



**NATIONAL BANK OF THE REPUBLIC OF MACEDONIA**

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**PLAN OF ACTIVITIES  
OF THE NATIONAL BANK OF THE REPUBLIC OF MACEDONIA FOR 2018**

December 2017

**Contents**

List of abbreviations used in the Plan of Activities of the National Bank of the Republic of Macedonia ..... iii

GENERAL PROVISIONS ..... 1

REGULAR PROGRAM ACTIVITIES..... 2

PROJECT ACTIVITIES ..... 6

    a) Projects related to areas of operations of the organizational units..... 7

    b) Organization of events and conferences ..... 8

    c) Software development project ..... 9

    d) Ensuring business continuity ..... 11

CLOSING PROVISIONS ..... 12

**List of abbreviations used in the Plan of Activities  
of the National Bank of the Republic of Macedonia**

|      |  |
|------|--|
| KG   | Governor's Office                                      |
| CR   | Human Resources Management Department                  |
| R    | Internal Audit Department                              |
| FB   | Financial Stability and Banking Regulation Department  |
| VSL  | Off-Site Supervision and Licensing Department          |
| TS   | On-Site Supervision Department                         |
| MPI  | Monetary Policy and Research Department                |
| ST   | Statistics Department                                  |
| FP   | Financial Market Operations Department                 |
| PS   | Payment Systems Department                             |
| FSK  | Financial, Accounting and Control Department           |
| TR   | Cash Management Department                             |
| IT   | Information Technology Department                      |
| PR   | Legal Department                                       |
| JN   | Public Procurement Department                          |
| TOOA | Technical Maintenance, Security and Archive Department |

Pursuant to Article 47, paragraph 1, item 9 of the Law on the National Bank of the Republic of Macedonia (Official Gazette of the Republic of Macedonia No. 158/10, 123/12, 43/14, 153/15 and 6/16), and Article 54 paragraph 1 indent 3 of the Strategic and Operational Planning Regulation Reg.No. 02-15/I-1/2016 of 28 January 2016, the National Bank of the Republic of Macedonia Council passed the following

**Plan of Activities  
of the National Bank of the Republic of Macedonia for 2018**

**GENERAL PROVISIONS**

1. The Plan of Activities of the National Bank of the Republic of Macedonia for 2018 (hereinafter: Plan of Activities) includes program activities to achieve the strategic objectives set in the Strategic Plan of the National Bank of the Republic of Macedonia for 2018-2020, SP No. 02-15/IV-1/2017 of 25 May 2017.

2. The Plan of Activities is aimed to ensure implementation of the strategic objectives by optimal targeting of available resources to priority areas, to strengthen all work capacities, to improve the quality of operations, and to ensure monitoring and evaluation of the results and effectiveness of the measures and activities taken.

3. The Plan of Activities include program activities related to the monetary policy, supervision, banking regulation and financial stability, foreign reserves management, financial market developments, payment systems, issuance and management of banknotes and coins, research development, statistics, and other activities that support the primary functions of the National Bank of the Republic of Macedonia (hereinafter: the National Bank) such as finance and accounting, information technology and corporate governance.

The Plan of Activities also contains activities aimed to harmonize the legal, organizational and resource requirements of the National Bank in the process of accession to the European Central Bank and the European System of Central Banks.

4. The Plan of Activities contains 129 program activities that include regular work processes implemented during the year that directly ensure implementation of the strategic objectives of the National Bank, as well as project-oriented activities that enable introduction of changes in the operations aimed to rise efficiency, quality, transparency and security, compliance with the new legal requirements, European regulations, international standards and the International Monetary Fund requirements.

## **REGULAR PROGRAM ACTIVITIES**

5. Regular program activities are distributed by strategic objective and responsible department, as follows:

Strategic objective 1 - Maintaining price stability through a stable exchange rate of the denar against the euro.

### **Scope: Monetary policy**

- Preparing macroeconomic forecasts.
- Analyzes of the sustainability of public and external debt, balanced real exchange rate and monetary transmission used when making monetary policy decisions.
- Conducting surveys.
- Developing ad hoc analyses.
- Producing regular reports.
- Regular conducting of monetary operations and maintaining balance in the foreign exchange market.

