



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM

CHAPTER 6

PAYMENT SYSTEM



6 PAYMENT SYSTEM

6.1 LEGAL AND INSTITUTIONAL ASPECTS

The payment system in the Slovak Republic is governed primarily by Act No. 510/2002 Coll. on the payment system and on amendments to certain laws as amended (hereinafter “the Payment System Act”).

A direct amendment (Act No. 270/2008 Coll.) to the Payment System Act was adopted in 2008. The enactment of this amendment was related to changes in the SIPS domestic payment system and to the connection to the TARGET2 payment system from 1 January 2009, taking place because of the introduction of the euro in the Slovak Republic.

At the European Union level, the principal law in this area is Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC (hereinafter “the Payment Services Directive”).

The main aim of the Payment Services Directive is to establish a single payment market within the Community (including the European Economic Area) by introducing a harmonized legal framework, the intention being to eliminate internal market borders in regard to the provision of payment services.

In 2008, Národná banka Slovenska in cooperation with the Ministry of Finance of the Slovak Republic began the process that will result in the transposition of Payment Services Directive into Slovak law through the adoption of a new generally binding law, expected to take effect as of 1 November 2009. With the adoption of this law, the Payment System Act will be repealed.

The amendment act that will transpose the Payment Services Directive governs mainly:

- a) the rights and obligations of payment service providers and payment service users in regard to the provision of payment services within the European Economic Area in the curren-

cies of EEA member countries, in the scope of the Payment Services Directive taking into account the principle of full harmonization, and, where other payment services are provided, in the scope of the minimum requirements for the provision of these services (outside the ambit of the Payment Services Directive);

- b) conditions for establishing and carrying on the business of payment institutions in the scope of the Payment Services Directive taking into account the principle of full harmonization;
- c) conditions for establishing and carrying on the business of electronic money institutions within the scope of European law;
- d) conditions for establishing and operating payment systems within the scope of European law; and
- e) out-of-court complaint and redress procedures for the settlement of disputes concerning the provision of payment services.

The following Regulations (EC) of the European Parliament and of the Council have also been transposed into Slovak law:

- Regulation No. 2560/2001 on cross-border payments in euro, and
- Regulation No. 1781/2006 on information on the payer accompanying transfers of funds.

During the course of 2008, the Ministry of Finance of the Slovak Republic and Národná banka Slovenska participated on a basis of mutual cooperation in the legislative recodification of Regulation No. 2560/2001 on cross-border payments in euro.

The Permanent Court of Arbitration of the Slovak Banking Association was established with effect from 1 July 2003. Its registered office is in Bratislava and at present it has two chambers:

- a) the chamber for deciding disputes on payments,
- b) the chamber for deciding disputes arising from other commercial or civil relations, which commenced operation on 1 January 2004.

In 2008, Národná banka Slovenska approved the Slovak Banking Association’s proposal not to pay any contribution in 2008 to the opera-



tion of the Permanent Court of Arbitration of the Slovak Banking Association, having regard to the court's financial results and to the sufficiency of funding for the activities of the chamber for deciding disputes on payments. At the same time, Národná banka Slovenska approved Addendum No. 3 to the Statute of the Permanent Court of Arbitration.

6.2 THE PAYMENT SYSTEM OF THE SLOVAK REPUBLIC

6.2.1 PAYMENT SYSTEM CONCEPT IN THE SR IN RELATION TO THE EURO INTRODUCTION

By joining the euro area, Slovakia was obliged to connect to the new TARGET2 payment system, since the execution of currency transactions through this system is a mandatory requirement. Preparation of the strategy and procedure for the connection process began back in 2005, when the NBS Governor sent a letter to the ECB declaring that connection to the TARGET2 system would be established, at the latest, by the time Slovakia adopted the euro. A decision on the future form of the payment infrastructure in Slovakia was taken at the end of 2006 when approval was given to a strategy which envisaged the SIPS system becoming a retail payment processing and clearing platform in the form of a TARGET2 "ancillary system", with the RTGS functionality removed from the original SIPS system and replaced by the TARGET2 system.

