documentation and information obtained according to the above steps and attach them to the written conclusions. The management and retention of the documentation is maintained in accordance with Articles 39 and 40 of this instruction.

Article 28

Correspondent banking or financial services

1. The entities referred to in letter “a” of Article 3 of the law, when establishing a correspondent relationship, must bear in mind that:

a) they are prohibited from establishing or continuing correspondent banking or financial relationships with shell banks;

b) they must not maintain or enter into correspondent relationships with banks whose accounts are used by shell banks;

c) they must take appropriate measures to satisfy themselves that the foreign correspondent banks or financial institutions do not permit their accounts to be used by shell banks;

ç) in cases where they identify or ascertain that the correspondent bank is a shell bank or its accounts are used by shell banks, they must immediately terminate the business relationship and report to the competent authority;

d) they must collect sufficient information regarding the business and assess the adequacy and effectiveness of the control measures for preventing money laundering and terrorist financing of the correspondent institution. Furthermore, before establishing a business relationship for the services of foreign correspondent banks or financial institutions, the entities must assess the quality of their supervision, ensure the approval of the highest administrative/management levels, and appropriately document, for each institution, the responsibilities related to the prevention of money laundering and terrorist financing;

dh) for cases where the correspondent relationship involves the holding of transit accounts, it must be ensured that the correspondent financial institution:

i. has undertaken customer due diligence measures for customers who have direct access to these accounts;

ii. is able, if requested, to provide the information and relevant documentation resulting from due diligence measures, if required.

Article 29

Money transfer services and virtual asset service providers

1. Subjects whose activities include money or value transfers or providers of virtual asset services, in the case of outgoing and incoming transfers, must always be accompanied by data as follows:

a) Required and accurate information about the originator:

i. the first and last name of the originator, when the originator is an individual;

ii. the legal name, when the originator is a legal person;

iii. the address;

iv. the originator’s account number or, in the absence of an account, a unique transaction reference number that enables the traceability of the transaction or the identification document number;

v. the name of the institution involved in the transfer;

- b) Required information about the payee:
 - i. the first and last name of the payee, when the payee is an individual;
 - ii. the legal name, when the originator is a legal person;
 - iii. the address;
 - iv. the payee's account number or, in the absence of an account, a unique transaction reference number that enables the traceability of the transaction or the identification document number;
 - v. the name of the institution involved in the transfer.
- 2. The entities take other measures, in accordance with the provisions of Article 10 of the law.

Article 30

Retention of documentation and making it available to the competent authority

1. The data, analyses, information and documentation collected pursuant to this article shall be retained for a period of 5 years from the date of the termination of the business relationship between the customer and the entity or from the date of the occasional transaction, but not more than 40 (forty) years from the date of each transaction or the date of collection of the documentation or performance of the analysis.

2. The entities retain the information obtained above and make it available to the competent authority, supervisory authorities, auditors or other law enforcement bodies, if requested.

CHAPTER IV REPORTING OBLIGATIONS

Article 31

Reporting of suspicious activities to the competent authority

1. The entities submit a report to the competent authority, in which they set out their suspicions in cases where they know or suspect that the laundering of proceeds of crime or the financing of terrorism, or funds derived from criminal activity is being carried out, has been carried out, or is being attempted. The reporting is done through the (RAD) form immediately and no later than 72 hours.

This reporting is carried out after a complete review of the suspicious elements and the data that the entities have available to justify it, regardless of the amount of the transaction/transactions.

2. When the entity has suspicions that the transaction may involve laundering of proceeds of crime, financing of terrorism, or funds derived from criminal activity, it must not execute the transaction, immediately report the case to the competent authority, and request instructions on whether or not to perform the transaction. Within 48 hours of becoming aware, the competent authority responds by stating its position regarding the permission of the transaction or issuing a freezing order.

When the competent authority does not respond within the prescribed period, the entity may proceed with the execution of the transaction.

3. The form (RAD) must be accompanied by all necessary information that supports the suspicions set out in the report, as well as allows the issuance of the relevant conclusions, such as: the analysis carried out, issuing of the bank account, identification documents, transfer data, contracts, other information, and is sent complete electronically, as well as by official letter if electronic reporting is objectively impossible. Reporting electronically is carried out based on the standards, format, and access provided by the competent authority, according to the request made by the entity for this purpose.

4. In urgent cases, entities may transmit information about the suspicious activity to the competent authority by telephone, subsequently fulfilling the obligations according to points 1 and 3 of this Article.

Article 32
Reporting of cash transactions

1. Entities, in accordance with point 3, Article 12 of the law, are obliged to report to the competent authority, within the next working day from the date of all cash transactions, with a value equal to or greater than 1,000,000 (one million) lek, or the equivalent in other foreign currencies, carried out as a single transaction or in several related transactions within 24 hours. Transactions carried out by public bodies or enterprises are exempt from this obligation.⁵

2. For the purpose of implementing point 1 of this Article, the entities subject to this instruction shall consider as carried out in cash any transaction that is not accompanied by a supporting document from a financial institution or other supporting documents.

3. The reporting by entities of transactions pursuant to this Article shall be carried out electronically according to the standards and format determined by the competent authority.

4. Entities report electronically based on the access provided to them by the competent authority according to the request made for this purpose. In cases where this is not possible, such reporting may be carried out by official letter.

5. The competent authority confirms the receipt of the reported data, if such confirmation is requested by the entity.

CHAPTER V
PREVENTIVE MEASURES TAKEN BY THE ENTITIES

Article 33
The internal regulation and instructions

1. The entities subject to this instruction must draft the internal regulation and/or internal instructions for the prevention of money laundering and terrorist financing, including, among other things, the adoption of measures and procedures:

- a) regarding the customer acceptance policy;
- b) regarding the assessment and management of risk in business relationships, customers, or transactions;
- c) regarding the implementation of measures for customer due diligence, simplified and enhanced, in accordance with the risk level;
- ç) regarding data retention;
- d) regarding the reporting of suspicious activity and transactions above the reporting threshold, the training of their employees.

2. The entities must continuously update the internal regulations and instructions, also taking into account:

- a) legal changes;
- b) national risk assessments;
- c) sectoral assessments or other similar data;
- ç) the data held by the entity itself;
- d) the recommendations of the competent authority and/or supervisory authorities;
- dh) as well as assessments or reports prepared by international organizations and authorities with competence in the field of prevention of money laundering and terrorist financing regarding the risk posed by specific countries.

⁵ Persona juridik publik.