Responsible department: MPI and FP

Strategic objective 2 - Maintaining stable and reliable banking system as the main prerequisite for financial stability and sustainable economic growth of the country.

### **Scope: Supervision, Banking Regulation and Financial Stability**

- Drafting and adopting regulations in the area of banking operations and bank supervision.
- Analyzing and monitoring banking and financial system developments.
- Regular off-site activities.
- Conducting regular on-site examinations.

Responsible department: FB, VSL and TS

Strategic objective 3 - Efficient management of foreign reserves of the Republic of Macedonia optimally balancing the safety, liquidity and return on investment principles.

### **Scope: Foreign reserves**

- Management of the foreign reserves of the Republic of Macedonia.

Responsible department: FP

Strategic objective 4 - Support of the domestic financial markets development.

### **Scope: Domestic financial markets.**

- Participating and supporting the domestic financial markets development.

Responsible department: FP

Strategic objective 5 - Increasing the efficiency of banknotes and coins supply and processing system and increasing the quality and functionality of currency in circulation.

**Scope: Banknotes and coins issuance and management.**

- Supplying banks and cash centers with banknotes and coins.
- Controlling the implementation of cash operations standards and criteria in banks and cash centers.
- Manufacturing/purchasing banknotes and coins, coin blanks, commemorative coins and collector coins.
- Sale of commemorative coins, collector coins, banknotes and coins for numismatic purposes and blank bills.
- Activities for the needs of the National Bank, government institutions and administrative bodies.

Responsible department: TR

Strategic objective 6 - Maintaining the highest level of safety, soundness and efficiency of domestic payment systems, promoting cross-border payments and accelerating the digitization process of the domestic economy.

**Scope: Payment systems.**

- Drafting payment service and system reports.
- International payment operations on behalf of the government and administrative bodies.
- Processing and settling transactions related to foreign reserves management and to monetary policy implementation, monitoring and supporting the settlement of transactions on OTC markets.
- Support to the participants in the Macedonian Interbank Payment System (MIPS) and processing of forced payment orders.
- Oversight of the payment systems.

Responsible department: PS

Strategic objective 7 - Development of research in the crucial areas for the efficient attainment of the National Bank objectives.

**Scope: Research.**

- Preparing workpapers and conducting other research activities.
  - o Construction of dynamic stochastic general equilibrium model (DSGE model DRGS) for policy analysis in Macedonia.
  - o Corporate debt in Macedonia - microdata analysis.
  - o Preparation of technical papers for application of new methods for current and short-term GDP forecast.

- Research on productivity factors using microdata, with particular reference to productivity differences between exporters and companies that are most active on the domestic market.
- Research paper on the impact of trade in services on the economic growth.
- Credit market and apartment prices in Macedonia.

Responsible department: MPI, Chief Economist

Strategic objective 8 - Providing quality statistical data consistent with international and European statistical standards, taking into account the reporting burden and their effective, timely and easy dissemination to users.

**Scope: Statistics.**

- Compilation of external statistics.
- Compilation of monetary statistics.
- Compilation of securities statistics.
- Coordination of statistics activities arising from membership in international organizations.
- Uniform sectorization of institutional units nationwide.

Responsible department: ST

Statistical objective 9 - Preparation of the National Bank for joining and membership in the European System of Central Banks.

**Scope: EU.**

- Activities related to the process of accession of the National Bank to the European System of Central Banks.

Responsible department: Governor's Office and other National Bank organizational units

Strategic objective 10 - Following the trends in central banking, strengthening the resilience to the changes imposed by the environment, effective risk management in all operating segments, ensuring business continuity and information security, improving the transparency and social responsibility of the institution.

**Scope: Finance, Accounting and Control Department.**

- Recording foreign exchange transactions.
- Recording transactions with banknotes and coins and other valuables.
- Recording of monetary instruments and deposit operations in denars.
- Liquidation of accounting documents for procurement of goods, services and works and payments on other bases, recording and collection of claims (outgoing invoices) and calculation of VAT liabilities.
- Cash operations, calculation and payment of allowances to individuals, income tax.
- Calculation, payment and recording of wages, wage contributions, income tax and allowances.

