



NATIONAL BANK OF THE REPUBLIC OF NORTH MACEDONIA

Pursuant to Article 47 paragraph 1 item 6 of the Law on the National Bank of the Republic of North Macedonia (Official Gazette of the Republic of Macedonia No. 158/10, 123/12, 43/14, 153/15, 6/16 and 83/18 and Official Gazette of the Republic of North Macedonia No. 110/21 and 74/24), and in reference to Article 42 paragraph 9 items 1, 2, 3, 4 and 5 and Article 100 paragraph 5 of the Law on Payment Services and Payment Systems (Official Gazette of the Republic of North Macedonia No. 90/22 and 64/24) and Article 4 paragraph 4 and Article 24 paragraph 3 of the Law on the Foreign Exchange Operations (Official Gazette of the Republic of Macedonia No. 34/01, 49/01, 103/01, 51/03, 81/08, 24/11, 135/11, 188/13, 97/15, 153/15 and 23/16 and Official Gazette of the Republic of North Macedonia No. 110/21), the National Bank of the Republic of North Macedonia Council has adopted the following

DECISION on executing payment transactions

I. GENERAL PROVISIONS

1. This Decision shall prescribe the following:
 - terms and procedure for opening and closing payment accounts in denars and in foreign currency, including payment accounts with basic features in denars, by payment service providers referred to in Article 9 paragraph 1 items 1, 2, 3, 5 and 7 of the Law on Payment Services and Payment Systems (hereinafter referred to as: the Law);
 - terms and procedure for performing payment transactions;
 - mandatory elements and the payment orders form, including payment orders for enforced collection, as well as the form of consent to perform payment transactions and authorization for a payment account switching;
 - terms and procedure for correction of errors in the payment transactions, and
 - terms for making the funds available to the recipient.
2. The terms used in this Decision shall denote the following:
 - 2.1. "Payment card personalization" shall denote the recording of the relevant data on the authorized user of the payment card services;
 - 2.2. "Personal Identification Number (PIN)" shall denote the type of personalized security instrument consisting of at least four digits;
 - 2.3. BBAN (= Basic Bank Account Number) shall denote the identifier of the payment account number, which unambiguously associates an individual payment account with the payment service provider in the Republic of North Macedonia and which can only be used for national payment transactions, while the same payment account shall be identified by IBAN for the cross-border payment transactions;
 - 2.4. IBAN (= International Bank Account Number) shall be an identifier of the international payment account number, which unambiguously identifies an individual payment account in the Republic of North Macedonia, the elements of which are specified by the International Standardization Organization (ISO);
 - 2.5. BIC (BIC = Business Identification Code) shall denote business identification mark which unambiguously identifies the payment service provider, the elements of which are specified by ISO;

- 2.6. The "ISO standard 20022 XML" shall denote the standard for composing electronic financial messages as defined by ISO, covering the physical representation of payment transactions in the "XML" syntax, in conformity with the business rules and implementation guidelines in the country, or the SEPA payment schemes pertaining to payment transactions that are regulated by this Decision;
 - 2.7. "Collection" shall denote the part of the direct debit transaction that starts when initiated by the recipient until its completion in the form of a usual debit on the payer's payment account;
 - 2.8. The term "micro enterprise " shall have the meaning defined in the Law on Trade Companies;
 - 2.9. "Reference party" shall be any natural person or legal entity on the behalf of which the payer executes or the payee accepts the payment;
 - 2.10. "Large-value payment system" shall denote the payment system the main objective of which is processing, clearing or settlement of individual payment transactions of high priority and urgency and primarily refer to large values;
 - 2.11. "Small-value payment system" shall denote the payment system the main objective of which is processing, clearing and/or settlement of credit transfers or direct debit, which are mainly bundled for transfer and primarily refer to small values, with low priority and it is not a large-value payments;
 - 2.12. "Cross-border payment transactions" shall denote the payment transaction initiated by the payer or the payee where the payment service provider of the payer or the payment service provider of the payee is founded and operates in the Republic of North Macedonia, while the other payment service provider is founded and operates in other SEPA member country other than the Republic of North Macedonia;
 - 2.13. "National payment transaction" shall be the payment transaction initiated by the payer or the payee where the payment service provider of the payer and the service provider of the payee or the payment service provider of the payer which is payment service provider of the payee as well are founded and operate in the Republic of North Macedonia;
 - 2.14. "SEPA" shall denote Single Euro Payments Area;
3. The provisions of this Decision shall also apply to payment transactions based on credit transfers and direct debits that are executed in euros in SEPA payment schemes, except when these payment transactions:
 - are processed and settled through large-value payment systems, except for payment transactions with direct debits, the execution of which through a large-value payment system is not explicitly requested by the payer;
 - are made with a payment card or other device, including payment transactions for cash withdrawal, except in cases where the payment card or other device is used to obtain information necessary to initiate a credit transfer or direct debit to or from a payment account identified by BBAN or IBAN;
 - are performed via telecommunication, digital or information devices, if such payment transactions do not lead to the initiation of a credit transfer or direct debit to or from a payment account identified by BBAN or IBAN;
 - are payment transaction of money remittances;
 - are payment transactions with electronic money, unless the transactions lead to a credit transfer or direct debit to or from a payment account identified by BBAN or IBAN.

If the payment schemes referred to paragraph 1 of this item are based on payment transactions executed via credit transfers or direct debits, but have additional features or services, the provisions of this Decision shall apply only to the underlying credit transfers or direct debits.

II. CONDITIONS FOR OPENING AND CLOSING PAYMENT ACCOUNTS

4. The payment account shall be opened and maintained by the payment service provider on behalf of one or several payment service users and it shall be used for executing payment transactions.

