



# **Bank of Albania**

## **AIPS – Albanian Interbank Payment System**

### **Users Manual**

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## **1. MAIN FEATURES**

### **1.1 About this Manual**

This Manual is provided for staff of Participants using the AIPS Webstation. This manual cover only the system functions provided to Participants. The system itself provides only part of the AIPS infrastructure. There are rules for how the Users use the system and interact with each other.

SWIFT is used for the exchange of payment instructions in AIPS. Participant operators should refer to SWIFT reference materials to understand this part of the process.

### **THE ALBANIAN INTERBANK PAYMENT SYSTEM**

The **Albanian Interbank Payment System (AIPS)** is the **Bank of Albania's (BOA's) Real Time Gross Settlement (RTGS)** system. The concept of RTGS is to enforce, through the system, the processing and settlement of high-value payments and other inter-bank transactions on a gross basis in real time. This eliminates the settlement and systemic risks associated with previous arrangements where settlement was deferred and conducted on a net basis. RTGS ensures irrevocable receiver finality – a potentially significant consumer advantage.

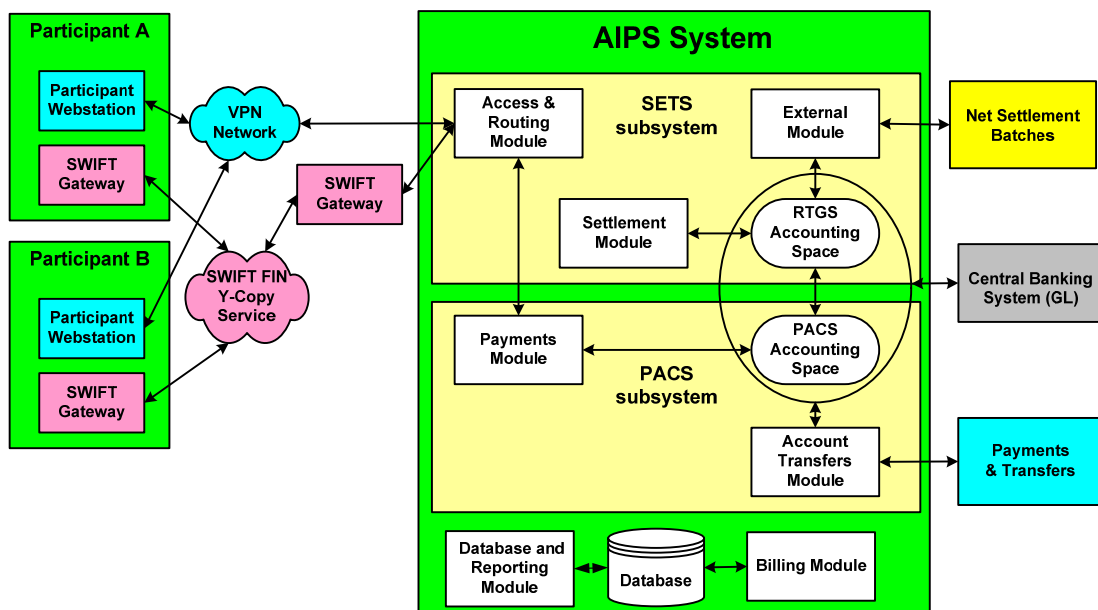
AIPS processes all systemically important payments in ALL (Albanian Lek). Such payments include interbank payments and customer payments equal to or exceeding 1.500.000 ALL. AIPS implements the principle of "four eyes" for financial transactions that created manually in the SWIFT, providing different users on data recording and their approval.

## **2. AIPS COMPONENTS**

AIPS uses three main components:

- 1) SWIFT FIN Y-Copy Service and Participant SWIFT interfaces;**
- 2) Participant Webstation(s);**
- 3) AIPS Central System with its associated Webstation facilities at the BOA.**

The overall architecture is depicted in the following schematic.

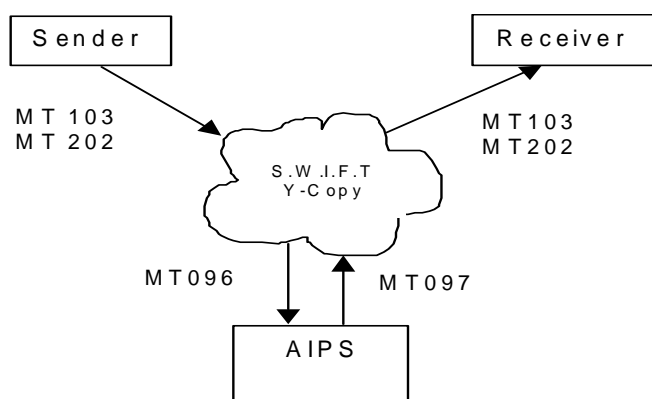


## 2.1 SWIFT FIN Y - Copy

AIPS uses the SWIFT network for the exchange of RTGS payment instructions. All AIPS Participants, including the BOA, are connected to SWIFT via SWIFT CBT interfaces. SWIFT monitors the payments traffic of members of the AIPS Closed User Group and directs any payments designated as AIPS payments to the FIN Y-Copy Service.

FIN Y-Copy extracts information from the original payment message to create a new message. This message holds only enough information to allow settlement across the settlement accounts of the sending and receiving Participants at the BOA. Y-Copy holds the original payment instruction pending receipt of an authorization or rejection message from AIPS. On receipt of a positive authorization, FIN Y-Copy then forwards the settled payment instruction to the receiving Participant.

The basic process flow is



AIPS also uses the FIN network for the exchange of a limited range of non-value messages.

## 2.2 Participant Webstation

Each AIPS Participant has one or more AIPS Webstations. AIPS uses the Participant Webstation and a local telecommunications network to relay AIPS-related commands and enquiries between the Participant and the central AIPS system.

The AIPS Webstation supports access to non-value functions, including:

For Participants:

- a) A Participant settlement account details providing the status of the settlement account at the start of the system's operating day (opening balance),
- b) Payments pending settlement due to insufficient funds on the account;
- c) The payments received and executed during the system's operating day;
- d) The total amount of payments ordered and unexecuted on the settlement account of the Participant by other Participants;
- e) Information regarding the status of AIPS, including current mode of operation, as well as the cut-off time for acceptance of payment orders and the end of the system's operating day;

The information regarding the remaining settlement participants includes a list of the settlement participants with essential statistics about each one of them, including their SWIFT BIC Codes, as well as the status of their system participation;

The status of the settlement account at the cut-off time for acceptance of payment orders bearing a current value date, including unexecuted payment instructions queued as pending;

The status of the settlement account at the end of the system's operating day: shows the status of the settlement account and the rejected unexecuted payment instructions;

A daily statement of transaction activity on a settlement account;(MT 950)

Charts of transaction activity on real time and summary;

A daily statement of payables and receivables position of a Participant in respect of each of the remaining settlement Participants.

For BOA

- a) The total liquidity of the system;
- b) The status of each settlement account in the system;
- c) Each payment executed;
- d) Each payment pending;
- e) The total volume of pending payments, ordered from and to a specific settlement account;
- f) Charts of transaction activity, including Participant positions, balances, and summary;
- g) Information regarding the type of payments.
- j) AIPS also provides a secure communications facility for exchange of electronic mail between Participants.(MT 999).

### **2.3 AIPS Central System**

The AIPS Central System performs **three main roles**. It handles the processing of:

- a) AIPS settlement accounting on behalf of all Participants including Net Settlement transfers and associated liquidity management facilities;
- b) The BOA's own inward and outward AIPS payments;
- c) Non-AIPS Account Transfers across Participants' accounts initiated by the BOA.

### **2.4 AIPS Sub System**

The AIPS system comprises three sub- systems:  
SETS, PACS, BILL

a) **SETS** (Settlement and Electronic Transfer System) – is the settlement sub-system, which processes all the systematically important payments and carries out the real gross settlement time toward the participants' accounts. All the accounts denominated in LEK of direct participants in AIPS are held in SETS.

SETS (Sets sub-system includes Routing, External and Settlement Modules):  
1. The Routing Module that handles all interaction between the AIPS application and the SWIFT Alliance environment;

2. The Settlement Module that maintains the main functions of RTGS, including funds availability testing, queuing and the application of transactions to Participants' accounts.

3. The External Module that handles non-SWIFT transactions in which only participants are involved, such as Net Settlement Transactions, Participant Transfers, Liquidity Transactions.

**b) PACS** - (Payment and Account Transfer System) is an accounting sub-system in AIPS. The accounts in LEK of the Bank of Albania branches, of MoF, of the other special status clients as DSA, IMF, World Bank are hold in this system.

PACS (Pacs sub-system includes Payments and Accounting Modules)

1. The Payments Module that handles the processing of the BOA's own inward and outward AIPS payments;

2. The Accounting Module that supports the processing of transactions between AIPS accounts that do not involve a Payments leg;

**c) BILL** (The Billing Module produces billing reports)

Billing sub-system can generate statements for Participants on a regular basis (daily, weekly, monthly) as requested.

Electronic invoices are generated monthly according to system parameter.

The system debits automatically the participant's settlement account for the monthly debiting amount, on the first business day of next month.

The first two sub-systems align with the main groups of users in the system, e.g. Participants and BOA officers with responsibility for overseeing AIPS use the SETS subsystem. Payments and Accounting users within the BOA use the PACS subsystem.

User access is established separately to each subsystem. Separate logins, user profiles and sessions are required to access each subsystem.

Participant Users will only have access to SETS and BILL sub-systems. The available profiles in these two sub-systems are presented below.

### **3.VIEWING ACCOUNT INFORMATION**

AIPS provides on-line access to account information.

The following menu entry allows the Bank's Liquidity Operator to access the Bank's own account information in the system.

**SETS / Settlement / Account / Show**

#### **3.1 Viewing Account Activity**

AIPS provides the information of the current status of the account below;



**Opening balance** is the account balance at the start of day. To this is added completed debits and credits (the number and value of each is shown) to give a **Current balance**.

**Pending** items are items held in queues awaiting settlement. Pending debits include you own outward payments. Pending credits are items held in other Participants' outward queues in your favor and they are also available on the Participant Webstation.

Clicking on the pending debits value will result in the display of the list of pending debit transactions. Detail in respect to each one of these transactions can be revealed (pending debits value is bolded).

Pending credit transactions will not be displayed and detailed information on them will not be revealed. The screen will only display the total amount of pending credits (pending credits value is not bolded).

The **Projected balance** tells what the balance would be if all the pending items were successfully completed.

If a bank has made a drawing under the AIPS Intraday Liquidity Facility (ILF), the specific amount will be displayed in the **ILF** area.

**Participant Reserves** set by BOA on a bank account will be displayed on the **reserve** section.

Pending debits and credits include both Payments and Account Transfers that have been submitted to AIPS for settlement

Clicking on **complete** or **pending** (pending debits) will result on the display of the list containing the complete or pending transactions for the specified participant. The handling mechanism described in the **List functions** section will apply to the resulting list of transactions.

A participant has the possibility of blocking funds on its own settlement account. These funds will be displayed both in the **hold** and **blocked** area.

