



**REPUBLIC OF ALBANIA
BANK OF ALBANIA**

Proceedings

OF THE TENTH MEETING OF NATIONAL PAYMENT SYSTEM COMMITTEE (NPSC)

On Thursday, December 5th 2024, at Bank of Albania

On December 5th, 2024, the National Payment System Committee (NPSC) held its annual meeting, which coincided with the 10th anniversary of the creation of this Committee. The meeting was hosted by the Chair of the Committee, Ms. Luljeta Minxhozi, First Deputy Governor of the Bank of Albania, while the attendees were greeted by the Governor of Bank of Albania, Mr. Gent Sejko.

The meeting was attended by representatives of the Albanian Government, other important institutions such as the World Bank, the European Payments Council (EPC), international payment institutions, representatives of local banks, non-bank financial institutions, national operators of card payment schemes, as well as experts of the Bank of Albania.

The Governor of the Bank of Albania, Mr Gent Sejko, delivered the opening speech, stating that the last decade has marked a revolution for the payment area in Albanian market, with a radical transformation of every aspect.

The Governor highlighted that the Bank of Albania has been a leader in this transformation, being proactive with regards to technological changes in the international environment, and guiding the market towards a controlled adoption of these changes. In this process, Bank of Albania has worked closely with other public institutions, the Albanian Association of Banks (AAB) and banking experts. Mr Sejko focused on two crucial moments that have crowned the Bank of Albania's multi-year work as a catalyst for developments in the digitalization field.

First, is the decision of the European Payments Council to include Albania in the geographical scope of SEPA, which marks a national political achievement and a concrete step towards integrating the country into the European market. While pointing out that the actual economic benefits of this decision will be manifold, the Governor invited financial institutions to be rigorous and devoted in meeting the deadlines of the respective regulations, in order to achieve membership in SEPA schemes and to carry out SEPA transactions by the next year. He stated that

the Bank of Albania will guide the process and support financial institutions to fulfil the SEPA technical criteria.

Second, is the operationalization of open banking, which provides clients with increased opportunities to carry out payments and transfers which are simpler, faster and at lower costs. Mr Sejko stated that the operationalization of open banking is the first and fundamental step towards open finance, which will enable the digitalization of lending, investments, and other financial services for clients. In addition to personal benefits for the consumer, this innovation brings many advantages for formalization and financial inclusion enhancement.

In particular, the Governor emphasised that the Bank of Albania encourages banks to be as much as possible oriented towards innovative projects, which aim to increase remote banking services, particularly those with a direct impact on facilitating financial inclusion, or simply, opening of bank account remotely. On the other hand, he advised that implementation of digitalization strategy must be secure and cautious, keeping in consideration the need to safeguard a balance between providing the best customer experience and ensuring the security of services.

The Governor concluded that Bank of Albania will always remain a promoter of advanced initiatives and of innovations that are necessary for the growth of the well-being of Albanians.

After the welcoming speeches, the meeting continued with discussions on a technical level.

In the first panel, the discussions focused on the latest infrastructural developments in the domestic market with regards to Open Banking.

Mr. Deniz Dëralla, director of the Supervision Department at Bank of Albania presented on the progress of banks to respond to the requirements of the regulation "*On strong customer authentication and common, open and secure standards of communication*" which was approved in June 2022, and entered into force in 01.01.2024. Issues of particular interest are the regulation of communication for APIs - Application Program Interfaces and the concept of open banking and deep authentication of the client. These elements complete the entire framework necessary for the promotion of innovation in the market. In addition to the benefits and disadvantages of implementing API and open-banking, Mr. Dëralla discussed solutions for data security, allowing payment service providers to choose between dedicated or shared interfaces for communication.

He also gave an update on the progress in operationalizing Open Banking in the country. All banks have test electronic certificates from AKSHI, ensuring secure system integration. Five of ten electronic payment institutions are preparing to obtain licenses for services under Law on Payment Services, with one EMI already licensed. Future challenges include the need for payment institutions and EMIs to consider offering payment initiation and account information services. Banks and Third-Party Providers (TPPs) must be equipped with qualified electronic certificates, and focus on security and risk management. Furthermore, entities involved in Open Banking services should educate customers about the services' benefits and ensure secure operations.

