



## **NATIONAL BANK OF THE REPUBLIC OF MACEDONIA**

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Pursuant to Article 64 paragraph 1 item 22 of the Law on the National Bank of the Republic of Macedonia ("Official Gazette of the Republic of Macedonia" no. 3/02, 51/03, 85/03, 40/04, 61/06 and 129/06) and Articles 8 and 11 of the Law on Providing Fast Money Transfer Services ("Official Gazette of the Republic of Macedonia" no. 77/03 and 54/07) the National Bank of the Republic of Macedonia Council adopted the following

### **DECISION**

**on issuing license and approval for providing fast money transfer services and terms for concluding a contract between fast money transfer service provider and subagent**

**("Official Gazette of the Republic of Macedonia" no. 79/07)**

#### **I. GENERAL PROVISIONS**

1. This Decision sets forth the type and the method of submitting the documentation and data required for obtaining a license and approval for providing fast money transfer services, the procedure for their evaluation and control by the National Bank of the Republic of Macedonia (hereinafter: the National Bank) and the terms for concluding a fast money transfer contract between a fast money transfer service provider and a subagent.

#### **II. REQUIRED DOCUMENTATION, METHOD OF ITS SUBMISSION AND PROCEDURE FOR OBTAINING LICENSE AND APPROVAL**

2. A trade company, in order to obtain a license for providing fast money transfer services, and a bank, in order to obtain a prior approval for providing fast money transfer service shall submit a complete application to the National Bank.

##### **A. ISSUING A LICENSE AND APPROVAL FOR INSIGHT IN A REPORT**

3. Required documentation for meeting the requirements for obtaining license for providing fast money transfer service:
  - 3.1. Certificate from the Trade Registry not older than six months as an evidence that the company has been registered for performing ancillary financial intermediation activities;

3.2. For adequate business premise, technical equipment and IT system:

- a) ownership certificate or lease agreement on the premise used for providing fast money transfer service,
- b) Decision of the Ministry of Health – State Sanitary and Health Inspection Department on fulfilling the requirements for performing the activity;
- c) Decision of the Ministry of Labor and Social Policy – State Labor Inspection Department on fulfilling the work protection measures, rules and standards for performing the activity;
- d) Written notification on a separate premise for providing fast money transfer service, provided that the company also performs other activity;
- e) Written notification on the phone/fax number;
- f) Written notification on the computer equipment for providing fast money transfer service with a possibility to be connected with the National Bank;

3.3. For protecting and securing the funds, the property and the staff:

- a) damage (theft, fire, etc.) insurance policy of the premise used for providing fast money transfer service;
- b) insurance policy against damage to the monetary assets which might arise from counterfeited banknotes;
- c) written notification on installed alarm system or bulletproof glass and fenced window;
- d) written notification on provided cash register for secure keeping of cash used exclusively for the needs of providing fast money transfer services;

3.4. Information security policy including at least:

- a) provisions for fire, burglary and flood prevention system in the system hall;
- b) data protection strategy in accordance with the legal requirements;
- c) clauses for non-disclosure of information in the contracts between the service providers and the subagents;
- d) the method of control of the subagents' technical equipment quality by the fast money transfer service provider and the method of exploiting the equipment used by the subagent,

3.5. Policies and procedures for receiving and distributing cash in the relations with banks and subagents including at least:

- a) the method and requirements for receiving, withdrawing and depositing cash from and to the special accounts for payment based on fast money transfer, opened with banks authorized to conduct international payment operations by both fast money transfer service provider and by the subagents,
- b) persons authorized to deal with the funds on the special accounts for both the fast money transfer service provider and the subagents,
- c) method of reporting and settlement between the fast money transfer service provider and the subagents on the received, withdrawn or deposited cash from and to the special accounts based on executed fast money transfer transactions,
- d) method of cash settlement between the fast money transfer service provider and the subagents of the executed fast money transfer transactions provided that the subagent is a bank granted a license from the National Bank to perform international payment operations.

3.6. Written evidence that the accountable person has a university education and at least three years work experience in the finance.