Article 34

Risk assessment

1. The entities implementing this instruction must identify, assess, and understand their risks of money laundering and terrorist financing, for:
 - a) customers;
 - b) countries or geographical areas;
 - c) products;
 - ç) services;
 - d) transactions;
 - dh) distribution channels.
2. The entities must draft and document the risk assessment of money laundering and terrorist financing, and its approval is carried out by the management level.
3. All employees of the entity who have functional duties within the framework of the prevention of money laundering and terrorist financing must be familiarized with the risk assessment document.
4. The risk assessment of money laundering and terrorist financing must be subject to periodic review, which, among other things, is based on:
 - a) changes in the entity's activity;
 - b) changes in the risk profile of the customer;
 - c) the introduction of new products, services, technologies, and distribution channels;
 - ç) legal or regulatory changes.
5. The risk assessment must be updated at least every two years, or whenever the aforementioned factors dictate such a need.
6. The minimum factors that must be taken into consideration in the risk assessment are the purpose of establishing the business relationship, or the size of transactions, the regularity or duration of the business relationship.
7. During the process of drafting the risk assessment, the entities must take into consideration:
 - a) national risk assessments;
 - b) sectoral assessments or other similar data;
 - c) the recommendations of the competent authority and supervisory authorities;
 - ç) as well as assessments or reports prepared by international organizations and authorities with competence in the field of prevention of money laundering and terrorist financing regarding the risk for specific countries.

Article 35

Responsible structure

1. The entities covered by this instruction must establish a responsible structure to prevent the use of the entity for money laundering and terrorist financing.
2. The entities must appoint a person responsible for the prevention of money laundering at the management level in the head office and in each representative office, branch, subsidiary, or agency, to whom all employees report any fact that may raise suspicion of money laundering or terrorist financing, and establish appropriate management and compliance procedures within the entity and its branches.
3. The person responsible for the prevention of money laundering and terrorist financing must be a manager or employee with sufficient knowledge of the entity's exposure risk to money laundering and terrorist financing, and must have the competence to make decisions affecting risk exposure and is not required in all cases to be a member of the board of directors or the supervisory board.

4. The responsible person appointed at the management level in the head office, pursuant to the provisions of point 2 of this article, is the person who submits reports to the competent authority in accordance with Article 12 of the law, as well as responds to the requests of the competent authority.

5. In cases where the number of employees of the entities is less than three persons, the person responsible for the prevention of money laundering is the administrator or an authorized employee of the entity.

6. In cases where the subjects of this instruction are self-employed and do not employ other persons, for the purpose of implementing this instruction, they act in the capacity of the responsible structure.

7. When an individual belonging to the categories provided for in Article 3 of the law exercises professional activity as an employee of a legal person or natural commercial person or has a contractual or subcontractual relationship with them, the employer is the person responsible for the prevention of money laundering.

Article 36

Centralized system for the registration and retention of data

1. The entities must establish a centralized system that enables the registration, collection, analysis, and verification of data and transactions within the framework of the business relationship with the customer. All transactions, regardless of the manner in which they are conducted (e.g.: in physical cash, through money or value transfer services, or direct electronic transfers, acts of donation, exchange, etc.), are to be registered in the centralized system.

2. In the centralized system, the entities governed by this instruction record every transfer inside or outside the country or transactions carried out for an amount equal to or greater than 100,000 (one hundred thousand) ALL or its equivalent in foreign currency.

All transactions are registered in the centralized system, including those conducted in physical cash, through money or value transfer services, or direct electronic transfers.

3. The entities, if they deem it necessary, for the purpose of risk management, may also keep in their centralized systems data regarding transactions below the threshold provided in point 2 of this article.

4. In all cases, regardless of what is provided in the above points, data are registered in the centralized system when there are suspicions of money laundering, terrorist financing, or the funds/property involved originate from criminal activity.

5. The centralized system must contain at least the data according to annex IV, "For the recording and retention of data on customers and transactions", attached to this instruction, with the following elements:

- a) name (of the customer);
- b) surname;
- c) date of birth;
- d) place of birth;
- e) personal identification number (NID);
- f) type of document;
- g) name of the company;
- h) NIPT/NUIS;
- i) address;
- j) amount of the transaction;
- k) currency;
- l) type of transaction (e.g.: deposit/withdrawal/transfer);
- m) date of the transaction;
- n) manner of execution of the transaction (e.g. *cash* (physical cash)/transfer);

- o) declared source of funds;
- p) other persons involved in the transaction, if any (with full particulars);
- q) for legal persons, the identifying data for the beneficial owners of the customer.

6. The identified data must be supported by supporting documentation and, if requested, made available to the responsible authority, supervisory authorities, and auditors. Exempted from the requirement for supporting documentation are the data: address and declared source of funds. This exemption applies only to the maintenance of data for the purpose of the centralized system.

7. If these data are not kept in a special electronic system, they must be capable of being processed, for example by means of Excel, Access, or other suitable technological programs for data storage.

8. The centralized system, with the exception of banking entities, companies providing payment services and money transfer services, as well as companies providing electronic money services, means a specific electronic system that assists in the process of detecting anomalous and/or suspicious transactions or deficiencies in the process of simplified, appropriate, or enhanced due diligence, through the establishment of rules and scenarios in the system, as regards legal obligations in the field of prevention of money laundering and terrorist financing.

9. The responsible authority, for the purpose of verifying the data reflected in the centralized system, requests from the entities subject to this instruction, in accordance with Article 21/1 of the law, any information, data, or other supporting document.

Article 37

Trainings

1. The entities must periodically train their employees according to an annual training plan for the prevention of money laundering and terrorist financing, including familiarization with legal amendments in this field as well as the obligation for non-disclosure under Article 15 of the law.

2. The entities, in implementation of this obligation, must keep at least the data on:

- a) the annual number of planned and conducted trainings;
- b) the number of employees trained, as well as their functions;
- c) the issues addressed therein.

3. These data are submitted to the responsible authority, as well as to the supervisory authorities within the framework of on-site or remote inspections.

Article 38

Internal control

1. The entities, in accordance with letter “dh”, of Article 11 of the law, must take preventive measures to detect and correct identified deficiencies in order to check compliance with the obligations of the law and this instruction.

2. In cases where the reporting entities are self-employed or do not employ other persons, for the purposes of implementing this article, the administrator or their authorized representative shall act as the internal control.