In the cases where a participant is debited in a pending Net Settlement transaction, the amount to be debited will be blocked on the settlement account by the pending net settlement. These funds will be displayed in the **blocked** area.

### 3.2 Viewing Account Statement

SETS / Settlement / Account / Show

Select the **Statement** option from the **Show** drop-down list.

In this case the Statement screen displayed all the individual debit and credit items processed and completed in the current business day.

Only the completed transactions are displayed and no pending transaction, either debits or credits are displayed.

Debit or credit amount and reference information are shown.

AIPS provides the possibility to generate a Statement Report at any moment during the business day, in pdf format.

### 3.3 Optional SWIFT Statements and Debit/Credit Advices

In addition to the online information available via the Webstation, AIPS can provide Participants with the following SWIFT messages:

**MT900** Confirmation of Debit

**MT910** Confirmation of Credit

**MT950** Statement Message

MT900 and MT910 messages are issued on completion of an Account Transfer entered by the BOA. MT950 is generated and sent to a Participant as part of end-of-day processing.

These messages are optional and Participants must advise the AIPS System Administrator if they wish to receive them. The default setting for the system is non-receipt. Participants also have the possibility to advise the AIPS Administrators to enter the minimum amount of a transaction for which Credit or Debit advice (MT900, MT910) will be generated to them.

## 4. VIEWING TRANSACTION INFORMATION

### 4.1 Display Transactions (SWIFT Transactions Settlement Module)

AIPS provides the possibility to show all the SWIFT transactions:

Customer payments MT 103

Customer payments are defined as payments in the SWIFT MT103 format. Customer payments can be processed via AIPS from 8.30 until 15.30. (see appendix B )

Interbank Payments MT 202

**MT 202** is the standard message type to be used for bank-to-bank payments. Interbank payments are defined as payment messages in the SWIFT MT202 format. (see appendix B)

Interbank payments can be processed via AIPS from 8.30 until 16.00.

A payment is a transaction that instructs a receiving bank to credit an account in its books. In AIPS, the value is exchanged between the Participants by the debit and credit of settlement transactions over their accounts with the BOA. Path to list transactions is;

### **SETS / Settlement / Transaction / List**

This function allows the user to display information on all transactions processed on the current working day. To list transactions from previous days, the participants can use the YYYYMMDD format.

Both incoming and outgoing transactions are listed by default. Either **incoming** or **outgoing** items can be selected using the combo box in **List**

area. If the participants choose to display **incoming** transactions, the incoming pending transactions will not be available (details on pending credits will not be displayed).

From the with **Status** drop-down list, participants can select the status of the transactions that they need to be listed (**Complete, Pending, Future, Cancelled**).

In the **Selection** area participants can use **from** field to list transactions from previous days (leave blank for today).

Using the **Selection** option will result in the display of the following screen:

The selection of the transactions to be displayed will be performed according to the values or range of the parameters specified in the above displayed screen. The system uses a lexicographic comparison (except for **Amount** field); e.g. '0' < '9' < 'A' < 'Z' < 'a' < 'z'. All transactions heaving the correspondent field equal or greater then **Start Value** and less or equal than **End Value** will be displayed.

In **Summary** area, the resulting screen displays a summary of all the incoming and outgoing transactions and the status of each transaction.

The system displays today's transactions in **List** format. AIPS uses **List** functions to display information. These **List** functions typically display data in table form with column headings and rows of data underneath. If the number of data records cannot be displayed on one screen, typical windows scrollbars will be used. You can tell when you reach the end of a list because total number of items and total value are shown. It is also possible to reorder the display of data by clicking on the column headings.

The **Outgoing Transaction List** display contains the following information:

Item	The item identification number assigned to the transaction by AIPS
Type	SWIFT or Account Transfer transaction type
Status	The status of the transaction (pending, cancelled or complete) and the time it reached that status
Ref	The transaction reference assigned to the original message by the sending Participant
Amount	The amount
Currency	ALL
From and To	The Sending and Receiving Participants whose accounts are to be debited and credited
Date	System date

#### 4.2 Display Transactions (Non SWIFT Transactions - External Module)

There are other transactions in a Participant account in addition to the settlements of MT103 and MT202 transactions from SWIFT. These are

Account Transfer transactions entered directly to AIPS by the BOA. There are three main types of Account Transfers that may affect your account:

- a) Participant Transfers;
- b) ILF (Intraday Liquidity Facility) Transactions;
- c) Net Settlement Batches;

#### **The type of transactions from AIPS (SETS):**

##### **a) Participant Transfer (SETS)**

Account Transfer initiated by BOA in External Module (SETS). It debits the settlement account of a Participant and credits the settlement account of another Participant.

##### **b) ILF (Intraday Liquidity Facilities)**

Intraday Liquidity Facilities (ILF) ensures that Participants can access sufficient liquidity to complete their transactions. These facilities are fully collateralized by securities recorded by the BOA. Based on Regulation no.107 dt.24.12.2003 see. [www.bankofalbania.org](http://www.bankofalbania.org)

The BOA receives requests from Participants to draw down funds under these facilities during the day. Having checked the availability of collateral, the next step is to effect an ILF transaction. Each Participant has an ILF account in addition to its main AIPS Settlement account. The ILF Drawdown must be repaid prior to End-of-day.

As part of the performing of the Initial Cut-off event (15.30), the system automatically reverses all outstanding ILF Drawdowns. Drawdowns are not reversed if there are insufficient funds (the ILF Reversal will have **pending** status). In this event, BOA's operators need to intervene manually to clear the ILF. Bank of Albania grants to this last one an overnight loan to of penalizing terms, in line with the respective applicable bylaws.

End-of-day cannot be completed if there are ILF Drawdown transactions that have not been successfully reversed.

ILF transaction can be entered manually into AIPS in the External Module, in SETS sub-system.

##### **c) NSI (Net Settlement Instruction)**

Net Settlement Batches are entered into AIPS by BOA Data Entry Personnel using the functionality available in the External Module in the SETS sub-system.

AECH generates a net settlement transaction at each clearing cycle. The system utilizes the SWIFT NET services such as FileACT and can be fully integrated to AIPS system for settlement.

AIPS and AECH systems interact in real-time to end each Clearing Session:

AECH to AIPS - Net Settlement Instruction (NSI's)

AIPS to AECH - Response to Net Settlement

**CB** – Net Settlement servicing BOACHCB (Bank Checks)

**CP** – Net Settlement servicing BOACHPC (Personal Checks)

Bank of Albania reflects the summary of net positions deriving from cheques clearing denominated in ALL in the clearing session occurring in AIPS/SETS module.

**CS** – Net Settlement servicing GOVSEC (Government Securities). Bank of Albania enters in the system the results of securities auction.

Net Settlement Transaction (CB, CP and CS) entered by BOA in the External module in SETS sub-system.

**Path to list transactions is;**

### **SETS / External/ Transaction/ List**

This function allows the user to display information on all transactions processed on the current working day. To list transactions from previous days, the participants can use the YYYYMMDD format.

Using drop-down list provided you are able to choose to display only a specific type of transaction (Participant Transfer, Net Settlement, ILF Drowdown, ILF Reversal,).

The participants can choose to display all the transactions that have a specific status (Cancelled, Complete, Pending, Reversed). A settled transaction will have status **Complete**. A transaction waiting for approval will have status **Approve** (transactions which are waiting for BOA approval are not available in the list). Before approval, a transaction can be sent to be repaired and will have status **Repair** (transactions which are waiting for BOA repair activities are not available in the list). A transaction that has been manually or automatically cancelled will have status **Cancelled**. A transaction in which there are insufficient fund on the sender's account will have status **Pending**. An ILF Drowdown that has been successfully returned will have status **Reversed**.

Clicking on the transaction in the list will result in the reveal of detailed information in respect to the specific transaction.

The reveal of Net Settlement Batch will only display information in respect to our own bank's participation in the batch.

In addition to the online information available via the Webstation, AIPS can provide Participants with the following SWIFT messages:

### **MT900 Confirmation of Debit MT910 Confirmation of Credit**

MT900 and MT910 messages are issued on completion of an Account Transfer transaction entered via AIPS or Operators Interface or payment message entered via SWIFT. MT950 is generated and sent to a Participant as part of end-of-day processing.

In the reveal of the transaction that generates the advices, they appear in the Output section as Source messages (S900 and S910).

These messages are optional and Participants must advise the AIPS System Administrator if they wish to receive them. The default setting for the system

is non-receipt. Participants also have the possibility to advise the AIPS Administrators to enter the minimum amount of a transaction for which Credit or Debit advice (MT900, MT910) will be generated to them.

### 4.3 Assigning Abort Reason Codes to MT019

When a payment is rejected or cancelled from the AIPS the system will automatically assign an appropriate reason code to the outward MT 097. SWIFT Y-Copy will include this code in the MT019 message it sends to the sending bank. BOA may assign Abort Reason Codes in the range 60-89. MT097 messages and Abort Reasons will be generated where payments fail AIPS message validations or security tests. Reason codes may include, amongst other things:

#### AIPS Generated Abort Codes;

Code	Reason
61-VALIDTN	Failed message format validation at AIPS
62-DUPL.REF	Duplicate Transaction reference (for this date)
63-INV.CURR	Invalid currency
70-INV.DATE	Invalid Value Date
71-INI.CUTF	Customer Payment Received after Primary Cut-off
72-FIN.CUTF	Payment Received after Final Cut-off
73-RCV.BANK	Beneficiary Bank does not exist
74-RCV.DSBL	Beneficiary Bank is disabled
76-CRD.BLCK	Beneficiary Banks' Account is blocked for incoming payments
77-DEB.BLCK	Sender Banks' Account is blocked for outgoing payments
78-SND.BANK	Sender Bank does not exist
79-SND.DSBL	Sender Bank is disabled
80-CAN.RQST	Payment cancelled from Settlement Queue at your own request
81-SYS.CANL	Payment cancelled because it was unsettled at Final Cut-off

For a cancelled transaction, on the reveal screen, above the audit information, an error code will be displayed.

**02** – system cancellation

**03**– manual cancellation (form the Queue/Control screen);

### 4.4 Transaction Pending Reasons

There are various reasons why a transaction entered the pending state. The following table enumerates and describes the pending reasons:

Pending Reason	Brief Description
Not enough positive valued amount	This is the simple case where the Sender Bank does not have enough funds on its settlement account (the Available Funds are less than the transaction amount);
Basic account balance	The transaction is pending because the Available Funds on the settlement account of the Sender Bank are less than the transaction amount and the Current Balance is negative;
Higher priority transaction	The transaction is pending because the funds are blocked by another pending transaction that has higher priority;
Participant limits	The transaction is pending because there is a Participant Reserve set by BOA on the settlement account of the specific Participant;
Hold amount	The transaction is pending because the funds are held by another transaction;
Space transaction order	The transaction is pending in cases where: The transaction amount is less than the Current Balance; There is a previous entered transaction, having equal or higher priority, pending because the transaction amount is higher than the Available Funds;
Previous transaction is in pending status	When there is a net settlement transaction in the system in ending and another one is submitted for the same servicing institution

In the case where more than one pending reason applies for a pending transaction, the first pending reason detected will be the one displayed in the audit information.

