



NATIONAL BANK OF THE REPUBLIC OF MACEDONIA

**PLAN OF ACTIVITIES
OF THE NATIONAL BANK OF THE REPUBLIC OF MACEDONIA FOR 2019**

December 2018

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**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, 6/16 and 83/18), 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 adopted the following

Plan of Activities of the National Bank of the Republic of Macedonia for 2019

GENERAL PROVISIONS

1. The Plan of Activities of the National Bank of the Republic of Macedonia for 2019 (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 2019-2021, SP No. 02-15/X-1/2018 of 31 May 2018.

2. The Plan of Activities aims to ensure the implementation of the strategic objectives by optimally targeting the available resources towards priority areas, strengthening the capacities in all segments of operation, further improvement of the quality of operations and ensure monitoring and evaluation of the results and effectiveness of the measures and activities taken.

3. The Plan of Activities includes 150 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, as well as a number of 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 includes regular workflows and activities related to projects which enable changes in the operations in terms of increasing efficiency, quality, transparency and reliability, compliance with the new legal requirements, European regulations, international standards and the IMF requirements.

REGULAR PROGRAM ACTIVITIES

5. The regular program activities are directly connected with the strategical goals and tasks of the National Bank and are realized throughout the whole year.

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

- 1) Preparing macroeconomic forecasts.
- 2) Making analyzes of the sustainability of public and external debt, balanced real exchange rate and monetary transmission used in monetary policy decision-making.
- 3) Conducting surveys.
- 4) Developing ad hoc analyses.
- 5) Producing regular reports.
- 6) Regularly conducting 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

- 7) Drafting and adopting regulations in the area of banking operations and bank supervision.
- 8) Conducting regular analyses and monitoring the banking and financial system developments.
- 9) Interpreting by-laws issues in the field of banking and supervision.
- 10) Regular off-site activities.
- 11) Conducting regular on-site examinations.

Responsible department: FB, VSL and TS.

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

Scope: Foreign reserves:

- 12) Foreign reserves management of the Republic of Macedonia.
- 13) Managing the risks regarding financial market operations.

Responsible department: FP.

Strategic objective 4 - Supporting the domestic financial markets development.

Scope: Domestic financial markets.

14) Participating and supporting the domestic financial markets development.

Responsible department: FP.

Strategic objective 5 - Maintaining a stable cash supply system and ensuring standard quality and functionality of banknotes and coins in circulation.

Scope: Banknotes and coins issuance and management.

15) Supplying banks and cash centers with banknotes and coins.

16) Controlling the implementation of cash operations standards and criteria in banks and cash centers.

17) Manufacturing/purchasing banknotes and coins, coin blanks, commemorative coins and collector coins.

18) Sale of commemorative coins, collector coins, banknotes and coins for numismatic purposes and blank bills.

19) 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.

20) Drafting payment service and system reports.

21) International payment operations on behalf of the government and administrative bodies.

22) Processing and settling transactions related to foreign reserves management and monetary policy implementation, monitoring and supporting the settlement of transactions on OTC markets.

23) Support to the participants in the Macedonian Interbank Payment System (MIPS) and processing of forced payment orders.

24) Oversight of the payment systems.

Responsible department: PS.

Strategic objective 7 - Development of the research activity in areas crucial for the efficient achievement of the National Bank's objectives.

Scope: Research.

25) Preparing working papers and conducting other research activities.

Responsible department: MPI, Chief Economist, FB, Museum of the National Bank

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.

26) Compilation of external statistics.

27) Compilation of monetary statistics.

28) Compilation of securities statistics.

29) Compilation of financial account statistics.

30) Coordination of statistics activities arising from membership in international organizations.

31) Uniform sectorization of institutional units nationwide.

Responsible department: ST.

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

Scope: EU.

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

Responsible department: Governor's Office, Chief Economist and other NBRM organizational units.

Strategic objective 10 - Further improvement of corporate governance, transparency and social responsibility of the institution.

Scope: Finance, Accounting and Control.

33) Accounting records of transactions related to the performance of the functions and tasks of the National Bank, as well as operating activities.

34) Accounting policies and financial reporting.

35) Planning and control.

Scope: Internal audit.

36) Planning and preparing annual and three-year audit plan of activities.

37) Auditing.

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

- 38) Ensuring business continuity in the National Bank.
- 39) Information security and data protection.
- 40) Strategic planning.
- 41) Operating risk management in the National Bank.

Scope: Legal affairs.

- 42) Compliance.
- 43) Drafting and control of general and individual legal regulations.
- 44) Preparation of the National Bank Council sessions.
- 45) Drafting legal documents, lawsuits, response to appeals and extraordinary legal remedies.
- 46) Providing legal opinions, advices and trainings.

