

LAW
No. 154/2020

ON THE CENTRAL REGISTER OF BANK ACCOUNTS

(amended with the law no. 55/2023, date 13.7.2023)

(i (updated))

Pursuant to Articles 78 and 83, points 1 and 2, of the Constitution, upon the proposal of the Council of Ministers,

PARLIAMENT
OF THE REPUBLIC OF ALBANIA

DECIDED:

Article 1
Subject matter

The subject matter of this law is the establishment of the general principles and rules for the creation and administration of the Central Register of Bank Accounts and safety deposit boxes, as a state database, as well as the obligation of financial institutions to report data according to the provisions of this law.

Article 2
Purpose

The purpose of this law is to establish conditions for the prevention of the use of the financial system in the Republic of Albania for money laundering and products derived from criminal offences, for the prevention of the financing of terrorism, as well as for the facilitation of procedures for the collection of tax liabilities, taxes or fees, at the central or local level.

Article 3
Scope of application

This law applies to all financial institutions operating in the Republic of Albania and offering bank account or safety deposit box services to their clients.

Article 4
Definitions

(letters added "gj" in point 10 with law no. 55/2023, date 13.7.2023)

For the purposes of this law, the following terms have the following meanings:

¹ This law is partially approximated with:

- Directive (EU) 2018/843 of the European Parliament and of the Council, dated 30 May 2018, amending Directive (EU) 2015/849 "Për parandalimin e përdorimit të sistemit financiar për qëllime të pastrimit të parave ose të financimit të terrorizmit" and amending Directives 2009/138/EC and 2013/36/EU. CELEX number 32018L0843, Official Journal of the European Union, series L, no. 156, dated 19.6.2018, pp. 43–74.

- Directive (EU) 2019/1153 of the European Parliament and of the Council, dated 20 June 2019, which lays down rules facilitating the use of financial information and other information for the prevention, detection, investigation or prosecution of certain criminal offences and repeals Council Decision 2000/642/JHA. CELEX number 32019L1153, Official Journal of the European Union, series L, no. 186, dated 11.7.2019, pp. 122–137.

1. "Register" is the Central Register of Bank Accounts and safety deposit boxes, as a state database, in which data is recorded and stored, according to the provisions of this law, in electronic form. Its processing and updating are carried out automatically, through interaction via a computer system, which allows the timely identification of any individual, natural or legal person, who owns or controls bank accounts identified by IBAN and safety deposit boxes held by a financial institution within the territory of the Republic of Albania.

2. "Bank account" is the account held by a financial institution for an individual client, natural or legal person, which includes deposit accounts, current accounts, credit card accounts, payment accounts, or any other type of account offered by a financial institution, regardless of its status: active, frozen, or dormant.

3. "Safety deposit box" is the secure box, usually situated at or near a bank vault or in a special security area, for the purpose of holding valuables on behalf of clients.

4. "Bank account holder" is the individual, natural person or legal person in whose name the bank account is registered with a financial institution.

5. "Financial institution" is any bank or non-bank financial entity, which, according to the legislation in force on banks and non-bank financial institutions in the Republic of Albania, offers bank account contracts or the safety deposit box service and has the reporting obligation under this law.

6. "IBAN" is the international bank account number, which clearly identifies an individual bank account, the elements of which are defined by international standards.

7. "Legal arrangements" has the same meaning as in the law on the prevention of money laundering and terrorism financing.

8. "Beneficial owner" has the same meaning as in the legislation in force on beneficial owners.

9. "Authorized person" is any person who, on the basis of an agreement or act of representation, may perform actions on behalf of the account holder or the holder of the safety deposit box.

