

## **Speech by Mr. Dragan Tevdovski, Minister of Finance of the Republic of North Macedonia, at the 12<sup>th</sup> Conference on Payments and Market Infrastructure: "Open Doors to the Changing Payments Landscape"**

Respectable Governor of the National Bank, Anita Angelovska-Bezhoska,  
Respectable Minister of Information Society and Administration, Damjan Manchevski,  
Respectable representatives of the European Commission and the European Central Bank,  
Dear guests,

It is my pleasure to take part in the 12<sup>th</sup> Conference on Payments and Market Infrastructure, organized by the National Bank. I would like to thank the organizers for shifting my speech on the second day of the Conference. As part of the team making the last steps towards NATO membership, yesterday, I attended the joint meeting between the Committee on Integration and Secretary General Stoltenberg and the NATO Council. We have excellent cooperation with the National Bank, and the topic of the Conference is important and interesting one,

"Open Doors to the Changing Payments Landscape". We live in FinTech era, when new solutions for cashless payments, such as face-recognition and mobile phones, are globally sought. These trends need to be followed, and we are to add color to the payments landscape canvas in the Republic of North Macedonia. FinTech and innovation in services will bring multiple benefit to all. Users will be provided new less costly, tailor-made solutions. Further on, by expanding the array of payment services, "cashless environment", which is the best ally in the fight against grey economy, is also expanded.

Therefore, Ministry of Finance, together with the National Bank, prepared working version of new Law on Payment Services and Payment Systems. It will provide for liberalization of the payment services market and entry of non-banking institutions, such as payment institutions and e-money institutions.

In order to attract the companies, mainly those working in the ICT industry, the Law also provides for a facilitated market access. It is envisaged for the payment institutions, which are to be engaged with a limited type and scope of activity, to be established with 1.3 million Denar capital, rather than with 7.8 million Denar, as so far.

Law on Payment Services and Payment Systems will be the first step towards changing the payments landscape. The business community, in particular FinTech companies, is the one that is to introduce new innovative manners of payment - easily accessible and less costly. Market liberalization will increase competition as well, encouraging the banks and the other financial institutions to be more active in using the technological innovations in the financial sector. I would like to use this opportunity to call on all market participants, existing and future, to use the experience of the Baltic countries which have become leaders in the FinTech sector in just few years. This also goes to the regulators, such as the Ministry of Finance, the Ministry of Information Society and Administration and the National Bank of the Republic of North Macedonia. In order for the technological innovation to be used in the financial sector, a step forwards needs to be taken in the use of electronic signature and to provide for instant payment 24/7.

The Law also opens the door to financial inclusion. In fact, payment account, with new functions, is introduced under the Law. It will be free of charge for the vulnerable groups, and with reasonable costs for other consumers. Access to the payment account is the first step towards broader financial inclusion, i.e. use of array of financial services, such as transactions, payments, loans, insurance, etc.

As regards market infrastructure in terms of access to capital, there are novelties as well. Macedonian Stock Exchange has concluded Agreement on Cooperation with Funderbeam SEE from Croatia, providing for crowdfunding. Crowdfunding, as an idea and a concept, was initiated at the Council on Capital Development and it is becoming a reality already. It is of exceptional significance for the start-ups. Such on-line platform provides for their access to capital. In addition, the investors, seeking opportunities to invest in start-ups, are given the opportunity to invest through the platform, but also to trade with the investments on the secondary market. Trading on the platform is based on blockchain technology, meaning all trading is secure, transparent and quick.

Hence, the doors to the changing payments landscape in the country are open. Regulation is prepared, which, when in force, will need to be carried through, i.e. the companies are to recognize the opportunity.

At the end I would like to once again thank the National Bank and Governor Angelovska-Bezhoska for the invitation to be part of this Conference, and to wish the participants fruitful discussions.

Thank you.