The selected strategy for rebuilding the payment infrastructure in Slovakia was also supported by the Slovak banking community, which undertook to participate in the TARGET2 system and to use the future EURO SIPS system. The banking sector's preparations for connecting to TARGET2 came under the intensive coordination of Národná banka Slovenska in September 2007, with the presentation of a detailed plan containing required analyses of banks' procedures and future ancillary systems (EURO SIPS, Central Securities Depository, First Data Slovakia), training of future participants, registration for SWIFT services, three-phase coordinated testing in the TARGET2 system and, finally, registration in the production environment.

During 2008, Národná banka Slovenska held eight working meetings with representatives of

banking sector participants, at which it updated them on the progress of the work, gave guidance on their next steps, evaluated testing, and, towards the end of the year, specified all the steps essential to ensuring a successful transition to the euro in the area of cashless payments. In cooperation with the European Central Bank as well as with representatives of the TARGET2 system operator, Národná banka Slovenska coordinated not only the connection of the banking sector, but also the connection of NBS itself (for further details of these activities, see part 6.3). This did not just concern the technical aspect of the connection, but encompassed also the professional, organizational and staffing arrangements for the operation of the TARGET2-SK system and the preparation of the legislative framework for payment infrastructure changes.

Národná banka Slovenska, banks and ancillary systems confirmed at the end of 2008 their preparedness for commencing regular operation, and the entire TARGET2 connection process culminated with the successful transfer of koruna account balances held with banks in the SIPS system to euro accounts in the TARGET2-SK system.

The tasks under the National Euro Changeover Plan for the Slovak Republic also included modifying the concept of the interbank payment system in the Slovak Republic. The SIPS payment system was therefore prepared for the transformation related to the euro introduction in the Slovak Republic, from being a sole domestic interbank payment system to an ancillary system of the TARGET2 trans-European payment system.

In upgrading the SIPS payment system into the EURO SIPS ancillary payment system, the aim was to change the existing interbank payment system so that:

- it meets the requirements placed on a TARGET2 ancillary system;
- it ensures the same functionality that is at present ensured by the SIPS payment system;
- as at 1 January 2009 it replaces the Slovak koruna currency unit with the euro currency unit of the European Union;
- from 1 January 2009 it performs processing and multilateral clearing of domestic retail payments ("the retail system"), and the results of the clearing of these domestic transactions are settled in TARGET2-SK;



- it maintains a price level comparable to that of the existing SIPS payment system.

Since the SIPS payment system was not intended to be working in a dual regime in the last quarter of 2008, but was to be directly replaced by the new EURO SIPS system on the last day of the year, the SIPS transformation project was divided into two stages.

The first stage involved ensuring the stability of the system's operation prior to the euro introduction by implementing the upgraded SIPS payment system and putting it into live operation with the Slovak koruna currency, with a built-in functionality, and with the parameters of the future EURO SIPS payment system. From 22 June 2008, the upgraded SIPS payment system for the euro introduction was implemented by Národná banka Slovenska and by all participants in the interbank payment system. As of that date, the SIPS payment system was prepared for parameterization in regard to the EURO SIPS ancillary system and the transition from the Slovak koruna currency to the euro currency, which had to be carried out on 31 December after the reconciliation of accounts for the last operating day of the SIPS system.

The second stage involved testing the connection of the EURO SIPS payment system to the TARGET2-SK system using the services of S.W.I.F.T company, the aim being to correctly set the parameters and security functions of the infrastructure and of data transmission between EURO SIPS and TARGET2-SK. After successful connectivity testing, the operational coordination of the EURO SIPS system as a TARGET2-SK ancillary system was tested in accordance with Eurosystem requirements. As one of the future TARGET2-SK participants, the EURO SIPS system took part in the country tests, and it carried out the prescribed tests within the stipulated deadlines. Tested in parallel with this was the actual transition of the SIPS payment system to the operation of the EURO SIPS ancillary system, including the change in parameters and its operation in the euro currency.