10. "Interested entities" are entities that have access to the register according to the levels specified in this law or its bylaws as follows:

a) General Directorate for the Prevention of Money Laundering;

b) General Jurisdiction Prosecutor's Office;

c) Special Prosecutor's Office Against Corruption and Organised Crime; c) General Directorate of State Police;

d) National Bureau of Investigation; dh) State Intelligence Service;

e) High Inspectorate of Declaration and Audit of Assets and Conflict of Interest; ë) General Directorate of Taxes;

f) directorates of taxes and fees at local self-government units;

g) General Directorate of Customs;

gj) Agency for the Management of Guarantees and Irrecoverable Loans.

11. "Entities entitled to obtain information" are natural or legal persons, public or private, who, upon a reasoned request to the register's managing institution, have the right to obtain information from the register. These entities are:

a) the state or private judicial enforcement service;

b) financial institutions;

c) any other public authority, which is granted the right to access information in the register by special legislation.

12. "Due diligence" has the same meaning as in the law on the prevention of money laundering and terrorist financing.

Article 5

Central Register of Bank Accounts

1. The register is established as a state database, where information stored electronically is collected in an organized form for every holder of bank accounts and safety deposit boxes, in which the data reported by financial institutions is recorded.

2. The General Directorate for the Prevention of Money Laundering shall have full, immediate, and unfiltered access to the data in the register.

3. Other interested entities are guaranteed the right of access only to those data in the register that are necessary for the fulfillment of their functional duties according to the applicable legislation.

4. The level of access, according to point 3 of this Article, for the interested entities defined in point 10 of Article 4 of this law, shall be determined by decision of the Council of Ministers, upon the proposal of the minister responsible for finance.

5. The information stored in the register is not available to the public.

Article 6

Creation and administration of the register

1. The General Directorate of Taxation is the administrative institution of the register.

2. The National Agency for Information Society is responsible for the creation of the system, in order to ensure appropriate data security measures, as well as the principles of adequacy and proportionality regarding the processing of data.

Article 7

Role of the General Directorate of Taxation

1. The General Directorate of Taxation, in the implementation of this law, is responsible for:

- a) providing access to the register for interested entities;
- b) supervision of the compliance of financial institutions with the obligations set forth in this law;
- c) provision of information to entities that have the right to obtain information upon request, according to point 11 of Article 4 of this law;
- c) carrying out activities for the purpose of fulfilling the obligations set forth in this law.

2. The request and provision of information, according to letter “c” of point 1 of this article, are carried out in accordance with the provisions of the Code of Administrative Procedure. Entities entitled to obtain information upon request must retain the data used, pursuant to this point, for a period of 10 years.

Article 8

Register data

1. The register contains the following data for individual holders of bank accounts and safety deposit boxes:

- a) the name and surname of the holder/holders of the bank account or of the individual who has or has been provided with the safety deposit box;
- b) the bank account number and the IBAN code of the account in cases where it is a bank account;
- c) the identification number or its identification code in cases where it is a safety deposit box; c) the name of the financial institution holding the bank account or the safety deposit box;
- d) the date of birth, place of birth, nationality and permanent address of the holder of the bank account or the lessee of the safety deposit box;

d) the name, surname, date of birth, nationality, and permanent address of any person acting on behalf of the holder of the bank account or the lessee of the safety deposit box;

e) the name, surname, date of birth, nationality, and permanent address of any individual who has a benefit in the account and/or who is a person connected with the account holder, safety deposit boxes, or their lessees;

e) the personal identification number for citizens of the Republic of Albania, as well as its equivalent for foreign nationals, if any;

f) the status of the bank account or the safety deposit box;

g) the date of opening of the bank account or the safety deposit box;

g) the date of closure, if the account or safety deposit box has been closed; and

h) the number and type of the valid identification document used at the financial institution during the due diligence process.