A payment account shall be opened after signing a framework agreement for the use of payment services between the payment service provider and the payment service user in accordance with the provisions of Part three, Chapter III of the Law, the Law on Foreign Exchange Operations, as well as the provisions of this Decision.

If the payment service provider refuses to conclude a framework agreement, it shall be obliged to state the reasons for the refusal, except in cases where the disclosure of the reasons for the refusal would be contrary to the objectives of national security, public order and peace or the regulations governing the disclosure and the prevention of money laundering and the financing of terrorism.

Information before the signing of the framework agreement

5. Before signing the framework agreement referred to in item 4 of this Decision, the payment service provider shall provide the previous information to the payment service user, in accordance with the provisions of Article 56 of the Law.
6. The payment service provider shall provide the previous information referred to in item 5 of this Decision, in the form of previous general information and conditions for using payment services or in the form of a draft framework agreement.

Providing previous information referred to in paragraph 1 of this item shall not constitute an obligation to conclude a framework agreement between the payment service provider and the person to whom the information is provided.

7. The payment service provider shall include in the payment service offer for consumers the opening of a payment account with basic features and take appropriate actions to raise public awareness of the availability of payment accounts with basic features.
8. The activities referred to in item 7 of this Decision shall include the provision of an information leaflet about the payment account with basic features and the related payment services fees, which shall be available in any time.
9. The information leaflet should be available in paper form in the working premises of the payment service providers, to which the payment service users have access and in electronic form through the web sites of the payment service providers.
10. Payment service providers may include additional information to those encompassed in the information leaflet referred to in item 8 of this Decision, if this has no influence on clear and accurate presentation of the information.

Opening of the payment account

11. The payment service provider can open a payment account at the request of a resident or non-resident (hereinafter: applicant), as well as at the request of the person acting on his behalf and on his account.

After receiving the request for opening a payment account referred to in paragraph 1 of this item, the payment service provider must identify and confirm the identity of the applicant, as well as the person acting on his behalf and for his account, in accordance with the Law on Prevention of Money Laundering and Financing of Terrorism (Official Gazette of the Republic of North Macedonia No. 151/22).

12. The applicant who intends to open a payment account, together with the application for opening a payment account, shall submit a copy of the signatures of the persons acting on his behalf and on his account to the payment service provider, unless the payment service provider and the consumer agree otherwise of authentication of the persons acting on his behalf and on his account. The signatures of these persons should be deposited with the payment service provider in the presence of an official authorized by the payment service provider, or notarized.

In addition to the documents and information referred to in paragraph 1 of this item, if the applicant is a consumer who submits an application for opening a payment account with basic features, they shall submit to the payment service provider:

- a written statement in accordance with Article 72 paragraph 3 of the Law,
- appropriate document to prove the legal rights in accordance with Article 74 paragraph 4 of the Law, if the consumer belongs to the group of users of legal rights determined by the Law.

By the exception of paragraph 1 of this item, if the payment account is opened via means of distance communication and is available only for initiating electronic payment transactions through means of distance communication, the applicant shall not submit the sample referred to in paragraph 1 of this item.

13. The payment service providers in accordance with the internal acts may also require other documents for opening and maintaining the payment account, for which they shall notify in advance the applicant who intends to open an account.
14. The payment service provider that maintains the payment account shall apply the changes in the documents referred to in items 11, 12 and 13 of this Decision from the moment it is notified in writing through written or electronic communication by the payment service user and/or the person who acts on his behalf and for his account.
15. The payment service provider shall not open and/or maintain a payment account in denars and/or in foreign currency to a natural person who enjoys a resident status and who has already opened payment account in denars and/or foreign currency. If, in accordance with the Law on Foreign Exchange Operations conditions for changing the status from resident to non-resident occur, or vice versa, the payment service provider shall change the (non-) resident status of the natural person.

16. The payment service provider, at the consumer's request, shall switch his payment account to another payment service provider in accordance with the procedure for implementation of the switching service in accordance with the provisions of part four, Chapter IV of the Law.

The authorization for switching can be given in writing via written or electronic communication in accordance with the framework agreement for the use of payment services concluded between the payment service provider and the payment service user.

Closure of the payment account

17. The closure of the payment account shall be carried out in accordance with the provisions of Article 60 of the Law at the written request of the payment service user or by the payment service provider upon termination of the framework agreement in accordance with which it was opened.
18. After closing the payment account, the payment service provider shall return the funds that remained on the payment account when it was closed to the payment services users or to the legal successor, i.e. to the person designated by law or other regulation, in accordance with the instructions for returning the funds specified thereof.

If the payment service provider has not received instructions for the return of the funds from the payment service user or the legal successor, i.e. the person specified by law or another regulation, the funds shall be transferred to a record account with a special purpose and deal with them in accordance with Article 60 paragraphs 8 and 9 of the Law.

19. The payment service provider that previously initiated the blocking of the payment account of a payment service user against whom bankruptcy proceedings or liquidation procedure has been initiated or a legal entity has been deleted or a legal entity that has ceased to exist based on a law, a court decision or by order of a competent authority, along with the procedure for closing the payment account, shall notify all payment service providers that the payment accounts are unblocked for their further handling.

If there are blockages on the payment account of the payment service user against whom bankruptcy proceedings or liquidation procedure has been opened, which have been initiated by the payment service provider against whom, after the block has been executed, bankruptcy proceedings or liquidation has been initiated, the notification referred to in paragraph 1 of this item shall be carried out by the payment service provider with whom the bankruptcy trustee or liquidator opens a payment account for the payment service user in bankruptcy or liquidation.

If on the payment accounts of the payment service user which is a deleted legal entity or a legal entity that has ceased to exist on the basis of a law, a court decision or by order of a competent authority, there are blockages initiated by the payment service provider against whom, after the blockade, bankruptcy proceedings or liquidation procedure has been initiated, the notification referred to in paragraph 1 of this item shall be executed by the payment service provider where the payment account of the payment service provider in bankruptcy or liquidation is opened.

