



**GOVERNOR OF THE CENTRAL BANK OF MONTENEGRO
DR IRENA RADOVIĆ**

SEPA AS A DRIVER OF COMPETITIVENESS AND BUSINESS EFFICIENCY

I would like to highlight the role and dedication of the Chamber of Economy of Montenegro team, led by its President Dr Nina Drakić, who recognized SEPA as a development opportunity for the Montenegrin business community from its beginning and provided strong support to this process. The proactive engagement of the Montenegrin Chamber and its clear commitment to adopting European standards have further strengthened institutional cooperation and sent an important message to the business community.

Montenegro's accession to SEPA has significantly strengthened its market position, sending a clear and credible signal to international investors that the country represents a stable market aligned with European regulatory standards, said Dr Irena Radović, Governor of the Central Bank of Montenegro, in an interview for the Chamber's magazine Glasnik. According to her, becoming a SEPA member means a higher level of predictability, standardized procedures, and lower operational risks for foreign investors, while SEPA's benefits for the Montenegrin business community, es-

pecially small and medium-sized enterprises, reflect in removed numerous administrative and cost-related barriers.

- This has enabled domestic companies to gain more equal access to the European market, establish partnerships more easily and manage financial flows more efficiently. At the same time, accession to SEPA has created stronger preconditions for the integration of domestic enterprises into European value chains, strengthening export potential and improving connectivity with EU markets, Radović adds.

Montenegro has recently become part of the SEPA area. How significant is this step strategically for the overall European integration process? How do you perceive Montenegro's accession to SEPA in the context of meeting the economic criteria for EU membership?

I. Radović: Montenegro's accession to the Single Euro Payments Area (SEPA) marks one of the most significant milestones in Montenegro's European integration process towards the single European economic market. It also sends a strong signal of institutional and regulatory readiness for membership in the European Union (EU), with tangible benefits for citizens and the business community.

According to the latest World Bank report "Measuring the Cost of Cross-Border Business-to-Business Payments in the Western Balkans" (February 2026), following its accession to SEPA, Montenegro has positioned itself as the country with the lowest cross-border payment costs to the European Union in the Western Balkans region.

For a transfer of EUR 5,000, costs amount to approximately 0.04–0.05% of the transaction value, while for transfers of EUR 20,000 they fall below 0.01%, which is a level comparable to the most efficient EU markets. Such cost convergence directly contributes to the integration of the domestic economy into the single market and reduces the so-called "periphery costs".

These reforms, implemented by the Central Bank of Montenegro and commercial banks in Montenegro, do not represent merely technical alignment, but rather a profound structural transformation of the payment system, as they directly affect the daily lives of citizens and the operations of businesses.

By joining SEPA, Montenegro applies the same rules, standards, and procedures that are in force within the EU, thereby functionally integrating its domestic financial system into the single European market. This further confirms the Central Bank of Montenegro's regulatory maturity and its capacity to design and implement complex reforms in line with EU standards and the practices of the European System of Central Banks (ESCB).

In the context of meeting the economic criteria for EU membership, SEPA is of strategic importance. It helps strengthen a functional market economy, increase the speed and reliability of financial flows, reduce transaction and operational costs, and enhance the country's investment attractiveness. At the same time, SEPA demonstrates that European integration is not an abstract goal, but a process that is already delivering concrete and measurable benefits to citizens and the economy, even before formal membership in the European Union.

In this regard, accession to SEPA also represents a concrete contribution to meeting the benchmarks under Negotiating Chapter 4 – Free Movement of Capital. Through comprehensive regulatory and operational alignment with SEPA standards, the CBCG has ensured the full implementation of the European legal framework in the field of payment services, thereby further strengthening the security, transparency, and competitiveness of the financial system.

What are the most tangible benefits brought to the citizens and businesses of Montenegro by SEPA membership, particularly in terms of costs, speed, and security of payment transactions with the EU?

I. Radović: The quality of financial infrastructure is today one of the key determinants of investment attractiveness. SEPA has brought a fundamental change in the way citizens and businesses in Montenegro conduct international euro payments, transforming them from costly and slower cross-border transactions into low-cost payments within the European area.

For citizens, this means lower costs, greater transparency, and simpler payments abroad, along with enhanced security through the application of European rules. On the other hand, SEPA delivers concrete operational benefits for the business community, especially companies operating with partners in the EU, such as easier cash-flow planning, improved liquidity, and more secure business operations.

The effects have already been visible. In the period from 7 October 2025 to 7 February 2026, savings of more than

three million euros were achieved. The average cost of a SEPA transaction amounts to EUR 6.21, while the average cost of a SWIFT transaction in 2024 was EUR 73.4, almost 12 times higher. Savings are particularly significant for smaller amounts, but also for larger transactions in the business sector, where costs are several times lower, which directly strengthens the competitiveness of the domestic economy. SEPA thus confirms itself as a concrete and measurable benefit of European integration, already improving the daily lives of citizens, as well as the competitiveness and performance of businesses.