Scope: Governor's Office.

- 47) Cooperation with international institutions.
- 48) Public relations.
- 49) Protocol.
- 50) Publications.
- 51) Financial education

Scope: Human resources management.

- 52) Setting appropriate organization and systematization.
- 53) Exercising labor rights and obligations.
- 54) Staff recruitment and admission.
- 55) Employee professional training and development.
- 56) Ensuring employee engagement.

Scope: Public procurements.

- 57) Planning the public procurement needs, analyzing and monitoring of the implementation and amendment of the Annual Public Procurement Plan.
- 58) Preparation and implementation of public procurement procedures.
- 59) Monitoring the public procurement contracts and receipt, recording and control of invoices and other accounting documents.

Scope: Technical maintenance, security and archive.

- 60) Office operations.
- 61) Archive operations.
- 62) Physical security and firefighting.
- 63) Maintaining the facilities and conducting construction activities of the new facility in cooperation with several organizational units.
- 64) Providing transport services.

Scope: Museum.

65) Management of museum collection.

66) Museum education.

Scope: Library and Archive.

67) Purchase and maintenance of the library of the National Bank.

68) Informing employees of the National Bank through Intranet.

69) Digitalization of archival material of historical significance arising from the NBRM operations.

Responsible department: FSK, PR, JN, KG, TOOAA, CR, Museum, BA, VR, Governor's Advisers and Chief Economist.

Strategic objective 11 - Maintaining stable information system and upgrading it in accordance to the existing capacities and international standards.

Scope: Information technology.

70) Establishing IT services, monitoring the fulfillment of service levels and continuous improvement.

71) Maintenance of IT infrastructure and other equipment.

72) Upgrading servers and workstations.

73) Managing user accounts and controlling the access to the system.

74) Asset management.

75) Conducting system changes.

76) IT incident management.

77) Providing IT services.

78) Preparing, updating and maintaining applications.

79) Data backup and archiving.

Responsible department: IT.

PROJECT ACTIVITIES

6. Project-oriented activities included in the Plan of Activities are implemented with an aim to introduce a certain novelty in operations, improve current operations or 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.

The following projects will be implemented in 2019:

a) Projects from certain areas of National Bank operations

- 6.1 Improving the capacity for crisis management and developing the National Bank function for the settlement of a bank pursuant to the European regulation.
Responsible department: National Bank Management in cooperation with FB, VSL and TS.
Completion period: Q4.
- 6.2 Improving the system analysis and macro-prudential policies for maintaining financial stability.
Responsible department: FB.
Completion period: Q4.
- 6.3 Improving the internal methodology for imposing corrective measures to banks.
Responsible department: VSL.
Completion period: Q4.
- 6.4 Improving the recovery plans of systemically important banks and internal methodology for their assessment.
Responsible department: VSL.
Medium-term activity, part of the activities are planned to be completed by the end of Q4.
- 6.5 Improving the internal methodology for assessing banks' business models.
Responsible department: VSL.
Completion period: Q3.
- 6.6 Improving the capacity for "fast" assessment of the banks' sustainability/solvency and liquidity.
Responsible department: VSL in cooperation with TS.
Medium-term activity, part of the activities are planned to be completed by the end of Q4.
- 6.7 Revision of the supervisory activity model.
Responsible department: VSL in cooperation with TS.
Completion period: Q2.
- 6.8 Improving the stress-testing capacity.
Responsible department: VSL in cooperation with FB.
Medium-term activity, part of the activities are planned to be completed by the end of Q4.
- 6.9 Developing Contingency plans.
Responsible department: VSL in cooperation with FB and TS.
Medium-term activity, part of the activities are planned to be completed by the end of Q4.
- 6.10 Analyzing the proceeding method of central banks/supervisory bodies regarding received complaints in the domain of consumer protection while using banking services.
Responsible department: VSL.
Completion period: Q3.

- 6.11 Improvement of banks' liquidity risk assessment procedures.
Responsible department: TS.
Completion period: Q3.
- 6.12 Harmonizing the bylaws in accordance with the new Law on anti-money laundering and terrorist financing.
Responsible department: TS.
Completion period: Q1.
- 6.13 Participation in updating the National Strategy for assessing the risk of money laundering and terrorist financing.
Responsible department: TS.
Completion period: Q4.
- 6.14 Developing a methodology/tool for the process of IT risk supervisory assessment (IT SREP¹).
Responsible department: TS.
Completion period: Q2.
- 6.15 Taking measures as required by the denarization strategy of the economy.
Responsible department: FP.
Completion period: Q4.
- 6.16 Assessing the model for forecasting the currency in circulation (ARIMA²)
Responsible department: FP.
Completion period: Q4.
- 6.17 Establishing an analytical framework for monitoring the issuing countries where foreign reserves can be invested.
Responsible department: FP.
Completion period: Q2.
- 6.18 Analyzing the possibilities for introducing new instruments within the foreign reserve tranches.
Responsible department: FP.
Completion period: Q4.
- 6.19 Implementing the new regulation transposing the EU directives in the field of payment services.
Responsible department: PS in cooperation with FB, TS, PR, VSL and ST.
Completion period: Q4.
- 6.20 Changes in the tariffs and transactions application.
Responsible department: PS.
Completion period: Q4.
- 6.21 Adjusting the data sources for the external statistics amid further liberalization of capital transactions with non-residents and implementing the EU regulations on payment services and payment systems.
Responsible department: ST.
Completion period: Q4.