Article 39

Documentation management

1. The entities subject to the implementation of this instruction must keep in the customer’s file the following documents:

- a) originals;
- b) certified as true copies of the original;
- c) copies certified by the entity itself of these documents.

2. When the documents are kept as copies certified by the entity itself, these documents must

be stamped with the entity's stamp and signed by the entity itself, certifying that they are identical to the original documents submitted by the customer, also including the date of their issuance.

3. When the entity maintains an electronic archive, in addition to the original electronic documents, the archive must contain, in electronic form, copies certified by the entity itself, certifying that they are identical to the original documents submitted by the customer.

Article 40

Obligations for retention and preservation of data

1. The entities must retain documents resulting from the due diligence and enhanced due diligence process, account data, transactions, correspondence with the customer, as well as the results of analyses carried out, for 5 years from the date of termination of the business relationship between the customer and the entity or from the date of the occasional transaction, but not more than 40 (forty) years from the date of each transaction or the date of collection of documentation or conduct of the analysis.

2. The entities must maintain records for the data, reports, and documentation regarding national and international transactions, regardless of whether the transaction is carried out on behalf of the customer or on behalf of third parties, together with all supporting documentation, including account files and business correspondence, for 5 (five) years from the date of the termination of the business relationship between the customer and the entity or from the date of the occasional transaction, but not more than 40 (forty) years from the date of each transaction in particular or the date of collection of documentation or conduct of the analysis.

3. The entities must retain data on transactions, including those specified in Article 10 of the law, with all relevant details necessary to allow the reconstruction of the full transaction cycle, in order to provide information for the responsible authority and other competent authorities, pursuant to the law and the bylaws issued in its implementation. This information is retained for 5 (five) years from the date of the termination of the business relationship between the customer and the entity or from the date of the occasional transaction, but not more than 40 (forty) years from the date of each transaction, in particular, or the date of collection of documentation or conduct of the analysis.

4. Entities are required to retain the mandatory data regarding executed transactions and their customers accurately and chronologically, without corrections, in a manner that enables adequate control by the responsible authority, supervisory/licensing authorities, and auditors, if requested.

5. Entities must retain documentation for identification, accounts, as well as correspondence with the customer. Entities must also retain data regarding analyses they have conducted to assess the risk-based classification of business relationships, as well as analyses of the monitoring process.

6. Documentation is retained for 5 years from the date of termination of the business relationship between the customer and the entity or from the date of the occasional transaction, but not more than 40 (forty) years from the date of each transaction or the date of collection of the documentation or performance of the analysis.

7. At the request of the responsible authority and other competent authorities, the documentation shall also be retained for an additional 5 (five) years from the date of termination of the business relationship between the customer and the entity or from the date of the occasional transaction, but not more than 40 (forty) years from the date of each individual transaction or the date of collection of the documentation or performance of the analysis.

8. The documentation provided for in this article shall be retained in written or electronic form, depending on the manner of its creation.


9. The data obtained for customers (permanent or occasional) by the entities and the measures taken by them in implementation of the law are documented, regularly administered, and made available to the responsible authority upon its request, in accordance with Article 21/1 of the law.

Article 41
Final provisions

1. The entities defined in Article 3 are tasked with the implementation of this instruction and the annexes as an integral part thereof.
2. The responsible authority, the Financial Intelligence Agency (FIA), is tasked with overseeing the implementation of this instruction.
3. This instruction, together with Annexes I, II, III, and IV, and the respective instructions, shall be the only acceptable standards for reporting to the responsible authority. If necessary, for data management purposes, reporting uniformity by type of entities, or interconnection with other databases, the responsible authority may add, reduce, or modify specific fields of the annexes that are part of this instruction.
4. Instruction no. 28, dated 31.12.2012, “On the methods and procedures for reporting and taking preventive measures by the entities under Law no. 9917, dated 19.5.2008, ‘On the prevention of money laundering and terrorist financing’”, as amended, of the Minister of Finance, is repealed.
5. This instruction enters into force after its publication in the Official Gazette.

MINISTER OF FINANCE
Petrit Malaj

ANNEX I
SUSPICIOUS ACTIVITY REPORT (SAR)

1. Select the box(es) with combinations:	
<input type="checkbox"/> Money laundering <input type="checkbox"/> Terrorist financing <input type="checkbox"/> Funds derived from criminal activity <input type="checkbox"/> Inability to exercise due diligence <input type="checkbox"/> Inability to exercise enhanced due diligence	
2. Select the box(es) with combinations:	
<input type="checkbox"/> New report <input type="checkbox"/> Related reports <input type="checkbox"/> Amends a previous report <input type="checkbox"/> Attempted transfer <input type="checkbox"/> Freezing (48 hours)	
PART I. INFORMATION ON SUSPICIOUS ACTIVITY	
1. Legal status of the person: <input type="checkbox"/> a) Individual; <input type="checkbox"/> b) Sole trader; <input type="checkbox"/> c) Legal person; <input type="checkbox"/> d) Joint stock company; <input type="checkbox"/> e) NGO; <input type="checkbox"/> f) Legal arrangements; <input type="checkbox"/> g) LLC (limited liability company); <input type="checkbox"/> h) Guardian; <input type="checkbox"/> i) Branch of a foreign company; <input type="checkbox"/> j) PEP; <input type="checkbox"/> k) Other.	
2. a) Name: _____; b) Surname: _____.	
3. Date of birth/registration date: _____. _____. _____	
4. Citizenship: <input type="checkbox"/> a) Albanian; <input type="checkbox"/> b) foreign; <input type="checkbox"/> c) stateless.	
5. Place of birth: _____	
6. Permanent address/place of residence _____	
7. Temporary place of residence (if any): _____	
8. Gender: <input type="checkbox"/> a) male; <input type="checkbox"/> female.	
9. Identification document:	
<input type="checkbox"/> a) identity card; <input type="checkbox"/> b) passport	
10. Document number: _____	
11. Personal identification number (NID): _____	
12. Issuing authority: _____	
13. Name of the entity: _____ 14. NUIS/NIPT: _____	
15. Place of incorporation: _____ 16. Temporary address (if any): _____	
17. Employment/type of activity: _____ 18. If PEP: <input type="checkbox"/>	
PART II. PERSONS INVOLVED 	
PART III. FINANCIAL TRANSACTION CARRIED OUT	
1. Number of transactions: _____	
2. Account number(s): _____	
3. Date of transaction _____. _____. _____	
4. Currency: <input type="checkbox"/> lek; <input type="checkbox"/> euro; <input type="checkbox"/> USD; <input type="checkbox"/> BP; <input type="checkbox"/> PY; <input type="checkbox"/> HF; <input type="checkbox"/> AD; <input type="checkbox"/> other.	
5. Amount of the transaction: _____	
PART IV. EXPLANATIONS/DESCRIPTIONS OF SUSPICIOUS ACTIVITY	
Explanations/descriptions of suspicious activity: <i>Note. To be structured in several points as follows:</i>	
1. Description of the profile of the RAD entity;	
2. Comprehensive analysis of the case including analysis of transaction history;	
3. Anomalies observed in the transaction, actions or suspicious activities;	
4. Suspicions regarding the case;	
5. Connection with other reported suspicious cases, if any;	
6. If guidance is requested from the FIA;	