## 5. CONTROLLING SETTLEMENT QUEUES

### 5.1 Viewing Individual Items in the Queue

The basic rule of AIPS is that if there are insufficient funds in an account, transactions cannot be settled (they will be pending). When this occurs, the MT096 settlement requests received from SWIFT Y-Copy are queued. They stay there until:

Enough liquidity is credited to the account to let payments be settled;

Transactions are re-prioritised to let some of them be settled;

A BOA AIPS Administrator cancels them at Participant request or at the end of day.

Queue Order

AIPS queues are organized in FIFO (first-in-first-out) order, i.e. all transactions are queued in the order in which AIPS receive them and the “oldest” transaction (First In) in each Participant’s queue is tested first. Only the transaction at the head of each Participant’s queue is tested for funds availability. The FIFO order of queues can only be overridden by use of the queue management facilities described below.

SWIFT payments can be assigned two priority classes – Normal and Urgent. Urgent payments are tested ahead of Normal payments and all payments are tested in FIFO order within these two classes. Normal and Urgent priority is assigned by Participants as part of the SWIFT payment message header.

As well as SWIFT-sourced transactions, queues potentially hold Account Transfers initiated by the BOA. These transactions have higher priority than a Normal and Urgent priority. Account Transfers always take precedence over other transactions in queues. Participants can view the pending Account Transfers but they are not able to promote other transactions ahead of them in the queue.

The queue will display the SWIFT payments and the Participant Transfers that are entered by BOA AIPS Operators and have the assigned priority as N or U. This facility has been implemented for the cases where, for various reasons, a Participant’s ability to submit SWIFT payments is restricted. In these cases, BOA Operators can enter payments on behalf of the specific Participant and assign a SWIFT priority to them.

## 5.2 Modify the Priority of Queued Items

In the Participant profile there is a parameter that specifies if the specific Participant has the possibility to manage (reprioritize) his queue of outward pending payments. The parameter is called **Allow Queue Control** and can be set by a BOA AIPS Administrator.

To reorder the items in the Pending Queue use the following menu entry:

SETS / Settlement / Transaction / Control/Queue

The system provides the possibility of accessing the queue of SWIFT payments in two different ways: view mode and control mode.

In the case where the **Control Queue** mode is selected only one user has access to the payments queue screen with the possibility of performing activities (reprioritization). If a user selects the **Control Queue** mode for a queue which is already “locked” for control by another user, the queue of payments will be displayed in view mode and a warning message providing the name of the users which locks the queue in control mode is displayed on the top side of the screen.

In the case where the **View Queue** mode is selected the screen will display the queue of payments without providing the possibility of reprioritization. In this mode, the SWIFT payments queue screen is available for an unlimited number of users at one moment of time (concurrent access).



If a large debit is being held awaiting sufficient funds and a smaller debit is "stuck" behind it in the queue, it is possible to rearrange the priorities by selecting the item or items to be moved to the top of the queue.

If the transaction to be reprioritized has Urgent priority, then it will be placed at the bottom of the Normal priority queue. If the transaction to be reprioritized has Normal priority, then it will be placed as the last transaction with Urgent priority in the queue.

This process can be repeated as many times as necessary until the queue is arranged in the order desired.

### 5.3 Canceling Payments from the Queue

The mechanism for canceling SWIFT pending debits in the Queue/Control screen is described as follows:

*(step 1)* click on the **Cancel** button provided in the credit account column for the specific pending transaction; the transaction details are revealed and you can submit the request for cancellation; the button will now be labeled as **App.Cancel**, approve transaction cancellation; the user that submitted the cancellation request will NOT be able to approve the cancellation;

*(step 2)* login as a different user and click the **App.Cancel** button; the transaction details will be revealed and you have the possibility to approve the transaction cancellation; BETWEEN cancellation request (click **Cancel** button) and cancellation approval (click **App.Cancel** button by another user) the transaction will act as a normal pending one (if sufficient funds are provided the transaction will be settled);

When a payment is cancelled from a AIPS queue it is returned to FIN Y-Copy with a negative MT097. The canceling Participant receives an MT019 Abort Notification carrying an Abort Reason Code 80 (Payment cancelled from Settlement Queue at your own request).

## 6. AIPS SWIFT MESSAGES LIST

### 6.1 AIPS Swift Messages

Aips provides the possibility to view all SWIFT messages related to the specific Participant, use the following menu:

SETS / Routing / Messages

Types of selection:

**Incoming** – all incoming messages;

**Outgoing** – all outgoing messages;

**All** – both incoming and outgoing messages;

Status Delivered, Received, Pending, Sent, Acknowledged and Cancelled;

Clicking on a message in the list will result in the reveal of detailed information in respect to the selected message.

**Item** column displays the item identification number that is automatically assigned by the system. **Date, Curr, Amount** columns display the current system date, the currency (ALL) and the amount of the transaction (for MT103 and MT202 messages).

**From** and **To** columns display the SWIFT BIC of the sender and receiver of the message.

**MT** column displays the type of message.

Payment messages ( 103, 202)

Statement Messages (950) – if set to receive

Credit and Debit Advices (910, 900) – if set to receive

Free Text Messages (999) – sent by BOA

Message status	Description
Sent	The message has been sent to SWIFT by the Routing Module
Acknowledged	The MT096 message received from SWIFT has been settled in the Settlement Module (that means that the MT096 message has been acknowledged)
Cancelled	The MT096 message received from SWIFT has NOT been settled in the Settlement Module (that means that the MT096 message has been rejected)
Delivered	The messages (SWIFT payments in favour of BOA; MT019 for payments initiated by BOA and rejected by the Settlement module) have been successfully sent from the Routing module to the Payments module
Pending	Intermediary status for the messages in the Routing module which have not reached the <b>sent</b> status (messages pending in queue to be sent to SWIFT)
Received	The messages sent by SWIFT have entered in AIPS into the Routing module

MT096 messages coming from SWIFT will be visualized in AIPS as MT103 or MT202 messages. These MT096 messages will have correspondent MT097

messages that will be sent to SWIFT. In case where the BOA is the payment sender and the Settlement module rejects the payment, an MT019 message will be generated and will be sent directly to the Payment Module not using the SWIFT network.

In the Routing module, all these messages will be identified as a unique item that will be displayed in the list. The status of the item displayed in the list is the status that the message has currently reached during its flow through AIPS .

The audit information available will display all the statuses that the message has reached during its flow through AIPS.

In Summary area, system displays a summary of all the incoming and outgoing transactions and the status of each transaction.

## 6.2 SWIFT MESSAGES TYPES USED IN AIPS.

No	Message type	Description
1	MT103	Crediting transfers for an individual client
2	MT202	General transfers between two banks
3	MT096	Settlement message incoming in AIPS, part of AIP FIN-Y Copy service
4	MT097	Notify message, to authorise or reject the payment by AIPS to AIP Fin-Y-Copy
5	MT019	Notify rejection message by service AIP FIN-Y-Copy to participant banks
6	MT900	Debiting confirm by AIPS to inform participants on the debiting of their respective accounts
7	MT910	Crediting confirm by AIPS to inform participants AIPS on the crediting of the respective accounts.
8	MT950	Issuance of account statement at the end of day to inform participants on the daily operations and on the outstanding.
9	MT999	Free module, used by the Bank of Albania to send to participants messages of common informing character.

## 7. DAY OPERATIONS

### 7.1 Procedures in AIPS

At the beginning of the day, the system is manually started by the BOA System Administrators.

**The Start-Of-Day** procedures will be performed only once during the working day. If the system is stopped and restarted after the Start-Of-Day procedures have been performed, Start-Of-Day job will be bypassed. After the *Initial Cut-off* (15.30), the system is closed for new customer payments (MT103 Messages), except for bank-to-bank payments (MT202 Messages), and BOA account transfers. Participants can enter future value date payments (MT103 and MT202) during the whole business day. The interval of time available for future value date transactions to be settled is 5 working days including the submission date. If the settlement date set for future value date transaction exceeds this amount of time, the transaction will be rejected. Also, future value date transactions cannot have the settlement date on a holiday. If such a situation occurs, the transaction will be rejected. The Initial Cut-off procedures will be performed only once during the working day. If the system is stopped and restarted after the Initial Cut-off procedures have been performed, Initial Cut-off event will be bypassed.

**After Final Cut-off** (16.00 o'clock) no further SWIFT payments will be accepted (except for future value date transactions). At session close, queue/settlement processing will cease and any SWIFT payments still in queues will be rejected with MT097 issued to SWIFT. Automatic rejection only applies to SWIFT payments. All the other transaction types have to be manually cancelled before End-of-Day procedures are performed. The Final Cut-off procedures will be performed only once during the working day. If the system is stopped and restarted after the Primary cut-off procedures have been performed, Final Cut-off job will be bypassed.

**The End-of-Day** procedures will be manually performed. After End-of-Day process is complete, the system is automatically stopped. Webstation facilities will no longer be available until the start of the next working day.

The start of Aips business day is carried out as follows:

**Firstly** Information Technology Department (ITD) (AIPS Helpdesk office) starts AIPS at any business day beginning at 8 o'clock according to the regulation no 53 dt.26.09.2007 "On the function of Aips".

**Secondly** Payments Systems Department (PSD) (AIPS office) changes the status of AIPS in "Open for operation" at the time at 8.30 participants can send and receive payments.

The closure of AIPS business day is conducted as follows:

At the end of day, PSD (payments systems department) , changes the status of AIPS into " Closure of Day" respectively in line with article 24 and 25 of regulation no 54 dt.26.09.2007. AIPS stops accepting customer payments at 15.30. This means that banks after 15.30 can't settle customer payments with today value date but they can send customer payments with value date for the next five days.

System informs via SWIFT messages all participants on the closure of AIPS business day.