Mrs. Linda Shomo, CEO of EasyPay, an Albanian digital payment platform, shared insights into the company's 10-year journey and its role as a key player in the country's financial system. Founded in 2010, EasyPay was established to address the country's need for an inclusive digital payment solution. Mrs. Shomo highlighted EasyPay's success in promoting financial inclusion and educating the public about digital payments, with a strong focus on providing friction-free, cost-effective solutions for both merchants and customers. The company is the first to obtain licence offering payment initiation and payment account information, hence being at the forefront of Open Banking adoption. Some potential use cases include e-wallet loading, personal financial management, e-commerce, lending, and real-time credit/risk decisions. While 5 banks are ready for Open Banking implementation, there is uncertainty regarding the exact timeline for "live" adoption of open banking.

The other presentation was by *Ms. Magdalena Kubisa*, representative of BLIK, Poland. She introduced the successful experience of BLIK, a mobile payment system for fast payments. BLIK was introduced in Poland through an initial alliance of six banks. The system can be used to make payments online, in physical stores, and also between individuals, as well as deposits and withdrawals at ATMs. BLIK allows users to make an instant payment by generating a six-digit, one-time-use code through a banking app on their phone. For the past ten years, BLIK has achieved tremendous success on the Polish market.

The last presentation was by *PIGI.al*, an innovative initiative created by two girls who developed an app to promote financial education. With a growing need for financial knowledge among children in Albania, the founders sought to create a tool that empowers parents to teach their children the basics of money management. PIGI is the first application designed in the Albanian language with a focus on building financial literacy in children. Its goal is to help lay the foundations for long-term financial success by preparing the next generation to make smarter, more informed financial decisions. The vision of PIGI is to become a leading solution in education, evolving into a comprehensive fintech platform that enables children to manage their finances securely, while also making monitored payments.

The second panel focused on the latest developments regarding integration with the European Union markets – entry to SEPA. This panel was opened with a presentation by *Mrs. Silvia Di Lillo*, representative of the European Payments Council (EPC), on the topic "Necessary steps for Albanian market participants to join SEPA schemes." Following Albania's inclusion in the SEPA geographic area in 21 November 2024, the Albanian PSPs (Payment Service Providers) will be allowed to join the EPC payment schemes starting from April 2025. The membership in SEPA schemes obliges the Albanian PSPs to fulfil some requirements. The eligibility criteria for participants are particular to each scheme. Nevertheless, all of them require at least to have the adequate licensing framework, to be providers of payment services and payment accounts, ability and capacity to cope with AML/CFT requirements, liquidity and capital requirements, appropriate risk control measures and adequate solvency requirements.

Mrs. Di Lillo explained that the process of joining SEPA schemes involves several clear and structured steps and provided a summary of the main steps of this process. This process ensures a structured and secure integration of PSPs into the SEPA schemes, guaranteeing compliance and efficiency in international payment operations. As part of the preparations, an applicant is required to determine when they will be ready (i.e. available) for providing scheme - based services. The moment in which an applicant is ready to offer scheme – based services is called the Operational Readiness Date (ORD). The EPC expectation is that this date is determined in coordination with the CSMs/direct participants who will connect the applicant to the operational layer.

The other presentation was held by *Mr. Holti Banka*, senior expert in the financial sector at the World Bank, on the topic "The Importance of Participation in SEPA for the Albanian Market." Mr. Banka emphasized that participation in SEPA has a strategic importance for the Albanian market, impacting several key aspects of the economy, the financial system, and citizens. This participation is not just a technical standardization, but a step towards full integration with the European market and the modernization of the domestic financial system. He listed several of the key benefits and significances, such as:

- Improvement of financial infrastructure;
- Facilitation of trade and investments;
- Reduction of costs for individuals and businesses;
- Support for the Albanian diaspora;
- Increased banking competition;
- Deeper integration with the European market.

