

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

Meeting minutes

Nr: 9/2012

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

Date: November 23rd 2012

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*
Edmond Jashari, *Senior Cash Management Marketing Officer TEB;*
Edmond Murati, *MLSW;*
Fatmir Rashica, *KEC J.S.C.;*
Erik Roka, *RBKO;*
Teuta Kotorri, *PCB;*
Lindita Mehmeti, *Head of Operations and Treasury Department, BEK*
Masar Baxhaku, *CBK;*

The meeting began at 11:00 a.m.

Discussions and Presentations

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

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 September 19, 2012.

- **Presentation of the “Analysis on the Use of Payment Instruments”, and “Kos-Giro Analysis”;**
 - a. From the Analysis on the Use of Payment Instruments in Kosovo, can be concluded about the growing number of payment instruments and terminals in Kosovo, also the increased use of these payment instruments.

Regarding POS and ATM terminals can be concluded that their number is growing consistently and there is a large network of them in the territory of Kosovo, but the level of their use remains low.

The use of cards in payment terminals is increasing continuously over the time, although the number of card transactions remains low. In the total number of cards, only 57% of them are active cards used in payment terminals, thus banks should promote the advantages of electronic payments.

In conclusion, we can say that Kosovo has a good infrastructure regarding payment instruments and terminals, but more attention should be paid to the promotion and use of this infrastructure.

- b. Kos-Giro Analysis present the number and the value of Giro transactions processed through EICS and within banks, through bank accounts and paid in cash. From the analyses of this data, can be concluded about their increase number during the years. Customers should be encouraged for Giro payments through bank accounts, because the main goal of Kos-Giro is to affect the reduction of cash transactions.

- **Discussion about cooperation with MasterCard and VISA**

Project management team members for reducing cash transactions in Kosovo, recommend to continue cooperation simultaneously with these two companies, because it is intended to work in different projects.

With VISA to work on educational web site which was proposed by them during their presentation for the team, while the cooperation with MasterCard, basically the team agrees with their proposals which have been proposed to CBK from the beginning to reduce cash transactions, both of these variants are highly valued and expected more details from MasterCard on their offer and a detailed plan for costs and benefits of Interbank Card Switch, which is also foreseen in the National Payment Systems Development Strategy, but initially was lack of consent between stakeholders and there were no financial and technical support for this project.

- **Discussion about National Interbank Card Switch**

Regarding the possibility of implementation of the National Interbank Card Switch, it was said that it will have a positive impact on reducing cash transactions, increasing the card transactions. It was also recommended that the implementation (different stages of development) of the National Interbank Card Switch to deal specifically the working group within the Third Pillar of the National Payment Systems Development Strategy, whose members are experts of the field from all commercial banks.

Conclusions and Next steps

1. Encouraging the use of electronic payment transactions among other forms discussed previously with discount of fees for non-cash payments.
2. To analyze the possibility of reducing fees for Kos-Giro payments (for all types, cash and non-cash, the agreement is still valid regarding the increased number), but more especially and immediately to analyze the reduction of fees for Giro payments which are processed through bank accounts, e-banking or ATM terminals etc. Through KBA to provide a response within two weeks.
3. On the possibility of implementation of National Interbank Card Switch proposed by MasterCard, banks to submit their comments in writing within two weeks, directly or through KBA.
4. Banks to submit their responses regarding the proposal that each bank (including CBK) to contribute with 2000 Euro in the development of educational campaigns for the use of transactions through accounts, electronic accounts (within two weeks).
5. The next meeting of the team will be held on the end of January 2013.