- Financial reporting.
- Planning and control.

**Scope: Internal audit**

- Planning and preparation of annual and three-year audit work program.
- Auditing.

**Scope: Strategic planning, risk management, ensuring business continuity and information security, and data protection.**

- Ensuring business continuity in the National Bank.
- Information security and data protection.
- Strategic planning.
- Operating risk management in the National Bank.

**Scope: Legal operations**

- Compliance.
- Preparation and control of laws, general, individual legal acts, as well as update of the register of regulations of the National Bank.
- Preparation of the National Bank Council sessions.
- Drafting legal documents, lawsuits, response to appeals and extraordinary legal remedies.
- Providing legal opinions, advices and trainings.

**Scope: Governor's Office**

- Relations with international institutions.
- Public relations.
- Protocol.
- Publications.
- Financial education

**Scope: Human resources management.**

- Professional trainings and development of employees.
- Setting appropriate organization and systematization.
- Ensuring employee engagement.

**Scope: Information technology.**

- Establishing IT services, monitoring the fulfillment of service levels and continuous improvement.
- Maintenance of IT infrastructure and other equipment.
- Provide IT services and maintenance applications.
- IT incident management.



- Data backup and archiving.
- Business continuity testing activities in the National Bank.

**Area: Public procurements.**

- Planning of public procurement needs, analysis and monitoring of the implementation and amendment of the Annual Public Procurement Plan.
- Preparation and implementation of public procurement procedures.
- Monitoring of public procurement contracts, and receipt, recording and control of invoices and other accounting documents.
- Participation in the implementation of the project for construction of new building of the National Bank.

**Area: Technical maintenance, security and archive.**

- Office operations.
- Archive operations.
- Physical security and firefighting.
- Maintenance of facilities.
- Providing transport services.

**Scope: Museum.**

- Management of museum collection.
- Museum education.
- Numismatic research.

**Scope: Library and Archive.**

- Purchase and maintenance of the library fund of the National Bank.
- Informing employees of the National Bank through Intranet.
- Digitalization of archival material of historical significance arising from the National Bank operations.

Responsible department: FSK, IT, PR, JN, KG, TOOAA, CR, Museum, BA, VR and Advisors to the Governor.

**PROJECT ACTIVITIES**

6. Project-oriented activities included in the Plan of Activities are implemented with an aim to introduce a certain novelty in operations, to improve current operations, or to perform certain activities that require coordination of several organizational units or an engagement of an external service provider, and are carried out at certain dynamics, employing the assigned human resources and/or budget.

7. The following projects will be implemented in 2018:

## **a) Projects related to areas of operations of the organizational units**

- 7.1 Taking measures according to the denarization strategy for the economy.  
Responsible department: FP, completion period: Q4
- 7.2 Taking measures for implementing strategy for dealing with NPLs.  
Responsible department: FB, completion period: Q4
- 7.3 Improvement of the internal risk assessment methodology and the aggregate bank risk profile.  
Responsible department: VSL, completion period: Q2
- 7.4 Increasing the transparency of supervision to banks.  
Responsible department: VSL, completion period: Q1
- 7.5 Activities related to the World Bank and International Monetary Fund FSAP (Financial Sector Assessment Program) mission.  
Responsible department: FB, VSL, TS, completion period: Q4
- 7.6 Improvement of liquidity risk assessment procedures.  
Responsible department: TS, completion period: Q3
- 7.7 Assessment of the sectoral risk arising from money laundering and terrorist financing to banking and non-banking institutions supervised by the National Bank.  
Responsible department: TS, completion period: Q3
- 7.8 Participation in the drafting and adoption of bylaws.  
Responsible department: TS, completion period: Q4
- 7.9 Strengthening the resilience of the banking system against digital attacks.  
Responsible department: TS, completion period: Q4
- 7.10 Preparation and providing technical instructions to the cash system participants for electronic submission of cash operations data.  
Responsible department: TR, completion period: Q2
- 7.11 Implementation of the new regulation transposing the EU directives in the field of payment services.  
Responsible department: PS in cooperation with FB, TS, PR, VSL, completion period: Q4
- 7.12 Establishment of financial accounts statistics on financial transactions and balances, in accordance with the System of National Accounts (SNA 2008) and the European System of Accounts (ESA 2010).

