

REGULATION NO. 1999/13

UNMIK/REG/1999/13

16 October 1999

ON THE LICENSING OF NON-BANK MICRO-FINANCE INSTITUTIONS IN KOSOVO

The Special Representative of the Secretary-General,

Pursuant to the authority given to him under United Nations Security Council [Resolution 1244 \(1999\)](#) of 10 June 1999,

Taking into account United Nations Interim Administration Mission in Kosovo (UNMIK) Regulation No. 1999/1 of 25 July 1999 on the Authority of the Interim Administration in Kosovo,

For the purpose of regulating non-bank micro-finance institutions in Kosovo,

Hereby promulgates the following:

Section 1

DEFINITIONS

For the purpose of the present regulation:

“non-bank micro-finance institution” means a financial institution which is not a bank and which is engaged in the business of micro-finance;

“bank” means a financial institution which is engaged in the business of receiving money deposits or similar repayable funds from the public, including physical and juridical persons, and extending credits for its own account;

“micro-finance institution” shall mean an institution which provides credit to physical and juridical persons in an amount not exceeding 2,000 Deutsche Marks in cumulative exposure to one single borrower or related borrowers;

“credit” means any commitment to disburse a sum of money in exchange for a right to repayment of the amount disbursed and outstanding and to payment of interest or other charges on such amount; any extension of the due date of a debt; any guarantee issued; and any commitment, contingent or otherwise, to acquire a debt security or other right to payment of a sum of money.

Section 2

LICENSING OF NON-BANK MICRO-FINANCE INSTITUTIONS

2.1 Non-bank micro-finance institutions wishing to operate in Kosovo shall obtain a license from the Special Representative of the Secretary-General.

2.2 The operations of institutions licensed under the present regulation shall be limited to those specified in the operating plan submitted pursuant to the requirements listed in section 3 below.

Section 3

LICENSE APPLICATIONS

Applications by institutions for licenses under the present regulation shall be made in writing to the Special Representative of the Secretary-General and shall contain the following information:

- (a) (a) Name, place of domicile, place and address of business (head office) of the institution;
- (b) (b) Full names and addresses of the founders of the institution;
- (c) (c) An operating plan specifying the operations that the institution intends to perform and the sources of financing for such operations, including the financing provided by individual founders and by other sources;
- (d) (d) Information concerning the time frames in which financing shall be provided and the operations of the institution shall commence;
- (e) (e) Information concerning the time frame in which the operations of the institution shall cease (five years or less);
- (f) (f) Information concerning the founders' obligations to conform to the policies of the institution;
- (g) (g) Name(s) and manner of representation for persons authorized to perform establishment activities for the institution; and
- (h) (h) Date and place of the submission of the application.

Section 4

FURTHER PROVISIONS

4.1 An institution receiving a license under the present regulation:

- (a) (a) Shall conform with applicable law, including UNMIK regulations and administrative directions concerning banking regulation in Kosovo;
- (b) (b) Shall not provide credits to its founders, directors, officers, employees or related entities;
- (c) (c) Shall not use the word “bank” in its name; and
- (d) (d) Is prohibited from accepting deposits.

4.2 Under no circumstances shall the holdings of the institution in fixed assets or leasehold improvements exceed ten percent of the total financing made available to the institution.

Section 5
IMPLEMENTATION

The Special Representative of the Secretary-General may give administrative directions and orders in connection with the implementation of the present regulation.

Section 6
APPLICABLE LAW

The present regulation shall supersede any provision in the applicable law relating to the regulation of non-bank micro-finance institutions which is inconsistent with it.

Section 7
ENTRY INTO FORCE

The present regulation shall enter into force on 16 October 1999.

Bernard Kouchner
Special Representative of the Secretary-General