

Automated Transfer System /Real Time Gross Settlement/Automated Clearing House (ATS/RTGS/ACH)

Dear Governor, Deputy Governors, ladies and gentlemen,

Today we are gathered here to celebrate the successful implementation of a very important project for the banking sector in Kosovo. With the assistance of the World Bank through the Financial Sector Stability and Market Infrastructure Project (FSSMIP), the Central Bank of Kosovo (CBK) has initiated the implementation of a key development – the Automated Transfer System. ATS will integrate and improve the speed, reliability and security of processing for both high-value and low-value payments from all Commercial Banks and also payments from several Government institutions such as Treasury and Customs.

From the perspective of the commercial banks in Kosovo this initiative was seen as a project of huge importance and the banks have been fully engaged and committed from the very beginning several years ago. The cooperation and working relationship between the Central Bank and the Kosovo Banking Association has been excellent.

A great number of experts and dedicated professionals from CBK, all the banks, and institutions such as the World Bank have worked on this project for several years in order to come to this point today where we can proudly announce the successful implementation of the project and the achievement of its goals.

Although the previous Electronic Interbank Clearing System (EICS) was a system which has served the Kosovo banking sector well during the past 13 years, this new Automated Transfer System (ATS) has become an internationally recognized and widely used system in the banking world and it is important that Kosovo adopts practices and principles that are in line with the best practices of EU countries and international institutions.

The benefits that this system will bring to the Kosovo banking sector will be many fold including:

- * Conforming with international banking standards around the world.
- * Standardizing message formats and mitigating risks from payments, clearing and settlement systems.
- * Speeding up the exchange and settlement of funds with automated straight through processing.
- * Improving convenience, speed and security for customers and the commercial banks.
- * Decreasing the operational costs of the Central Bank Clearing System
- * Further integration of the processing requirements of the Single Euro Processing Area (SEPA)
- * A potential decrease in some transaction charges for banking clients

Given all of these benefits, the implementation of this system marks another great achievement for the Kosovo banking sector and delivers improved efficiency and speed for our customers and further access and integration into the international financial arena.

I would like to finish by thanking some of the key participants in this initiative, without whom we would not be celebrating the successful launch today.

In particular I would like to thank Mr. Lulzim Ismajli the CBK Deputy Governor , Mrs. Gjylfidane Kadrijaj, Director of the Payments System Department and her team, plus the CBK project advisor Mr Abib Gaye.

I would also like to thank the World Bank for their continuous support throughout the whole of the FSSMIP Project and finally, a sincere thankyou to the Kosovo Banking Association and in particular the members of the payments committee with its representatives from the commercial banks of Kosovo who spent a lot of time, commitment and effort to get to this historic point that we are celebrating today.

This event marks yet another positive development for a banking sector that Kosovo can be truly proud of.

Thank you.