

# Digitalization of payments in Kosovo

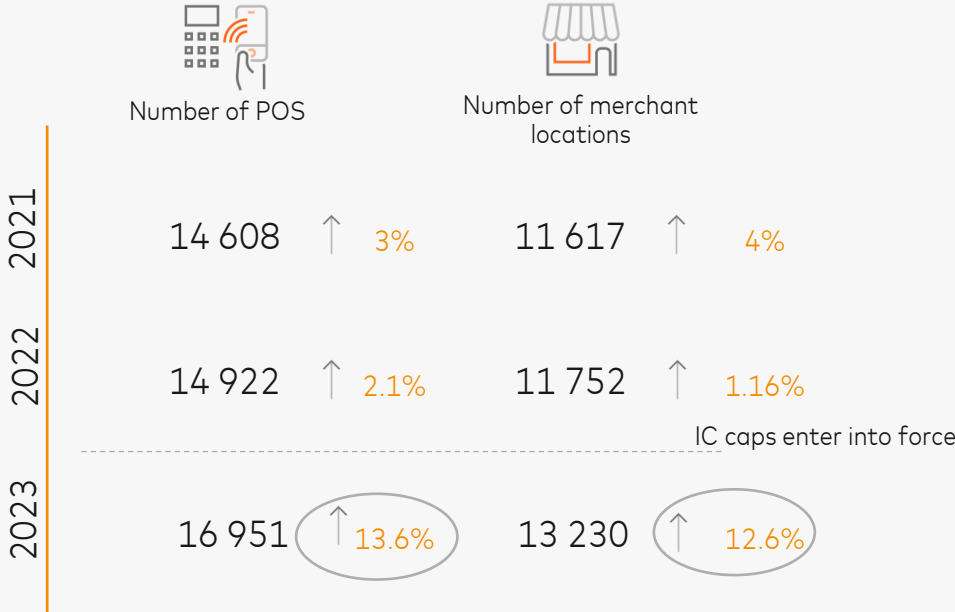
Mission possible


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



# Since Jan 2023 Kosovo market is regulated. New players have entered.



 Direct cost of acceptance ↓

HOWEVER

 Issuers' card revenue ↓

 Issuers' market investment ↓

WE HAVE TO GROW THE PIE



# How to grow the pie?

- Regulator and industry must work together in a coordinated manner
- Stick and carrot approach



# Regulator/legislator to create favorable environment for acceptance growth

## OBLIGATIONS (sticks)

Acceptance mandates

- Market wide
- Sectorial (restaurants, taxis, public institutions, etc.)

Cap on cash payments

## INCENTIVES (carrots)

Tax incentives

- For merchants
- For customers

Lottery



# European examples of legislation on mandatory acceptance

There are several international examples of legislation, which requires merchants to provide option/choice of electronic payment.



## Hungary

- As of 1st January 2021 all companies which are required to operate tax cash registers must also provide possibility of electronic payment



## Greece

- Mandatory acceptance (provision of electronic payment option) for almost all merchant categories, since 2016; Legislation; the affected industries/sectors



## Italy

- All merchant mandated to operate a tax cash register are also mandated to have a POS terminal



## Poland

As of 1<sup>st</sup> January 2022 businesses are required to accept cashless payments at their place of business. At least one cashless solution must be offered.



## Romania

As of Jan 1, 2017 every retailer whose turnover exceeds EUR 10,000 annually, should be able to offer to its customers Purchase with Cashback.



## Bulgaria

Mandatory terminalization of restaurants with category of 2 or more stars – coming into force on 1 March, 2024



# Industry should support regulator's/legislator's efforts



Industry sponsored studies on the effects of electronic payments on shadow economy and tax collection (AL,BG, SRB, BIH, RO, HU, PL)



Acceptance initiatives (e.g. Cashless Poland, Doppio (HU), public transport acceptance)



Market awareness campaigns (e.g. lotteries, cashless markets/schools)



Supporting digitalization efforts of SMEs (e.g. Strive EU)



Technology solutions (e.g. ToP)