III. CONDITIOS AND PROCEDURE FOR EXECUTING PAYMENT TRANSACTIONS AND OBLIGATORY ELEMENTS OF THE PAYMENT ORDERS

20. Payment transactions through payment accounts can be executed only on the order of the payment account holder or with his prior consent given for the purposes of payment transactions execution, including payment transactions with direct debit and/or standing order, up to the amount and conditions determined by the holder.

By exception, the provisions of paragraph 1 of this item do not apply in the case of enforced collection according to the procedure prescribed by the provisions of Section seven, Chapter III of the Law.

In addition to the provisions of this Decision, the provisions of the Law on Foreign Exchange Operations and the by-law of the National Bank, which prescribe the manner and conditions for executing payment transactions abroad, shall apply to payment transactions abroad.

Payment order

21. The payment order can be given in writing in paper form or in electronic form in accordance with the framework agreement for the use of payment services or the general offer, that is, the agreement for the execution of a single payment transaction concluded between the payment service provider and the payment service user.

Payment orders are executed in full and in chronological order of their arrival at the payment service provider in accordance with the conditions of Section four, Chapter III of the Law.

EXECUTION OF PAYMENT ORDERS

22. When executing payment order, the payment service provider shall use technical means that ensure harmonization with the provisions of the Law.

When submitting the order for transfer to payment system for executing the payment order, the payment service provider shall submit all the data of the payment order in accordance with the rules of the payment system.

The payment transaction currency shall be the currency in which the payer initiated the payment order or gave consent for execution of the payment transaction.

All payment transactions, as well as notifications by the payment service users in accordance with Article 85 paragraph 1 item 3 of the Law, shall be registered in chronological order by the payment service provider, thus ensuring safe storage and accurate reproduction of the information and any further changes shall be prevented and kept for the period provided for in Article 127 of the Law.

If the recipient's payment account specified in the payment order is closed or does not exist, the payment service provider shall return the amount of the unexecuted payment transaction to the recipient by the end of the next business day after the day the funds are received. For the return of the amount, the payment service provider of the recipient can charge a fee in the amount of the actual costs incurred.

The payment service provider may reject executing payment transaction in accordance with the regulations, the rules which are adequately applicable for executing payment

transactions and the conditions of the framework agreements according to which the payment account is maintained.

When executing the payment order, the payment service provider shall enter the appropriate code in its information systems in accordance with the ISO standard "20022 XML" for the description of the payment entered by the payer when executing payment orders for credit transfers or money remittances, that is, from the recipient when executing payment orders for direct debits. The payment service provider shall provide the payment description code to the recipient's payment service provider when executing payment orders for credit transfers or money remittances, that is, to the payer's payment service provider when executing payment orders for direct debits.

For payment transactions abroad, in addition to the payment description code in accordance with the "ISO standard 20022 XML" referred to in paragraph 7 of this item, the payment service provider shall enter the appropriate code in its information systems based on the list of codes set forth in the by-law of the National Bank pertaining to the manner and conditions for executing payment transactions abroad.

Availability of funds for executing payment orders

23. The payment order can be executed only up to the amount available on the payment account, up to the amount of funds provided by the payment service user for the execution of the payment transaction, or up to the amount of the credit, if agreed. Partial transfers based on individual payment orders shall not be permitted, except in the case of a payment order for enforced collection.

If the conditions referred to in paragraph 1 of this item are not met, the payment service provider shall refuse to execute the payment order and shall act in accordance with Article 95 of the Law.

Credit transfers

24. Credit transfer shall denote a payment service with which the payer instructs the payment service provider that maintains his payment account to execute a payment transaction or a series of payment transactions that approves the recipient's payment account.

The payer shall complete the payment order for performing a credit transfer by specifying the mandatory elements referred to in item 25 of this Decision and shall be responsible for the consequences of incorrect completion.

25. The payment order for executing a credit transfer shall contain the following data:
- naming the payment service provider the payment order is assigned to;
 - naming the payer;
 - number of payment account (IBAN or BBAN) or other unique identification sign of the payer;
 - tax number of the payer if the credit transfer is carried out in favor of a budget user;
 - title of the payee;
 - number of payment account (IBAN or BBAN) or other unique identification sign of the payee;
 - amount of the credit transfer;
 - currency of the credit transfer;
 - date of (currency) execution;

- payment description;
- additional explanation of the payment;
- title of the payment system;
- date of submission;
- signature of the payer.

The payment order for executing a cross-border credit transfer, in addition to the elements referred to paragraph 1 of this item, shall also contain the following elements:

- identification sign BIK of the payee's payment service provider;
- designating the payment service user who pays the credit transfer fees;
- designating the payer's residence;
- designating the payee's residence.

The credit transfer payment order, in addition to the information and/or data referred to paragraphs 1 and 2 of this item, may also contain other information and/or data, including the information and/or data that are necessary for compliance with the by-laws of the National Bank on the method and conditions for execution of payment transactions abroad and with other regulations.

During the electronic initiation of the payment order for credit transfer, the payment service provider of the payer, after the authentication of the payer, can automatically enter certain information and/or data from paragraphs 1 and 2 of this point, in the payment order based on their availability in its information system.

Enforced collection order

26. An enforced collection order may be drawn up by an executor or other competent authority in accordance with the law and delivered to a payment service provider, requesting the execution of a payment transaction based on a forced collection document.

The executor or other competent authority in accordance with the law shall complete the forced collection order by specifying the mandatory elements from item 27 of this Decision and shall be responsible for the consequences of improper completion.