At the same time, contractual arrangements with the future EURO SIPS participants were being prepared in connection with the change of the payment system's functionality to the ancillary system and with the commencement of inter-

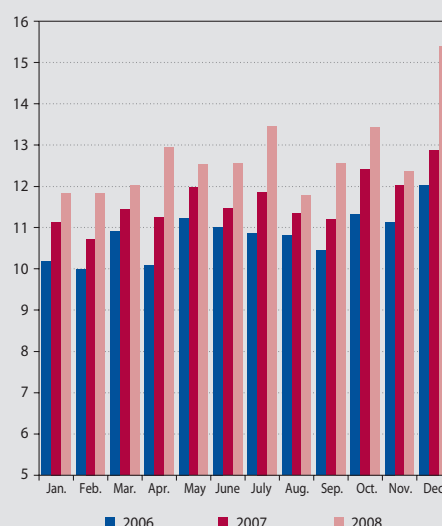
bank payments executed in the euro currency. In relation to the change of the payment system's functionality, the position of some of the existing payment system's participants was changed from 1 January 2009 – three of them were transformed into two TARGET2-SK ancillary systems and two participants opted for the settlement of payments through other entities. By mid-December 2008, the EURO SIPS Payment System Agreement had been signed by the future EURO SIPS participants, and on 1 January 2009 a total of 27 entities became active participants of the EURO SIPS payment system.

In accordance with the applicable rules, the operation of EURO SIPS as a TARGET2-SK ancillary system was launched in the afternoon of 31 December 2008. This opening of its first operating day in the euro currency went without a hitch and took place at the time stipulated in the system's applicable schedule.

6.2.2 PAYMENTS EXECUTED VIA SIPS

In 2008, 32 participants of the interbank payment system were connected to the SIPS payment system. According to the domestic categorization, these included 30 direct and two indirect participants. The number of participants and their structure did not change during 2008, and the list of them at the end of the year was the same as at the beginning of the year.

Chart 42 Number of transactions executed in SIPS in 2006, 2007 and 2008 (millions)



Source: NBS.



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Table 33 Number of transactions executed in SIPS (millions)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
2004	8.12	8.09	8.94	8.57	9.11	9.46	8.81	9.06	8.94	9.27	9.42	10.93
2005	8.86	9.14	9.91	9.88	10.25	10.24	9.84	9.91	9.83	10.24	10.28	11.34
2006	10.18	9.99	10.92	10.09	11.23	11.01	10.85	10.80	10.45	11.34	11.13	12.04
2007	11.12	10.72	11.45	11.26	11.97	11.46	11.87	11.35	11.19	12.42	12.02	12.89
2008	11.83	11.85	12.03	12.94	12.53	12.57	13.47	11.79	12.57	13.43	12.36	15.38

Source: NBS.

Table 34 Value of transactions executed in SIPS (SKK trillions)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
2004	2.77	2.62	3.05	2.86	3.30	3.95	3.84	3.70	3.46	3.43	3.25	4.46
2005	3.95	13.78	11.12	6.35	5.98	6.22	5.04	5.60	5.14	5.00	5.53	5.93
2006	6.43	6.36	8.88	7.15	8.37	8.38	8.61	7.25	6.17	6.21	6.13	5.69
2007	7.46	5.45	9.97	7.34	6.87	6.10	5.85	6.69	5.44	6.47	5.95	5.95
2008	7.08	6.62	6.70	7.53	6.67	7.21	8.00	5.83	6.15	6.42	4.67	6.56

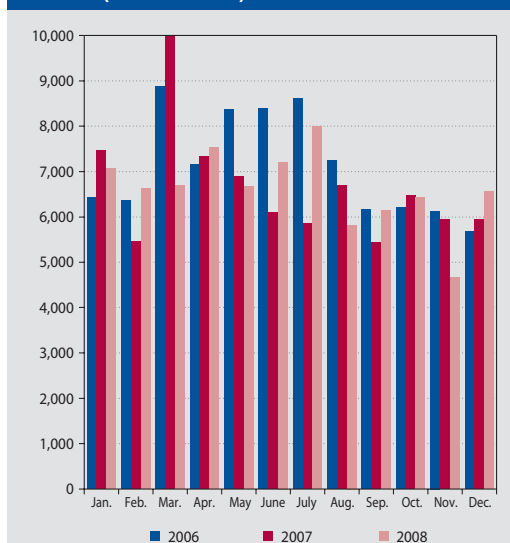
Source: NBS.