7. Other data or information of interest.
PART V. LIST OF ACCOMPANYING DOCUMENTS
PART VI. INFORMATION ON THE REPORTING ENTITY
Name: _____ Reporting date: _____._____._____ Responsible person: _____ Tel. _____ Signature: _____ Email-i: _____ Approver: _____ Address: _____

INSTRUCTIONS
FOR COMPLETING THE FORM
“SUSPICIOUS ACTIVITY REPORT” SAR

INTRODUCTION

The “Suspicious Activity Report” (SAR) is the form attached to this instruction, through which entities report to the competent authority any suspicious transaction or activity. This form is to be filled out by the entities in cases where they know or suspect that money laundering of proceeds of a criminal offence is being carried out, has been carried out or is being attempted, or terrorist financing, or the involved funds stem from criminal activity. The reporting must be made using the SAR form immediately and no later than 72 hours.

1. A cross is marked in the appropriate box, as applicable, if the activity is suspected to involve money laundering, terrorist financing, or the funds stem from criminal activity.

2. A cross is marked in the appropriate box, as applicable, if it is sent to the FIA, a new report, an attempted transfer, or if a previous report is being amended.

PART I
INFORMATION ON SUSPICIOUS ACTIVITY

1. **Legal status of the person:** By selecting one of the boxes, the reporting entity provides information on the legal status of the person(s) involved in the suspicious activity, as applicable: individual, natural person trader, legal person, joint stock company, NGO, legal arrangements, LLC (limited liability company), guardian, branch of a foreign company.

2. **First name, last name:** for an individual, write the first name and last name.

3. **Date of birth/date of registration (dd.mm.yyyy):** if the person in whose name the transaction(s) is conducted is an individual, write the date of birth; otherwise, write the date of registration of the company. The date is written in eight-digit format. The first two digits indicate the calendar day of the month, the next two indicate the calendar month, and the last four indicate the year of birth. Zero (0) must precede every single-digit number. For example, if the date of birth of an individual is April 3, 1978, the report should state it in the format 03.04.1978.

4. **Citizenship:** write the citizenship of the person conducting the transaction (to be filled out in the case of natural persons).

5. **Place of birth:** write the place (jurisdiction) where the person was born;

6. **Permanent address/place of residence:** write the address declared by the subject or recorded in the documents submitted by him.

7. **Temporary place of residence (if any):** to be filled out if the person has a place where he is staying in order to perform certain work or duties, to attend a particular school or course, to receive medical treatment, to serve a criminal sentence, or in other similar cases.

8. **Gender: a) male; b) female:** a cross is marked in the relevant box according to whether the individual is male or female.

9. **Identification document:** a) ☐ identity card; b) ☐ passport;

A cross is marked in the relevant box according to the type of document used for the identification of the person.

10. **Document number:** here the number of the document used for identification is written.

11. **Personal identification number (NID):** here the personal identification number is written.

12. **Issuing authority:** here the state authority that issued the document used for the identification of the person is written.

13. **Name of the entity:** here the name of the entity is written.

14. **NUIS/NIPT:** the unique identification number of the entity or the identification number of the taxable person is written.

15. **Registered office:** the place of the registered office of the customer according to the documents submitted by him is filled in.

16. **Temporary address (if any):** filled in if the person has a place of activity different from the registered office address.

17. **Employment/type of activity:** the description of the employment or type of activity of the person involved in the suspicious activity is given.

18. **If PEP:** a cross is marked in the appropriate box if the entity is a politically exposed person.

PART II INVOLVED PERSONS

In this part of the report, data is provided on the persons involved in the transaction.

PART III FINANCIAL TRANSACTION CARRIED OUT

1. **Number of transactions:** the number of transactions carried out or attempted is written.

2. **Account number(s):** the account number(s) involved in the suspicious activity are written.

3. **Date of transaction execution:** the date of the transaction is written in eight-digit format. The first two digits indicate the calendar day of the month, the next two indicate the calendar month, and the last four indicate the year. A zero (0) should precede any single digit. For example, if the transaction date is May 5, 2008, the report should state 05.05.2008.

4. **Currency:** a cross is placed in one of the boxes according to the type of currency used to carry out the transaction, e.g.: LEK, USD, GBP, EUR, etc.

5. **Transaction amount:** the amount is written for a single transaction or for several transactions linked to each other.

PART IV EXPLANATIONS/DESCRIPTIONS OF SUSPICIOUS ACTIVITY

In this section of the report, the reporting entity provides a description of the activity and reasons for suspicion. The information provided should be *structured into several points*, such as: including a description of the profile of the STR subject; a complete analysis of the case including also an analysis of the transaction history; anomalies observed in the transaction, actions or

suspicious activities; suspicions regarding the case; links to other reported suspicious cases, if any; whether guidance is requested from the FIU or other necessary data or information of interest.

The character limit is set to ensure the updating of large volumes of information entering the database, e.g. tables, figures; materials exceeding this limit may be sent in zipped form in Part V.

PART V LIST OF ACCOMPANYING DOCUMENTS


In this section of the report, the documents accompanying the report are attached in zipped form (up to 10 MB ZIP).

PART VI INFORMATION ABOUT THE REPORTING ENTITY

In this section of the report, information about the reporting entity is provided, such as: the name of the entity, the name and signature of the person responsible for the prevention of money laundering, the name of the person who approves the STR report (in cases where this is different from the responsible person), the reporting date in the format (dd.mm.yyyy), as well as the telephone number/address *email*, as well as the address of the responsible person through whom the competent authority may provide further instructions regarding the submitted report.