27. The enforcement order shall contain the following elements:
- naming the payment service provider the payment order is assigned to,
 - naming the payment service user - debtor,
 - naming the payment service provider of the executor or other competent authority in accordance with the law,
 - payment account number (IBAN or BBAN) or other unique identification sign of the payment service user - debtor,
 - naming the executor or other competent authority in accordance with the law,
 - payment account number (IBAN or BBAN) or other unique identification sign of the executor or other competent authority in accordance with the law,
 - amount of the payment transaction (principle, interest and other fees and expenses related to the execution),
 - execution date,
 - number of a document on enforced collection,
 - date of submission of the payment order and
 - electronic signature of the executor or other competent authority in accordance with the law.

Direct debits

28. Direct debit shall represent a payment service that debits the payment account of the payer, whereby the payment transaction shall be initiated by the payee based on payer's consent.

Before initiating direct debits, the payer shall give consent and approval to the payment service provider that maintains their payment account and to the payee, on the basis of which the payer can initiate the collection of funds by direct debit to the specified payment account of the payer.

The payer shall complete the consent for direct debit in accordance with the requirements of item 29 of this Decision and shall be responsible for the consequences of incorrectly completion of the consent for direct debit.

Consent for direct debit can be given in writing in paper form or electronically in accordance with the framework agreement for the use of payment services concluded between the payment service provider and the payment service user.

The payee should transfer the consent-related data to their payment service provider at each collection at recurrent direct debit or at single payment. Consent-related data should be transferred from the payee's payment service provider to the payer's payment service provider as part of collection.

To initiate direct debit, the payee shall complete the payment order for direct debit in accordance with the requirements referred to in item 30 of this Decision and shall be held liable for the consequences if completed incorrectly.

The payee can send the direct debit payment order to the payee's payment service provider after sending a prior notice to the payer.

The payee's payment service provider shall be obliged to receive the direct debit payment order and deliver it to the payer's payment service provider, without being obliged to check the justification for using the direct debit.

Before executing the direct debit payment order, the payer's payment service provider shall be bound to verify whether:

- there is previous consent for direct debit, in conformity with item 29 of this Decision,
- the payment account of the payer has sufficient available funds or credit has been approved for the execution of the payment order for direct debit, and
- the conditions for the execution of the direct debit payment order have been met, including whether the documents necessary for its execution have been submitted if their submission was previously agreed.

The payment order for direct debit shall be executed by the payment service provider of the payer within the term prescribed in Article 99 of the Law, counted from the date on which the conditions of paragraphs 8 and 9 of this item are met.

If the conditions of paragraphs 8 and 9 of this item are not met within 5 working days from the receipt of the direct debit order, the payment service provider of the payer shall refuse to execute the direct debit order and shall notify the payee's payment service provider.

If the payment service provider and the payee is the same person/entity, the payment service provider can debit the payer's payment account opened with them, for the amounts that the account holder owes, based on the consent. The payment service provider shall inform the holder about the description of the payment, the date of the currency and the amount of funds debited from their payment account.

Contents of the direct debit consent

29. The direct debit consent shall contain the following:

- unique reference sign of the consent,
- name and address of the payer's payment service provider, to whom the consent is given,
- name of the payer,
- number of the payment account (IBAN or BBAN) or other unique identification sign of the payer,
- unique identification sign of the payee,
- date of commencement and termination of validity of the consent,
- conditions under which the consent is given, and
- payer's signature, place and date of submitting the consent.

Based on an agreement between the payer and his payment service provider, the direct debit consent may also contain other information and/or data than those specified in paragraph 1 of this item.

Contents of the direct debit order

30. The payment order for direct debit shall contain the following:

- name of the payment service provider the payment order is assigned to,
- type of direct debiting (recurrent, single, first, last or revocation),
- name of the payee,
- number of the payment account (IBAN or BBAN) or other unique identification sign of the payee, which shall be approved for collection,
- unique identification sign of the payee,
- name of the payer,
- number of payment account (IBAN or BBAM) or other unique identification sign of the payer which shall be responsible for the collection,
- unique reference sign of the consent,
- date of submission of the consent,
- amount to be collected,
- collection currency,
- date of submitting the payment order,
- date of (currency) execution,
- payment description,
- additional clarification and
- signature of the payee.

The payment order for direct debit, in addition to those specified in paragraph 1 of this item, may also contain other information and/or data, including the information and/or data that are necessary for compliance with other regulations.

Upon electronic initiation of the payment order for direct debit, the payee's payment service provider, after the authentication of the payee, may automatically enter certain information and/or data from paragraph 1 of this item into the payment order based on their availability in its information system.

Money remittances

31. Money remittance shall be a payment service in which funds are received from the payer, in order to transfer the appropriate amount of funds to the payee or to another payment service provider acting on behalf and for the account of the payee and/or in which funds are received on behalf of and for the account of the payee and are placed at his disposal, without opening a payment account on behalf of the payer or the payee.

Contents of the payment order for money remittances

32. The payment order for the money remittance shall contain:
- name of the payer,
 - address of the payer, including the state of payer,
 - unique identification sign of the payer or its payment account,
 - titling the payee,
 - unique identification sign of the payee or its payment account,
 - amount of the payment transaction,
 - currency of the payment transaction,
 - payment description,
 - additional clarification,
 - submission date of the payment order and
 - signature of the payer

The payment order for money remittance, in addition to the data referred to in paragraph 1 of this item, may also contain other data, including the data that is necessary for compliance with other regulations.

Payment cards

33. Payment card shall be a personalized payment instrument (debit or credit card) used in multiple cases to identify the authorized payment service user, for remote access to the payment account and/or to a predetermined limit agreed between the payment service provider and user and for initiating payment transactions and other transactions, such as change of the PIN, checking the balance of the payment account, etc.

