



**REPUBLIC OF ALBANIA  
BANK OF ALBANIA**



**Summary**

**OF THE EIGHT MEETING OF THE NATIONAL PAYMENT SYSTEM  
COMMITTEE (NPSC)**

Which was held

On Wednesday, November 9, 2022, from 09:00 till 13:00 organized in the premises of the Bank of Albania.

The eighth annual meeting of the National Payment System Committee (NPSC) took place on November 9<sup>th</sup> 2022. The meeting was chaired by Ms. Luljeta Minxhozi, Chair of this Committee and First Deputy Governor of the Bank of Albania.

The meeting was attended by members of the National Payment System Committee, such as: the Chairman and Secretary of the Albanian Association of Banks, Chairman of the National Payment System Committee, the representatives from the Ministry of Finance and Economy, the Financial Supervision Authority (AMF), Albanian Microfinance Association, as well as bank and non-bank financial institutions, and representatives of operators of national payment schemes. A number of important actors were also invited to the meeting in order to support the themes developed during the meeting where the World Bank can be mentioned.

In her opening address, the Chair of NPSC, Ms. Minxhozi, thanked the participants for their active support in fulfilling the objectives of the National Retail Payments Strategy (2018-2023). Ms. Minxhozi emphasized that despite the fact that in terms of time we are still halfway on our journey, our joint efforts have reflected a very optimistic fulfillment of the set goals. Ms. Minxhozi paid attention to the modernization of the payment system as well as the law "On payment services" which has already been finalized both from the infrastructural and regulatory point of view, and is functional and available for market actors. The Chair closed her speech by emphasizing that the cooperation with the institutions in fulfilling common goals has been effective. Also, the challenges ahead regarding digitalization and financial inclusion, are topics that will be discussed in this meeting as well.

Next, Governor Mr. Sejko spoke, who identified that the Bank of Albania, in the role of monetary, regulatory and supervisory authority, values financial inclusion and financial education as two very important strategic objectives for the monetary and financial stability of the country, the formalization of the economy and its sustainable development. In this context, the measures taken so far have reflected quite positive developments in the market, making it possible to fulfill the intended quantitative objectives, almost halfway through the journey of the Action Plan of the

National Retail Payment Strategy. Governor Sejko added that in 2021 a level of use of electronic payments was 12.5 payments per individual per year has been reached, surpassing the Strategy's target of 10 payments by the end of 2023, while, in 2022, it is estimated that this figure will reach the level of 16 payments per individual.

Governor Sejko said that these indicators are proof of the increase in the use of electronic instruments by consumers, which has a positive effect on the formalization of the economy. Thanks to the data from the National Register of Accounts, the Bank of Albania has a more accurate and easily updated picture of the financial inclusion of the population. These data dictate that Albanians have a relatively satisfactory level of financial inclusion, where almost 69% of the population owns an account. *"Our objective was initially to reach a level of financial inclusion of the population of 70%, but we estimate that in the short term, this level will be exceeded, marking a significant alignment with the countries of the Balkans and those of the European Union."* - said the Governor. On the other hand, Mr. Sejko said that in addition to the legal and regulatory developments, the Bank of Albania has taken a number of other measures, such as the creation and operation of the AIPS-EURO system for interbank payments in Euro within the country. Based on the measurements and analyses of the Bank of Albania, it can be said that the project has direct and indirect effects on the individual well-being of the client, the bank, and the economy as a whole. In this regard, it is worth noting that since May, the Bank of Albania, the Ministry of Finance and Economy, National Agency for Information Society (NAIS) and the banking system are cooperating closely, with the aim of creating all possible alternatives for making remote payments, through electronic tools. Achieving such a goal is very significant in promoting financial inclusion, educating and familiarizing the public with the use of electronic payments. Mr. Sejko emphasized that, in order to support market developments, the Bank of Albania is also working towards improving payment systems for the introduction of new standards of communication and services, which help address the infrastructure needs for implementation of strategy. Also, together with the market actors, we will intensify efforts to realize the Instant Payment project.

Mr. Sejko closed his speech, stating that last but not least, in the framework of the most efficient materialization of the measures analyzed in this strategy and beyond, work is being done to create and implement a National Strategy for Financial Education.

In continuation the Minister of the Finance and Economy Ms. Delina Ibrahimaj took the floor. In her speech Ms. Ibrahimaj mentioned a series of projects undertaken by the ministry and the government which support the digitalization of the government services and the formalization of the Albanian economy, being closely related to the objectives of the National Retail Payment Strategy. In this regard, Ms. Ibrahimaj paid attention to the fiscalisation process and the law "On Payment Services", which even though regulate different fields, are interrelated with each other for the whole digitalization process. Also, Ms. Minister mentioned also the facilitation created by the National Accounts Registry for the dynamic measurement of the financial inclusion of the population. An important step on the financial inclusion undertaken by the government is also the passing of the pensions through the National Post and the creation of the social card Project.