A total of almost 153 million transactions were executed through the SIPS interbank payment system in 2008. This represented an increase of 9.34% in comparison with 2007, and maintained the rising trend of previous years in the year-on-year figure. The number of transactions executed

in each month of 2006, 2007 and 2008 is shown in Chart 42 and Table 33.

The total value of transactions executed in 2008 was around SKK 79.5 trillion (EUR 2,638.9 billion), which was almost identical to the previous year's figure. The total value declined by 1.32% in comparison with 2007, thereby confirming that the previous year had marked a turning point in the year-on-year growth curve – after rising by almost 50% from 2004 to 2006, the total value of transactions fell for the first time in 2007, by 7.1%. The value of transactions executed in each month of 2006, 2007 and 2008 is shown in Chart 43 and Table 34.

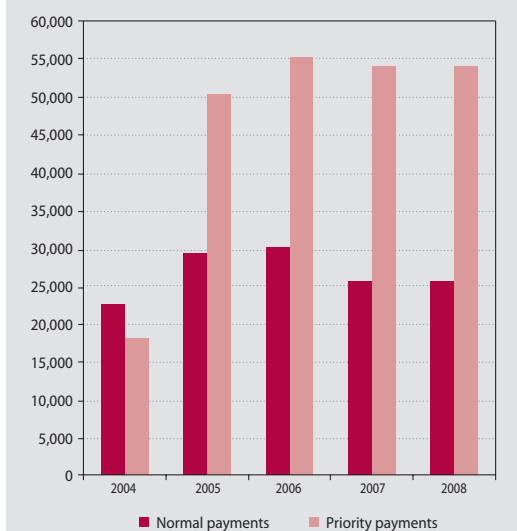
Chart 43 Value of transactions executed in SIPS (SKK billions)



Source: NBS.

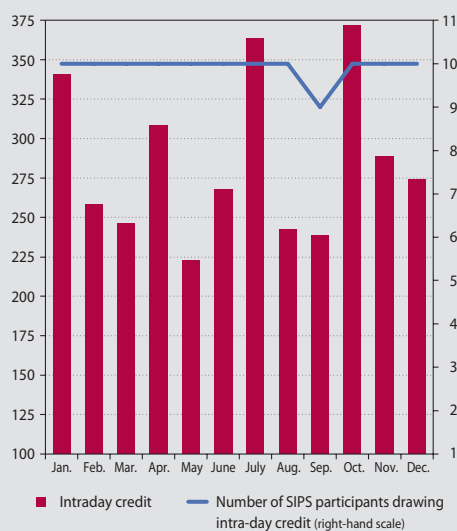
Priority payments as a share of the total number and value of executed transactions did not change in 2008 (277,697 priority transactions were made in 2008 with a total value of SKK 54 trillion, or EUR 1,792.5 billion). Priority payments as a share of the total number of transactions therefore remained at the same level as in 2007, below 0.2%. Although the share of the number of these transactions is minimal, the value of priority payments as a share of the total value of executed transfers represented 68%, meaning that the ratio of normal payments to priority payments remained at 32:68.

Chart 44 Normal and priority payments as a share of the total value of executed transactions (SKK millions)



Source: NBS.

Chart 45 Intraday credit in 2008 (SKK billions)



Source: NBS.

Chart 44 shows the relative share of normal and priority payments, by value, over five consecutive years, confirming the stability in the total value of transactions as well as in proportional representation of both categories.

In 2008, the SIPS payment system was open to participants during all 250 working days. The average daily number of payments processed and settled in the system was 583,000 with a total value of almost SKK 317.76 billion (EUR 10,547.7 million). The average value per transaction represented SKK 545,370 (EUR 18,102.97).

To put these figures in context, over a period of approximately 6.38 working days last year, the SIPS system processed and settled payments with a cumulative value equivalent to the gross domestic product of the Slovak Republic for 2008.¹ Given that GDP in 2008 was higher than in 2007, this period was more than half a working day longer than in 2007.

Národná banka Slovenska provides intraday credit to those participants of the interbank payment system who are required to hold minimum reserves. Intraday credit is provided as an overdraft facility on financial reserve accounts with a maximum overdraft limit. The intraday credit is

payable within one operating day and must be fully collateralized, i.e. by the relevant amount of securities listed in the central register of short-term securities maintained by NBS.