The last panel was dedicated to Instant Payments.

Mrs. Valentina Semi, deputy director of the Department of Payment Systems, Accounting and Finance, at Bank of Albania presented the progress of the Instant Payment (TIPS Clone) project, which is supported by the Bank of Italy. Mrs. Semi emphasized that the main reasons for the development of IP come as a result of the need to make payments as fast, simple and reliable as possible, to promote "open banking" and to harmonize global standardization of payment messages (ISO 20022).

Mrs. Semi also discussed the economic advantages of Instant Payments in Albania, and focused on the choice of an IPS offered by the Central Bank of Italy (Bdl) through the creation of a TIPS "Clone" system as the most optimal one in terms of both costs and benefits. This option will bring about the inclusion of all market actors in this project (both banks and non-banks), the inclusion of several types of payments in the scheme (P2P, P2B, B2B, G2B, G2P, etc.); and finally the standardization of payment initiation (QR-codes, standardized applications, etc.), thereby aiming to bring a substantial increase in electronic payments in the Albanian market.

The discussion was continued by *Mr. Claudio Ceresani*, senior advisor of the World Bank, who gave a presentation on "Standardization of QR code and its use for fast payments in Albania". Mr. Ceresani talked about the advantages of using the QR Code by promoting the digitalization of payments in support of a broader strategic agenda. He presented the different models of QR code

implementation (centralized and decentralized) and how both of these models can be used with the static QR code and the dynamic QR code. He also focused on the use cases by businesses and consumers and the flow of the transaction with the QR Code.

Mr. Ceresani spoke about the advantages of adopting a national, regional and international standard. Finally, Mr. Ceresani explained some of the main reasons for the development of the QR code according to the guidelines of the European Payments Council.

The second discussion was held by the company *CAPSYS*, from Hungary where the representatives discussed Hungary's experience in achieving the successful implementation of instant payment system. During the project implementation, *CAPSYS* carried out two major phases covering 2/3 of the total Instant Payments traffic in Hungary. Some statistics were also given regarding the speed of Instant Payments, the points of sale/terminals that allowed these payments to go through, as well as the advantages that these payments brought from the point of view of users in the country.

The last panel was closed with discussions by several international companies (*Tietoevry*, *Montran*, and *Tas Group*), on different alternatives and services in order to expand the use of fast payments in everyday life. They explained briefly some overlay services that can be included in instant payment systems, to enhance customer experience.

The Latvian company *Tietoevry* brought its experience in countries such as Maldives, Kenya, Finland, Sweden and Norway of their success stories regarding Instant Payments and the relevant solutions found for these countries (as well as some other options available such as e- and m-commerce, e-identity etc.).

The other presentation came from *Montran*, which has an extensive experience in developing payment systems and capital market solutions, serving as a bridge between central and commercial banks. *Montran* has offered instant payment initiation services, proxy alias, anti-fraud, tokenization, QR code, e-commerce, etc. to its clients. The company showed its successful experience in the development of Instant Payments system in two central banks: Romania and Mongolia, while it is expected to begin the development of such system in 7 other countries.

Tas Group continued with the presentation and the role of the company in European payments market. As a company with 25 years of experience they assisted several central and commercial banks in harmonizing Eurosystem structures from internal RTGS and TARGET migrations, to TIPS, T2/T2S etc. messaging infrastructures. They discussed how their assistance has brought an increase not only in the volume of payments, but also in the value of fast payments in recent years.

The tenth meeting of the National Payment Systems Committee closed with the conclusions and recommendations of the Chair of the Committee, Ms. Luljeta Minxhozi. She praised the achievements on payment area, and urged the financial community to embrace digitalisation of payments and increase digital payment services. The ongoing projects of BOA – Instant payments and SEPA –require that all PSP community be seriously engaged and on board in order to make them successful. Joint working groups will be established to ensure this engagement.