## 7.2 AIPS operating schedule

Time	Event	Activities and available transactions
08.00	Start of the day procedures	AIPS start of operating day. There start the procedures on opening the business day and it takes until 08.30.
08.30	Operating Day Commences	Participants can send and receive payments.
08.30-09.30	Payment transactions with the value date at the business day are settled in AIPS, initiated from the internal systems of BoA;  The transactions of receivables initiated by banks are settled in AIPS.	Main Government's account in AIPS/PACS is debited/credited for transactions initiated in the internal system of the Bank of Albania, upon the request of the Ministry. The transactions hold the value date of the business day.  Banks deposit the total income received in the pervious day into the main account of Government.
09.00-10.00	Settlement of securities auction results	Bank of Albania enters into the system the results of securities auction.
09.00-15.30	Payment orders sent electronically from the Ministry are settled.	AIPS accepts payment orders sent electronically from the Ministry for settlement in Government's account n AIPS/Pacs. Ministry is attentive to deliver the payment orders' files at times as agreed priory (09:30 – 12:00 – 14:00). Times are subject of change by informing the points of contact. Payment orders' files become validated and in case of errors, the system generates the electronic list for payments in error.
10.05-10.15	Net settlement of first clearing session result of AECH	AECH generates the net settlement instruction of first clearing session, which is delivered to AIPS via AECH-AIPS interface.
11.00-11.30	Settlement of Visa cards clearing results	Bank of Albania enters into the system the clearing results of VISA cards by ALNNS.
12.35-12.45	Net settlement of second clearing session result of AECH	AECH generates net settlement instruction of second clearing session, which is delivered to AIPS, via AECH-AIPS interface.
13.00-14.00	Settlement of MasterCard clearing result	Bank of Albania enters into the system MasterCard clearing results from MCISS.
13.30-	Net settlement of	Bank of Albania enters into the system

14.00	cheques clearing	cheques' clearing results.
14.50-15.00	Net settlement of third session clearing result of AECH	AECH generates net settlement instruction of third clearing session, which is delivered to AIPS, via AECH-AIPS interface.
15.30	Initial <i>Cut-off</i>	AIPS is closed to MT103 clients' payments except for bank-to bank MT 202. AIPS allows the entering of transactions carried out manually by the Bank of Albania. Participants should take precautions to have sufficient available funds to allow reversal of ILF drawings prior to final cut-off.
16.00	Final <i>Cut-off</i>	System rejects the transactions delivered via SWIFT MT202 messages. AIPS does not allow the entering of transactions manually by the Bank of Albania.
16.30	Closure of system	The closure procedures of the system are carried out, end-day-reports are generated, and account balances are sent via MT950.

### 7.3 Viewing Business Day Calendar

AIPS maintains a *Calendar* facility so that all Users in the system can see the forward operating schedule for the system. Participants have an obligation under the Procedures to be up and running whenever AIPS is open for business.

The *Calendar* function also sets the Next Business Day for the system. Payment Systems Department manages the calendar of AIPS, in accordance with the official announcement of IREICD on the calendar of official holidays: (see : [www.bankofalbania.org](http://www.bankofalbania.org))

It completes the calendar for the forthcoming year prior of the current year;  
It changes the calendar and informs the participant no later than 5 (five) working days from the date these changes occurred;  
Banks in Albania are closed on all Saturdays and Sundays.

AIPS Calendar is configured and maintained by AIPS Support Staff at the BOA. The Participants will only be able to list the Business Day Calendar.

To display the Business day calendars use the following menu entry: SETS / Main / Calendar / List

On the **List calendar** screen click **OK** and select the year and the month.

The Calendar is displayed in a standard monthly calendar form. Holidays are shown in red, working days in black.

## 8. AIPS STANDARD SETTLEMENT REPORTS

### 8.1 Standard Settlement Report

On Participant side, the standard settlement reports created in SETS sub-system and the billing reports created in BILL sub-system will refer to the SWIFT settlement transactions. The Statement Report is generated in pdf format and contains all the completed and cancelled transactions.

To view (or print) AIPS standard reports use the following menu entry:

**SETS / Main / Report / List**

All participant have the possibility to list current day reports, previous days reports and archive reports from the database.

All these reports are available for displaying, printing and saving, having Albanian or English bank identification information.

Setting the date for displaying previous days reports will be done in **from** field in **List previous days reports** area.

**Listing archived reports from the database** can be done by setting the range dates in **from** and **to** fields. If only one of these fields is completed with a date then reports from that specific day will be listed from the database.

There are five types of AIPS Reports. These are:

#### **a) Initial Cut-Off Report**

Shows status of account at Initial Cut-off identifying any pending and cancelled SWIFT payments.

Automatically generated by AIPS at Initial Cut-off.

In this report participants can find information about ;

**No** – it is a sequence number generated by the system;

**Receiver** – it is the receiver of the outgoing transaction;

**Tran ID** – it is the transaction's AIPS generated identifier;

**Reference** – it is the transactions' identifier automatically generated by the system when the transaction is entered;

**Tran Ref** – it is the transactions' reference manually introduced by the payment's initiator (sender);

**Status** – it is the transactions status (the first part of the report contains all the pending payments, first page in the above displayed example, and the second part contains all the cancelled payments, the second page of the above displayed example);

**Amount** – it is the transactions' amount;

Just below the cancelled transactions section, there is a '**END OF REPORT**' message.

#### **b) Final Cut-Off Report**

Shows status of account at Final Cut-off and shows any cancellations effected.

Automatically generated by AIPS at Final Cut-off.

**No** – it is a sequence number generated by the system;

**Receiver** – it is the receiver of the outgoing transaction;

**Tran ID** – it is the transaction's AIPS generated identifier;

**Reference** – it is the transactions' identifier automatically generated by the system when the transaction is entered

**Tran Ref** – it is the transactions' reference manually introduced by the payment's initiator (sender);

**Status** – it is the transactions status (the first part of the report contains all the pending payments, first page in the above displayed example, and the second part contains all the cancelled payments, the second page of the above displayed example);

The pending transactions sections will always be empty because, at Final Cut-Off, all the pending transactions will be automatically cancelled by the system. There are no more SWIFT payments pending after the Final Cut-off has been performed.

**Amount** – it is the transactions' amount;

Just below the cancelled transactions section, there is a '**END OF REPORT**' Message.

The following three types of reports (**Recap**, **Position** and **Statement**) will be automatically generated by the system as part of the End-of-day procedures.

All these reports will only be available to the AIPS users after the system start-up on the next business day. However, the system provides the possibility of manual generation of the above-mentioned reports during the business day. To generate the End-of-Day reports during the business day, use the following menu entry:

SETS / Main / Report / Intraday

These three types of reports will be automatically generated by the system as part of the End-of-Day procedures and they will overwrite any previously, manually generated versions of the reports.

#### **c) Recap Report**

Summary of account activity for the day as per the Account Activity screen.

Automatically generated by AIPS at End-of-Day.

**Debit No.** – number of debits

**Total Amount** – total debit amount

**Credit Nr** – number of credits

**Total Amount** – total credit amount

If the report is generated intraday, the last line will show the **Current Balance**:



Current Balance = Opening Balance + Payments Received – Payments Sent

If the report is generated as part of the End-of-Day procedures, the last line will show the **Closing Balance**:

Closing Balance = Opening Balance + Payments Received – Payments Sent

#### d) Position Report

Summary of transaction activity for the day showing bilateral position against other Participants.

Automatically generated by AIPS at End-of-Day.

This report displays the net positions of the specific Participant in respect to all the other Participants in AIPS.

Net = Credits (from) – Debits (to)

#### e) Statement Report

The Statement Report is generated in pdf format and it contains all the completed and cancelled transactions during the business day. The Statement Report is presented in the following format:

Bank of Albania - Thursday 18/12/2003 13:35:30.079

Generic Bank (AI)

SETS Statement Report for Account 1234554321

No.	Details	DR	Amount	CR	Amount
<b>Opening Balance</b>					0,00
Complete payments					
1	doctran4 TIRBALTO 20031217DR0000000007 N SWIFT Payment	*	36.500,00		
2	doctran5 SGSBALTO 20031217DR0000000008 N SWIFT Payment	*	81.700,00		
3	doctran8 IALBALTO 20031217DR0000000013 N SWIFT Payment	*	413.000,00		
4	doctran9 USALALTO 20031217DR0000000014 N SWIFT Payment	*	16.500,00		
1	doctran1 AAISALTO 20031217DR0000000001 N SWIFT Payment			*	330.000,00
2	doctran2 CBOAALTO 20031217DR0000000003 N SWIFT Payment			*	69.800,00
3	doctran3 DARDALTO 20031217DR0000000005 N SWIFT Payment			*	112.000,00
4	al.rigs.ext doctran13 FEFAALTO 20031217ET0000000001 S(10) Banknote			*	7.980,00
5	al.rigs.ext doctran17 IALBALTO 20031217ET0000000003 S(10) Banknote			*	1.923,00
<b>Total</b>		4	547.700,00	5	521.703,00
Cancelled payments					
1	doctran20 USALALTO 20031217DR0000000019 N SWIFT Payment	*	1.876.000,00		
2	doctran21 FINVALTO 20031217DR0000000020 N SWIFT Payment	*	2.000.117,00		
<b>Total</b>		2	3.876.117,00	0	0,00
<b>Closing Balance</b>			25.997,00		

SETS Statement Report for Account 1234554321 - page 1

Bank of Albania - Thursday 18/12/2003 13:35:30.079

END OF REPORT

**No** – it is a sequence number generated by the system

Details

doctran4 TIRBAL T0 20031217DR0000000007 N SWIFT Payment

1	2	3	4	5
---	---	---	---	---

- 1 – Transaction reference
- 2 – Receivers' SWIFT BIC
- 3 – Transaction identifier
- 4 – Transaction priority (**U**rgent or **N**ormal)
- 5 - Type of transaction (transaction entering AIPS via SWIFT, AIPS Data Entry Modules or AIPS external interfaces)

**DR, CR** – debits and credits

Closing Balance = Opening Balance + Total CR Amount – Total DR Amount

The Statement Report can be manually generated at any moment of time during the business day by clicking the **Generate Report(s)** button available on the Account Statement screen (SETS/Settlement/Account/Show – Statement)

The Statement Report is automatically generated by the system after the End-of-Day is performed. The End-of-Day Statement Report will overwrite any manually created reports. The Statement Reports (PDF format) are available only at the beginning of the next business day.

## 8.2 Billing Reports

The BOA System Administrators have the possibility to generate Billing Reports and Charge Reports during the business day.

The Billing Reports are automatically generated when the End-of-day procedure is performed in BILL (after the Final Cut-off event).

Same mechanism (as in SETS) applies for BILL Sub-system

To display, print or save AIPS billing reports use the following menu entry:

**BILL / Main / Report / List**

All Participant have the possibility to list previous days' reports and archive reports from the database.

### a) Billing Report

In this Report Participants can take information bellow;

**From, To** – the interval of time for which the rate will apply (if they are blank the rate will apply for the whole business day)

**Priority** – the transaction priority for which the rate will apply

**Type** – 097, 900, 910, Completed or Cancelled

**Units** – number of transactions

**Unit charge** – rate value (in ALL)

Total = Unit Charge \* Units

If the billing report is created manually, the type will be **billBillingManual**. The billing reports automatically generated by the system at End-of-Day will have type **billBillingAuto**.

When End-of-Day is performed in the BILL sub-system (End-of-Day procedures should be first performed in BILL sub-system), a new set of Billing reports will be automatically generated by the system. These reports will overwrite any existent reports manually generated by the BOA Operators as described above.

## b) Charge Report

Basically, the Charge report represents an accumulation of daily Billing reports. Each line in the Charge report represents the summary of a daily Billing report. Thus, the first column in the Charge report is the date of the Billing report summarized in the remaining columns.

If the charge report is created manually, the type will be **billChargeManual**. The charge reports automatically generated by the system when charging activity is performed will have type **billChargeAuto**.

BOA AIPS Users have the possibility to manually create charge reports:

Create reports from a previous starting day until the current day;  
Create reports for an interval of time set between two dates;

In this way, the charge reports are created for all the Participants. Charge reports are automatically created when the Charging is performed in the Billing Module. The interval of time for which the report is generated is between the last charging date for each Participant and the current (charging) date.