In 2008, intraday credit was requested by ten SIPS participants. In contrast to the previous year, their using of intraday credit was evenly spread through the year with all the participants using this credit in every month apart from September. In 2008, participants who applied for intraday credit were provided with this credit in the total amount of more than SKK 3,422.3 billion (EUR 113.6 billion). The average weekly amount of intraday credit provided by Národná banka Slovenska was SKK 66.092 billion or EUR 2,193.9 million (the amount of intraday credit provided to participants is set on a weekly basis). The amount of intraday credit provided in each month of 2008 and the number of participants who drew this credit is shown in Chart 45.

Information on the number and value of transactions processed in the SIPS system is published on the website of Národná banka Slovenska.

6.2.3 PAYMENT CARDS²

The number of payment cards issued increased by 7.5% in 2008, to stand at 5.255 million.

¹ GDP for 2008 amounted to SKK 2,028.42 billion (source: Statistical Office of the Slovak Republic).

² Source: Slovak Banking Association.



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As at 31 December 2008, a network of 2,266 ATMs and 31,722 payment terminals could be used by bank clients in the territory of the Slovak Republic.

In 2008, payment card holders made almost 155 million transactions with a total value of almost SKK 387 billion (EUR 12.85 billion). ATM withdrawals numbered 90 million and had a total value of SKK 304 billion (EUR 10.09 billion), while the number of payments made through payment terminals was almost 65 million with a total value of more than SKK 85 billion (EUR 2.82 billion).

Although the number and value of payments made through payment terminals rose sharply in 2008, almost 60% of all payment card transactions comprised ATM cash withdrawals. The number of cashless payments is increasing more rapidly in comparison with cash withdrawals – last year the number of cashless payments and cash withdrawals rose, respectively, by 28% and 5% year-on-year, and their total values increased, respectively, by 23% and 11% year-on-year.

6.3 COOPERATION WITH INTERNATIONAL FINANCIAL INSTITUTIONS IN THE FIELD OF PAYMENT SYSTEMS

ASSESSMENT OF THE CDCP SECURITIES SETTLEMENT SYSTEM IN REGARD TO THE SMOOTH ENTRY OF SLOVAKIA INTO THE EURO AREA

In regard to the adoption of the euro in the Slovak Republic, the European Central Bank (ECB) asked Národná banka Slovenska to make an assessment of securities settlement systems (SSS) with regard to the standards for the use of EU securities settlement systems in Eurosystem credit operations. The ECB determined a formal procedure for ensuring the performance of this assessment, under which Národná banka Slovenska acted both as the coordinator in relation to domestic securities settlement systems and as the first assessor. The role of the second assessor was filled by the Banca d'Italia. The final assessment report was produced by the ECB in December 2008, and the assessment process came to a conclusion when the ECB sent its recommendations.

The subject of this assessment in the Slovak Republic was the central securities depository of

the Slovak Republic, Centrálny depozitár cenných papierov SR a.s. (CDCP). With the approval of the Governing Council, CDCP was assessed as “compliant” with standards for its use in Eurosystem credit operations. At the same time, CDCP was included in the list of SSSs eligible for use in Eurosystem credit operations. The ECB also sent CDCP several recommendations, which CDCP is expected to meet as soon as possible. Confirmation that CDCP had been added to the updated list of eligible SSSs in the euro area was given in a press release of 19 December 2008 (published on the ECB website). The next assessment of Slovak SSSs is due to take place in 2010.

EUROPEAN PAYMENTS COUNCIL – SEPA

The SEPA project concerns the creation of the Single Euro Payments Area (SEPA) in which consumers, companies and other economic entities will be able to send and receive payments in euro – whether within one country or between different countries – under the same basic conditions, rights and obligations, and regardless of where they are located. The body governing and coordinating SEPA at the European level is the European Payments Council, of which the Slovak Banking Association is a member. The SEPA project is also supported by the European Central Bank and European Commission, as well as by the national central banks. The SEPA project covers two basic payment instruments – credit transfers and direct debits – and it defines a common framework for payment cards.