Further, the Minister stressed out the continuous collaboration of the Ministry of Finance and Economy with the Bank of Albania for different legal initiatives, paying special attention on the draft-law “On payment account with basic Services”, as well as the signing of the Memorandum of Understanding between the Ministry of Finance and Economy, Bank of Albania, National Agency for Information Society and the Albanian Association of Banks, in relation to the digitalization of the payments for public and government services.

After the welcoming speeches, the meeting continued with discussions at the technical level. The first section of the eighth meeting was led by Deputy Governor Minxhozi, the discussions focused on financial education and the need for a strategic intervention at the national level in this direction. In this regard, important actors such as the Bank of Albania, represented by Mr. Altin Tanku, the Director of the Research Department, dealt concretely with the National Strategy of Financial Education, considering it important to diagnose the problems at the country level and the possibilities of its implementation in practice.

The Financial Supervision Authority represented by Ms. Mimoza Kaçi, presented the initiatives of this institution in relation to financial education and close cooperation with the Bank of Albania.

Meanwhile, Ms. Edlira Dashi, representative of the World Bank, made an in-depth analysis of the situation in Albania, as well as presented the best practices and the necessary steps for the future in relation to the National Strategy of Financial Education.

The eighth meeting of the KKSP continued with the second panel, led by Mr. Spiro Brumbulli, General Secretary at the Albanian Banks Association, which focused on promoting market innovation through open banking and instant payment. Initially, Mr. Bledar Shella, Chairman of the Albanian Association of Banks, presented the latest market developments and projects, which clearly dictate the innovation and digitalization of the payments market in Albania.

Subsequently, the meeting continued with a very important issue for the market, but also for the fulfillment of the National Retail Payment Strategy and related to the regulatory framework in implementation of the law "On payment services" which dictates the criteria and requirements that both the existing institutions and the new actors in the market must complete. An issue of particular interest was the regulation of communication for APIs (Application Program Interfaces) and the concept of open banking and strong customer authentication, elements that complete the entire framework necessary for the promotion of innovation in market, through the implementation of the regulation, "On strong customer authentication and common, open and secure communication standards" which has been approved and is expected to enter into force in January 2024. These developments were presented by Mr. Deniz Deralla, Director of the Supervision Department at the Bank of Albania.

The discussions of this panel ended with the presentation of the findings of the Bank of Albania from the feasibility study of the Instant Payment project in Albania, presented by Ms. Valentina Semi, Deputy Director at the Department of Payment Systems, Accounting and Finance. In the framework of the implementation of the National Retail Payment Strategy in Albania, which is the result of the joint commitment of public and private Albanian actors, under the direction of the Bank of Albania, we continued the work to complete the project for fast payments (instant payment) where a report "Albania - an analysis on the implementation of different options for the Instant Payment System" was finalized. In the case of Albania, this innovation in the field of payments aims at expanding services and payment instruments as well as payment services, promoting competition even between different instruments with the aim of reducing costs as well as covering market segments that do not use electronic instruments. Ms. Semi concluded her presentation by mentioning that fostering financial inclusion is a necessity and prerequisite for the implementation of a successful project with high market uptake.

In the third and last panel of this meeting, led by Ms. Brunilda Isaj, General Secretary at the Albanian Microfinance Association, focused on innovative services offered by various market actors, in line with the National Retail Payment Strategy and the law "On payment services".

In conclusion, based on the discussions of the meeting, the Chair of NPSC, Deputy Governor Minxhozi, emphasized that with the approval of this strategy, it is necessary to continue efforts to promote financial education at the national level, as well as to intensify and coordinate efforts to realize open banking and instant payment in Albania.

### ***Recommendations of the 8<sup>th</sup> meeting of the National Payment System Committee.***

Continuation and intensification of the efforts in relation to:

- a) Implementation of measures for the realization of the objectives of the National Strategy for Financial Education.
- b) Continuation of efforts of the market actors for the realisation and operationalization of *open-banking* within the deadlines provided by the regulatory framework.
- c) Intensification of the efforts for the realisation of the project *Instant Payment* in Albania according to the Bank of Albania proposals of this meeting.