Responsible department: ST, completion period: Q4

7.13 Accession to the Special Data Dissemination Standard Plus - SDDS Plus.

Responsible department: ST, completion period: Q4

7.14 Changes in the recording of expected future losses from investments in financial assets and adjustments in software solutions.

Responsible department: FSK in cooperation with FP and PS, completion period: Q1

7.15 External evaluation of the performance of the Internal Audit Department by De Nederlandsche Bank (DNB).

Responsible department: VR in cooperation with DNB, completion period: Q2

7.16 Project for introducing data leakage prevention solution.

Responsible department: Advisor to the Governor for IT, Information Security and Data Protection in cooperation with IT, VR, VSL and Advisor to the Governor for Strategic Planning and Operational Risk Management, completion period: Q4

7.17 Enrichment of the National Bank website in the area of international relations.

Responsible department: KG, completion period: Q4

7.18 Providing information on IT service - printing.

Responsible department: IT, completion period: Q3

7.19 Making changes to the system.

Responsible department: IT, completion period: Q4

7.20 Development of the Business Process Management system.

Responsible department: TOOAA, completion period: Q4

7.21 Participation in the design and presentation of the standing museum exhibition of the National Bank.

Responsible department: Museum, completion period: Q4

## **b) Organization of events and conferences**

During 2018, the National Bank will also be the host of several major events. The dynamics and project holders for organizing these events are as follows:

7.22 Organization of an international research conference marking the anniversary of the monetary independence of the Republic of Macedonia.

Responsible department: KG in cooperation with the Chief Economist, MPI, JN and TOOAA, completion period: Q2

7.23 Organization of the annual meeting of the management board of the Center for Excellence in Finance (CEF).

Responsible department: KG in cooperation with JN and TOO A, completion period: Q2

7.24 International Conference on institutional investors on global financial markets.

Responsible department: FP in cooperation with KG, JN and TOO A, completion period: Q1

7.25 Organization of the 11th Conference on payments and market infrastructure

Responsible department: PS in cooperation with KG, JN and TOO A, completion period: Q2

7.26 Organization of IT-forum.

Responsible department: IT in cooperation with KG, JN and TOO A, completion period: Q2

### **c) Software development project**

The IT projects refer to the following software development activities:

7.27 Harmonization of the forms of time series cases and their aggregation in ERI (E-Regulatory Reports) application by changing the regulation.