Participants in the 10th meeting of NPSC

Institution	Name of Representative	Status in NPSC	Other representatives of the institution
Bank of Albania	Mr. Gent Sejko, Governor	Guest	Mr. Altin Tanku Ms. Jonida Kacani Ms. Doriana Lama Ms. Amela Mehmeti Ms. Evis Çeli Ms. Edlira Hoxha Mr. Gerti Myrselaj
	Ms. Luljeta Minxhozi, First Deputy Governor	Chair	
	Ms. Ledia Bregu, Director, Department of Payment Systems, Accounting and Finance	Deputy Chair	
	Mr. Deniz Deralla, Director, Supervision Department	Member	
	Ms. Valentina Semi Deputy Director, Department of Payment Systems, Accounting and Finance	Member	
Ministry of Finance	Mr. Adela Xhemali Deputy Minister	Member	
ABI Bank	Ms. Odeta Paloka	Member	Ms. Majlinda Miho
Ak –Invest	Ms. Suzana Adili	Member	Ms. Odeta Ferro
Albanian Association of Banks	Ms. Eftali Peci	Member	
BKT-Pay	Ms. Gentiana Gjonça	Member	Ms. Armanda Sharko
Credins Bank	Mr. Dimitri Toslluku	Member	Ms. Suela Cela Ms. Valbona Dhjaku
Easy Pay	Ms. Linda Shomo	Member	Mr. Endri Kote
e-Reja	Mr. Anri Adili	Member	Mr. Blendi Pustina
FED invest	Mr. Perlat Sulaj	Member	Ms. Liliana Nanaj
FIB bank	Ms. Ines Vucini	Member	Ms. Elona Labinoti Ms. Elona Xhina Ms. Ejona Zefi
Financial Union of Tirana	Ms. Eriona Miraka	Member	Mr. Dalip Bali
Intesa San Paolo	Ms. Xhilda Shehu	Member	Mr. Mirel Hoxha
lutePay	Ms. Stela Shkodrani	Member	
MPay	Ms. Bora Feri	Member	Mr. Ludovic Laventure
National Commercial Bank	Mr. Denis Hoxha	Member	Mr. Fatih Karli
NOA	Mrs. Alba Pelinku	Member	Mrs. Komola Mecaj
OTP Bank Albania	Ms. Irida Huta	Member	Ms. Ada Naqe
Paylink	Ms. Eneida Thomaj	Member	Mr. Dritan Baholli

Paysera	Mr. Ildir Ahmati	Member	Ms. Altea Shima
Posta Shqiptare	Ms. Nevila Bejler	Member	Ms. Vjollca Xhaferraj
Procredit	Ms. Erinda Ropi	Member	Ms. Elena Jaku
Raiffeisen Bank	Ms. Elda Qendro	Member	
RPAY	Mr. Akil Rajdho	Member	Mr. Niko Tili
Rubicon	Mr. Igli Gjelishti	Member	Ms. Albana Beta Ms. Sonila Mitrushi
Tirana Bank	Ms. Najada Xhaxha	Member	Ms. Aida Gjoni Mr. Elvis Xhaxha
UBA Bank	Ms. Ines Dusha	Member	Mr. Bekim Gjaka Ms. Alma Beja
Union Bank	Ms. Suela Bokshi	Member	Ms. Alma Derraj
BLIK	Ms. Magdalena Kubisa (online)	Guest	
CAPSYS	Mr. Robert Kiszely Mr. Jozsef Czimer Mr. Bíró-Lebovits Máté	Guest	
EPC	Ms. Silvia Di Lillo (online)	Guest	
IFC	Ms. Anjeza Beja	Guest	
Montran	Mr. Mircea Romantan Mr. Achim Sarasan	Guest	
Pigi.al	Ms. Bora Selenica Ms. Irena Matraku	Guest	
TAS Group	Mr. Claudio Montarello Mr. Salvatore Caccioppo Mr. Odisseo Di Michele Mr. Stefano Troncone	Guest	
Tietoevry	Mr. Deniss Filipovs Mr. Elvijs Skujiņš (online)	Guest	
Vodafone Albania	Mr. Dogu Kir	Guest	
World Bank	Mr. Holti Banka (online) Mr. Clausio Ceresani (online) Ms. Edlira Dashi	Guest	