3.7. Written evidence from competent bodies that no misdemeanor sanction–ban on performing profession, activity or duty have been imposed against the accountable person and the fast money transfer officers.

The National Bank shall, ex officio, submit an evidence to the Ministry of Interior that the accountable person and the fast money transfer service officers in the legal entity have been imposed, if any, an effective court decision on committed financial crime.

The foreign accountable person and the fast money transfer officers shall also provide the documents under paragraphs 1 and 2 of this item from the competent body in their home country.

3.8. Written evidence that the fast money transfer officers of the legal entity have completed at least secondary education.

3.9. Written notification on the identity (birth place and address, place and address of residence, National ID and ID number) and CV on the education and the work experience of the accountable persons and the fast money transfer officers indicated in the application, enclosing a copy of their IDs.

3.10. Confirmation for the stay and work license in the Republic of Macedonia issued by competent bodies for foreign natural persons who are to be responsible in the fast money transfer service providers or who are to provide the fast money transfer services.

Once the documentation is completed, at the National Bank's discretion, an interview will be held with the legal entity's accountable person evaluating their integrity, understanding of the financial regulations and the regulations governing the fast money transfer.

- 3.11. Written evidence from an authorized bank for performing international payment operations that it has a deposit of at least Euro 100,000.00 on its foreign exchange transaction account or written evidence that it has a deposit of Denar equivalent of at least Euro 100,000.00 on its Denar current account.
- 3.12. Written evidence from a competent body that it has not been subject to bankruptcy or liquidation procedure.
- 3.13. An agreement on authorization for providing fast money transfer service with an authorized global system.

4. By-laws, documents and data enclosed with the application shall be:

- 4.1. Operating rulebook compulsorily including the entity's organizational layout, written procedure and explanation on the manner of providing the fast money transfer service, the method of controlling the operating risks, the method of establishing internal control systems, organizational, technical and security standards in place for successful and secure providing of fast money transfer service.
- 4.2. Anti-money laundering program specifying the measures and actions to be undertaken for money laundering detection and prevention when providing fast money transfer service, which enable:
  - a) identification of the client prior to each transaction,
  - b) recording of transactions exceeding Denar equivalent of Euro 2,500.00 chronologically in a numerated registry signed by the entity's accountable person, kept at least ten years after the last recorded data,
  - c) appointment of accountable officers who will make sure that the program is implemented,
  - d) implementation of an indicator list for recognition of the suspicious transactions,
  - e) monitoring of the transactions, gathering, keeping and submitting data to the Anti-Money Laundering Directorate as specified by the Anti-Money Laundering Law,
  - f) cooperation and method of reporting to the Anti-Money Laundering Directorate.

The Anti-Money Laundering Program shall be endorsed by the Anti-Money Laundering and Combating the Financing of Terrorism Office.

- 4.3. Written notification including the data on the entity's head office, registration number, tax number and address of the premise of providing fast money transfer service.

- 4.4. Certificate of the Public Revenue Office that there are no unsettled liabilities based on public taxes.
- 4.5. Positive opinion on the financial reliability of trade companies operating longer than six months issued by the Central Registry.
- 4.6. Copy of the audit reports for the last two years on the authorized global system for e-money transfer prepared by internationally recognized auditing house,
- 4.7. Evidence issued by a competent body of the respective country that the global system is a legal entity providing e-money transfer in accordance with the regulations of the country of its registration and that it has been working in at least 100 countries.
5. The National Bank shall inspect the operations of the fast money transfer service providers and the subagents, if needed.

Report shall be prepared on the inspection.

The inspection report shall be a business secret of the National Bank and the service provider, i.e. the subagent shall keep it. The service provider, i.e. the subagent may quote or otherwise communicate the contents of the report to third parties only upon obtaining a written consent by the National Bank.

