

Project management group meeting for “reducing cash transactions in Kosovo” within the National Payments Council (NPC)

Meeting minutes

Nr: 7/2012

Place: Central Bank of the Republic of Kosovo (CBK)

Date: June 26th 2012

Time: 11:00 – 12:00

Participants:

Robert Wright, *CEO, Raiffeisen Bank Kosova (chairman);*
Gjylfidane Kadrijaj, *Director of Payment Systems Department, CBK*
Zana Haxha, *Executive Director, KBA*
Boryana Ivanova Mustafa, *Director of Payments and Treasury, NLB*
Akile Cernobregu, *Head of Payments & Back Office Department, PCB;*
Ozenc Alkan Asik, *Head of Banking Operation, TEB;*
Teuta Kotorri, *PCB;*
Edmond Jashari, *TEB*
Makfire Osmani, *“KUR” Prishtina*
Blerta Krasniqi, *PCB;*
Erik Roka, *RBKO;*
Fitnete Bekolli, *KEK;*
Hikmete Mataj, *KEK;*
Besian Demiri, *TEB;*
Arzen Çavdarbasha, *CBK*
Masar Baxhaku, *CBK*

Absent:

Representatives of MF/Treasury, TAK, MLSW and PTK (were absent without prior notification),

The meeting began at 11:00 a.m.

Mrs. Gjylfidane Kadrijaj opened the meeting, thanked and welcomed participants, and reported the absence of some members of the team in the meeting. Also the participants were informed with the agenda of the meeting.

Discussions and Presentations

- **Approval of minutes and conclusions from the last meeting**

Mr. Robert Wright informed the participants with the conclusions from the last meeting held on 30 January 2012, and the members unanimously approved the minutes from the previous meeting.

- **Updates from VISA and MASTERCARD**

Mr. Robert Wright informed the participants about the positive response from VISA regarding the allocation of a fund of 10 000 US\$ for the next year for financing an educational “web site”.

MASTERCARD also expressed their readiness for cooperation, and they requested statistical data on payment instruments to have a clear overview of actual situation of payments in Kosovo. We believe that next year MASTERCARD also will allocate a fund to support developing of awareness campaigns regarding the use of the payment instruments by the citizens of Kosovo.

- **Payment instruments and terminals - Kosovo compared to the countries in Southeastern and Central Europe**

Mrs. Gjylfidane Kadrijaj presented statistical data on payment instruments and terminals for Kosovo and other countries in the region. Also the members of the team were informed about the difficulties of obtaining this data because a lot of banks do their publication after September.

From the data presented, it was found a rapid growing in the number of payment instruments and terminals in Kosovo. Compared with the countries in the region, in the last years Kosovo has a faster growth but it still remains the last one regarding the payment instruments. With such a trend of growth and with an increased commitment of all the financial community in the country, Kosovo in the coming years will be close to the average of countries in the region.

Mrs. Akile Cernobregu and other participants proposed that Macedonia should be taken as the comparison example, since the economic development and other indicators are close to this place.

Regarding the creating of a national processing center for card transactions initiated from the CBK during the discussions and which is part of the NPS Strategy, *Mr. Erik Roka (RBKO)* said that the creation of this center would help in reducing the costs of the withdrawals in ATM's of one bank with the cards issued by the other banks. *Mrs. Ozenc Alkan Asik (TEB)* reported that some banks in Turkey have arrangements between them for withdrawals in ATM, and in case of withdrawal in ATM's by a client of these banks, they will not pay any extra charge. *Mrs. Akile Cernobregu (PCB)* said that the establishment of this center for processing card transactions will reduce also the costs of the banks in servicing these terminals (especially the costs for transporting CASH to ATM's). *Mr. Robert Wright (RBKO)* said that by establishing the processing center, banks will probably lose the provision which they currently receive from their clients for using their ATM's, but they will benefit from reduction of other costs related to branch based transactions.

- **Information about the activities of the sub-working group (including PSD/CBK activities in this regard)**

On behalf of sub-working group, *Mrs. Boryana Ivanova-Mustafa* made a summary of the activities of this sub-working group. Also announced the meetings they had with various companies.

Regarding the bill unification, the group said that primarily it will be used from the public companies, and later by other companies.

Regarding Direct Debit Scheme, CBK has adopted the legal issues as requested by the KBA in order that new DD authorizations can be signed in the banks, also the technical adoptions have been done in the system.

- **Conclusions**

1. It was proposed a new meeting of the National Payment Council to be held in the end of July;
2. Sub-working group to continue working with KEK (and other companies) regarding the “web service” and authorization for DD;
3. To prepare statistical data for the number of transactions for the last three years;
4. To invite VISA in a preparatory meeting on how to implement the project for 2013;
5. To continue communication with MASTERCARD and to invite them in a meeting this year.