The payment card shall be owned by the payment service provider that is the card issuer.

The payment card shall be used personally and only by the authorized payment service user.

The payment card shall be issued for a certain validity period. The name of the authorized payment service user, the payment card number and the expiration date shall be printed on the front of the card and/or stored on a permanent medium. The payment service provider issuing the payment card shall be responsible for the personalization of the card.

The payment service provider that issues the payment card shall issue the card to the authorized payment service user, no longer than 28 days from the conclusion of the framework agreement for the payment services.

The payment card shall be issued after the conclusion of the framework agreement for using payment services between the payment service provider and the payment service user, in accordance with the provisions of Article 56 of the Law.

User security features

34. The card issuer shall provide a PIN for each authorized payment service user associated with its payment card. The card issuer shall assign a PIN to each authorized payment service user, ensuring its confidentiality.

The payment card issuer shall provide each authorized payment service user with the opportunity to change its PIN at the ATM in the country with a new four-digit combination, known only to the user.

In order to carry out payment transactions by payment cards through the means of distance communication, the payment service provider that is the issuer of the payment card shall provide the authorized payment service user with other user security features, other than the PIN, which ensure the fulfillment of requirements for enhanced authentication referred to in Article 124 of the Law.

Payment cards acceptance and authorization of payment card transactions

35. Payment transactions based on payment cards shall be authorized or declined after checking the data, parameters and characteristics related to the payment card, the authorized user of payment services and the payment transaction, such as the validity and status of the card, PIN or other user security features (if required), availability of funds, restrictions, etc.

When the authorization is carried out online, the check based on paragraph 1 of this item shall be carried out without delay by the authorization system of the payment service provider that issued the card or by the system serving the processing entity to which the device from which the payment transaction is executed is connected through a telecommunication link.

When the authorization is not carried out online, the verification based on paragraph 1 of this item shall be carried out without delay by the device, without a verification from the authorization system of the payment service provider that issued the card or from the system that serves the performing entity processing.

The payment transactions can be accepted and executed with payment cards by a payment service provider other than the issuer of the payment card.

In the event that the device is located at a point of sale at a seller (physical or virtual point of sale), the rights and obligations between the payment service provider and the seller shall be governed by an agreement that ensures compliance with the Law.

The agreement under paragraph 5 of this item shall contain at least:

- type of payment cards used for executing card-based payment transactions at the seller,
- the applicable procedures and obligations of the seller when performing card-based payment transactions,
- the term and method of payment from the payment service provider to the seller.

Executing transactions with prepaid payment cards

36. A prepaid payment card shall be a type of personalized payment instrument on which electronic money is stored or which provides remote access to the electronic money account and used for executing payment transactions.

The prepaid payment cards, including in cases where the name of the authorized user is not written on the front of the card, shall be issued after concluding a framework agreement in accordance with the Law, in line with the transaction limits of the corresponding card scheme within which this card is issued, the Law and the Law on Prevention of Money Laundering and Financing of Terrorism.

Prepaid payment cards have a PIN, and the issuer of the prepaid payment card apply the provisions of item 34 paragraphs 1 and 2 of this Decision. The card issuer shall enable each authorized payment service user to change their four-digit PIN with a new numerical combination known only to them.

By exception of paragraph 3 of this item, the payment card that may be used for executing payment transaction only at a virtual points of sale may not have PIN.

The provisions referred to item 33 paragraphs 2, 3, 4 and 5 of this Decision shall be applied accordingly for prepaid payment cards.

Rejection to perform a payment card transaction

37. The payment service provider that accepts card-based payment transactions shall oblige the seller who is the payee to reject the payment on a device located at the seller's point of sale, if there is:

- invalid payment card,
- discrepancy between the payment card user's signature and the signature on the payment transaction acceptance document or on the user's personal identification document or in case of a lack of the payment card user's signature, if it is required for its validity,
- rejection by the payment card user to present a document confirming their identity or if the seller who is the payee determines that the payment card has been used by an unauthorized person,
- inability to provide confirmation for the executed payment transaction,
- suspicion on forged or false payment card,
- previously submitted information by the seller on non-accepting a corresponding payment card in accordance with Article 119 paragraphs 4 and 5 of the Law, and
- other grounds that do not conflict with the applicable legislation.

The seller who is the payee can keep the payment card on behalf of the issuer in the cases of indents 1, 2, 3 and 5 of paragraph 1 of this item in accordance with the procedures established by the contract in accordance with item 35 paragraphs 5 and 6 of this Decision.

V. PUTTING FUNDS AT THE PAYEE'S DISPOSAL

38. The payment service provider shall put the funds from payment transactions at the payee's disposal in accordance with the provisions of Articles 99 and 100 of the Law.

With the exception of paragraph 1 of this item, the payment service provider shall put the funds from payment transactions abroad at the payee's disposal in accordance with the by-law that regulates the manner and conditions for execution of payment transactions abroad.

VI. CASH DEPOSIT AND WITHDRAWAL

Cash deposit or withdrawal orders

39. The order for depositing cash on the payment account immediately at the counters in the working premises of the payment service provider must contain the following data:
- name of the payment service provider the order is assigned to,
 - name of the cash depositor,
 - unique identification number or other identification number of the depositor,
 - number of the identification document of the cash depositor,
 - naming the payee
 - number of the payment account (IBAN or BBAN) or other unique identification sign of payee,
 - amount of deposited cash ,
 - currency of the deposited cash,
 - deposit description;
 - additional clarification,
 - non-resident's country,
 - submission date of and
 - signature of the depositor.
40. The order to withdraw cash from the payment account immediately at the counters in the working premises of the payment service provider must contain the following data:
- name of the payment service provider to the order is assigned to,
 - name of the payment account holder ,
 - number of the payment account (IBAN or BBAN) or other unique identification sign of the payment account holder,
 - name of the cash payee,
 - unique identification number or other identification number of the cash payee,
 - number of the identification document of the cash payee,
 - amount of the cash being withdrawn,
 - currency of the cash being withdrawn,
 - withdrawal description:
 - additional clarification,
 - participant's country,
 - currency date,
 - signature of the payment account holder and

- signature of the cash payee.