### ***Participants in the meeting.***

<b>Members and participants in the 8th meeting of NPSC</b>		
<b>Institution</b>	<b>Name of Member</b>	<b>Status</b>

<b>Bank of Albania</b>	Mr. Gent Sejko	Governor
<b>Ministry of Finance and Economy</b>	Ms. Delina Ibrahimaj	Minister

<b>Members and Participants in the 8th meeting of NPSC</b>			
<b>Institution</b>	<b>Name of Member</b>	<b>Status in NPSC</b>	<b>Other representatives of the institution</b>
<b>Bank of Albania</b>	Ms. Luljeta Minxhozi, First Deputy Governor	Chair	
<b>Albanian Association of Banks</b>	Mr. Bledar Shella Head of Albanian Association of Banks	Member	
<b>Albanian Association of Banks</b>	Mr. Spiro Brumbulli	Member	Ms. Eftali Peci
<b>Albanian Financial Supervisory Authority (AFSA)</b>	Ms. Mimoza Kaçi Deputy Director	Member	
<b>Bank of Albania</b>	P/ Ms. Valentina Semi Deputy Director Department of Payment Systems, Accounting and Finance	Member	Ms. Amela Mehmeti Ms. Evis Çeli Ms. Edlira Hoxha
<b>Bank of Albania</b>	Mr. Deniz Deralla, Director, Supervision Department	Member	Ms. Jonida Kacani
<b>Bank of Albania</b>	Mr. Altin Tanku Director of Research Department	Member	Ms. Besa Prela Ms. Arlinda Koleniço
<b>Bank of Albania</b>	Mr. Donald Duraj Chief of Staff, Governor's Office	Member	Ms. Ina Molla Ms. Erinda Çaushti Ms. Brikena Arapaj
<b>Ministry of Finance and Economy</b>	Ms. Moza Peci	Member	Ms. Aurela Velo Ms. Irena Xhafa Ms. Ina Buli
<b>World Bank</b>	Mr. Keler Gjika	Member	Ms. Edlira Dashi

<b>Swiss Embassy</b>	Ms. Sigita Stafa	Member	
<b>National Commercial Bank</b>	Mr.Kerem Pamuk	Member	Ms. Anisa Liko
<b>American Investment Bank</b>	Ms. Odeta Paloka	Member	Ms. Majlinda Miho
<b>Credins Bank</b>	Ms. Suela Cela	Member	Mr. Dimirti Toslluku
<b>Fibank</b>	Ms. Ines Vucini	Member	Ms. Elona Labinoti
<b>Intesa Sanpaolo Bank Albania</b>	Ms.Luci Shiroka	Member	Ms. Xhilda Dafa
<b>Raiffeisen Bank</b>	Ms.Dezdemonax Gaxha	Member	Mr. Resmi Hibraj
<b>OTP Bank Albania</b>	Ms. Irida Huta	Member	Ms. Ada Naqe
<b>Procredit Bank</b>	Ms.Erinda Ropi	Member	Ms. Elena Jaku
<b>Tirana Bank</b>	Ms. Aida Gjoni	Member	Ms. Linda Jakova
<b>Union Bank</b>	Ms. Fatbardha Rino	Member	Ms.Valbona Cucka
<b>UBA</b>	Mr.Ermal Husha	Member	Ms.Adrian Guza
<b>E-Albania</b>	Ms. Nevila Repishti	Member	
<b>Albanian Microfinance Association</b>	Ms. Brunilda Isaj	Member	
<b>Albanian Post</b>	Ms.Anisa Kaltanji	Member	
<b>VeloxPay LTD</b>	Ms.Stela Shkodrani	Member	
<b>AK INVEST</b>	Mr.Geis Ceku	Member	Mr.Blendi Pustina
<b>Paylink</b>	Ms. Eneida Thomaj, CEO of Paylink	Member	Ms.Eriona Miraka Mr. Dalip Bali
<b>Financial Union of Tirana</b>	Mr. Elton Çollaku, CEO of UFT	Member	Ms. Eriona Miraka Mr. Dalip Bali
<b>EasyPay</b>	Ms. Linda Shomo CEO of EASYPAY	Member	Mr.Endri Kote Mr. Xhoxhi Beci
<b>MPay</b>	Ms. Bora Feri	Member	
<b>Rubicon</b>	Mr. Eno Kotmilo Mr. Gentian Dekovi	Member	

<b>Symetric Group LTD</b>	Mr. Elias Vounteris		Ms. Megi Xhafa
<b>Paysera</b>	Mr. Taulant Piero	Member	
<b>NOA</b>	Ms. Herjola Spahiu CEO of NOA	Member	Ms. Albana Pelinku Mr. Ervin Gogaj
<b>RPAY</b>	Mr. Akil Rajdho	Member	Mr. Noel Shehu