## **B. ISSUING APPROVALS**

6. A bank that was granted a founding and operating license by the National Bank shall submit an application to the National Bank for obtaining an approval for providing fast money transfer services consisting of:
  - a) agreement with an authorized global system for e-money transfer,
  - b) evidence that the global system is a legal entity providing e-money transfer in accordance with the regulations of the country of its registration and that it has been working in at least 100 countries,
  - c) audit reports for the last two years on the authorized global system for e-money transfer prepared by internationally recognized auditing house,
  - d) policies and procedures for receiving and distributing cash in the relations with the subagents including:
    - method of supplying the subagents with cash by the bank as a fast money transfer service provider,
    - method of returning the cash by the subagents to the bank as a fast money transfer service provider,
    - method of settling the cash between the bank as a fast money transfer service provider and the subagents for the executed fast money transfer transactions,

- subagents' authorized persons allowed to withdraw and return the cash from/to the bank as a fast money transfer service provider.
- e) address of the premises of providing fast money transfer service.

### **III. METHOD OF SUBMITTING THE DOCUMENTATION AND EVALUATION PROCEDURE**

7. The National Bank shall review the complete application for issuing a license referred to in item 2 and for issuing an approval under item 6 of this Decision.

Complete application shall mean application enclosing the documentation specified in the Decision, the additional documentation requested by the National Bank and the documentation provided by the National Bank ex officio.

8. The documentation enclosed with the application shall be submitted in original or a copy verified by an authorized person (notary), and in case it is not in Macedonian, it shall be submitted in translation made by an authorized court translator.
9. The entity, i.e. the bank shall, in the application, include data on the authorized contact person with the National Bank (name, surname, phone and fax number) and evidence for tariff paid in accordance with the Decision on the single tariff for charging the fees for services provided by the NBRM.
10. Upon obtaining the complete application, the National Bank shall evaluate the submitted documentation and data referred to in items 3, 4 and 6 of this Decision and on-site inspection for determining the fulfillment of the requirements referred to in items 3 and 4.
11. The National Bank may request further clarification of the submitted documentation or submission of additional documentation.
12. The fast money transfer service provider shall submit an application for obtaining prior approval for each change in the documentation, information and data referred to in items 3 and 4, except for the documentation specified under subitems 4.4, 4.5 and 4.6 and on change in the documentation, information and data referred to in item 6 paragraph 1 indents a), b), d) and e) of this Decision.

### **IV. OTHER REQUIREMENTS THAT APPLY TO THE FAST MONEY TRANSFER SERVICE PROVIDER RELATED TO THE COMMENCEMENT OF ITS OPERATIONS**

13. Upon obtaining the license, i.e. approval for providing fast money transfer service, the fast money transfer service provider shall also be given a written sign – label, for each premise for providing fast money transfer service reading: "the requirements for providing fast money transfer service have been fulfilled".

The fast money transfer service provider shall display the written sign – label at a prominent place in the premise for providing fast money transfer service and shall put a sign "fast money transfer" in Macedonian and in one of the international languages.

14. Upon obtaining the license, the fast money transfer service provider, other than banks authorized by the National Bank to conduct international payment operations, shall open special accounts with domestic banks authorized to conduct international payment operations for conducting fast money transfer payments and shall deposit at least Euro 100,000.

If the deposit of the fast money transfer service provider is in Denars, the authorized bank shall, on the date of opening the special account referred to in paragraph 1 of this item, provide foreign currency by making a purchase from the foreign exchange market.

The fast money transfer service provider shall submit a notification to the National Bank indicating the name and the head office of the banks where they opened the special accounts and submit evidence on the amount of deposit within five business days after the date of opening the account.

15. A written document – confirmation shall be issued for each cash foreign currency payment according to the standards of each global system for e-money transfer.

The National Bank of the Republic of Macedonia shall grant the fast money transfer service provider an approval for the form and the contents of the confirmation referred to in paragraph 1 of this item.

The written document – confirmation shall contain the following basic elements:

- type of currency and amount;
- recipient data (name and surname, address, National ID, ID or passport number, etc.),
- sender data (name and surname, address, National ID, ID or passport number, etc.),
- control number,
- date of transfer,
- signature of the client and the fast money transfer service provider,
- service fee.