Depositing cash in foreign currency to the payment account of a non-resident

41. The payment service provider shall enable to deposit cash in foreign currency to the payment accounts of a non-resident based on a payment order submitted by the non-resident. When cash is deposited, in accordance with the applicable regulations of the Republic of North Macedonia, a written confirmation shall also be submitted - a form for reporting cash in denars and foreign currency and checks that non-residents bring in or take out from the Republic of North Macedonia, issued by the Customs Administration of the Republic North Macedonia.

The confirmation from paragraph 1 of this item can be used multiple times within five working days. The payment service provider shall record each foreign currency entry to the payment account of the non-resident, as well as the original confirmation and shall keep a copy of it in its records.

The confirmation under paragraph 1 of this item shall be valid for five business days after the date of its issuing for the purposes of enforcing of this Decision.

As an exception, the payment service provider shall enable the entry of cash in foreign currency to the non-resident's payment accounts, without submitting the confirmation from paragraph 1 of this item, in the following cases:

- during one month, maximum to the amount that, under the regulations, a written confirmation is not necessarily issued when entering the Republic of North Macedonia,
- if the funds come from unspent cash foreign currency previously withdrawn from their payment accounts, within three months from the withdrawal or
- if the funds derive from the sale of products to air passengers. These funds can be paid-in on the payment account in foreign currency by the non-resident airline carrying passengers from or to the Republic of North Macedonia, or by another non-resident on the basis of an appropriate cash takeover agreement from this airline and its payment on the account.

42. The payment service provider shall enable the entry of denar cash into the non-resident's payment account, if it originates from:

- own transport documents sold from representative offices of foreign entities which perform agent air operations in the Republic of North Macedonia, based on concluded interstate agreements on regular air traffic,
- unspent cash domestic currency previously withdrawn from their accounts, within 3 months from the withdrawal,
- sale of products to air passengers. These funds can be deposited on the account in foreign currency by the non-resident airline carrying passengers from or to the Republic of North Macedonia, or by another non-resident on the basis of an appropriate cash takeover agreement from this airline and its placement on the payment account or
- during one month, maximum to the amount for which, under the regulations, free entry of cash denar currency is allowed when entering the Republic of North Macedonia.

43. The restrictions on entering cash in denars and foreign currency into payment accounts from items 41 and 42 of this Decision shall not apply to diplomatic missions of foreign countries, missions of international organizations and their legal representatives, as well as to foreign natural persons identified by a document issued by the Ministry of Foreign Affairs of the Republic of North Macedonia.

VII. TERMS AND PROCEDURE FOR ERROR CORRECTION IN PAYMENT TRANSACTIONS EXECUTED VIA CREDIT TRANSFERS AND DIRECT DEBITS

44. In the event of an improperly executed payment transaction, the payment service provider shall be held liable in accordance with the provisions of Part Four, Chapter III of the Law.
45. In the case of an incorrectly executed payment transaction, the payer's payment service provider may ask the payee's payment service provider to make an ex officio error correction or the payee's payment service provider may on its own ex officio initiative to correct the error:
- if the payee's payment service provider has approved a payment account with a different identification mark and/or a different amount than those specified by the payer in the payment order,
 - if the payer's payment service provider has debited a payment account with a different identification mark than the payment account designated by the payer in the payment order,
 - if the payer's payment service provider has debited the payer's payment account with an amount different from the amount specified by the payer in the payment order, or
 - in case of execution of the authorized payment transaction more than once.
46. In order to correct the error ex officio, the payment service provider shall submit to the payer a written request for correction of the error, attaching copies of the payer's payment account statement and the corresponding payment order, and in the case of direct debit, a copy of the consent for the direct debit.
47. The payer's payment service provider shall be entitled to request the correction of the error ex officio from the payee's payment service provider within 5 working days from the date on which it returned the balance of the debited payment account of the payer to the state in which the account would be if the irregular payment transaction was not performed at all, but no later than one month after being notified by the payer or determined in another way about the irregularly performed payment transaction.
48. If the payment initiation service provider is responsible in the cases of referred to in item 44 of this Decision, they may submit a request for correction of the error ex officio to the payee's payment service provider, directly or through the payment service provider that maintains the payer's payment account, within the period of item 47 of this Decision.
49. After receiving the request referred to in item 47 or 48 of this Decision, the payee's payment service provider shall correct the error ex officio within 5 working days from the receipt of the request and shall proceed as follows:
- If a payment account with a different identification number from the one indicated in the copy of the payment order delivered by the payment service provider that made the mistake is approved, it shall issue a payment order, simultaneously

notifying the payee, which shall debit the payee's payment account it maintains, and the payment account of the payer who is designated as orderer of the payment order copy submitted with the request, or the payment account of the payment service provider who made the error is approved, in accordance with the instructions given in the request;

- If the payment account is approved for an amount greater than the amount specified in the copy of the payment order submitted by the payment service provider who made the mistake, a payment order shall be issued, with simultaneous notification to the payee, which shall debit the payee's payment account it maintains, for the difference between the amount specified in the copy of the payment order and the amount specified in the statement of the payee's payment account, or the entire amount if the request from the payment service provider that made the mistake states that the payment order was executed again for the correct amount, and the payment account of the payer designated as the principal on the payment order copy submitted with the request or the payment account of the payment service provider that made the error is approved, in accordance with the instructions given in the request.