## 9. Viewing System Information

### 9.1 Viewing System Status and Cut-off

To display the current status of the AIPS system and the scheduled Cut-off times for AIPS operating sessions, use the following menu entry:

SETS / Main / Service / Show  
Select **Status** and then click **OK**

The status information is bellow;

The **Current Date** field displays the current AIPS business day.

The **Next Date** field displays the date of the next scheduled AIPS Business day. If there is a calendar defined for the current month, this date will be taken from that calendar. Otherwise, the next business will be taken from the system calendar of the AIX machine running in 'live' mode (that means that Monday to Friday are working days and Saturday & Sunday are holidays).

System **time** is displayed.

**Initial Cutoff** and **Final Cutoff** times are displayed.

The **System Mode** field indicates that AIPS is operating in Normal mode.

If **AIPS Services** is shown as **Active**, the functions of the **Main** menu can be accessed, eg reports can be viewed. If **Settlement** is **Inactive** it means that settlement transaction processing has finished for the day. Typically, the BOA keeps AIPS Services active for some time after Settlement closure to allow Users to access reports, etc.

## 9.2 Effect of Initial and Final Cut-off on AIPS Settlement Processing

After Initial Cut-off, AIPS does not accept any more MT096 messages in respect of SWIFT customer payments (i.e. MT103).

MT202 Payment Messages are still allowed into the system after the Initial Cut-off has been performed. The intention is that Participants should use the period between Initial and Final Cut-off to clear their queues and resolve their account situation.

Participants can enter future value date payments (MT103 and MT202) during the whole business day. The interval of time available for future value date transactions to be settled is 5 working days including the submission date. If the settlement date set for future value date transaction exceeds this amount of time, the transaction will be rejected. Also, future value date transactions cannot have the settlement date on a holiday. If such a situation occurs, the transaction will be rejected.

After Final Cut-off, AIPS accepts no further MT096 messages. Any MT096 messages received are rejected back to SWIFT Y-Copy. The sending Participant receives an MT019 Abort Notification carrying an Abort Reason Code 72 (Payment received after Cut-off).

Any payments still pending in queues at Final Cut-off are rejected back to SWIFT Y-Copy. The sending Participant receives an MT019 Abort Notification carrying an Abort Reason Code 81 (Payment unsettled at Final Cut-off).

## 9.3 Viewing Participant Information

To display a list of Participants recorded in the system and some of their basic details use the following menu entry:

SETS / Main / Participants / List

On the **List Participants** screen click **OK**

All participants, in this meny, can take the informations bellow;

**SWIFT BIC Code** of the Participant.

**Group** is a set of characters used as a short name for the Participant.

**Status** field shows **Active** or **Disabled**. This does not indicate whether the Participant is currently logged onto its Webstation or not but rather whether the Participant has been activated by the BOA to use the AIPS. The BOA has the option of de-activating a Participant's ability to access the central site via its Webstation facility. The participants that have been disabled by BOA will

have status **Disabled**. These Participants will not have any access to AIPS via Webstation.

**A/C Status** indicates whether a Participant's account is **Active** or **Blocked**. There are three types of blocking an account:

**IBlocked** – blocked for incoming payments;

**OBlocked** – blocked for outgoing payments;

**Blocked** – blocked for incoming and outgoing payments

All above detailed information can be revealed only in respect to the Participant to which the user belongs.

Clicking on any other items in the list will **not** result in the reveal of detailed information in respect to the selected participant. This is the only information in respect to other participant settings that you will be able to access through the Webstation facility.

## 10. Setting Account Limits (Block funds)

### 10.1 Setting and Listing Limits

The menu entry used for blocking a certain amount of money on a participant settlement account, is:

SETS / Main / Participant / Limits / Set

The **Participant** field displays the BIC code (the BIC of the Bank to which the user performing the activity belongs to). The **Blocked Funds** field displays the existing amount blocked. The **New Value** field is provided for the user to set the new limit. After setting the new limit, click **OK**. The new blocking value limit is acknowledged and it placed in the queue for approving.

Listing Limit

The menu entry used to list all the existing bilateral limits is:

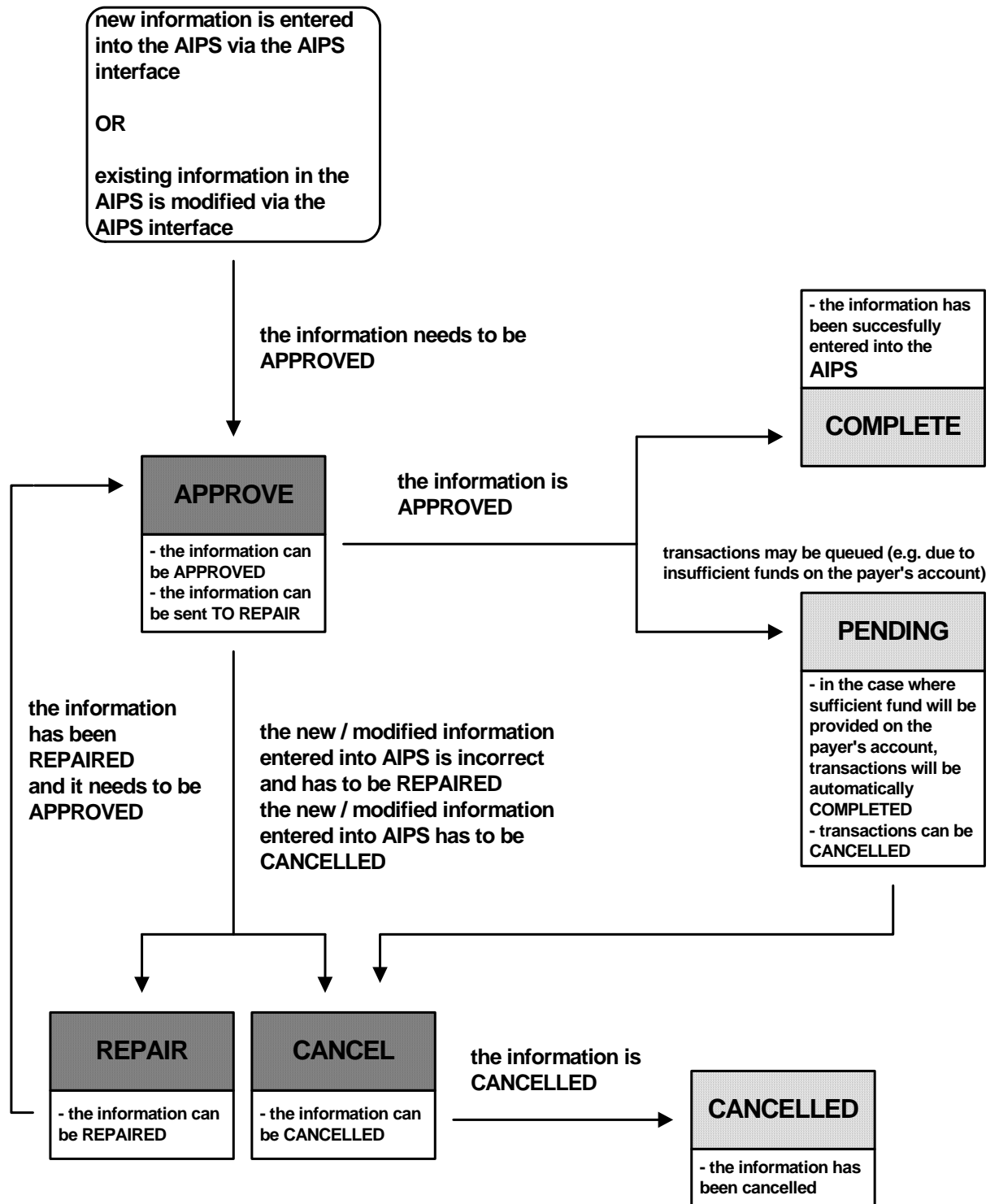
SETS / Main / Participant / Limits / List

Types of selection:

- Limit type
  - Block Funds
- Limit status
  - Approved
  - Cancelled
  - Complete
  - Repaired

## 10.2 Approve, Repair & Cancel Limits

The mechanism for entering new information into the AIPS is depicted in the following picture.



Approve Limits

SETS / Main / Participant / Limits / Approve and  
Select the type of limit;

#### Audit Information

The audit information is displayed so that you will be able to see what action has been performed, by whom and at what time.

AIPS has been designed so that different activities (Set, Approve, Modify, Cancel) to be assigned to different AIPS operators. In this case audit information is very useful.

#### Cancel Limits

The same applies for canceling a bilateral limit. The menu entry used is:

SETS / Main / Participant / Limits / Cancel  
Repair Limits

The same applies for repairing a bilateral limit. The menu entry used is:

SETS / Main / Participant / Limits / Repair

The facility for blocking funds on their settlement accounts is provided for the Participants to reserve funds for future use during the current business day. In the cases where the funds are not unblocked before the Final Cut-off, considering that after this event no SWIFT payments are accepted in AIPS, all the blocking funds transactions will be automatically cancelled by the system as part of the Final Cut-off mechanism.

## 11. Charts & E-mail Facility

### 11.1 Configure Charts

This feature of the system provides Participants with graphical information in respect to the volume of transactions entered into the system during the working day.

The information to be displayed is refreshed after a preset period of time. The procedure used to set the refresh time is:

SETS / Main / Charts / Configure;

The **Refresh Time** field allows Participant to set the refresh time

The refresh time should be greater than 30 seconds.

Summary Chart

Menu entry used:

SETS / Main / Charts / Summary;

Each entity (column) in the chart has a specific color assigned to it. The assignment of colors to chart entities is described at the bottom of the chart (e.g. – total credits, – total pending debits).

The numbers displayed on each column represents the number of transactions (e.g. Credit Transactions , Pending Debits ).

The graphical information that is displayed will be refreshed periodically according to the **Refresh Time** set. If you don't want to refresh the information then click the **Freeze** button. The graphical information displayed will not be refreshed until you click the **Continue** button

Transaction Chart  
Menu entry used:

SETS / Main / Charts / Transactions

Select the type of transactions (**All** – all type of transactions, **Money Transfer (103, 202)** – MT202 and MT103, **Participant Transfer, Net Settlement** – Net Settlement Transactions, **ILF** – ILF Drawdown or Reversal, **Participant Debit** or **Participant Credit**).

## 11.2 E-mail Facility

Participants have access to email via the AIPS Webstation. AIPS and email facility use the same digital certificate for user session authentication.

Email facility is web based. Users have access to basic email software functionalities.

The following menu entry is used:

SETS / Main / E-mail / E-mail Facility

The user has to supply a unique (to Open WebMail) UserID and Password, different to that used in AIPS.

Only the BOA System Administrators can create OpenWebMail accounts.

The email software also allows users to maintain their passwords.

This is a AIPS internal E-mail facility. This means that you will only be able to send and receive e-mails to/from AIPS users that have AIPS E-mail accounts.