ANNEX II
“Cash Transaction Report” (CTR)

In an amount equal to or greater than 1 million (1,000,000) ALL

1. Select the appropriate box:
<input type="checkbox"/> New report; <input type="checkbox"/> Improves a previous transaction; <input type="checkbox"/> Linked transactions.
PART I. PERSONS INVOLVED IN THE TRANSACTION
SECTION A. PERSON CONDUCTING THE TRANSACTION
1. Legal status of the person: <input type="checkbox"/> a) Individual; <input type="checkbox"/> b) Natural person trader; <input type="checkbox"/> c) Legal person; <input type="checkbox"/> d) Joint Stock Company; <input type="checkbox"/> e) NGO; <input type="checkbox"/> f) Legal arrangements; <input type="checkbox"/> g) LLC (limited liability company); <input type="checkbox"/> h) Guardian; <input type="checkbox"/> i) Branch of a foreign company; <input type="checkbox"/> j) SHKK; k) other.
2. a) First name: _____ b) Last name: _____
3. Date of birth/registration date: __.__.____
4. Nationality: <input type="checkbox"/> a) Albani; <input type="checkbox"/> b) forei; <input type="checkbox"/> c) stateless.
5. Place of birth: _____
6. Address: _____ 7. Gender: <input type="checkbox"/> a) male; <input type="checkbox"/> b) female.
8. Identification document:
a) <input type="checkbox"/> identity card; b) <input type="checkbox"/> passport; c) <input type="checkbox"/> personal number (NID)
9. Document number: _____
10. Issuing authority: _____
11. Name of the entity: _____ 12. NUIS/NIPT: _____
13. Registered office: _____ 14. Temporary address (if any): _____
15. Employment/type of activity: _____
SECTION A.1-PERSON INVOLVED IN THE EXECUTION OF THE TRANSACTION

PART II. BENEFICIAL OWNER(S)
SECTION B. BENEFICIAL OWNER(S)

1. Legal status of the person <input type="checkbox"/> a) Individual; <input type="checkbox"/> b) Natural person trader; <input type="checkbox"/> c) Legal person; <input type="checkbox"/> d) Joint Stock Company; <input type="checkbox"/> e) NGO; <input type="checkbox"/> f) Legal arrangements; <input type="checkbox"/> g) LLC (limited liability company); <input type="checkbox"/> h) guardian; <input type="checkbox"/> i) branch of a foreign company; <input type="checkbox"/> j) SHKK; <input type="checkbox"/> k) other.	
2. a) Name: _____ b) Surname: _____ 3. Date of birth/registration date: _____._____._____	
4. Citizenship: <input type="checkbox"/> a) Albanian; <input type="checkbox"/> b) foreign; 5. Place of birth: _____ 6. Address: _____ 7. Gender: <input type="checkbox"/> a) male; <input type="checkbox"/> b) female.	
8. Identification document: a) <input type="checkbox"/> identity card; b) <input type="checkbox"/> passport. 9. Document number: _____ 10. Personal identification number (NID): _____ 11. Issuing authority: _____	
12. Name of the entity: _____ 13. NUIS/NIPT: _____ 14. Registered address: _____ 15. Temporary address (if any): _____ 16. Employment/type of activity: _____	
SECTION B.1- BENEFICIAL OWNER(S) INVOLVED	
PART III. FINANCIAL TRANSACTION CARRIED OUT	
1. Number of transactions: _____ 2. Type of transaction <input type="checkbox"/> a) credit deposit; <input type="checkbox"/> b) withdrawal cash; <input type="checkbox"/> c) payment cash; <input type="checkbox"/> d) foreign exchange payment; <input type="checkbox"/> e) sale/purchase of securities; <input type="checkbox"/> f) sale/purchase of shares; <input type="checkbox"/> g) property bought/sold; <input type="checkbox"/> h) sale of shares; <input type="checkbox"/> i) transfer of funds; <input type="checkbox"/> j) lending; <input type="checkbox"/> k) borrowing; <input type="checkbox"/> l) donation; <input type="checkbox"/> m) other.	
3. Date of transaction _____._____._____ 4. Currency: <input type="checkbox"/> lek; <input type="checkbox"/> euro; <input type="checkbox"/> USD; <input type="checkbox"/> GBP; <input type="checkbox"/> JPY; <input type="checkbox"/> CHF; <input type="checkbox"/> CAD; <input type="checkbox"/> other. 5. Amount of the transaction: _____ 6. Note on the transaction: _____	
PART IV. INFORMATION ON THE REPORTING ENTITY:	
Name: _____ Date of reporting: _____._____._____ Responsible person: _____ Tel. _____ Signature: _____ Email: _____ _____ Approver: _____ Address: _____	

INSTRUCTIONS ON THE MANNER OF COMPLETING THE FORM FOR REPORTING TRANSACTIONS IN PHYSICAL CASH

(For transactions in physical cash, in an amount equal to or greater than 1 million lek)
 The form for reporting transactions in physical cash (RTPF) is the form attached to this instruction.

Through this form, entities report transaction(s) in physical cash, in an amount equal to or greater than 1 million lek (or the equivalent in another currency).

Mark a cross in the box/es according to the respective reporting case (e.g.: new report, correction of a previous report or in the case of related transactions carried out within the deadline specified in this instruction).

PART I
PERSONS INVOLVED IN THE TRANSACTION

Section A. To be completed in all cases

If the person carries out a transaction on their own behalf, complete section A and leave section B blank.

If an individual carries out a transaction on their own behalf and on behalf of other person(s), complete section A with the following data for the person conducting the transaction and section B for the person on whose behalf the transaction is carried out.

1. **Legal status of the person:** by selecting one of the boxes, the reporting entity provides information on the legal status of the person(s) involved in the suspicious activity, as applicable: individual, natural person trader, legal person, joint stock company, public entity, NGO, legal arrangements, LLC (limited liability company), guardian, branch of a foreign company.

2. **First name, last name:** for the individual, write the first name and last name.

3. **Date of birth/registration (dd.mm.yyyy):** if the person on whose behalf the transaction(s) is/are carried out is an individual, write the date of birth; otherwise, write the date of registration of the company. The date should be written in an eight-digit format. The first two digits indicate the calendar day of the month, the next two indicate the calendar month, and the last four indicate the year of birth. Zero (0) must precede any single digit. For example, if an individual's date of birth is 3 April 1978, the report should state it in the format 03.04.1978.

4. **Citizenship:** write the citizenship of the person carrying out the transaction (to be completed in the case of natural persons).

5. **Place of birth:** write the place (jurisdiction) where the person was born.

6. **Address:** write the address declared by the subject or evidenced in the documents submitted by him.