In 2008, SEPA reached an important milestone with the launch of the SEPA Credit Transfer (SCT) scheme on 28 January. From this date, it has been possible to carry out payments based on common rules and standards. Over the course of the year, the SCT scheme was joined by more than 4,300 banks from 31 European countries, covering around 95% of the total volume of payments. Seven of these banks were operating in Slovakia. In July, the European Payments Council approved the new version (3.2) of the SEPA Credit Transfer Rulebook.

The usage of SCT is being consistently monitored by the European Central Bank using the so-called euro area SEPA indicator, representing the share of SCT in the interbank domain as a percentage of the total volume of credit transfers in the euro area. The indicator is updated regularly



on a monthly basis and published on the ECB website. As at the end of 2008, SCT transfers as a share of total credit transfers carried out during the year in the euro area stood at 1.8% (Source – European Central Bank).

As regards the SEPA Direct Debit (SDD) scheme, it is due to be launched on 1 November 2009. In 2008, the European Payments Council issued a new version (3.2) of the SEPA Direct Debit Rulebook. Later, in December of the same year, the EPC plenary meeting approved “e-mandates” as an alternative way of executing SDD.

Last year, the European Central Bank issued the 6th SEPA Progress Report, which included a list of the key steps that need to be taken to achieve the objectives of the SEPA project.

SEPA COMMITTEE

The highest governing and coordinating authority for the SEPA project in the Slovak Republic is the SEPA Committee, which is chaired by the Slovak Banking Association. The Committee also brings together both providers and users of payment services and is comprised of: Národná banka Slovenska, the Slovak Banking Association, the Ministry of Finance of the Slovak Republic, the State Treasury, representatives of commercial banks, the postal service Slovenská pošta, representatives of SMEs, business representatives, and the representatives of consumers.

THE EUROSYSTEM, ESCB, TARGET2 SYSTEM, AND THE CONNECTION OF NBS AND THE BANKING SECTOR TO THE TARGET2 SYSTEM

The development of the new TARGET2 payment system was successfully completed in 2007, culminating on 19 November of that year when the system was put into operation ready for the first migration wave of existing participants. This migration process of the original TARGET participants took place progressively, stage by stage, and was successfully completed when the last migration took place on 19 May 2008. From then on, the original TARGET system ceased to exist.

What has not ceased, however, is the cooperation between the TARGET2 operator, the Eurosystem central banks, the European System of Central Banks, and TARGET2 users. The works on a new version of the Single Shared Platform (SSP), on which the TARGET2 system operates, have be-

gun as early as during the migration phase. This was not an exceptional situation, but rather part of a process of regular annual platform upgrading, through which new functionalities are added in accordance with participants' requirements and errors from the previous version should be removed. Every single upgrade is subject to the strict testing at the level of the central banks connected to the TARGET2 system, as well as at the level of all system participants. After successful testing, SSP version 2.0 was applied in the TARGET2 production environment on 17 November 2008.

In November 2007, the NBS Bank Board approved the connection of NBS and the Slovak banking sector to the TARGET2 system. The TARGET2 connection project devised by NBS ensured the top-level coverage of the personal, organizational, technical and legal changes that the connection preparations required, during the year 2008. The main aims of this project were to analyse the NBS intrabank processes which would be affected by the connection to the TARGET2 and to prepare an output plan for changes and interventions that needed to be made in existing processes, as well as to prepare and implement the connection plan for NBS and the banking sector (registration for SWIFT services, registration in the TARGET2 test environment, three-phase testing, registration in the production environment, and finally migration and the commencement of normal operation).

Throughout the year 2008, NBS was maintaining an intensive communication with the representatives of the future TARGET2-SK participants. In March 2008 the participants were provided with the information necessary to register for SWIFT services used in the TARGET2 system and to complete the SSP registration forms for registration in the testing environment, as well as the information on all the organizational aspects of this process. Training courses on the use of the Information and Control Module were held in March, and were attended by almost 200 TARGET2 users from the banks and the ancillary systems.

In April 2008, a meeting of ECB representatives and representatives of the SSP operator was held at NBS, which besides other things confirmed the TARGET2 system testing could begin as had been intended. During the course of April, all



participants were registered for testing in the TARGET2, and the testing of the participants began on 5 May 2008.