16. Upon the obtaining of the license and the approval for providing fast money transfer service, the written label of the National Bank and the opening of the account with the authorized bank, the fast money transfer service provider shall start operating within thirty days.

17. The fast money transfer service provider shall keep the documentation based on fast money transfer services provided in the last 3 (three) months in the premises for providing the fast money transfer service.

The provisions of this item shall not apply to banks that obtained prior approval of the National Bank for providing fast money transfer services.

## **V. REQUIREMENTS FOR CONCLUDING A CONTRACT WITH A SUBAGENT**

18. In order to conclude a contract with an entity, other than bank, on providing fast money transfer services as a subagent, the fast money transfer service provider shall carry out an on-site and off-site inspection regarding the fulfillment of the provisions referred to in Article 12 of the Law and shall request the respective documentation, by-laws and data specified in item 3 subitems 3.1, 3.2, 3.3, 3.7, 3.8, 3.9, 3.10 and 3.12 and item 4 subitems 4.1, 4.2, 4.3, 4.4 and 4.5 of this Decision.

In order to conclude a contract with the fast money transfer service provider, the entity, other than bank, shall have an authorization by the fast money transfer service provider to operate with a special account used for making the payments based on fast money transfer.

The contract concluded between the fast money transfer service provider and the subagent shall include data referred to in item 3 subitems 3.1 and 3.9 and item 4 subitems 4.3, 4.4 and 4.5 and item 6 paragraph 1 indent e) of this Decision and the authorization data referred to in paragraph 2 of this item.

The contract concluded between the fast money transfer service provider and the subagent shall also include a provision binding the subagent to use a written document - confirmation for each payment of cash foreign currency for which the fast money transfer service provider was granted an approval by the National Bank.

19. The subagent shall notify the fast money transfer service provider forthwith on any change in the terms and the documents referred to in item 18 of this Decision.
20. The fast money transfer service provider shall immediately terminate the contract with the subagent who ceased meeting the requirements or made changes in the compulsory data of the contract referred to in item 18 of this Decision.
21. The fast money transfer service provider shall notify the National Bank on each conclusion or termination of the contract on providing fast money transfer service with a subagent, as well as on any change in the subagent's data referred to in item 18 of this Decision within 5 (five) business days after the date of the change.

Copy of the contract and copy of the ID cards of the accountable person of the subagent and the fast money transfer officers shall be enclosed with the notification, provided that the changes concern them.

22. The National Bank shall notify in writing the fast money transfer service provider that the contract concluded with the subagent is (not) registered in the Fast Money Transfer Service Provider Registry within thirty days after the date of completing the documentation based on the contract submitted to the National Bank.



23. Upon registering the contract in the Fast Money Transfer Service Provider Registry, the fast money transfer service provider shall be given a written sign – label for each subagent, for each premise for providing fast money transfer service, reading "the requirements for providing fast money transfer service have been fulfilled".

The subagent shall display the written sign – label at a prominent place in the premise for providing fast money transfer service and shall put a sign reading "fast money transfer" in Macedonian and in one of the international languages.

The subagent shall start operating within fifteen business days upon registering in the Fast Money Transfer Service Provider Registry.

24. The subagent shall keep a copy of the contract concluded with the fast money transfer service provider and the documentation necessary for concluding such contract in the premise for providing fast money transfer service at any time.

The subagent shall also keep the documentation based on fast money transfer services provided in the last 3 (three) months in the premises for providing fast money transfer service.

The provisions of this item shall not apply if the subagent is a bank.

## **VI. TRANSITIONAL AND CLOSING PROVISIONS**

25. This Decision shall enter into force on the eighth day after the date of its publishing in the "Official Gazette of the Republic of Macedonia".

26. Once this Decision enters into force, the Decision on obtaining a license for providing fast money transfer services ("Official Gazette of the Republic of Macedonia" no. 4/04 and 30/04) shall no longer be valid.

**D. no. 02-15/IV-3/2007**  
**June 20, 2007**  
**Skopje**

**Petar Goshev, MSc.**  
**Governor**

**President of the**  
**National Bank of the**  
**Republic of Macedonia Council**