## 12. Security on Participant Side

### 12.1 Users and Groups in AIPS

All operators must be identified to the AIPS application before they can sign on. The ability to maintain AIPS users and maintain passwords is made available to Security Administrators (Officers) at the BOA, and at each Participant. Ideally, Security Officers should only have access to the system for the purposes of password and user profile maintenance.

The AIPS application uses a series of menus to allow access to system functions. User access controls are designed to restrict the access of each



user to certain functions only. Each user needs to be assigned functions appropriate to their role.

These functions are set up by a Security Officer, and are termed their User Profile. When the operator logs onto the system, the only functions displayed to them will be those included in their User Profile.

AIPS is divided into three sub-systems, SETS, PACS and BILL. User access is established separately to each sub-system. Separate logins, user profiles and sessions are required to access each sub-system. Participants operate only in SETS and BILL, whilst BOA users typically use PACS.

Management of Participant users will be detailed for the SETS sub-system. The same mechanism will apply for the BILL sub-system.

A Security Officer at the bank assigns Smartcards, Usernames and User Passwords. The Security Officer also establishes the User Profile. This determines which functions participants are able to access within the system. On receiving the Username and Password, the operator should immediately log-on and change the password. The AIPS Password may be changed at any time.

It is the responsibility of the BOA Security Officers to issue Client Certificates and Smartcards.

The AIPS system automatically logs out a user if there is no session activity for a period of time. The time interval set for logging out a user that has no session activity is 15 minutes. This is a system parameter that can be modified only by the BOA System Administrators. Its value affects all AIPS Users.

In the case where the system has automatically logged you out, it is necessary to login again to start a new session.

In the case where the user is logging into the system for the first time, the system will automatically require to Change the Password. The password will be updated and the system will automatically require re-login.

AIPS allows preset number of retries with an incorrect password. This number of retries is set by the Bank Security Administrator when the specific user is created. After the specified number of attempts, the User is locked. Only the Security Administrator is able to unlock (activate) the User.

### Groups in AIPS

Each Participant Group is designated by the short name associated with their Participant's smart card access and recorded in the Participant's profile in the system. Participant Security Officers can only gain access to their own bank users. [Appendix A](#) to this document provides a list with all the group names assigned to the Participants.

The Participant Security Administrators Team should include at least two distinct members:

- **User Information Entry Officer** – this Security Administrator will be in charge of adding new users into the system by entering the specific user information and creating the user profile using the AIPS interface. When requested, it will also modify existing user information and profile. A **User Information Entry Officer** on Participant side will only be able to add users for its own bank and modify only its own bank existing users.
- **User Approval Officer** – this Security Administrator will be in charge of approving the new or modified users. It is his decision if a user becomes active in AIPS or not. A **User Approval Officer** on Participant side will only be able to approve its own bank new or modified users. He/she should also decide and perform user deletion and status set-up (block/unblock).

It is the BOA Security Administrator's responsibility to create a **User Information Entry Officer** and a **User Approval Officer** for each Participant in AIPS. It is also the BOA Security Administrator's (Certificates and Smartcards Officer) responsibility to manage certificates and smartcards for all users in AIPS (BOA and Participant users).

A Security Administrator on Participant side will only be able to view its own bank users. Meanwhile, the BOA Security Administrator is able to see all the users in AIPS (BOA and Participant users).

A Security Administrator on Participant side could be managing security issues for both AIPS accessible sub-systems (SETS and BILL). Otherwise, Security Administrators will be defined for each AIPS sub-system.

- How to List Current Users

All Master User functions are accessed through the **Main / User** menu in both SETS and BILL.

To view a list of all operators currently allowed onto the system, select the List menu option.

SETS / Main / User / List

Only the users that belong to your bank will be displayed.

You have four possibilities of listing the users:

**All** – all SETS users, regardless of their status, will be displayed

**Active** – only the active SETS users will be displayed, meaning that the users which have not yet been approved (new or modified users) will not be visible

**Signed on** – only the users which are currently logged onto the system will be displayed

**Requiring Approval** - only the users that have not yet been approved (new or modified users) will be displayed

**Blocked** – only the users that are blocked (blocked by the Security Officer or because of too many incorrect password attempts)

- How to Add a New User

To add a new operator (user) use the following menu entry.

SETS / Main / User / Add

You have two possibilities to create a new user:

Create a new profile (**New**)

Use an existing profile to create the new one (**Copy**)

Modifying a User Profile

To modify any information regarding an existing user, or to change their profile use the following menu entry:

SETS / Main / User / Modify

A list of all users currently allowed onto the system is displayed. To modify a user, click on the name of the user.

- How to Approve a New or Modified User

All actions that add a new user or any modifications to existing users and their user profiles must be approved. The Security Officer who approves new or modified user records must be different from the operator who performed the entry or modification. Unless this approval has been performed, the user cannot logon to AIPS.

To approve a new or modified user, use the following menu entry:

SETS / Main / User / Approve

- How to Delete a User

To delete an existing user, use the following menu entry:

SETS / Main / User / Delete

Set User Status

A User may need to be reset in the following situations:

User must be activated when locked because of too many incorrect Password attempts;

User must be activated or blocked by the Security Officer;

To set a user status use the following menu entry:

SETS / Main / User / Set status

User Profiles and Separating Functional Roles

The main facilities provided by the AIPS Webstation facility to Participants are:

on-line access to account and transaction information;

queue management tools; and

secure mail.

When creating a new User, Participants need to consider whether the new User should have access to all the Participant functions or whether access

should be restricted to particular functions. For example, it is unlikely that a Participant would wish to give all its operators the ability to manipulate queue priorities.

Similarly, the BOA must ensure an appropriate separation of duties between users responsible for transaction entry and approval.

## **12.2 Smartcards**

### About Smartcards

Commercial Bank Users access AIPS via WebStation.

The WebStation is used by the Security Officers of the remote user, for registering the certificates stored on the smartcard.

The AIPS Participant Webstation requires a Smartcard that contain a digitalcertificate to establish the secure connection with the AIPS server.

BOA AIPS Security Administrators are responsible for Smartcards management.

The users within AIPS are divided into two categories depending on their location:

- Local Users
  - All BOA Users, using AIPS WebStation locally connected to LAN in BOA building;
- Remote Users
  - All Users, using AIPS WebStation Interactive Services remotely (Commercial Banks)

All users in the AIPS system (both local and remote users) require a valid certificate, issued by BOA Certificate Authority in order to establish a secure connection with the AIPS server.

All remote users require a valid certificate stored on Smartcard.

Issuing Client Certificates For Remote Users

It is the responsibility of the BOA Security Officers to issue Client Certificates and Smartcards.

The issued certificate for a remote user is stored on a GEMSAFE Smartcard and needs to be registered on the remote User's WebStation by his Security Officer.

## **13. FEES AND PENALTIES**

### **13.1 Collection of Fees**

Bank of Albania, according to the way set out in the decision of Supervisory Council on the "Approval of the usage charges of the Albania Interbank Payments System –AIPS", (see Appendix C)

calculates the payable charges for each participant in AIPS;

Automatically debits the participant's settlement account for the monthly debiting amount, on the first day of month.

Each participant should provide sufficient funds in its own settlement account, to pay all the liabilities toward Bank of Albania on AIPS charges.

Bank of Albania informs the participants 10 business days prior of the annual charge settlement date in AIPS, on the annual service supplied over the current year.

The fees set will apply only for SWIFT Payments (MT103, MT202).

For the future value date transactions, the fee that applies is the one set for the beginning of the working day.

When the End-of-Day procedures are successfully performed in the BILL sub-system, the billing reports are automatically generated by the system.

According to the rates set, each Participant will have to pay a certain amount of money for the SWIFT traffic. This will result in automatic generation of Transfer transactions (MT) in Accounting Module in PACS sub-system. These transactions will debit the Participants Receivables Account and will credit the BOA Revenues Suspense Account. These are accrual transaction and they are identified in the Accounting Module by the type displayed (Accrual).

These procedures will be performed automatically at End-of-Day in BILL sub-system on a daily basis.

### **13.2 Remuneration And Penalties**

The remuneration and penalty process is a process that can be manually initiated, and it is only allowed on the 24 of every month, or if a holiday, the next business day. It will calculate remunerations and penalties for maintained/un-maintained reserves over the reporting period (starts on the 24 of the previous month – or the day when the previous remuneration and penalty process has been applied – and ends on the day before the day when the remuneration and penalty process is executed again.

## **14. PROCEDURES IN ABNORMAL SITUATIONS**

### **14.1 Contingency Events And Emergency Procedures**

Incidents are situations preventing AIPS from functioning normally. More specifically, an incident can be defined as an event which is not part of standard operations and which causes, or may cause, an interruption to, or a reduction in, the quality of service. The effect might be immediately visible, or only detected at a later stage. Each incident must be documented and a solution must be found and implemented as soon as possible.

Incidents may result from one or more of the following events:

- Communication disruptions of a participant;
- Contingency events occurring in the SWIFT communication in the Bank of Albania;
- Contingency events occurring in AECH –AIPS interface;

- Contingency events occurring in AIPS system;
- Contingency events occurring in VPN network ;
- Contingency events occurring in the electrical network, which lead to one or some of the above mentioned events.

If a participant faces technical difficulties which prevents:

- the processing payment orders in AIPS; or
- the monitoring through the webstation in AIPS;

this participant must inform the Bank of Albania within 30 minutes of becoming aware of difficulties.

Participants inform immediately the Bank of Albania on any change of operation under difficult circumstances or conditions.

#### SWIFT contingency events in the Bank of Albania

In the event of a prolonged SWIFT outage, Bank of Albania informs participants via e-mail or by telephone on the disruption, holds consultation with SWIFT supporting company and holds continuous contacts with the participants via emergency contacts.

In continuance of point 1, participants remain logged on to their AIPS webstations, to allow for receipt of notifications and instructions via e-mail facility.

In the event the reconnection of participant with SWIFT is impossible to be realised, under the instructions of the Bank of Albania, the participants delivers through official documents the business day' s payments to be manually reflected by the Bank of Albania in AIPS.

#### Contingency events occurring in the AECH – AIPS interface

In the event when the net settlement instruction is not transfers from AECH to AIPS, then the net settlement instruction is imported in AIPS; and in the event this import is not carried out, then the results of clearing session are recorded manually in AIPS.

In the event the settlement confirm in AIPS is not transfer from this last one to the AECH central system, then the reply shall be executed manually in AECH central system.

#### AIPS contingency events

In the event of a prolonged outage in AIPS, Bank of Albania informs the participants using the emergency contacts via e-mal, by telephone or via SWIFT.

Bank of Albania, whenever deemed reasonably performs the transfer to AIPS backup and informs AIPS participant on the transfer in the backup system.

In the event Bank of Albania deems that AIPS could not be restarted for the rest of the operating day, Bank of Albania submits an emergency request to SWIFT Company, by an authenticated telephone call to amend the status of AIPS closed group to “closed” one. This procedure could take up to 45

minutes from the calling time. Upon the application of this amendment, SWIFT in the Bank of Albania will reject any further payment instructions submitted by participants with an MT019 Abort Notification.