The testing process itself was divided into three phases – connectivity testing, interoperability testing, and country testing. The first two phases took place in parallel and involved individual testing of each participant, requiring them to pass the prescribed testing scenarios (compulsory and elective). The final phase, undertaken in September and October, involved the comprehensive simulation of operating days with all banks and ancillary systems connected, as well as the testing of non-standard situations. The testing was carried out successfully and all participants met the technical and operational pre-conditions for the regular operation.

During November and December, the participants were being successfully registered in the TARGET2 production environment, and the system became technically prepared for the launch of the live operation. Simultaneously, the preparation of the legislative framework for the connection of NBS and the banking sector to TARGET2 was reaching its culmination. On 9 December 2008, the ECB Governing Council discussed the draft of NBS Decision No. 9/2008 on conditions for participation in TARGET2-SK, under which the harmonized conditions for participation in the TARGET2 would be adopted in NBS legal regulations. Agreements on participation in the TARGET2-SK system were signed between NBS, as the system operator, and all of its participants in December, too.

THE EUROSYSTEM, TARGET2 SECURITIES, TARGET2 ADVISORY GROUP

In the field of payment systems, as well as other matters, the nominated representatives of Národná banka Slovenska on the working committees and working groups of the European System of Central Banks (ESCB) continued to cooperate with ESCB representatives.

In 2008, as part of the consolidation of the European securities market infrastructure, the Eurosystem supported by the ESCB continued its work on the TARGET2-Securities (T2S) project. The aim of this project is to maximize the security and efficiency of securities transaction settlement. T2S will serve as a technical platform for

the settlement of securities in central bank money, within the euro area / EU / EEA, primarily in the euro currency, while the technology will support settlements also in non-euro currencies.

In 2008, the T2S Advisory Group (AG) was established under the ESCB as an advisory body to the ECB's TS2 decision-making body, in which both Národná banka Slovenska and Centrálny depoziár cenných papierov, a.s. are represented. The mission of the AG is to open cooperation on the T2S project between, on the one hand, the ESCB representatives and, on the other hand, representatives of central securities depositories and their clients, as well as securities market regulators.

The AG in 2008 participated in the defining of user requirements for the proposed T2S functionalities, which are set out in the User Requirements Document (URD). Version 4.0 of the URD was approved by the ECB Governing Council in July 2008. The second half of 2008 saw the continuation of cooperation, the launch of the drafting of legal documents for the arrangements of contractual relations in regard to the T2S platform, and the continuation of market consultation on the proposed T2S services.

In accordance with the decision of the ECB Governing Council, T2S will be operated by central banks (a group of four central banks designated as 4CB) and is due to be put into operation in 2013.

6.4 PREPARATION FOR THE INTRODUCTION OF THE EURO

WORKING COMMITTEE FOR BANKS AND THE FINANCIAL SECTOR

In 2008, the Working Committee for Banks and the Financial Sector ("the Committee") performed its tasks resulting from the National Euro Changeover Plan for the Slovak Republic and the tasks approved by this Committee in regard to non-cash and cash circulation. The Committee's meetings were held according to its work schedule, approved at half-yearly intervals.

The Committee's membership comprised representatives of Národná banka Slovenska, the Slovak Banking Association, the Ministry of Finance



of the SR, the State Treasury, the Slovak Insurance Association, the Slovak Association of Asset Management Companies, the Association of Supplementary Pension Insurance Companies, the Association of Pension Fund Management Companies, the Slovak Association of Securities Dealers, and the postal service Slovenská pošta. The Committee also invited representatives of other financial sector institutions, e.g. the Bratislava Stock Exchange, to attend some of its meetings.

The Committee was established in 2005 and performed various tasks over its three-year existence, mostly relating to cashless and cash payment systems, though also to the field of secu-

rities and financial market transactions. These tasks concerned, for example, setting rules for the dual display of prices and financial amounts throughout the financial sector, solving problems arising with the end of 2008, connection to the TARGET2 system, electronic banking, payment card changes, loading of ATMs with euro, POS terminals setting, strategy on the introduction of the euro into cash payments, frontloading of euro cash, and legislative regulation of changes in cash and non-cash circulations related to the introduction of the euro in Slovakia.

The Working Committee for Banks and the Financial Sector was wound up following the successful introduction of the euro in Slovakia.