



BANKA QENDRORE E REPUBLIKËS SË KOSOVËS
CENTRALNA BANKA REPUBLIKE KOSOVA
CENTRAL BANK OF THE REPUBLIC OF KOSOVO



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2020

FINANCIAL SERVICES AND PRODUCTS

The Central Bank of the Republic of Kosovo
and The World Bank Group
with the support of the
Government of Switzerland



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This brochure is a product of The Central Bank of the Republic of Kosovo and the Payment Systems Development Group (*PSDG*) in The World Bank Group's Finance, Competitiveness and Innovation Global Practice.

The State Secretariat of Economic Affairs (*SECO*) of Switzerland provided funding for the material in the context of the Remittances and Payments Program.

www.remittanceprices.worldbank.org



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Cover photo by Spencer Montero

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FINANCIAL SERVICES AND PRODUCTS

If you are a resident natural person receiving money from abroad and have an open bank account, it is important that you ***get familiar with basic financial services and products*** that the market offers.



BANK ACCOUNTS

In addition to foreign **currency accounts for incoming and outgoing payments in a foreign currency**, various transaction accounts in local currency are used domestically for regular payments (e.g., *salary*) or periodic payments (e.g., *royalties*).

By opening such accounts in a commercial bank you are able to receive incoming payments as well as remit outgoing payments based on available funds in local currency.



PAYMENT CARDS

Debit Cards

By opening a foreign currency or a current bank account, you get to use **debit cards to access your available funds**, both domestically and abroad.

You can withdraw cash from automated teller machines (ATMs), pay for goods and services through a POS terminal, make online purchases, or simply check your account balance.

Tips:

- **use the ATM network of your bank** to avoid paying extra fees;
- **keep your PIN and card safeguarded**, do not give them away to anyone;
- **pay in store currency to avoid the currency conversion commission**;
- **buy only through secured websites** designated by the “s” in <https://>.



PAYMENT CARDS

Credit Cards

They **represent a means of lending or crediting** by which you can carry out non-cash payments for goods and services or access cash at ATMs. Since these are not your funds, pay attention to the fees and interest rates that you will incur, depending on the amount credited and the type of use.

Tip:

*Inquire about the conditions of use and costs **before signing a contract.***



LOANS

They represent *a monetary sum a financial institution lends to a client for a specified period under certain conditions and with interest to be paid.*

Depending on their purpose, duration, and currency, loans may be purpose-specific or all-purpose, short- or long term, and in domestic or foreign currency.

Foreign currency loans contain a currency clause, and it is important to pay attention to these details and fully understand your contract conditions.



LOANS

The **effective interest rate reflects the full cost associated with the loan** and should be clearly stated in the loan contract.

It enables direct comparisons with other loan products and helps clients to understand how much has to be paid for the loan.



LOANS

Before approving a loan, the financial institution will evaluate your credit standing i.e. your ability to pay the monthly installments relative to your income and assets.

Regular incoming money transfers from abroad to your account may be considered a positive assessment factor by the financial institution.

An example of the differences between effective and nominal interest rates

Loan Offer	Nominal Interest Rate	Effective Interest Rate
<i>Financial institution 1</i>	3,98%	5,92%
<i>Financial institution 2</i>	4,40%	5,85%
<i>Financial institution 3</i>	5,96%	6,50%

SAVINGS

Saving is a healthy habit that enables us to achieve our goals and tackle unforeseen expenses more successfully. Banks offer several savings options some of which are the following:

- » **Demand deposit accounts**, with unlimited deposits and withdrawals, but with minimal or no interest,
- » **Basic savings accounts**, term-free with limited withdrawal options and yielding somewhat higher interest, and
- » **Time deposits**, fixed-term without the possibility of making further deposits or withdrawals for the duration of the agreed term, but with higher interest.

Depositors are insured per member bank, up to the insured amount of EUR 5,000, under the Law on deposit insurance.

Tip: Deposit foreign currency cash into a savings account because countries can withdraw individual banknotes from circulation, making them more difficult to exchange.



ONLINE AND MOBILE BANKING

Digital banking has a host of advantages for a consumer as it enables direct access to accounts at any time with the ***possibility to perform transactions and payments without going to a bank.***

Additionally, with digital banking, you can make online requests and communicate with the bank ***24 hours a day.***

Service fees in digital banking are usually lower than those charged when doing business at your local branch.



CURRENCY CONVERSION

Banks and other authorized institutions buy and sell foreign currencies. Each bank publishes its currency exchange rate, following the foreign currency exchange market.

Keep in mind that the conversion commission for Euros may not be higher than 1%.



STANDING ORDER

Standing orders enable regular **monthly payments directly from your account toward third-parties**. The time of issuing and the amount of the payments can be either fixed, as determined by the account holder, or these can vary (e.g. when paying for utility bills).

Direct Debit was introduced in November 2009, for public use in Kosovo. It enables the client to authorize his bank through the company to debit (*withdraw*) funds directly from the bank account. This instrument provides a standardized and automated way that is suitable for regular and recurrent payments.

Kos Giro payments offer a more efficient way of paying bills, such as those issued by utility companies, government institutions (*Customs, Kosovo Property Agency*), etc.

These services can be canceled or modified at any time.





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