

## Implementation of Interbank Payments System in Kosovo

Dear representatives of the World Bank,

Dear representatives of commercial banks,

Dear ladies and gentlemen,

I am pleased to welcome you to the press conference, to inform you for the successful implementation of the interbank payments system by the CBK.

This project in the field of payment systems is realized according to the new international standards, modern technology, and best world practices. With this project Kosovo will be distinguished internationally for a contemporary payment system. For preparation and realization of this project we were financially and technically supported by the World Bank, and I thank them very much.

As it is known, the primary objective of the CBK is to promote and maintain a stable financial system, including a safe, sound and efficient payment system. Therefore, implementation of a modern payment system has been an inherent challenge in the overall development of the CBK activity. Preparation and its implementation has been among the most important activities of the CBK Strategic Plan and the main component of the future vision of the National Payment System.

The CBK in cooperation with the World Bank in June 2015 has contracted US company "Montran", which implemented the project under the foreseen dynamics. Implementation of the project is the result of the working groups and the CBK staff, commercial banks, the Treasury Department of the Ministry of Finance and other institutions participating in the payment system. On this occasion I would like to thank all the institutions involved for their commitment and contribution to the project.

Thousands of payments to citizens, payment of salaries and pensions, payment of public services, payment of taxes, payments for various insurances and many other categories of payments were implemented in the most quick, safer and efficient way through the Interbank Payment System of the CBK. Looking back, about 15 years ago, the CBK predecessor, the Banking and Payments Authority of Kosovo has started from the scratch, with a simple manual clearing system, which was characterized by the exchange of a limited number of paper payment-orders with only two commercial banks operating in Kosovo at that time. The first important achievement on the path of development was the transition to the Electronic Interbank Clearing System, followed by an ongoing regulatory, functional and technological development.

In the course of developments and achievements, today we mark the most significant achievement until now - Electronic Interbank Clearing System is completely replaced by the Automatic Transfer System (ATS), a system which, as mentioned initially, reflects standards, functionality and the latest technology. We estimate that the implementation of this system is one of the main steps that CBK has undertaken to strengthen financial stability in general and increase the efficiency of the banking sector in particular. Automatic Transfer System (ATS) consists of two main components:

- Real-time gross settlement systems (RTGS) and
- Low value payment processing (ACH).

Apart from the general priority, the Automatic Transfer System has numerous positive attributes that should be highlighted:

- real time settlement of large- value payments and priority payments ones
- facilitating the processing,
- increase the efficiency of daily liquidity management by banks,
- reduction of risks in the banking system,
- affordable cost for users;
- the creation of a sustainable infrastructure to encourage further development of the banking industry and financial markets.

Finally, I would like to emphasize along with the implementation of a new payment system, since June 30, 2016 the application of IBAN has started for domestic payments also, which will affect the unification and standardization of the bank accounts validation process.

Thank you for your attention!