2. The register contains the following data when a natural person, legal person, or legal arrangement is the holder of a bank account or the lessee of a safety deposit box:

a) the name of the account holder or of the safety deposit box lessee;

b) the bank account number and the IBAN code of the account in cases where it is a bank account;

c) the identification number or its identification code in cases where it is a safety deposit box; c) the name of the financial institution holding the bank account or the safety deposit box;

d) the registered office of the natural person, legal person, or legal arrangement and, if different, the principal place of business;

dh) the unique identification number of the entity for legal persons registered in the Republic of Albania, as well as its equivalent for foreign entities;

e) the name, surname, date of birth, nationality, and permanent address of any person who is authorized to act on behalf of the account holder or the safety deposit box lessee;

ë) the name, surname, date of birth, nationality, and address of each individual beneficial owner of the account or account holder, safety deposit box or its lessee;

f) the name, surname, date of birth, nationality, and address of the founder, the beneficiaries, and the authorized person/trustee in cases where it is a legal arrangement;

g) the personal identification number for citizens of the Republic of Albania, as well as the equivalent for foreign nationals, if any, for beneficial owners, founders, beneficiaries, and authorized persons;

gj) the status of the bank account or the safety deposit box;

h) the date of opening of the bank account or the safety deposit box;

i) the date of closure if the account has been closed; and

j) the number and type of the valid identification document used at the financial institution during the due diligence process.

3. For the purposes of managing the register, its data are classified as primary and secondary data as follows:

a) primary data are considered:

i. the account's identification number in the register;

ii. the identification number in the register of the financial institution;

b) secondary data are considered the data specified in points 1 and 2 of this Article.

4. The register does not contain data on the balance of bank accounts and the contents of safety deposit boxes. Financial institutions do not report data on the balance of bank accounts and the contents of safety deposit boxes.

Article 9 Data reporting

1. Financial institutions must establish and manage systems that ensure data reporting, as specified in Article 8 of this law, in real time, after the completion of transactions with holders of bank accounts or safety deposit boxes.

2. Financial institutions report data to the register electronically, using the central automated mechanism in accordance with the reporting file format.

3. The format of the data reporting file is determined by instruction of the minister responsible for finance, which is drafted in consultation with the National Agency for Information Society.

Article 10

Supervision of the implementation of the reporting obligation

1. Supervision of the implementation of the reporting obligation and the compliance of bank data reported by financial institutions is carried out by the General Directorate of Taxation. The Directorate does not delegate this competence to its regional branches.

2. Supervision, according to this law, is the verification of the reporting process when financial institutions do not report the data and the verification of the accuracy of the data when discrepancies are identified by the General Directorate of Taxation or when the latter becomes aware of discrepancies from lawful sources.

3. For the purposes of this law, the General Directorate of Taxation:

a) supervises the compliance of the activities of financial institutions with the requirements of this law;

b) requires from every financial institution access to and provision of any kind of information and document, including copies thereof, related to the data pursuant to Article 8 of this law, concerning the compliance of the obligations of financial institutions in implementation of this law;

c) supervises the manner and accuracy of data reporting by financial institutions;

(c) may order financial institutions to cease any practice that is in conflict with the provisions of this law.

Article 11

Obligation to retain data

1. All data managed by the register and other legal documentation are retained in full by financial institutions for 10 (ten) years from the closure of the bank account or the safety deposit box.

2. At the end of the personal data retention period, such data shall be deleted from the register.

3. The processing of personal data and the informing of the personal data subject by financial institutions shall be carried out according to the rules provided by the applicable legislation on personal data protection.

Article 12

Obtaining data for statistical purposes

1. The public bodies responsible for the publication of official statistics in the Republic of Albania, in accordance with the applicable legislation on official statistics, may request information from the register to be processed for statistical purposes.

2. The requested information, according to point 1 of this Article, is provided only in anonymised form.

Article 13

Responsibility for the accuracy of data in the register

1. Financial institutions are responsible for the accuracy and completeness of the data reported under this law and shall take all necessary measures for this purpose. If financial institutions discover that any of the data reported for the purposes of this law is inaccurate or incomplete, they shall immediately notify, and in any case no later than 72 hours, the responsible unit for the register at the General Directorate of Taxation, while simultaneously taking measures to correct the inaccurate or incomplete data and reporting them again.

