



**National Bank of Serbia
Payment System Department**

**CLASSIFICATION
OF SMALL-VALUE PAYMENT SYSTEMS
IN THE REPUBLIC OF SERBIA**

1.1 Small-value payment systems in the Republic of Serbia

Small-value payment systems in the Republic of Serbia set up based on the Law on Payment Transactions and pertaining regulations include:

1. **Clearing system of the National Bank of Serbia** – system for exchange and processing of individual payment orders or groups of payment orders for the purposes of multilateral net settlement. The system is **operated by** the National Bank of Serbia. The settlement of multilateral net positions is performed in the RTGS system. Participants in the clearing system:

- 1) National Bank of Serbia,
- 2) banks and
- 3) Republic of Serbia – ministry in charge of finance.

2. **DinaCard System** - system for processing participants' receivables arising from the use of the national payment card – DinaCard, for the purposes of multilateral net settlement. DinaCard system is **operated by** the National Bank of Serbia, i.e. organisational unit of the National Bank of Serbia in charge of clearing card transactions – National Payment Card Centre. The settlement of multilateral net positions is performed in the RTGS system. Participants in the DinaCard System:

- 1) banks issuing DinaCards and
- 2) banks through which receivables arising from the use of DinaCards are originated, these banks being owners of the card acceptance network.

3. **Interbank cheque clearing system** – system for processing participants' receivables under current account cheques. The system is **operated**

by the Association of Serbian Banks. The settlement of multilateral net positions is performed in the RTGS system. Participants in the system:

- 1) banks and
- 2) Republic of Serbia – ministry in charge of finance, subject to signing the Inter-Service Agreement with the Association of Serbian Banks.

4. Direct debit interbank clearing system¹ - system for processing direct debit transactions for the purposes of multilateral net settlement. The system is **operated by** the Association of Serbian banks. The settlement of multilateral net positions is performed in the RTGS system. Participants in the system:

- 1) banks and
- 2) Republic of Serbia – ministry in charge of finance, subject to signing the Agreement on Clearing and Direct Debit Settlement with the Association of Serbian Banks.

¹ On 6 May 2010, the Association of Serbian Banks obtained the National Bank of Serbia's consent regarding the performance of the role of the processor in the clearing of direct debits (G. No 9413)

1.2 Classification of small-value payment systems operating in the Republic of Serbia

To ensure a more efficient implementation of the Decision on Oversight of Payment, Clearing and Settlement Systems and of the Payment System Oversight Policy, the National Bank of Serbia has, based on the established Criteria for the Classification of Small-Value Payment Systems in the Republic of Serbia and data for 2009, assessed the significance of small-value payment systems and classified them into:

1. Systemically important systems:

- (1) Clearing system of the National Bank of Serbia.

2. Important payment systems:

- (1) DinaCard system and
- (2) Interbank cheque clearing system.

A systemically important small-value payment system is a system meeting at least one of the following quantitative criteria:

- that its **market share** is **over 75%** – value of payments in a small-value payment system relative to total value of payment transactions in all small-value payment systems, expressed as a per annum average;
- that its **share in RTGS** is **over 10%** – value of payment transactions executed in a small-value payment system relative to total value of payment transactions executed in the National Bank of Serbia's RTGS system;
- that its **average daily value of transactions** is **over RSD 10 bln** – average daily value of transactions in a small-value payment system at annual level;
- that its **concentration ratio** is **over 80%** – total value of payment transactions within a small-value payment system initiated by five

banks with the largest turnover relative to total turnover within the system, expressed as a per annum percentage;

- that its **netting effect** is **below 10%** – total value of net positions within a small-value payment system relative to total value of all payment transactions in the multilateral settlement of that system, expressed as a per annum average;
- that the **negative net position** of an individual participant in the small-value payment system is **minimum RSD 100 bln** per annum.

1.3 Quantitative indicators² for small-value payment systems operating in the Republic of Serbia, 1 January– 31 December 2009

Clearing system of the National Bank of Serbia

- Market share – 87.59%
- Share in RTGS – 1.69%
- Average daily value of transactions – RSD 2,021,137,069.39
- Concentration ratio – 58.41%
- Netting effect – 66.27%
- Largest negative net position – RSD 115,538,272,362.52

DinaCard System

- Market share – 6.59 %
- Share in RTGS – 0.13%
- Average daily value of transactions – RSD 152,055,598.31
- Concentration ratio – 68.51%
- Netting effect – 74.53%
- Largest negative net position – RSD 14,956,220,054.29

Interbank cheque clearing system

- Market share – 5.82 %
- Share in RTGS – 0.11%
- Average daily value of transactions – RSD134,411,151.44
- Concentration ratio - 80.46%
- Netting effect – 45.31%
- Largest negative net position – RSD 11,966,440,053.66

² Appendix 1

QUANTITATIVE INDICATORS
for the period 1 January–31 December 2009

Year: 2009

	Market share	Market share	Market share	Share in RTGS	Share in RTGS	Share in RTGS	Netting effect	Netting effect	Netting effect
	<i>NBS clearing system</i>	<i>Interbank cheque clearing</i>	<i>DinaCard System</i>	<i>NBS clearing system</i>	<i>Interbank cheque clearing</i>	<i>DinaCard System</i>	<i>NBS clearing system</i>	<i>Interbank cheque clearing</i>	<i>DinaCard System</i>
January	87.68%	5.30%	7.02%	1.74%	0.10%	0.14%	66.55	39.85	74.87
February	87.78%	5.51%	6.71%	1.79%	0.11%	0.14%	66.49	44.53	74.18
March	87.63%	5.84%	6.53%	1.93%	0.13%	0.14%	66.09	46.41	76.11
April	87.88%	5.54%	6.58%	1.80%	0.11%	0.13%	66.25	46.13	75.76
May	87.71%	5.53%	6.76%	1.88%	0.12%	0.14%	65.83	43.71	74.43
June	87.82%	5.68%	6.50%	1.99%	0.13%	0.15%	65.38	45.20	75.68
July	88.39%	5.42%	6.19%	1.68%	0.10%	0.12%	67.25	44.61	74.46
August	87.35%	5.86%	6.78%	1.64%	0.11%	0.13%	66.09	47.24	72.99
September	87.54%	6.18%	6.29%	1.61%	0.11%	0.12%	65.54	48.25	73.53
October	87.73%	6.08%	6.20%	1.72%	0.12%	0.12%	65.50	48.63	73.53
November	86.78%	6.38%	6.83%	1.48%	0.11%	0.12%	66.61	41.41	74.62
December	86.74%	6.41%	6.85%	1.33%	0.10%	0.10%	67.60	45.59	74.16
	87.59%	5.82%	6.59%	1.69%	0.11%	0.13%	66.27	45.31	74.53

Source: Payment System Department