7. **Gender:** a) male; b) female: a cross is marked in the relevant box as appropriate depending on whether the individual is male or female.

8. **Identification document:** a) ☐ identity card; b) ☐ passport; c) ☐ personal number (NID);

A cross is marked in the relevant box according to the type of document used for the identification of the person;

9. **Document number:** here is written the number of the identification document used, as well as the personal number.

10. **Issuing authority:** here is written the state authority that issued the document used for the identification of the person.

11. **Name of the subject:** here is written the name of the subject.

12. **NUIS/NIPT:** the unique identification number of the subject or the identification number of the taxable person is written.

13. **Head office address:** the full address of the head office of the person involved in the suspicious activity is written.

14. **Temporary address (if any):** filled in if the person has a place of activity different from the head office address.

15. **Employment/type of activity:** a description is given of the employment or type of activity of the person involved in the suspicious activity.

Section A.1. Person involved in carrying out the transaction

In this section, additional information is provided for other persons who are involved as parties together with the person carrying out the reported transaction.

PART II
BENEFICIAL OWNER(S)

In this section, the reporting entity provides complete data for the beneficial owner in cases where they are different from the person in sections A and B.

Section B. The person on whose behalf the transaction is carried out

This section is completed in all cases where the person(s) carrying out the transaction(s) are different from those on whose behalf the transaction(s) is/are carried out (e.g., if an employee of X entity makes a deposit on behalf of the company, the latter must be identified in section B and the employee carrying out the transaction must be identified in section A).

The entities must complete all the information in accordance with the method of completion described above in section A.

1. **Legal status of the person:** by selecting one of the boxes, the reporting entity provides information on the legal status of the person(s) involved in the suspicious activity, as applicable: individual, sole trader, legal person, joint-stock company, public entity, NGO, legal arrangements, LLC (limited liability company), guardian, branch of a foreign company.

2. **Name and surname:** for an individual, write the name and surname.

3. **Date of birth/registration (dd.mm.yyyy):** if the person on whose behalf the transaction(s) is/are carried out is an individual, enter the date of birth; otherwise, enter the date of registration of the company. The date is written in eight-digit format. The first two digits indicate the calendar day of the month, the next two indicate the calendar month, and the last four indicate the year of birth. Zero (0) must precede any single digit. For example, if an individual's date of birth is April 3, 1978, it should be entered in the format 03.04.1978 in the report.

4. **Citizenship:** enter the citizenship of the person conducting the transaction (to be completed in the case of natural persons).

5. **Place of birth:** enter the place (jurisdiction) where the person was born.

6. **Address:** enter the address declared by the subject or as evidenced in the documents submitted by him.

7. **Gender:** a) male; b) female: mark a cross in the appropriate box as applicable, depending on whether the individual is male or female.

8. **Identification document:** a) ☐ identity card; b) ☐ passport; c) ☐ personal number (NID). Mark a cross in the appropriate box according to the type of document used to identify the person.

9. **Document number:** here enter the number of the document used for identification.

10. **Personal identification number (NID):** here enter the personal identification number.

11. **Issuing authority:** here enter the state authority that has issued the document used to identify the person.

12. **Name of the entity:** here enter the name of the entity.

13. **NUIS/NIPT:** enter the unique identification number of the entity or the identification number of the taxable person.

14. **Registered address:** enter the full address of the head office of the person involved in the suspicious activity.

15. **Temporary address (if any):** to be filled in if the person has a place of activity different from the registered address.

16. **Employment/type of activity:** enter the description of employment or type of activity of the person involved in the suspicious activity.

Section B.1. Beneficial person(s)

In this section, enter the data for the persons who are beneficiaries of the reported transaction.

PART III
FINANCIAL TRANSACTION CARRIED OUT

1. **Number of transactions:** enter the number of transactions carried out for a single transaction or for several transactions linked to each other, the aggregate amount of which is equal

to or exceeds the value of 1 million ALL or the equivalent in foreign currency. The time frame for calculating the linked transactions is 24 hours.

2. **Type of transaction:** mark with a cross the type of transaction (e.g. credit deposit, withdrawal *cash*, deposit *cash*, foreign exchange payment, etc.);

3. **Transaction date:** enter the date of execution of the transaction in the format day, month, year (dd.mm.yyyy). Zero (0) must precede every single-digit number (e.g. if the transaction date is April 5, 2009, the report should state 05.04.2009). For entities that also register the time of the transaction, the time should also be entered.

4. **Currency:** a cross is placed in one of the boxes according to the type of currency used for executing the transaction (e.g.: lek, USD, GBP, EUR, etc.).

5. **Transaction amount:** the full amount is written of the transaction carried out in physical cash in lek for a single transaction or for several related transactions, the aggregate amount of which is equal to or exceeds the value of 1 million lek, or its equivalent in foreign currencies. The time period for calculating related transactions is 24 hours.

6. **Note on the transaction:** in this part of the report, the reporting entity provides notes regarding the transaction.

PART IV INFORMATION ON THE REPORTING ENTITY

In this section, information is filled in regarding the reporting entity, such as: first name, last name for natural persons (or the full legal name of the company for legal persons), the name of the person responsible for the prevention of money laundering, the reporting date in the format (dd.mm.yyyy), the telephone number/email address of the responsible person through whom the competent authority may provide further instructions in relation to the submitted report, the name of the approver, as well as the full address of the entity.

ANNEX III DESK REVIEW REPORT (DRR)

NAME OF THE REPORTING ENTITY:

CATEGORY OF THE ENTITY: _____

DESCRIPTION OF THE ENTITY'S ACTIVITY: _____

ADDRESS:

NUMBER OF THE ENTITY'S EMPLOYEES: _____

NAME OF THE RESPONSIBLE PERSON/POSITION:

Tel.: Fax: Email:

I. Preventive measures taken by the entity in the context of the prevention of money laundering and terrorist financing:

1. Do you have internal regulations?

Yes ___ No ___

If Yes, attach copies of the regulation.

2. Have you conducted training for employees?

Yes ___ No ___

If Yes:

- list the training topics and the number of employees who attended the training;

- attach copies of the topics covered in the conducted trainings.

3. Number of audits carried out by internal control (if any)?

Yes ___ No ___

If Yes, attach copies of the audit reports carried out (internal or external audit reports, etc...) including:

- *deficiencies identified by them (if any);*
- *measures taken to follow up on the recommendations or findings identified.*

II. Explain the method of checking and verifying the list of designated persons and the relevant measures taken in implementation of:

- Law no. 157/2013, “Për masat kundër financimit të terrorizmit”, as amended;
- Law no. 72/2019, “Për masat shtrënguese ndërkombëtare në Republikën e Shqipërisë”, as amended.

