

## **Dimitar Bogov: Payment systems and market infrastructures**

Speech by Mr Dimitar Bogov, Governor of the National Bank of the Republic of Macedonia, at the 10th jubilee edition of the NBRM's Conference on Payments and Market Infrastructures: Drivers of European Payment Integration - Innovations and Cooperation, Ohrid, 5-7 July 2017.

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Distinguished guests,

Ladies and gentlemen,

It is a great pleasure for me to address you on the 10th jubilee edition of the Conference on Payments and Market Infrastructures. Organizing this Conference has become a valuable tradition of the National Bank of the Republic of Macedonia. We take great pride for being able to host it all these years. This notable anniversary is an opportunity to look back and reflect on the beginnings, to honor the achievements we have made so far and set the road for future growth and development.

The history of the Conference dates back to 2008 set as a joint project with De Nederlandsche Bank who is our partner in this journey from its very beginning. I feel the need to credit for it the enthusiasm of Toni Mircheski, Deputy Head of the Payment Systems Department within the NBRM, Mr Michiel van Doeveren and Mr Paul Osse from De Nederlandsche Bank for initiating and organizing the very first conference. Three years later, Banco de Portugal came on board thanks to Mr Rui Pimentel, to jointly create a conference that certainly grows into a recognizable brand name, set with the aim to inform of all relevant payment-related matters, to share knowledge and to educate, to influence and last but not least to network and socialize.

Payment systems and market infrastructures – why this topic in the first place?

There is no doubt that payment systems comprise vital part of countries' economic and financial infrastructures. However, it was only the last two decades or so when this issue gained in topicality, concerning both, service providers and policymakers and central banks. This is because of the new global landscape, which shaped by the streams of globalization, the dramatically rising volumes of payments and the advancing fintech innovation has returned payment systems to the focus once again. With their safety, resilience and efficiency becoming critical to the financial stability and the well-functioning of the economy as a whole.

We started this Conference as domestically oriented, having the domestic financial sector as target audience, to later on move to expand internationally from Southeastern and Central and Eastern Europe to the Black Sea Region and the Middle East with Northern Africa countries joining us lately. Allow me to extend my sincere appreciation to the Vice Governor Maja Kadievska Vojnovic and to Igor Velichkovski, Head of the Payment Systems Department within the NBRM for successfully turning this conference into a truly international one. Over the years, delegates from central banks of 30 different countries have attended the Conference. This growing international attendance makes particular strength of the Conference showcasing diverse experiences from very different areas of the world driven by the common interest in payments and market infrastructures. Equally appreciated is our domestic audience that continues to valuably contribute to the Conference each year.

Focusing on current issues in the payment systems, the Conference agenda is each year carefully designed to cover the latest trends and feature the main challenges in the area. Variety of interesting topics has been on the menu so far including the European payment landscape and legislation with a special focus on PSD and PSD2; topics related to payment systems and payments oversight; the EU payment integration initiative known as Single European Payment Area (SEPA); then, innovations; security and efficiency of retail payments. We have elaborated

on instant payments, financial inclusion and accessibility of payment services, financial structures resilience and many more. This year's agenda covers themes related to digital banking, cryptocurrencies and their regulation, the new technologies such as DLT and blockchain – all of them being topics of considerable relevance at the moment, and will only become more important over time. Bracketing this jubilee edition we had the pleasure of hosting many distinguished speakers from various affiliations starting from central banks, through relevant international institutions, commercial banks, clearing houses and custodians etc. We express our deepest gratitude and appreciation to all speakers and Conference delegates for the great impact you make, keeping the Conference alive and growing.

The engaging social events are another important hallmark of the Conference as they make an excellent opportunity to network and reconnect and finally to amuse and entertain. Moreover, Ohrid, the home of the Conference, a charming city surrounded by water and mountains, known as a Jerusalem of the Balkans and protected by UNESCO for its natural and cultural heritage, is a unique experience by itself.

As we celebrate our 10th jubilee we are proud to be able to host a conference that certainly evolves into important meeting place for the payment system community in the region and beyond. This success would not have been possible without the wholehearted support of our colleagues and dear friends from De Nederlandsche Bank and Banco de Portugal. Support by someone reliable and eloquent truly matters and often makes the difference when striving to excel. We could not have done it without you and we are deeply grateful to you for that!

It is why it is my particular pleasure that we have Governor Knot and board member Mr Rosalino here with us today. Your presence do us great honor and I am confident that our cooperation will be even stronger and deeper than before.

Allow me also to express my sincere gratitude to Mr Yves Mersch, Executive Board member of the ECB, for honoring us with his presence at this highly important event.

EU integration is the future we want and we as a National Bank continuously invest in improving our capacities to comply with EU central banking standards. Focusing on payment systems only, major steps were taken toward harmonization of the Macedonian legislation with the EU regulation. The new Law on Payment Services and Systems and related bylaws which are under procedure will implement PSD and part of the provisions from PSD2, Settlement Finality Directive and E-money II Directive. The NBRM took an important step toward harmonization with the EU regulation in the oversight area by adopting new oversight regulation which is in line with the Principles for Financial Market Infrastructures, as well as the ECB's revised oversight framework. Further on, domestic payment statistics was adjusted in accordance with the ECB Regulation providing methodological and operational compliance with the payment statistics of the European System of Central Banks. Another major project was completed recently linking the domestic payment system with TARGET 2 via Banca d'Italia. This project is expected to contribute to reducing the gap between fees for cross-border payment transactions and domestic payments, which is in line with the EU Progress Report recommendations and the ECB's Needs Analysis Report for the National Bank of the Republic of Macedonia from 2013. In the period ahead, we will continue to further strengthen capacities enabling the NBRM to successfully join the European System of Central Banks, and later the Eurosystem once the Republic of Macedonia achieves its strategic commitment for EU membership.

I would also like to express my appreciation to our distinguished panelists for today – Governors and other honorable guests and to thank all esteemed guests, delegates and speakers for contributing to another successful event.

Finally, jubilees like this don't come together over night. Allow me to express my recognition and appreciation to the whole team that each year coordinates the Conference. It is your strong commitment and dedication that we owe our achievements to. I wish you many more years of

continued success!

Thank you!