50. The recipient's payment service provider may debit the recipient's payment account, if there are funds on it, up to the amount of funds that are subject to correction of the error in accordance with item 46 of this Decision, but not later than the term of item 47 of this Decision. If on the last working day of the deadline from item 47 of this Decision there are no funds in the payee's account sufficient to correct the error in full, the payee's payment service provider shall correct the error in the amount equal to the balance of funds in the payment account at that moment.
51. If the payee's payment account does not have enough funds to debit it with the full amount in accordance with item 46 of this Decision, or the payment account is closed, the payee's payment service provider shall notify the payment service provider that made the mistake.
52. When performing the correction of the error ex officio, the payer's payment service providers and the payee shall notify the payer, that is, the payee immediately, but no later than one working day from the day of performing the correction of the error.
53. Ex officio correction of the error may be carried out regardless of the applicable law or by-laws or the limitations of the framework agreement if the funds received as a result of the incorrect execution of the payment transaction do not belong to the recipient.
54. No fees shall be calculated and/or charged from the payment service users for the correction of the error ex officio.

VIII. PAYMENT TRANSACTIONS EXECUTED VIA CREDIT TRANSFERS AND DIRECT DEBIT IN EUROS IN THE SEPA PAYMENT SCHEMS

55. Payment service providers shall carry out credit transfer and direct debit transactions in euros accordance with the following requirements:

- Using the IBAN as the single identification sign of the payment account, constructed in accordance with the regulations of the Republic of North

- Macedonia governing the standards for the construction of payment accounts, regardless of the location of the payment service providers concerned,
- Ensuring the application of a message format compliant with the "ISO standard 20022 XML" when transfer the payment transactions to other payment service provider or through small-value payments,
 - Ensuring that payment service users use unique identifications signs in accordance with indent 1 of this item, regardless of whether the payer's payment service provider and the payee's payment service provider or when the payer's payment service provider who is a payment service provider also to the payee are established and operate in the Republic of North Macedonia or in another SEPA member country, and
 - Ensuring that in cases when the payment service user, who is not a consumer or a micro enterprise, initiates or receives individual credit transfers or individual direct debits, which are not transferred separately, but bundled together in a package, the message format specified in indent 2 of this item shall be applied,

The payment service provider shall, at the specific request of the payment service user, utilize message format compliant with the "ISO standard 20022 XML" in their interactions with the payment services user, without prejudice to to indent 2 of paragraph 1 of this item.

In addition to the requirements referred to in paragraphs 1 and 2 of this item, the payee who accepts funds via credit transfers shall communicate its payment account identifier to the payer, as determined in paragraph 1, indent 1 of this item, each time they requests execution of credit transfer.

Payment service providers shall not require from the payment service users to indicate the BIC of the payment service provider of a payer or the BIC of payment service provider of a payee.

56. Besides the requirements referred to in item 55 of this Decision, payment service providers when executing transactions with a credit transfer and direct debit, the following technical requirements shall apply:

- The remittance data field must allow for 140 characters. Payment schemes may allow for a higher number of characters, except if the device that is used to remit information has technical limitations relating to the number of characters and in which case the upper technical limit of the device applies;
- the remittance reference information and all the other data elements provided in accordance with items 57 and 58 of this Decision shall be passed in full and without alteration between all payment service providers that are included in the execution of the payment transaction.
- Once the required data is available in electronic form payment transactions must allow for a fully automated, electronic processing in all process stages throughout the payment chain (end-to-end straight through processing), enabling the entire payment process to be conducted electronically without the need for re-keying or manual intervention. This must also apply to exceptional handling of credit transfers and direct debit transactions, whenever possible.
- Payment schemes must not set minimum threshold for the payment transaction amount allowed for credit transfers and direct debits, but the processing of zero-amount payment transactions shall not be required.
- Payment schemes shall not be obliged to execute credit transfers and direct debits exceeding the amount of EUR 999 999 999,99.

Additional requirements and conditions for credit transfers

57. Payment service providers, in compliance with the provisions of the Law on the Protection of Personal Data, shall execute credit transfers subject to the following conditions:

57.1 The payment service provider of the payer must ensure that the payer has provided the following data elements:

- the payer's name and/or the IBAN of the payer's payment account,
- the amount of the credit transfer,
- the IBAN of the payee's payment account,
- where available, the payee's name,
- any remittance information.

57.2 The payment service provider of the payer shall submit to the payment service provider of the payee the following data elements:

- the payer's name,
- the IBAN of the payer's payment account,
- the amount of the credit transfer,
- the IBAN of the payee's payment account,
- any remittance information,
- any payee identification code,
- the name of any payee reference party,
- any purpose of the credit transfer,
- any category of the purpose of the credit transfer.

57.3 In addition to the elements outlined in sub-item 57.2 of this item, the payment service provider of the payer shall submit to the payment service provider of the payee the following data elements:

- the BIC of the payer's PSP (if not agreed otherwise by the payment service providers involved in the payment transaction),
- the BIC of the payee's PSP (if not agreed otherwise by the payment service providers involved in the payment transaction),
- the identification code of the payment scheme,
- the settlement date of the credit transfer,
- the reference number of the credit transfer message of the payer's PSP.

57.4 The payment service provider of the payee shall submit to the payee the following data elements:

- the payer's name,
- the amount of the credit transfer,
- any remittance information.