III. Reports made by the entity at the statistical level:

Record the number of RTPFs sent to the responsible authority: _____

Record the number of RADs sent to the responsible authority: _____

NAME OF THE RESPONSIBLE PERSON: _____ SIGNATURE: _____	DATE: _____._____._____;
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INSTRUCTIONS FOR COMPLETING THE DESK REVIEW REPORT

The “desk review report” is the form attached to this instruction and is completed by the entities at the request of the responsible authority with data on the measures taken for the implementation of the requirements of Law no. 9917, dated 19.5.2008, “On the prevention of money laundering and financing of terrorism”, as amended; Law no. 157/2013, “On measures against the financing of terrorism”, as amended; and Law no. 72/2019, “On international restrictive measures in the Republic of Albania.”, as amended.

The completed form and the attached documentation are sent to the Financial Intelligence Agency (FIA), within the deadlines specified in the request.

Name of the reporting entity: The full name of the reporting entity is written.

Category of the entity: In this part of the report, the category to which the entity belongs is written, based on Article 3 of Law no. 9917/2008, as amended.

Description of the entity's activity: In this part of the report the field of activity of the entity is cited.

Address: The full address of the reporting entity is written.

Number of employees: In this section, the number of employees of the entity is provided, verifying this with the relevant documentation.

Name of the responsible person/position: The name of the person responsible for the prevention of money laundering and terrorist financing, and the proliferation of weapons of mass destruction within the reporting entity, as well as their position in the entity's hierarchy, is written.

Additionally, his/her details are provided, such as: telephone/fax number and email address.

Preventive measures taken by the entity within the framework of the law on the prevention of money laundering and terrorist financing: In this part of the report, the reporting entity provides a presentation of the measures taken for the implementation of the law (mainly Article 11, of Law No. 9917/2008, “Preventive measures”) and the bylaws. This is verified with the relevant documentation that must accompany this report.

Internal regulations: The entity indicates whether it has approved regulations within the framework of the obligations of Law No. 9917/2008, as amended, verifying this with the relevant documentation that must accompany the completion of this report.

Personnel training: The entity may describe the trainings conducted for the personnel and the number of personnel who participated in the training, as well as indicate whether it has

submitted any request for training and assistance from the FIA. The entity must accompany the completion of this report by verifying it with the relevant documentation.

Method of checking and verifying the list of designated persons and the relevant measures taken: In this part of the report, the entity explains the method of checking and verifying the list of designated persons and the measures taken on the basis of and in implementation of Law No. 157/2013, “On measures against the financing of terrorism”, as amended (mainly focused on articles 10–10/1), and Law No. 72/2019, “On international restrictive measures in the Republic of Albania.”, as amended (mainly focused on articles 8–11).

Reports made by the entity: The entity's data regarding the reports sent to the Financial Intelligence Agency are to be recorded (e.g. the number of RTPF and RAD reports).

Name of the responsible person: The name of the person responsible for the prevention of money laundering is to be recorded.

Signature: The report is signed by the person responsible for the prevention of money laundering before being sent to the “competent authority”.

Date: The entity records the date of submission of the report to the “competent authority”, which must be written in eight digits. The first two indicate the calendar day of the month, the next two indicate the calendar month, and the last four indicate the year. Zero (0) must precede any single digit. For example, if the date is 3 April 2003, the report must state 3.4.2003.

ANNEX IV

ON THE REGISTRATION AND MAINTENANCE OF DATA ON CUSTOMERS AND TRANSACTIONS

The following data are the essential and mandatory information that the entity must include in the centralized system.

The entity may add other data that may relate to the nature or specific characteristics of its activity.

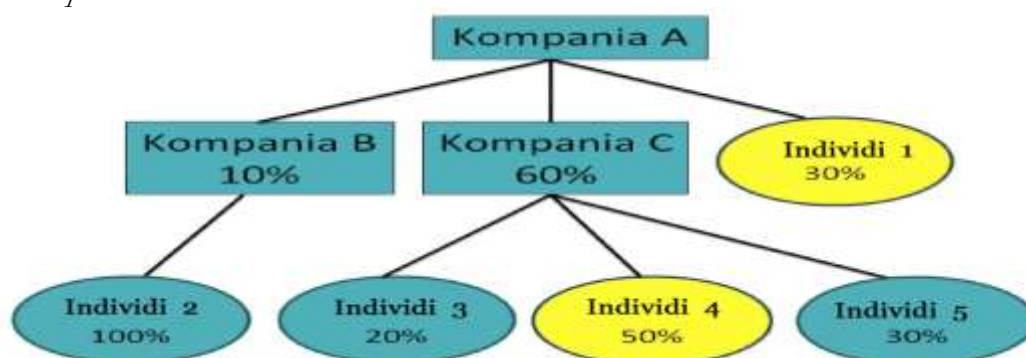
Name (of the customer or beneficial owner)
Surname
Date of birth
Place of birth
Personal identification number (NID)
Type of document
Name of the company
NIPT/NUIS
Address
Amount of the transaction
Currency
Type of transaction (e.g. deposit/withdrawal/transfer)
Date of transaction
Method of transaction execution (e.g. <i>cash</i> (physical cash)/ transfer)
Declared source of funds
Other persons involved (with full particulars)
Identifying data of the beneficial owner of the customer

ANNEX V

GUIDING EXAMPLES FOR DETERMINING THE BENEFICIAL OWNER

Below are provided some examples for the entities subject to this instruction, as an orientation tool for them during the process of identifying and verifying the beneficial owner or owners of their customers.

