



The proper implementation of instant payments in Macedonia by KIBS AD is confirmed by the latest World Bank study

Within the framework of the FASTT (Frictionless Affordable Safe Timely Transactions) project, the World Bank published its study "Fast Payments Championship Toolkit for Central Banks". Besides other points, the significant contribution of KIBS AD Skopje, as one of the participants in the preparation of this study, was highlighted. The study is expected to be a valuable tool for central banks in the implementation and development of instant (fast) payments, as a key driver towards financial inclusion and digitalization of the economy.

The study contains a combination of scientific research and discussions with central banks and private operators from different countries and jurisdictions on the challenges and factors contributing to the success of projects for implementation and development of instant payments, focusing on the best practices available to central banks. In doing so, five areas of action have been identified:

1. Defining the objectives to be achieved by introducing instant payments within the broader payment strategy for the private individuals' segment and positioning the role of the central bank;
2. Engaging all relevant stakeholders and building commitment within a shared vision;
3. Building an environment in which decisions about the design and implementation of solutions are made with the participation and dynamic discussion of all stakeholders;

4. Setting up a comprehensive communication strategy to increase awareness and education of both end-users and merchants, with the ultimate goal of widespread acceptance of payment services by market participants;

5. Provide continuous expert and technical support throughout the duration of the project.

As a payment system operator, KIBS AD Skopje is the only private institution included in the study to provide comprehensive expert input on how activities are carried out in the context of market initiatives for the development of instant payment systems.

A significant place in the study is reserved for the cost-benefit analysis for a longer period of time, prepared by KIBS AD Skopje before the start of the project, which takes into account not only the organic growth of digital payments, but also the potential of instant payments for the conversion of part of the gray economy into formal payment channels. The experiences that KIBS gathered from countries in the region and Europe helped it design the solution, identify the main challenges and success factors, and set consistent goals. It was also emphasized that it is important regular communication with the Ministry of Finance and other government institutions as participants in the existing KIBS payment system, in order to better coordinate the activities and cooperate.

KIBS is continuously committed to implementing state-of-the-art digital solutions in the payment infrastructure. Such is the Instant Payments project, which is in its final stages and involves the implementation of two interconnected platforms: a platform for a central solution for executing instant payments and a platform that will provide channels for initiating and accepting instant payments from end-users.

With the introduction of instant payments in the country, KIBS will not only significantly improve the payment infrastructure in terms of offering fast payments that are realised in real time (the recipient receives the funds in less than 10 seconds) and executed 24/7/365 days a year, but the impact is even more comprehensive and multidimensional for the economy as a whole. Thus, companies, especially small and medium-sized enterprises, improve their liquidity position in order to collect without delay and reduce the need for short-term liquidity loans, open up opportunities for more efficient collection of invoices, bills and liabilities to state institutions and more efficient provision of services to citizens and the business sector, increase the number of participants in financial system by making payments more available and thereby reduce cash in circulation, and the transaction costs associated with it. Hence, the impact of shrinking the grey economy obviously has a far-reaching impact on the overall fiscal economy and financial ecosystem.

The full study can be reviewed at the [FPS Championing Handbook_Final June 2024.pdf \(worldbank.org\)](#).