Additional requirements and conditions for direct debits

58. Payment service providers, in compliance with the provisions of the Law on the Protection of Personal Data, shall execute direct debits according to the following conditions:

58.1 The payment service provider of the payee shall ensure that the payee has provided the following data elements during the first direct debit, the one-off direct debit, and each subsequent payment transaction:

- the type of direct debit (recurrent, one-off, first, last or reversal),
- the payee's name,
- the IBAN of the payee's payment account to be credited for the collection,
- where available, the payer's name,
- the IBAN of the payer's payment account to be debited for the collection,
- the unique mandate reference,
- the date on which mandate was signed,
- the amount of the collection,
- the unique mandate reference as given by the original payee who issued the mandate (where the mandate has been taken over by a payee other than the payee who issued the mandate),
- the payee's identifier,
- where the mandate has been taken over by a payee other than the payee who issued the mandate, the identifier of the original payee who issued the mandate,
- any remittance information from the payee to the payer,
- any purpose of the collection,
- any category of the purpose of the collection.

The payment service provider of the payee shall ensure that the payer has provided consent for the direct debit to the payee, as well as to the payment service provider of the payer, directly or indirectly through the payee. Direct debit mandates, along with any later modifications or cancellations, shall be kept by the payee or by a third party on behalf of the payee, with the payment service provider of the payee informing the payee about the stated obligation in accordance with Articles 56 and 58 of the Law.

58.2 The payment service provider of the payee shall submit to the payment service provider of the payer the following data elements:

- the BIC of the payee's PSP (if not agreed otherwise by the PSPs involved in the payment transaction),
- the BIC of the payer's PSP (if not agreed otherwise by the PSPs involved in the payment transaction),
- the payer reference party's name (if present in mandate in electronic (dematerialized) form),
- the payer reference party's identification code (if present in mandate in electronic (dematerialized) form),
- the payee reference party's name (if present in mandate in electronic (dematerialized) form),
- the payee reference party's identification code (if present in mandate in electronic (dematerialized) form),
- the identification code of the payment scheme,
- the settlement date of the collection,
- the payee's PSP's reference for the collection,
- the type of mandate,
- the type of direct debit (recurrent, one-off, first, last or reversal),
- the payee's name,
- the IBAN of the payee's payment account to be credited for the collection,

- where available, the payer's name,
- the IBAN of the payer's payment account to be debited for the collection,
- the unique mandate reference,
- the date of signing of the mandate,
- the amount of the collection,
- the unique mandate reference as given by the original payee who issued the mandate (if the mandate has been taken over by another payee than the payee who issued the mandate),
- the payee's identifier,
- the identifier of the original payee who issued the mandate (if the mandate has been taken over by a payee other than the payee who issued the mandate),
- any remittance information from the payee to the payer.

58.3 The payer's payment service provider shall submit the following data to the payer:

- the unique mandate reference,
- the payee's identifier,
- the payee's name,
- the amount of the collection,
- any remittance information,
- the identification code of the payment scheme.

58.4 The payer shall have the right to instruct its payment service provider:

- to limit a direct debit collection to a certain amount or periodicity or both;
- where a mandate under a payment scheme does not provide for the right to a refund, to verify each direct debit transaction, and to check whether the amount and periodicity of the submitted direct debit transaction is equal to the amount and periodicity agreed in the mandate, before debiting their payment account, based on the mandate-related information;
- to block any direct debits to the payer's payment account or to block any direct debits initiated by one or more specified payees or to authorize direct debits only initiated by one or more specified payees.

58.5 When the payer and the payee are not consumers, payment service providers shall not be obliged to meet the requirements specified in the sub-item 58.4 of this Decision.

58.6 The payer's payment service provider shall be required to notify the payer about the rights specified in the sub-item 58.4, in compliance with items 56 and 58 of the Law.

58.7 Upon the first direct debit payment transaction or one-off direct debit payment transaction, and for each subsequent direct debit transaction, the payee shall send the mandate-related information to its payment service provider. Subsequently, the payee's PSP shall transmit that mandate-related information to the payer's PSP with each direct debit transaction.

58.8 Before initiating the first direct debit transaction, the payer shall inform the payee about his payment account identifier stated in Article 55 paragraph 1 indent 1 of this Decision.

58.9 When the framework agreement between the payer and payment service provider does not provide for the right to refund, the payer's payment service provider shall,

without prejudice to the provision of sub-item 58.1 paragraph 2 of this Decision, verify each direct debit transaction to check whether the amount of the submitted direct debit transaction is equal to the amount and periodicity agreed in the mandate before debiting the payer's payment account, based on the mandate-related information.

58.10 The payer's PSP and the payee's PSP shall not levy additional charges or other fees on the read-out process to automatically generate a mandate for those payment transactions initiated through or by means of a payment card at the point of sale, which result in direct debit.

IX. TRANSITIONAL AND CLOSING PROVISIONS

59. The payment service providers shall comply with the provisions of items 25, 29, 30, 32, 34, paragraphs 2, 39 and 40 of this Decision no later than 1 November 2025.

Provisions of Article 3 and chapter VIII of this Decision shall start to apply from the date of accession of the Republic of North Macedonia to the SEPA.

The provisions of items 26 and 27 shall begin on the day the provisions of part seven Chapter III of the Law shall become effective.

60. The day part seven Chapter II of the Law becomes effective, item 12 paragraph 2 indent 1 of this Decision shall become void.

61. The Governor of the National Bank shall prescribe by Instructions the paper form of the payment orders, the consent for direct debit and the authorization of the payment account transfer, the list of codes for the description of the payments, as well as the content of the information leaflet for the payment account with basic functions.

62. Once this Decision enters into force, the Decision on executing payment transactions (Official Gazette of the Republic of Macedonia No. 289/22, 80/23 and 275/23).

63. This decision shall enter into force on the eighth day of its publication in the Official Gazette of the Republic of North Macedonia.

D. No. 02-24947/3
8 July 2024
Skopje

Governor and Chairperson
of the National Bank of the
Republic of North Macedonia
Council
Anita Angelovska Bezhoska