Example 1

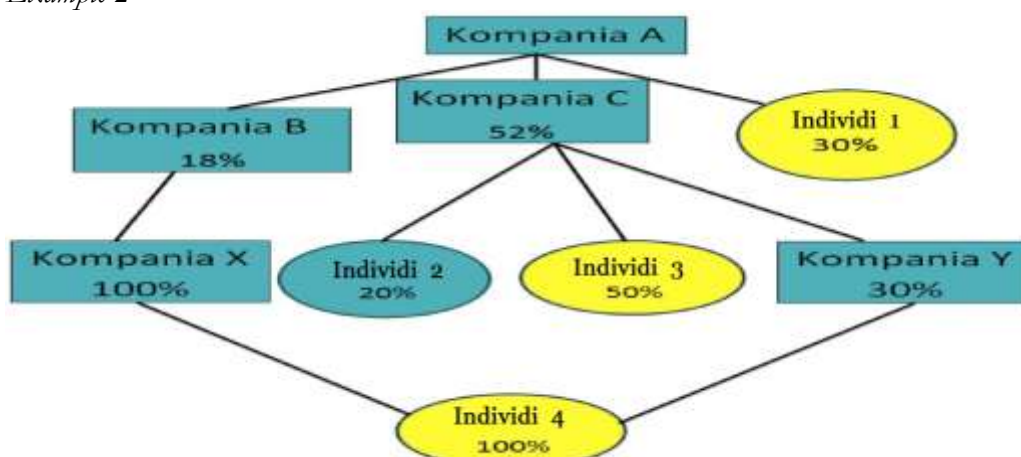


Entities are required to identify individuals who directly or indirectly own 25% or more of the shares of company A.

At the first level, individual 1 owns 30% of the shares in company A and consequently is the beneficial owner.

At the second level, only individual 4 is the beneficial owner, as he ultimately owns 30% of the shares of company A (since he owns 50% of the shares of company C, which in turn owns 60% of the shares of company A). Individuals 2, 3, and 5 own 10%, 12%, and 18% of the shares of company A respectively, so it is not necessary to identify them.

Example 2



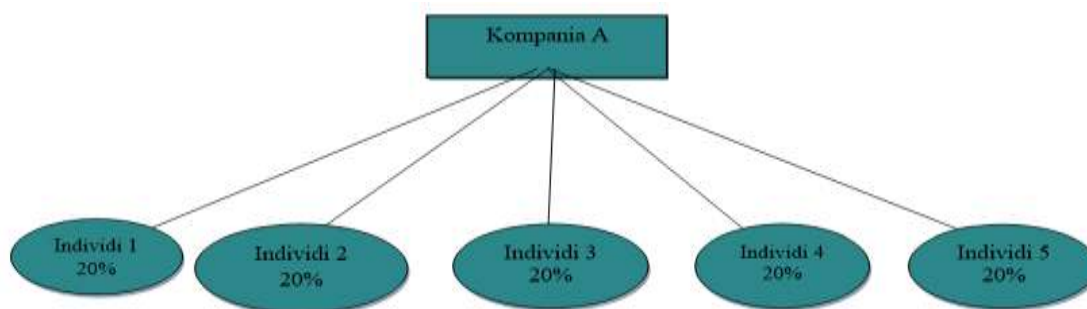
Entities are required to identify the individual who ultimately owns 25% or more of the shares of company A.

At the first level, individual 1 owns 30% of the shares in company A and consequently is the beneficial owner.

At the second level, only individual 3 is the beneficial owner, as he ultimately owns 26% of the shares of company A (since he owns 50% of the shares of company C, which in turn owns 52% of the shares of company A).

At the third level, individual 4 is the beneficial owner, as he ultimately owns 33.6% of the shares in company A (since he owns 18% of the shares in company A through companies B and X, as well as 15.6% of the shares in company A through company C and company Y).

Example 3



In cases where ownership is dispersed, and no partner/shareholder owns 25% or more of the shares, the legal representative of the company shall be registered as the beneficial owner.

In cases where ownership is dispersed, and no partner/shareholder owns 25% or more of the shares, the person holding the highest senior management position in the company shall be registered as the beneficial owner.

Example 4

In cases where the customer or the beneficial owner is a joint stock company listed on a recognised exchange and is subject to reporting obligations to a regulatory authority, the legal representatives of the entity listed on the exchange shall be registered as beneficial owners.

For the purposes of this instruction, a recognised financial exchange shall be considered the exchanges of the Member States of the Organisation for Economic Co-operation and Development (OECD), as well as those of Albania.

ANNEX VI

INDICATORS FOR THE ANALYSIS OF COMPLEX TRANSACTIONS WITH HIGH UNUSUAL VALUES WITHOUT AN APPARENT ECONOMIC OR LEGAL PURPOSE

Entities should take into account the following indicators when analysing complex, high-value, and unusual transactions that do not have an apparent economic or legal purpose, but not limited thereto, as follows:

1. The transaction shall be considered complex in cases where:
 - a) the type of transaction is clearly inconsistent with the size or activity of the legal or natural person, or the age of the customer;
 - b) the transactions are unusual due to their size, nature, frequency, or the manner in which they are carried out;
 - c) there are clear and significant differences between the declared price of movable or immovable property contracts and the actual values in accordance with market reference prices;
 - c) the business relationship involves transactions that are not in line with those declared by the customer, such as: private financing, use of bearer checks or frequent or significant cash payments, especially if such transactions are not consistent with the economic profile of the individual or the company;
 - d) the customer does not provide logical explanations for contributing a significant amount in cash as collateral for borrowing, instead of using these funds;
 - dh) the transfer of immovable property will be carried out by claiming prior payment with precious metals or cryptocurrencies or monetary obligations, without supporting documents.
2. The transaction is considered to be of high and unusual value in cases where:
 - a) transactions are carried out particularly by newly established companies, the value of which is not justified by the field of activity of the customer, or by other economic-financial data;

b) funds received or sent to a foreign country, without any apparent connection between the country and the customer;

c) financing is carried out by third parties related to the transaction or the payment of other obligations, without any apparent connection between the parties or justification from an economic point of view;

ç) funds received or sent to countries with a high risk of money laundering or terrorist financing, listed by the competent authority or the Council of Ministers, pursuant to point “P” of Article 22 of the law.

3. The transaction is considered to have no apparent economic or legal purpose in cases where:

a) the customer uses multiple bank accounts inside or outside the country without any economic or legal justification;

b) the customer's personal expenses are financed by a company, business activity or state institution, without any explanation or economic-legal reason;

c) the method of payment is determined on a date very close to the time of notarization of the deed, especially if there is no guarantee securing the execution of the payment;

ç) the contract stipulates an exceptionally short repayment period without any logical explanation or economic justification;

d) successive and frequent transfers of property from one individual to another without a logical explanation for the change of ownership, accompanied by a significant increase in price (e.g. over 30% above the area's reference price);

dh) the purchase of properties below the market reference value (e.g. 30% below value) and then their immediate resale or resale within a short period (e.g. 6 years) at a significantly higher value (e.g. over 30% above the area's reference price), without reasonable data for this (e.g. restructuring of the property which has led to an increase in value).