How important is SEPA for attracting foreign investment and strengthening the competitiveness of the Montenegrin economy, particularly small and medium-sized enterprises operating with EU partners?

I. Radović: The quality of financial infrastructure today is one of the key factors of investment attractiveness.

In this context, Montenegro's accession to SEPA has significantly strengthened its market position, sending a clear and credible signal to international investors that the country represents a stable market aligned with European regulatory standards. For foreign investors, this means a higher degree of predictability, standardized procedures, and lower operational risks.

For the Montenegrin economy, and especially for small and medium-sized enterprises, SEPA has removed numerous administrative and cost-related barriers. This has enabled domestic companies to gain more equal access to the European market, establish cooperation more easily, and manage financial flows more efficiently. At the same time, accession to SEPA has created stronger preconditions for the integration of domestic enterprises into European value chains, strengthening export potential and improving connectivity with EU markets.

In the long run, this contributes to the structural strengthening of the competitiveness of the Montenegrin economy, increased productivity, and its gradual convergence toward European standards of productivity and business performance.

CBCC 25
CENTRALNA BANKA
CRNE GORE

Cijene prekograničnih plaćanja iz Crne Gore najpovoljnije u regionu

TRANSFER	TRANSFER
5.000 €	20.000 €
0,04–0,05%	< 0,01%
vrijednosti transakcije	vrijednosti transakcije

Nivo uporediv sa najefikasnijim tržištima EU

www.cbcg.me

Savings are particularly significant for smaller amounts, but also for larger transactions in the business sector, where costs are several times lower, which directly strengthens the competitiveness of the domestic economy

What does SEPA mean for the banking sector? To what extent has it been challenging to meet EU requirements?

I. Radović: For the banking sector in Montenegro, joining SEPA represented a profound operational and technological transformation, not merely regulatory alignment. Banks had to adjust their information systems, improve procedures, and further strengthen internal capacities in order to meet European standards.

The process was carried out in two phases:

- Institutional and regulatory accession to the SEPA area, which was formalized on 21 November 2024 under the coordination of the

Central Bank of Montenegro, in cooperation with the Government, Parliament, and other competent institutions, and

- the technical and operational adaptation of the domestic market—primarily the Central Bank of Montenegro and 11 commercial banks—which was completed by 6 October 2025.

Within a relatively short period, the requirements of the European Payments Council were fully met, demonstrating a high level of readiness in the banking sector.

During this process, the CBM, acting as coordinator, regulatory support, and partner to the banks, aimed to ensure the stable and

We are already recording concrete and measurable effects through significant savings and an increased volume of transactions, which confirms that the business sector recognizes the advantages brought by SEPA

controlled transition, without compromising the continuity of payment services or confidence in the financial system. At the same time, the CBM itself became part of the SEPA payment systems, enabling the country to benefit from more favourable international transactions as a direct participant in the European payment infrastructure.

Although complex, this process resulted in a modern, secure, and interoperable payment system fully aligned with European practices, representing a major step forward in the modernization of Montenegro's banking sector.

Although SEPA system is formally available, it seems that the Montenegrin business community is still not utilizing its benefits. How do you explain this gap between the regulatory framework and practice?

I. Radović: It is important to emphasize that we are not talking about a gap, but rather about a transition phase in which new solutions are gradually being adopted and integrated into everyday business practice. According to other European countries' experience, these changes take time, as the adoption speeds up once the benefits become more visible.

We are already recording concrete and measurable effects through significant savings and an increased volume of transactions, which confirms that the business sector recognizes the advantages brought by SEPA. It is particularly encouraging that companies with more intensive operations in the EU market have already actively been using SEPA instruments and achieving direct benefits.

At the same time, SEPA represents an important step forward towards a faster transition to digital and cashless payments, which are more efficient, secure, and transparent, and are crucial for modernizing the business and reducing the informal economy. As positive experiences and awareness further increase, we expect a rapid and natural expansion in the utilization of SEPA, especially among small and medium-sized enterprises.

The role of the CBM and other institutions at this stage is to continue providing support by fostering dialogue, education, and further optimization of conditions, in order for the benefits of SEPA to reach the entire economy. The results achieved so far provide a solid basis for confidence that this process, alongside the digitalization of payment transactions, will continue at an accelerated pace.

What role does the Central Bank of Montenegro play in encouraging the full utilization of SEPA mechanisms? What concrete measures have you taken so far in that direction? What are the future activities in this area?

