

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

Meeting minutes

**Nr: 10/2013**

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

**Date:** February 22<sup>nd</sup> 2013

**Time:** 11:00 – 12:00

**Participants:**

**Robert Wright**, *CEO, Raiffeisen Bank (chairman);*  
**Gjylfidane Kadrijaj**, *Director of Payment Systems Department, CBK*  
**Boryana Ivanova Mustafa**, *Director of Payments and Treasury, NLB*  
**Akile Cernobregu**, *Head of Payments & Back Office Department, PCB*  
**Afrim Gërguri**, *PCB*  
**Erik Roka**, *RBKO;*  
**Besian Demiri**, *TEB;*  
**Edmond Murati**, *MLSW;*  
**Fatmir Rashica**, *KEC J.S.C.;*  
**Lindita Mehmeti**, *Head of Operations and Treasury Department, BEK*  
**Lumni Rrustolli**, *CBK;*  
**Arzen Çavdarbasha**, *CBK*

The meeting began at 11:00 a.m.

**Discussions and Presentations**

- **Approval of minutes and conclusions from the last meeting (November 23<sup>rd</sup> 2012);**

Mr. Robert Wright informed the team members with the conclusions from the last meeting and their fulfillment. The team members approved the minutes of previous meeting held on November 23<sup>rd</sup>, 2013.

- **Discussion on next steps for the Interbank Processing Center project**

Participants were informed about developments regarding the Interbank Processing Center, part of the Pillar III of the National Payment System Development Strategy (NPSDS). In this regard World Bank assistance is foreseen. This work is divided into 4 phases; the first step is the development of financial analysis, then review of this financial analysis, proposal and a concrete plan, project development and as a last step, procurement and implementation

- **Funding the project management team for cash transactions reducing**

In this regard, banks have already consented the participation with at least 2000Eur including CBK. CBK again confirmed participation and transfer of at least 2000Eur, as soon as the account is opened within KBA “*Reduction of the transaction in cash*” especially for the purpose of the realization of campaign for reduction of the transactions in cash

VISA has expressed willingness to help with a fund for the education of clients and with Master Card, we are in concrete discussions for their assistance (at no cost).

- **Feedback from meetings with public utility companies**

Participants were informed about the activities undertaken to facilitate use of non-cash payment instruments, emphasizing new added Kos Giro invoice, version 1.5, in black and white. As well as regulatory adjustments, that enables DD authorization to be signed at the client's bank too. These adjustments were accepted by the participants except KEK. KEK is in the process of analyzing the variants that are discussed. Due to the transfer of the Supply Division to the new operator, it is expected that after the June 2013 KEK can continue more actively to work in this issue.

- **Pillar III sub working group proposals**

Subgroup of experts in the area of cards created by the working group of the Pillar III of the NPSDS concluded that: Fees for interbank transfers with cards from VISA and MasterCard are not high: that banks do not see interest in the creation of national card not branded to VISA and / or MasterCard; removal from these payment systems and abandoning their existing infrastructure to create a new common infrastructure. Creation of the national processing center for card payments will have additional expenses on the top of the existing ones

*It is proposed to establish the systems for clearing of the transaction with bank cards in Kosovo (Settlement Agent –in CBK or one of the commercial banks). Banks should analyze possibility of lowering the tariffs, to negotiate prices of the licenses and products with VISA and MasterCard.*

- **Visa and MasterCard assistance for Cash Reducing in Kosovo**

VISA and MasterCard have expressed the readiness to work and assist in this regard. VISA is expecting description of the specific and concrete requirements from CBK on behalf of the team that includes banks, companies and other institutions

## **Conclusions and Next steps**

- With VISA assistance will be materialized, it is thought this assistance to be in regard of education / campaign for cash reduction and the use of electronic payments.

From MasterCard we will request support at no cost for a specific area (the regulatory, operational, etc.) if we agree during the ongoing discussions. Budget planning for this purpose may be in the later stages for concrete work. (CBK and the team are already in the course of activities, market analysis, financial analysis, etc )

- By March 11th, 2013 to prepare and send to “[paymetnsystems@bqk-kos.org](mailto:paymetnsystems@bqk-kos.org)” draft request/needs for assistance from VISA (*from banks: PCB,RBKO,NLB,TEB, BEK have informed CBK*, other banks (BPB, BKT, etc), companies and institutions will be again contacted by CBK.  
Members of the working group for reducing cash transactions in Kosovo to respond to the previous e-mail (sent by CBK on February 13th, 2013)
- Pillar III subgroup to prepare and send analysis about Interbank Processing Center (technical, functional, financial, etc.) by April, 2013
- CBK to organize meeting with banks and utility companies regarding further proceeding and discussion about signing the authorization at the client’s bank.
- Next meeting of the team will be held in the first half of July,2013, ie, after the support of experienced companies (Master Card and Visa) is secured, for the conditions and manner of their assistance, without expenses during this initial phase. After discussions with the World Bank for assistance within Pillar III and also after the finalization of comparative statistical report (www. <http://www.bqk-kos.org/repository/docs/SistemiIPagesave/Raport%20vjetor%20krahasues%20mbi%20instrumentet%20elektronike.pdf>)