Whenever the Bank of Albania deems that AIPS could be restarted, then the Bank of Albania sends to SWIFT Company an emergency request through an authenticated telephonic call to amend the AIPS closed group status, to “open” one.

In the event of errors occurring in both AIPS primary and backup system, upon the instruction of the Bank of Albania, the participants delivers through official note the daily payments, in order to be processed from the Bank of Albania.

VPN contingency events (VPN (Virtual Private Network) – is the private virtual network used exclusively by the participants in AIPS to provide the entrance to the central system AIPS, for monitoring purposes.

In any event or errors occurring in internet connections, there shall be employed the *backup* connections based on *dial-up*.

In the event of non-functioning of *dial-up* connection (participants do not access in the system via VPN), then the participants could deliver the requested reports via alternative means (either printed or electronically).

#### **14.2 Contingency Events Record**

Each participant must record immediately all the contingency events and problems concluded in the system and report them to the Bank of Albania within 2 (two) business days from the end of each calendar month, pursuant to the format established in the attached Appendix G and integral part of this manual.

#### **14.3 Changes to AIPS Operating Hours And Sessions**

Bank of Albania will extend or reduce AIPS operating times and sessions upon unpredictable contingency events, mainly or after evaluating the individual request of each participant.

Participants will be informed on any change of the operating schedule via SWIFT **MT999** message, e-mail of AIPS system, common e-mail or via fax

#### **14.4 System Suspension**

Bank of Albania could partially or fully suspend the functioning of AIPS, under the circumstances when its continuous functioning would negatively impact the system stability, through informing immediately the participants.

Throughout suspension of system functioning, the operations shall be conducted in accordance with the way established per any case from the Bank of Albania.

Bank of Albania makes possible the re-functioning of AIPS as soon as possible, by immediately informing the participants.

## **15. PARTICIPATION IN AIPS SYSTEM**

### **15.1 Participation in AIPS**

Categories of AIPS participants

Settlement participants in AIPS are categorised as :

Direct participants, who conduct payments directly from their settlement accounts, where are included:

Bank of Albania acting as the system operator, as participant for its payments, as settlement agent for its clients;

The banks granted a licence by the Bank of Albania, after meeting the conditions;

Indirect participants, who settle through the settlement agent including:

Ministry of Finance (Department of Treasury), based on the mutual agreement between the BoA and the MoF on electronic communication of treasury operations via AIPS and AECH and interface operating procedures.

Other clients of special status, as: IDA (Insurance Deposits Agency), IMF FMN (International Monetary Fund), IBRD/World Bank, BOA's branches, ect.

Other entities, adopted by the decision of Supervisory Council of the Bank of Albania, acting as Agents/clearing houses (Visa and MasterCard).

## **16. PARTICIPANTS REQUIREMENTS**

### **16.1 Qualifications for participation in AIPS**

Hold an AIPS participation certificate issued by the Bank of Albania;

Have concluded the tip contract with Bank of Albania for participation in AIPS;

Participate in AIPS only through their head offices;

Each candidate for participation in AIPS system must be included in advance into AIPS CUG.

Representation of the bank's level of authority for authorized signatures is performed according to Article 4, decision No.17 dated 26/02/2003, "Special Conditions of Work in the Bank of Albania". Requests and/or orders with an official notice sent by the participants will be legally acceptable BoA has to be executed only if they meet the conditions set forth in this decision, under section 17.

### **16.2 AIPS CUG(closed user group)**

AIPS CUG is managed from the Bank of Albania. AIPS CUG (Closed User Group) – is a group of SWIFT participants to exploit the AIP Fin Y-Copy service.



The interested applicant might become a member in AIPS CUG following the fulfilment in advance of the following conditions:

- a- Have concluded a contract for operation with SWIFT and have allocated a assigned a Bank Identifier Code ( BIC) by SWIFT;
- b- Posses a Swift Server;
- c- Posses an adopted request, to become member in AIPS.

## 17. QUALIFICATION PROCEDURES

Procedure for qualification as direct participant in AIPS goes through the following steps:

- The applicant submits to the Bank of Albania a written application for inclusion in AIPS. see [Appendix F](#). Regulation no. 53 on function of AIPS.
- Bank of Albania analyses the candidate's application for participation.
- In case of request approval, Bank of Albania, within one week informs the candidate on the content of this regulation, on the fee rates for participation in AIPS, as well as on the minimum of technical requests the applicant should meet in line with AIPS and SWIFT' standards.
- Bank of Albania and in collaboration with the applicant set out an dimplement the participation calendar as provided in the attached [Appendix D](#).
- Bank of Albania trains the future users of the applicant and conducts the testing for the certification of the applicant.
- Upon the successful finalisation of tests and once it is ensured on the compatibility of the internal regulations of the applicant, Bank of Albania issues a certificate for participant in AIPS.
- The applicant for participation fill in the forms found in [Appendix E](#).
- The applicant for participation concludes the tip contract for participation in AIPS, with the Bank of Albania, according to [Appendix I](#).
- Bank of Albania carries out its operations to establish the users in AIPS, VPN, Firewall, safe e-mail in AIPS. Bank of Albania carries out the description of certificates and grants to the participant security equipment.
- Bank of Albania notifies all of the AIPS direct participants 5 business days prior to the date when the new participant would be granted full access in AIPS. This notification consists on the name of the new participant, the address, the SWIFT BIC code and the date when the new participant would go live on AIPS.

## **Appendix A – BIC Codes**

Name of Bank	Organization code on Certification Authority Server
Bank of Albania	STAN
United Bank of Albania	AAIS
Credit Bank of Albania	CBOA
Credins Bank	CDIS
Alpha Bank Albania Sh.a	CRBA
Veneto Bank	ITSV
Credit Agricole Bank Albania Sh.a	EMPO
NBG Bank Albania Sh.a	ETHN
ProCredit Bank	FEFA
First Investment Bank, Albania Sh.a	FINV
Union Bank	UNAL
International Commercial Bank	ICOA
National Commercial Bank	NCBA
Raiffesen Bank	SGSB
Societe Generale Bank Albania	PUPP
Tirana Bank	TIRB
Intesa Sanpaolo Bank Albania Sh.a	USAL

## Appendix B – SWIFT Messages

### MT103 Field Specification

Field Name	Description
20: <b>Mandatory</b> Sender's Reference	This field specifies the reference to the entire message.
23B: Bank Operation Code	<p>This field identifies the type of operation.</p> <p><b>CODES</b></p> <p>One of the following codes must be used (Error code(s): T36):</p> <p>C      This message contains a credit transfer where there is no SWIFT Service Level involved.</p> <p>RE</p> <p>D</p> <p>C      This message contains a credit transfer for test purposes.</p> <p>RT</p> <p>S</p> <p>SP      This message contains a credit transfer to be processed according to the SWIFTPay Service Level.</p> <p>AY</p> <p>SP      This message contains a credit transfer to be processed according to the Priority Service Level.</p> <p>RI</p> <p>SS      This message contains a credit transfer to be processed according to the Standard Service Level.</p> <p>TD</p>
23E: Instruction Code	<p>This field specifies an instruction.</p> <p><b>CODES</b></p> <p>Instruction must contain one of the following codes (Error code(s): T48):</p> <p>SD      Payment must be executed with same day value to the beneficiary.</p> <p>VA</p> <p>IN      The payment is an intra-company payment, ie, a payment between two companies belonging to the same group.</p> <p>TC</p> <p>C      Payment is made in settlement of a trade, eg, foreign exchange deal, securities transaction.</p> <p>O</p> <p>RT</p>
26T:	This field identifies the nature of, purpose of, and/or

Transaction Code	Type	
		reason for the individual transaction, eg, salaries, pensions, dividends.
32A;	<b>M</b>	This field specifies the value date, the currency and the settlement amount. The settlement amount is the amount to be booked/reconciled at interbank level.
33B:		This field specifies the currency and amount of the instruction. This amount is provided for information purposes and has to be transported unchanged through the transaction chain.
36: Exchange Rate		This field specifies the exchange rate used to convert the instructed amount specified in field 33B.
50K: Ordering Customer	<b>M</b>	This field specifies the customer ordering the transaction.
52: Ordering Institution	<b>M</b>	This field specifies the financial institution of the ordering customer, when different from the Sender, even if field 50a contains an IBAN.
57: Account Institution	<b>M</b> With	This field specifies the financial institution - when other than the Receiver - which services the account for the beneficiary customer. This is applicable even if field 59 or 59A contains an IBAN.
59: Beneficiary Customer	<b>M</b>	This field specifies the customer which will be paid.
70: Remittance Information		This field specifies either the details of the individual transaction or a reference to another message containing the details which are to be transmitted to the beneficiary customer.
71A: Details of Charge		This field specifies which party will bear the charges for the transaction.
71F: Sender's Charge		This repetitive field specifies the currency and amount of the transaction charges deducted by the Sender and by previous banks in the transaction chain.
71G: Receiver's Charge		This field specifies the currency and amount of the transaction charges due to the Receiver.
72: Sender to Receiver Information		This field specifies additional information for the Receiver or other party specified.
77B: Regulatory Reporting		This field specifies the code(s) for the statutory and/or regulatory information required by the authorities in the country of Receiver or Sender.

## MT202 Field Specification

Field Name	Description
20: Transaction Reference Number	This field specifies the reference assigned by the Sender to unambiguously identify the message.
21: Related Reference	This field contains a reference to the related transaction
32A:	This field specifies the value date, currency and amount to be transferred.
52: Ordering Institution	This field specifies the ordering institution when other than the Sender of the message.
57: Account           With Institution	This field identifies the financial institution, when other than the Receiver, which will pay or credit the beneficiary institution.
58: Beneficiary Institution	This field specifies the financial institution which has been designated by the ordering institution as the ultimate recipient of the funds being transferred.
72: Sender to Receiver Information	This field specifies additional information for the Receiver.

## **Appendix C– Fees of AIPS System**

Fees for the use of AIPS system

Component	Description/detailing	Fee in ALL (becomes)
Fees charged for annual maintenance of system	Payable at the beginning of year. With regard to new participant the fee shall be charged for the remained period.	250,000
Fee per transaction	Payable every month-end	
	MT 097 – Payment authorisation	150
	MT 900/910 – Notification on the transactions carried out in the account	70
	Participants' transactions delivered to the Bank of Albania in writing	1,000
Other services	Payable for every service	
	Temporary freezing of participant account	50,000
	Delivery of cards to access the system	by purchasing cost per unit
	Providing of equipment to access the reading of cards in system.	by purchasing cost per unit

## **Appendix D – Membership stages**

- Membership in AIPS CUG, AIP Fin Y – Copy.
- Testing and training procedures.
- Compilation of documentation.
- Implementation and transition into live environment.

### **FIRST STAGE. Membership in AIPS CUG, AIP Fin Y – Copy**

- SWIFT Form filling at [www.SWIFT.com](http://www.SWIFT.com) “ SWIFT Service Form for FIN-Y Copy ”.
- Approval at [www.SWIFT.com](http://www.SWIFT.com) by the authorised approvers of the Bank of Albania.
- Participant addition in AIPS CUG from S.W.I.F.T.