¹ IT SREP (Supervisory Review and Evaluation Process).

² ARIMA (AutoRegressive Integrated Moving Average).

- 6.22 Setting up a statistical internet portal on the National Bank web site and using this tool for the internal analysis of the statistical data.
Responsible department: ST.
Completion period: Q2.
- 6.23 Adherence to the SDDS Plus IMF statistical standard for data dissemination.
Responsible department: ST.
Completion period: Q4.
- 6.24 Enriching the International relations part of the NBRM website.
Responsible department: KG.
Completion period: Q4.
- 6.25 Development of the document management system.
Responsible department: TOO A.
Completion period: Q4.
- 6.26 Determining criteria and requirements for improving the functionality of the human resources management application.
Responsible department: CR.
Completion period: Q4.
- 6.27 Participation in the design and presentation of the permanent museum exhibition of the National Bank and its contents.
Responsible department: Museum.
Completion period: Q4.

b) Organization of events and conferences

During 2019, the National Bank will also host several major events. The dynamics and project holders for organizing these events are as follows:

- 6.28 Organizing the Annual Meeting of the IMF Constituency in Skopje.
Responsible department: KG in cooperation with the Chief Economist, JN and TOO A.
Completion period: Q2.
- 6.29 Organizing the 12th Conference on payments and market infrastructure.
Responsible department: PS in cooperation with KG, JN and TOO A.
Completion period: Q2.
- 6.30 Organizing a regional workshop for financial education.
Responsible department: KG in cooperation with the Chief Economist, JN and TOO A.
Completion period: Q3.

c) Software development projects

The IT projects refer to the following software development activities:

- 6.31 Improving the reports on monitoring banks' credit risk.
Responsible department: VSL in cooperation with IT.

- Completion period: Q2.*
- 6.32 Improving the reports on monitoring banks' liquidity risk.
Responsible department: VSL in cooperation with IT.
Completion period: Q2.
- 6.33 Improving the reports on fast money transfer.
Responsible department: VSL in cooperation with IT.
Completion period: Q2.
- 6.34 Extending the application for conducting on-site examinations with the option for preparing clients' financial statements.
Responsible department: TS in cooperation with IT.
Completion period: Q2.
- 6.35 Application for conducting on-site examination - Examination reports.
Responsible department: TS in cooperation with IT.
Completion period: Q2.
- 6.36 Improving the foreign reserves credit risk management.
Responsible department: FP in cooperation with IT.
Completion period: Q4.
- 6.37 Further development of the application "Analysis of the currency exchange market and exchange rates list".
Responsible department: FP in cooperation with IT.
Completion period: Q2
- 6.38 Developing a new application for recording the processed money and determined differences in the data analyses and practices.
Responsible department: TR in cooperation with IT.
Completion period: Q2.
- 6.39 Supplementing the reporting forms in the "Counterfeiting Expertise" application.
Responsible department: TR in cooperation with IT.
Completion period: Q1.
- 6.40 Upgrading the application for testing the machines for processing money - "TMOP Application".
Responsible department: TR in cooperation with IT.
Completion period: Q1.
- 6.41 Upgrading the application for conducted training for identified money "ROIF Application"
Responsible department: TR in cooperation with IT.
Completion period: Q1.
- 6.42 Upgrading the application for automatically receiving, storing and issuing control stamps.
Responsible department: TR in cooperation with IT.
Completion period: Q2.
- 6.43 Changes in the Credit registry application due to changes in the regulation on credit risk management.