Responsible department: FB in cooperation with IT, completion period: Q4

7.28 Preparation of reports produced by the ERI application needed for off-site analysis of banks and savings houses.

Responsible department: VSL in cooperation with IT, completion period: Q2

7.29 Preparation of Credit Registry reports needed for off-site analysis of banks and savings houses.

Responsible department: VSL in cooperation with IT, completion period: Q2

7.30 Preparation of tables for the VSL reports (quarterly financial analysis and semiannual risk profile).

Responsible department: VSL in cooperation with IT, completion period: Q3

7.31 Application for conduct of on-site examination - Examination reports.

Responsible department: TS in cooperation with IT, completion period: Q3

7.32 Application for conduct of on-site examination - risk assessment procedures module.

Responsible department: TS in cooperation with IT, completion period: Q1

7.33 Risk management.

Responsible department: FP in cooperation with IT, completion period: Q4

- 7.34 New application "FX market analyses".  
Responsible department: FP in cooperation with IT, completion period: Q2
- 7.35 Upgrading of Trezor2 application.  
Responsible department: TR in cooperation with IT, completion period: Q2
- 7.36 Improvement of the payment statistics application.  
Responsible department: PS in cooperation with IT, completion period: Q2
- 7.37 Upgrading and improvement of the E-banking application.  
Responsible department: PS in cooperation with IT, completion period: Q3
- 7.38 Upgrading of the E-execution application.  
Responsible department: PS in cooperation with IT, completion period: Q2
- 7.39 Streamlining of the process of preparing reports on direct investments in the country and abroad (by country and activity) and automatic inclusion of data from the Quarterly Report on the claims and liabilities arising from international commercial operations - KIPO.  
Responsible department: ST in cooperation with IT, completion period: Q4
- 7.40 Streamlining of the process of collecting international credit operations data by introducing electronic reporting on the turnover from credit operations.  
Responsible department: ST in cooperation with IT, completion period: Q4
- 7.41 Streamlining of the process of collecting foreign investments data, by introducing electronic reporting.  
Responsible department: ST in cooperation with IT, completion period: Q4
- 7.42 Project for developing application for securities statistics compilation.  
Responsible department: ST in cooperation with IT, completion period: Q4
- 7.43 Activities for establishing a system for managing, storing, processing and handling statistical data, establishing a data warehouse.  
Responsible department: ST in cooperation with IT, medium-term project, activities with completion period: Q4
- 7.44 Introduction of integrated reporting system by the National Bank, banks, savings houses, for statistical and supervisory purposes (ISIDORA).  
Responsible department: ST in cooperation with IT, VSL and Advisor to the Governor, medium-term project, activities with completion period: Q4
- 7.45 Development of a tool for internal analysis of statistical data and statistical web portal to external users  
Responsible department: ST in cooperation with IT, completion period: Q2

7.46 Upgrading of the integrated material operations application.

Responsible department: FSK in cooperation with IT, completion period: Q2

7.47 Automation of the recording of account reports of the National Bank in the Macedonian Interbank Payment System (MIPS).

Responsible department: FSK in cooperation with IT, completion period: Q2

7.48 Changing the wage and allowance calculation application for natural persons and income tax.

Responsible department: FSK in cooperation with IT, completion period: Q1

7.49 Planning software.

Responsible department: FSK in cooperation with IT, completion period: Q2

7.50 Integrated accounting system.

Responsible department: FSK in cooperation with IT, medium-term project, activities with completion period: Q4

7.51 Development of public relations software.

Responsible department: KG in cooperation with IT, completion period: Q4

#### **d) Ensuring business continuity**

8. The Plan of Activities includes testing of business continuity of 20 work processes so as to enable evaluation of the sustainability of the plans and consideration of difficulties that may arise during implementation.

In 2018, business continuity plans will be tested in the following working processes:

- Implementation of the monetary policy and auctions of government securities - testing the activities related to the conduct of CB bills auctions (Q4).
- Interventions on the foreign exchange market and exchange rate (Q4).
- Emergency liquidity assistance (Q2).
- Foreign reserves management of the Republic of Macedonia (Q4).
- Supplying banks and cash centers with banknotes and coins (Q3).
- International payment operations on behalf of the government and government bodies (Q4).
- Processing and settling transactions related to foreign reserves management and to monetary policy implementation, monitoring and supporting the settlement of transactions on OTC markets (Q4).
- Support to MIPS participants and processing of forced payment orders (Q4).
- Recording of foreign exchange transactions (Q3).
- Recording of transactions in banknotes and coins and other valuables (Q3)

- Recording of monetary instruments and deposit operations in denars (Q3).
- Financial reporting - testing of some of the activities related to the preparation of statistical data surveys (Q3).
- Drafting and control of laws, general, individual legal acts, as well as update of the register of regulations of the National Bank (Q4).
- Public relations (Q2).
- Regulation of labor rights and obligations, and implementation of recruitment procedures (Q3).
- Maintenance of IT infrastructure (Q3).
- Preparation and implementation of public procurement procedures (Q2).
- Monitoring of public procurement contracts, and receipt, recording and control of invoices and other accounting documents (Q2).
- Office work (Q3).
- Physical security and firefighting (Q2).

## **CLOSING PROVISIONS**

9. An integral part of this Plan of Activities is the revised balance sheet for the current and the next three years, including any financial consequences of its implementation, presented in Annex 1.

10. The Plan of Activities will be implemented within one calendar year, from 1 January to 31 December 2018.

11. The Plan of Activities shall enter into force on the date of adoption.

**PA. No. 02-15/XV-1/2017**  
**21 December 2017**  
**Skopje**

**Vice-Governor  
and Chairman  
of the National Bank of the Republic of  
Macedonia Council  
Fadil Bajrami, PhD**