

НАРОДНА БАНКА

СРБИЈЕ



## Clearing of international payments

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Payment System Department, January 2011

## Beginnings...

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On 13 September 2007, the NBS signed the Agreement on Clearing of International Payments with the central banks of BiH and Montenegro.

The execution of payment transactions between Serbia- and BiH-domiciled banks started on 5 February 2008.

Once the platform for the clearing of international payments became operational, the execution of payment transactions was made easier, more efficient and less costly for the clients of banks participating in the clearing system through their respective central banks – signatories to the Agreement.

Clearing of international payments is available to banks domiciled in the Republic of Serbia and those domiciled in other states whose central banks have entered into agreement on the netting of international payments with the NBS.

## Basics ...

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The NBS is the clearing operator – based on the powers vested by the Agreement, the NBS performs multilateral netting, i.e. settlement of net clearing positions through the banks' settlement accounts with the central bank.

In terms of clearing and settlement of FX payments between banks domiciled in Serbia, net clearing positions are settled through banks' FX required reserve accounts with the NBS.

The settlement between central banks is performed through an account with a prime international bank (Deutsche Bank) in accordance with the provisions of the agreement.

All transactions are effected in euros.

## Advantages...

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The advantage of international clearing over standard international payment transactions via foreign correspondent banks is that the transactions are performed on the same day (for orders submitted by 2 pm), through the NBS as the processor, against minimal fee of 10 dinars per transaction for banks domiciled in Serbia.

Banks – signatories to the agreement charge no fee for incoming payments.



## Participants ...

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- Central banks;
- Banks that have entered with their central banks into agreement on participation in clearing of international payments;

Clearing participants are responsible for the authenticity, encoding and content of payment messages, for their timely sending, and for the security and protection of communication with the clearing system.

There are 24 participants in international clearing:

- National Bank of Serbia – Foreign Exchange Department,
- 18 banks from the Republic of Serbia and
- 5 banks from Bosnia and Herzegovina.

## Performance in 2010...

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- System availability 100%
- Total number of payments 13,997
- Total value of payments EUR 90,853,229
- Banks from BiH accounted for 62% of the total turnover, i.e. 38% of the total number of payment orders.

Relative to 2009:

- turnover increased by 61%,
- number of payments rose by 28%,
- number of participants from Serbia rose by 6%,
- time limit for order submission was extended by two hours (shifted from 12 noon to 2 pm)