- Responsible department: FB in cooperation with IT.
Completion period: Q2.*
- 6.44 Amending the existing application for annual accounts of the central registry with a new reporting form.
*Responsible department: FB in cooperation with IT.
Completion period: Q4.*
- 6.45 Aggregating regulatory reports that arise from the new Decision and Instruction on liquidity risk management.
*Responsible department: FB in cooperation with IT.
Completion period: Q3.*
- 6.46 Developing a conference call application.
*Responsible department: KG in cooperation with IT.
Completion period: Q4.*
- 6.47 Developing an application for court cases.
*Responsible department: PR in cooperation with IT.
Completion period: Q4.*
- 6.48 Change in the form for submitting personal data obtained from the Public Revenue Office.
*Responsible department: PR in cooperation with IT.
Completion period: Q2.*
- 6.49 Upgrading and improving the payment statistics application.
*Responsible department: PS in cooperation with IT.
Completion period: Q3.*
- 6.50 Upgrading the application for electronic submission of writs of execution.
*Responsible department: PS in cooperation with IT.
Completion period: Q2*
- 6.51 Single accounts registry.
*Responsible department: PS in cooperation with IT.
Completion period: Q3.*
- 6.52 Upgrading the anti-money laundering application.
*Responsible department: PS in cooperation with IT.
Completion period: Q2.*
- 6.53 Adoption of the E-operator and MIPS-transactions applications.
*Responsible department: PS in cooperation with IT.
Completion period: Q4.*
- 6.54 Adjusting the data processing system for international trade to the new system of the Customs Administration of the Republic of Macedonia.
*Responsible department: ST in cooperation with IT.
Completion period: Q4.*
- 6.55 Streamlining the preparation process of reporting tables for external debt.
*Responsible department: ST in cooperation with IT.
Completion period: Q2.*

- 6.56 Streamlining of the process of collecting foreign investments data by introducing electronic reporting.
Responsible department: ST in cooperation with IT.
Completion period: Q4.
- 6.57 Activities for establishing a system for managing, storing, processing and handling statistical data, establishing a data warehouse.
Responsible department: ST in cooperation with IT.
Completion period: Q4.
- 6.58 Project for developing application for securities statistics compilation.
Responsible department: ST in cooperation with IT.
Completion period: Q4.
- 6.59 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.
Completion period: Q4.
- 6.60 Harmonizing the reports on financial assets and liabilities with the latest amendments in the methodology for making monetary statistics.
Responsible department: ST in cooperation with IT.
Completion period: Q2.
- 6.61 Application for the customer registration.
Responsible department: TOOA in cooperation with IT.
Completion period: Q4.
- 6.62 Integrated accounting system.
Responsible department: FSK in cooperation with IT.
Completion period: Q4
- 6.63 Upgrading the planning application.
Responsible department: FSK in cooperation with IT.
Completion period: Q4.
- 6.64 Changing the wage and allowance calculation application for natural persons and personal income tax.
Responsible department: FSK in cooperation with IT.
Completion period: Q4.
- 6.65 Upgrading the business trip application.
Responsible department: FSK in cooperation with IT.
Completion period: Q2.
- 6.66 Upgrading the general ledger application.
Responsible department: FSK in cooperation with IT.
Completion period: Q1.
- 6.67 Upgrading of the integrated material operations application.
Responsible department: FSK in cooperation with IT.
Completion period: Q2.
- 6.68 Changes in the IT Service Center according to the requirements and needs of the IT department.

Responsible department: IT

Completion period: Q4.

- 6.69 Adopting the manner of client digital signatures on XML files in the application developed by the National Bank.

Responsible department: IT

Completion period: Q4.

- 6.70 Monitoring the IT projects by using the project management tool TFS³.

Responsible department: IT.

Completion period: Q4.

- 6.71 Migration of the development servers to the new database systems (MS SQL 2017).

Responsible department: IT.

Completion period: Q4.

d) Ensuring business continuity

7. The Plan of Activities includes testing business continuity plans for several more critical working processes, so as to enable evaluation of the sustainability of the plans and consideration of difficulties that may arise during implementation.

In 2019, business continuity plans will be tested in the following working processes:

- Credit of last resort (Q1).
- Public relations (Q1).
- Publications (Q1).
- Monitoring of public procurement contracts and receipt, recording and control of invoices and other accounting documents (Q2).
- Physical-technical security and firefighting (Q2).
- Data backup and archiving (Q2).
- Supplying banks and cash centers with banknotes and coins (Q3).
- Financial reporting (Q3).
- Facility maintenance (Q3).
- Exercising labor rights and obligations (Q3).
- Foreign reserves management of the Republic of Macedonia (Q4).
- Support to MIPS participants and processing of forced payment orders (Q4).
- 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).
- Drafting and control of general and individual legal regulations (Q4).

³ TFS (Team Foundation Server).

CLOSING PROVISIONS

8. 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.
9. The Plan of Activities will be implemented within one calendar year, from 1 January to 31 December 2019.
10. The Plan of Activities shall enter into force on the date of adoption.

P. No. 02-15/XIX-1/2018
20 December 2018
Skopje

**Governor
and Chairperson
of the National Bank of the Republic of
Macedonia Council
Anita Angelovska Bezhoska**