

Speech of the Chairman of the Governing Board of the Central Bank of the Republic of Kosovo, Prof. Dr. Bedri Peci.

- Dear President of the Republic of Kosovo,
- Respectable representatives of the diplomatic community,
- Honored guests from the media community, banking industry and the entire financial community,
- Ladies and Gentlemen,

I have a special pleasure, on behalf of the Governing Board of the Central Bank of the Republic of Kosovo to welcome you in this jubilee event.

I feel extremely privileged to be in this festive event and have the opportunity to address to this respectable audience, and in retrospective, to emphasize some of most important moments that have accompanied CBK along this fifteen years journey.

Although fifteen years represents a relatively short period of time, for the CBK this timeframe testifies a sound foundation in building and developing the entire financial system of our country.

Over the years, work and uncompromising commitment of local staff and the support of international partners without hesitation, were easily synchronized within the easily defined framework by a clear vision of continuous development and promotion of the country's financial sector.

For fifteen consecutive years, this sector continued evolving without big turbulences, towards the consolidation of market actors and harmonization of legal and regulatory framework with the most advanced international banking standards.

Fifteen years so far, the CBK exercises the function of licensing, supervision and regulation of all institutions, which under the legal framework, are categorized as financial institutions. Parallel to this, is ongoing development of managing capacities and transfer of responsibilities to professional profiles, in administration and management of the institution. Professional background of local staff was proven in many challenges during the Central Bank's development.

In its capacity as central banking and payments authority, the CBK was established fifteen years ago, under the name "Banking and Payments Authority of Kosovo (BPK)". All this was made possible after an intense work and tireless commitment of local and international experts of the time.

After a transitional period, in June 2008 enters into force the highest legal act of the country, the Constitution of the Republic of Kosovo, which, among other things, determines the regulation and operation of the Central Bank of the Republic of Kosovo, as "an independent institution which reports to the Assembly of the Republic of Kosovo ". At the same time, in June 2008, enters into force the Law on the Central Bank of the Republic of Kosovo that defines regulatory and administrative format of the CBK.

This enriches the entire governing system of the institution in a professional and comprehensive approach across all government and accountability mechanisms, by keeping the integrating role of licensing, supervision and regulation of the entire financial sector under the CBK umbrella.

Other key moments in the development of the CBK were marked with the implementation of various development projects towards the righteous public information through numerous publications, financial analysis, balance of payments, financial stability reports, credit registry function and launching of financial services to the clients with the integration of payments through Kos-GIRO product.

At the international level, the CBK built a comprehensive platform of bilateral communication through "memorandum of understanding" mechanism with banking authorities and supervision of financial sector regulation of countries the capital invested in Kosovo originated from. This format of communication and coordination of supervisory activities "home-host" was materialized with Albania, Slovenia, Germany, Austria and Turkey.

All this success built a strong path which then enabled the country's membership in international financial institutions, such as the International Monetary Fund, World Bank and European Bank for Reconstruction and Development.

Further professional development of the CBK was shown through suitability of the execution of its responsibilities towards the "Fundamental Principles of the Basel Committee for Effective Banking Supervision" in the relevant assessment report which emphasized the progress made and highlighted further steps to integration of new standards in central banking.

In this chronology of moving forward, I appreciate that it is never excessive to emphasize the key role of all international financial and non-financial institutions in supporting the CBK development, particularly, the Office of the US Treasury, the International Monetary Fund, the World Bank, European Central Bank USAID, KFW, GIZ-in, etc.

These institutions enabled an ongoing development of the CBK, advancement of the legislative agenda of the financial sector, development of specific projects such as establishment of the securities market, establishment of a deposit insurance fund, compilation of residential market policy and strategy, advancement of payment system infrastructure, and after many efforts, launching of SWIFT and IBAN codes, which significantly facilitated the realization of increased security for payments and international transfers.

The developing chronology is reflected in the country's financial system with continuous growth of assets and other performance parameters, reflecting the high level of public confidence in this sector.

It is exactly the trait of confidence in the financial market that the CBK is committed to maintain as invulnerable by promoting and ensuring financial stability through functions of licensing, supervision and regulation of this sector. Likewise, through the provision of a sustainable payments system and recently compiled and published economic and financial analysis as well as balance of payments, for more complete and transparent information of general public.

Dear participants,

No doubt that each of us is aware of the challenges in our development perspective, for which we have chosen our strategic orientation, defined in the "Strategic Plan 2015-2019". Within our mandate, we as the Governing Board, will support this plan and will continue being strongly committed in monitoring the implementation of all strategic and development orientations.

The Governing Board of the Central Bank strongly believes in good and transparent governance with no alternative to independent and accountable functioning of the CBK.

Finally, let me close my speech by greeting you all and wishing a fruitful jubilee conference.

Thank you,

Prof. Dr. Bedri Peci

Chairman of the Governing Board of the Central Bank of the Republic of Kosovo