2. If the bodies that have access to the data in this register observe that the data reported or held in the register are inaccurate or incomplete, they shall without delay notify the responsible unit for the register at the General Directorate of Taxation, which takes measures to communicate with the reporting financial institution and to correct the found inaccuracies.

Article 14

Use of the data obtained in the register

The data held in the register constitute banking and professional secrecy and must be treated and safeguarded as such by all authorities that have access to them.

Article 15

Exception from the right to information

The legislation in force regarding the right to information in the Republic of Albania is not applicable to information held in the register and its use by the responsible authorities.

Article 16

Publication of the annual data on the use of the register

The General Directorate of Taxation shall publish, within the first quarter of each year, the annual public report for the previous year regarding the use of the register. The report must also include detailed anonymized statistics on the number of bodies that have accessed the register, including the number of persons sought by them.

Article 17

Misdemeanours administrative

1. When they do not constitute a criminal offence, violations of the provisions of this law constitute an administrative misdemeanour and are punishable by a fine as follows:

a) failure to submit information and data in the manner specified in point 2 of Article 9 of this law, or the reporting of false data in the register by financial institutions, is punishable by a fine in the amount of 1,000,000 (one million) ALL;

b) failure by financial institutions to take measures to correct errors in the data reported in the register, whether these are detected by themselves or identified by the General Directorate of Taxation, is punishable by a fine in the amount of 1,000,000 (one million) ALL;

c) the use of data by the entities specified in this law, in violation of Article 14 of this law, is punishable by a fine in the amount of 1,000,000 (one million) ALL;

ç) unauthorized use of data by the entities specified in this law, or use of data contrary to the purpose of the provisions of this law and its bylaws, is punishable by a fine in the amount of 1,000,000 (one million) ALL.

2. The fine is imposed by the head of the General Directorate of Taxation according to the applicable legislation on administrative offences.

3. The format of the fine template according to this article is determined by order of the General Director of Taxation.

4. An appeal against the decision imposing the fine may be lodged directly with the competent administrative court, in accordance with the provisions of the applicable legislation on administrative courts and the adjudication of administrative disputes.

Article 18

Liability in the event of force majeure

1. Financial institutions are not liable for the non-fulfillment of obligations specified in this law and the bylaws issued pursuant to it, arising as a result of a state of emergency, war, other civil unrest, or natural disasters.

2. A financial institution that is unable to fulfill its obligations in accordance with this law for the reasons set forth in paragraph 1 of this article shall immediately notify in writing the General Directorate of Taxation of the cause and extent of the issue that has prevented it from fulfilling its obligations, and shall make all reasonable efforts to resume the fulfillment of its obligations as soon as possible.

Article 19

Final provisions

1. Financial institutions shall identify, create, and maintain the relevant documents for holders of bank accounts within 3 months from the entry into force of this law.

2. The National Agency for Information Society shall establish the register within 3 months from the entry into force of this law.

3. Financial institutions must transmit the data required by this law for holders of bank accounts and safety deposit boxes no later than 60 calendar days from the establishment of the register.

4. The first reporting by financial institutions must also include data on bank accounts or safety deposit boxes closed in the last 5 years. By way of exception, for accounts closed prior to 1.1.2020, financial institutions shall report such data as they possess.

Article 20

Bylaws

1. The Council of Ministers is tasked with approving the bylaw implementing point 4 of Article 5 of this law within 60 days from the entry into force of this law.

2. The minister responsible for finance is tasked with approving the guideline implementing point 3 of Article 9 of this law within 30 days from the entry into force of this law.

3. The Director General of Taxation is tasked with approving the order implementing point 3 of Article 17 of this law within 30 days from the entry into force of this law.

Article 21

Entry into force

This law enters into force 15 days after its publication

in the Official Gazette. Approved on 17.12.2020.

Announced by Decree No. 11910, dated 8.1.2021 of the President of the Republic of Albania, Ilir Meta