

**PUBLIC PRESENTATION OF THE STRATEGY FOR DEVELOPMENT OF THE
PAYMENT SYSTEM OF THE REPUBLIC OF MACEDONIA
FOR THE PERIOD 2013-2017**

**ADDRESS OF THE HONORABLE DEPUTY PRIME MINISTER AND MINISTER
OF FINANCE, MR. ZORAN STAVRESKI**

29 May, 2013, NBRM

Dear Governor of the National Bank of the Republic of Macedonia, Mr. Dimitar Bogov

Dear President of the Banking Association, Mr. George Jancevski,

Ladies and Gentlemen,

It is a great pleasure that representatives of the three key institutions responsible and accountable for sound, continuous and safe operation of the payment system in the Republic of Macedonia again, almost a decade after the signing the tripartite Agreement on establishing the National Payment Systems Council and seven years after the first Strategy, gathered together with a single goal - signing the Statement of Acceptance of the Payment Systems Development Strategy of the Republic of Macedonia for the period 2013-2017.

This act is a confirmation of the contribution and efficiency of the already established cooperation, and evidence of serious intent for joint, continuous monitoring and improvement of the payment systems in the country by implementing the strategic development directions.

Establishing a safe, reliable and efficient payment system is a basic assumption for the smooth functioning of the financial system and the Macedonian economy. Additionally, as a candidate country for membership in the European Union, the national payment system should be compatible with the payment systems of the countries of the European Union. These are the challenges we face and should be dealing with.

The first Payment Systems Development Strategy of the Republic of Macedonia until 2011 addressed many of these challenges. As a result, a new Law on Payment Operations was adopted which defined the concept and functions of the payment and settlement systems, defined the Treasury of the Ministry of Finance as a separate payment operation carrier for budget users and individual users, and later, defined the Treasury of Health Insurance Fund of Macedonia as a separate payment operation carrier of health facilities.

Also, the Law introduced transactional accounts for all payment service users, and strengthened transparency through mandatory disclosure of payment service rates in the premises and at the website of the payment operation carriers.

Appropriate measures were taken in the area of encouraging non-cash payments. I would mention only the introduction of non-cash payment of wages and pensions, providing an opportunity for mobile payment of administrative fees and introduction of POS terminals in certain government institutions for payment of taxes. Strategic payment system development guidelines for the next five years represent a natural extension and are based on the results achieved by the first national strategic payment systems development document, adopted in 2007.

Defining the activities and policies to encourage non-cash payments and reducing the use of cash in payment transactions, as a prerequisite for reducing the gray economy, remains to be our common strategic objective for the period 2013-2017. This will be achieved by coordinated activities of government institutions and banks by expanding and modernizing the network of POS terminals and ATMs and encouraging electronic banking.

Simultaneously, the Republic of Macedonia will launch activities for introducing payment instruments harmonized with the standards of the single European payment area established by the European Payments Council. In the upcoming period, the Republic of Macedonia expects to introduce direct debit instrument. This instrument will provide multiple benefits for all payment system participants, especially for businesses-creditors who will have the opportunity to collect the due amount from a debtor on a specified date and request.

This will make it easier to plan and monitor cash flows, making a direct positive contribution to their liquidity. One of the strategic priorities of payment system development certainly is the liberalization of payment service market. Entities other than banks will be allowed to conduct some payment system services, as intermediaries. This primarily implies including of telecom operators and other providers of information society services to intermediate payments, thus stimulating the use of new digital and information devices to perform payment transactions.

As a result, we expect to strengthen the market competitiveness and accordingly, to lower payment services rates. Beyond reform solutions that provide greater payment system efficiency in the country, could not be the Treasury at the Ministry of Finance and the Treasury at the Health Insurance Fund of Macedonia as a

separate payment operation carriers for budget users and individual users or health facilities.

The next five years will be a period of endeavors to improve the standards and rules for execution of payment transactions in the Treasury system and Health Treasury system, to modernize their information systems and to establish a system to include data from payment transactions executed through these two payment systems in the statistical information system for payment transactions in the country.

Finally, I would like to point out yet another important issue to which the new Payment Systems Development Strategy has given due attention. It is the question of high cost of dealing with certain payment cards. The processing of transactions made with these cards in the Republic of Macedonia is done through international networks, which significantly increases the cost of their use.

Following the experience of European countries, in order to increase efficiency of the banking sector, to provide fast and less expensive service and to further stimulate non-cash payments, in the coming period we will have to focus on the possible solutions to address this important issue. Of course, one solution is the establishment of a national settlement system.

Ladies and gentlemen, the new Payment Systems Development Strategy of the Republic of Macedonia for the period 2013-2017 establishes the foundation for building a modern, fast, inexpensive, efficient and secure payment system. The foundations to build the desired system depend on us, institutions signatories of the Statement of Acceptance of the Strategy. Therefore, I invite you to work together to deliver the Payment Systems Development Strategy in the Republic of Macedonia for the period 2013-2017.

Thank you for your attention.