### **SECOND STAGE. Testing and training**

#### a) VPN testing

- VPN installing and configuring at the premises of the candidate bank;
- Request compilation for users in VPN by the candidate bank;
- Establishment of VNP users by Bank of Albania;
- VPN testing by candidate bank and the Bank of Albania.

#### b) SWIFT testing

- TEST SWIFT keys exchange of the candidate bank to two TEST destinations to participant banks in AIPS and to the Bank of Albania;
- Installation/configuration of AIP Fin Y-Copy in SWIFT server of the candidate bank;
- Testing of AIP Fin Y-Copy by candidate bank, Bank of Albania and a third bank.

#### c) Training / Testing in AIPS

- The participant bank shall submit the request on users in TEST;
- Bank of Albania shall prepare the security cards, to be delivered to participants and shall establish also the users in TEST environment;
- Bank of Albania shall train two to three employees of the candidate bank on the functioning of AIPS;
- Candidate bank in cooperation with Bank of Albania shall execute the testing script and shall sign it.

### **THIRD STAGE. Compilation of documentation**

Candidate bank shall compile:

- The internal rules and procedures of AIPS functioning” in line with this regulation;
- Final documentation shall be submitted to the Bank of Albania for approval;

- Bank of Albania carries out the respective observations/alterations if they oppose this regulation and others issued by the Bank of Albania, and reflects them to the candidate banks;
- Candidate bank delivers in final version the elaborated “Internal rules and procedures of AIPS functioning”.

#### **FORTH STAGE. Implementation and transition to live Environment**

- Bank of Albania compiles and grants the participation certificate to the candidate Bank;
- Bank of Albania and the participant bank shall sign the tip contract;
- Participant bank should have exchanged S.W.F.T keys in live environment with all participant banks in AIPS and with AIPS destinations in the Bank of Albania;
- The participant compiles and submits to the Bank of Albania “ the form for participation in AIPS” as specified in Appendix C;
- The participants completes and submits to the Bank of Albania “ the request on security equipment and users in live environment”, as specified in Appendix E;
- Participant completes and submits to the Bank of Albania “The request on changes occurring in VPN”, Appendix F;
- Following the requests approval, the Bank of Albania establishes the participant profile in AIPS, prepares the security cards with users’ certificates, creates the users in AIPS LIVE environment, and grants the security equipment to the participant;
- Bank of Albania establishes the day where shall take place the transition to live environment of the participant and informs all AIPS participants via e-mail of AIPS;
- Transition to live environment.



**Appendix E – Participation form in AIPS**

Participant:

BIC code:

Address:

Specific requirements for the system

Balance confirm: MT950  PO  JO

Debiting confirm: MT900  PO  JO

Minimum amount on delivering MT900:

Crediting confirm: MT910  PO  JO

Minimum amount for MT910 delivering:

Notification to the sender: MT012  PO  JO

Contacts to resolve problems:

Contact person for issues/problems relevant to system operation:		
Contact person for payments:		
Name, Surname		
Respective tasks		
Telephone		
Mobile		
e-mail		
IT contact person		
Name, Surname		
Respective task		
Telephone		
Mobile		
e-mail		

DATE \_\_\_\_\_  
SIGNATURE \_\_\_\_\_

## **Appendix F – Tip Contract**

Contract of participation in AIPS (Albania Interbank Payment System)

### **Article 1 – Parties**

This agreement is executed by and between Bank of Albania with the head office: Sheshi “Skënderbej”, Nr. 1, Tirana, legally represented in this agreement by the First Deputy Governor Mr. \_\_\_\_\_; and \_\_\_\_\_ bank (hereinafter referred to as “Direct participant”) with principal address \_\_\_\_\_, represented by its executive manager Mr. \_\_\_\_\_.

### ***Article 2 – Object***

This contract shall establish the rights and obligations of Bank of Albania, arising in the framework of supplying the services of Gross Interbank Payment Settlement in AIPS, acting as the sole operator and administrator of this system, as well as of the rights and obligations of \_\_\_\_\_ bank acting as direct participant in this system.

### ***Article 3 – Legal Ground***

This contract is compiled in accordance with:  
The provisions stipulated by the Law No. 7850, dated 29.07.1994” “Civil Code of Republic of Albania”, amended;  
Law No. 8269, dated 23.12.1997 “On the Bank of Albania”, as being amended;  
Law No. 9662, dated 18.12.2006 “On Banks in the Republic of Albania”;  
Regulation No. 53 dated 26.09.2007 “On the functioning of gross interbank payments system – AIPS (AIPS regulations), adopted by the Supervisory Council of the Bank of Albania; and  
Other regulative by-laws issued by the Bank of Albania.

### **Article 4 – Definitions and interpretations**

**4.1.** The terms used throughout in this contract are in line with the terms established in AIPS Regulation, adopted by the Supervisory Council of Bank of Albania.

**4.2.** In any event of unclear term or formulation encompassed in this contract, it shall be interpreted in the context of AIPS Regulation and from the view point for which this contract is executed between and by the counterparties.

**4.3.** The applicable provisions and AIPS Regulation shall apply on all issues which are not clearly defined in this contract.

### **Article 5 – Term of agreement**

This contract shall enter into force upon its signing by both parties for an undefined period of time.

#### Article 6 – Parties commitment

AIPS direct participant and Bank of Albania are committed on the implementation of the conditions stipulated in this contract related to the supply of AIPS services by the Bank of Albania and the participation of commercial banks in this system to settle gross interbank payments and on the implementation of the changes occurring in the contract upon the prior approval of parties.

#### Article 7 – Irrevocability of payment instructions in AIPS

Upon the settlement of a payment under an available payment instruction, the debiting and crediting in the respective settlement accounts are final and irrevocable, by the moment they are accepted in AIPS.

#### Article 8 – Participant liquidation effect on settled payments

**8.1.** Liquidation procedure of participant and/or participants in AIPS do not have retroactive power either payments\ orders or netting settlement received in AIPS, prior of the date it is taken the decision on the liquidation and assignment of participant and/or participants' liquidator of AIPS.

**8.2** Point 8.1 is implemented also relevant to the payments orders and netting requests entered in AIPS, upon the decision disclosure on the liquidation and assignment of liquidator and further, only if, following the settlement, the settlement agent and/or agent/clearing house certifies to not own any knowledge on this decision.

**8.3.** A payment instruction is considered to enter in AIPS upon receiving the status "Incoming" from AIPS.

**8.4** Bank of Albania enjoys the right to use as collateral the participant's securities placed in liquidation, to meet its duties versus other participants of system, only if this securities are not used as an instrument to guarantee the execution of other obligations.

#### Article 9- Rights and obligations Bank of Albania

Bank of Albania, acting as owner, organiser, administrator, operator, supervisor, settlement agent and participant, is vested with all rights and obligations as stipulated under the AIPS Regulation.

#### Article 10 – Rights and obligations of participant

Direct participant in AIPS, enjoys all rights and obligations as stipulated under AIPS Regulation.

#### Article 11 – Notice means

**11.1.** Any information, request or any other communication type between parties shall occur via official recorded mail, fax, e-mail and in cases the communication via the above mentioned means becomes impossible, by telephone in the addresses, telephone numbers and contact persons of respective parties.

**11.2.** Each party shall inform the other one on the potential changes of addresses, telephone numbers and contact persons, within 5 (five) business days from their change.

**11.3.** In any event the information or request reach the addressee (recipient) after 16.30 of business day, notwithstanding the above paragraphs, this information shall be considered as received at 08.30 of the next business day.

#### Article 12 – Amendments to contract

**12.1.** This Contract may not be amended except by a written request, the will and consent of both parties.

**12.2.** Any amendment, addition or either full or partial cancellation of this contract shall not be applied if it is not achieved in written form and signed by the authorised representatives of both parties.

#### Article 13 – Contract termination

**13.1.** Each party enjoys the right to terminate the contract, immediately providing a written notice to the other party at least 15 (fifteen) days prior of the date they would like to terminate the contract, requesting the meeting of all the financial obligations originating from this contract.

**13.2.** This contract could terminate as specified in point 1 of this article following the approval of the written request by the Bank of Albania, of direct participant to withdraw from participation in AIPS presented within the term under point 13.1. The contract is considered as terminated within the date being established priorly in the request, date on which this participant intends to withdraw from participation in AIPS.

**13.3.** Upon receiving the request in line with point 13.2., Bank of Albania within 10 business days either rejects or approves the request and informs all AIPS participants on the withdrawing date of this direct participant. In the event Bank of Albania adopts the request, the direct participant is not allowed to initiate new payment instructions with a value date after the date being established in the decision on its withdrawing approval.

**13.4.** Bank of Albania, at the day of the participant's withdrawing from AIPS, closes the settlement account of the withdrawn participant, upon the collection of charges or fees of payable interest and following the settlement of all obligations by the withdrawn participant related to the available instructions, already accepted.

**13.5.** Debiting balance of the settlement account at its closure moment is qualified as payable obligation versus participants in AIPS and/or to Bank of Albania.

#### Article 14 – Dispute resolution

**14.1.** Parties operate in compliance with applicable Albania legislation and try to resolve in good understanding all the disputes arising during the contract's implementation period.

**14.2.** Any of parts concluding the presence of a dispute informs the other through providing a complete description of the issues to be resolved.

**14.3.** The authorised persons of parties included in disputes should either personally or by their representatives make efforts to work out the disagreement, based on the principle of maintaining work continuity.

**14.4.** If either the authorised persons or the representatives of parties fail to work out this dispute, within 14 (fourteen) days from the notice receiving or for a longer period approved by both parties, one part informs the other that the issue is not resolved.

**14.5.** In any event of failing to resolve the dispute in good understanding, then Court of Tirana shall be competent authority to address the issue. .

#### Article 15 - Entry into force

**15.1.** This contract shall be executed into 4 (four) original copies in the Albanian language. Each counterpart shall hold one copy.

**15.2.** This contract once is read by both parties, is considered as redacted under their concession and was signed under their free will.

**15.3.** This contract shall enter into force at the day of signature by both parties.

Original contacts

Contacting details of parties are as follows:

Bank of Albania

On the attention of \_\_\_\_\_

Banka e Shqipërisë

Sheshi "Skënderbej", Nr. 1, Tiranë, Shqipëri

Tel: 04 2

Fax: 04 2

Participant:

On the attention of: \_\_\_\_\_

This contract is signed by :

On behalf of BANK OF ALBANIA

\_\_\_\_\_  
Name and signature of the authorized person

In presence of:

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Name and signature of witness

On behalf of PARTICIPANT

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Name and signature of authorized person

In presence of:

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Name and signature of witness

**Appendix G – Reporting of contingency**

Reporting of contingency events for the month of \_\_\_\_\_ year \_\_\_\_\_  
in AIPS  
Bank \_\_\_\_\_

Date of event	Time of event	Nature of problem	Action taken	Time of rectification