I. Radović: The Central Bank of Montenegro plays a proactive and coordinating role in the establishment and full valorisation of SEPA, acting as regulator, operational participant, and partner, with the clear objective of ensuring the direct visibility and accessibility of the SEPA benefits to citizens and businesses through lower costs, faster payments, and a more secure payment system.

During the current phase, the CBM has ensured comprehensive regulatory and operational compliance with SEPA standards, coordinated efforts with banks and relevant authorities. It also introduced a fee-reduction policy to establish tangible financial incentives for adopting SEPA instruments and shifting toward digital payments.

At the same time, the CBM has actively worked on strengthening trust and awareness through continuous communication with banks and the business community, as well as through expert workshops and coordination mechanisms during the most demanding phases of implementation.

The focus will be on further increasing the utilization of SEPA in day-to-day business operations, particularly through the promotion of digital and cashless payments, as well as the additional simplification of procedures for end users.

As part of the broader modernization of the payment system, the Central Bank is also implementing the TIPS Clone project, a national instant payment system developed in cooperation with the Bank of Italy, the European Central Bank, and the World Bank. The system, scheduled to become operational in July this year, will enable citizens and businesses in Montenegro to execute instant payments in real time, 24 hours a day, seven days a week, 365 days a year, at low fees and with technical compatibility with the European TIPS infrastructure.

The implementation of the TIPS Clone system, combined with Montenegro's membership in SEPA, represents a strategic step forward in modernizing the payment system and achieving deeper integration with the European financial market. According to estimates, the total economic impact of payment system reforms (SEPA + TIPS Clone) will amount to approximately EUR 160 million annually, corresponding to around 2.3% of GDP.

TIPS Clone, together with SEPA, will not only reduce transaction costs, but also provide businesses and citizens with the opportunity to carry out everyday payments more simply, quickly, and securely, directly increasing the efficiency and competitiveness of the Montenegrin economy.

What is your perception of the Chamber's role in promoting SEPA among businesses? What message would you send to the Montenegrin business community?

I. Radović: From the very beginning of the process of accession to the SEPA, the Chamber of Economy of Montenegro and the Central Bank of Montenegro have built a partnership based on mutual trust and a shared understanding of the strategic importance of this reform for the Montenegrin economy.

In this context, I would like to highlight the role and dedication of the Chamber of Economy of Montenegro team, led by its President Dr Nina Drakić, who recognized SEPA as a development opportunity for the Montenegrin business community from its beginning and provided strong support to this process. The proactive engagement of the Montenegrin Chamber and its clear commitment to adopting European standards have further strengthened institutional cooperation and sent an important message to the business community.

The Chamber of Economy of Montenegro also plays an exceptionally important role in promoting SEPA, thus serving as a key link between institutions and the real sector. Through direct communication with businesses and banks, the Chamber significantly contributes to a better understanding of the concrete benefits brought by SEPA, as well as to the faster alignment of business practices with the new standards. Its role is particularly important in informing, educating, and providing professional support to its members, in order to integrate SEPA mechanisms as efficiently as possible into daily operations, especially for small and medium-sized enterprises.

The message to the Montenegrin business community is clear: SEPA is not merely a regulatory requirement, but a strategic development opportunity and a powerful instrument for modernization, growth, and the long-term competitiveness of the Montenegrin economy.

By lowering payment transaction fees within the SEPA and TIPS Clone reforms, the CBM has created additional benefits for citizens and the business community. How does this policy affect the long-term development of the financial system?

I. Radović: In the context of accession to the SEPA system and preparations for the implementation of the TIPS Clone project, the Central Bank of Montenegro has reduced the fees charged for participation in the RTGS and DNS payment systems, with a focus on further lowering costs and improving the accessibility of payment services for citizens and businesses.

Payment systems are one of those infrastructures, which often go unnoticed as long as they operate well, yet they are essential for the daily lives of citizens and the operations of businesses. That is precisely why they represent a public good and a service that must be reliable, accessible, and fair for all users. Our goal is for every citizen and entrepreneur to feel that the system works in their favor.

Accordingly, under a decision effective as of 1 December 2025, the fees charged by the CBM to banks for services in the RTGS and DNS payment systems have been reduced by 50%. For transactions up to EUR 1,000, the fee has been lowered from EUR 0.10 to EUR 0.05, while for transactions above EUR 1,000, the fee has been reduced from EUR 1.50 to EUR 0.75.

This measure has been fully passed on to end users, businesses and citizens, thus generating an estimated positive effect for the Montenegrin economy of approximately EUR 12.4 million over the next five years.

The development of the SEPA and TIPS Clone systems, which directly bring us closer to the infrastructural and operational standards of the Eurosystem, together with the overall organizational transformation of the CBM aimed at harmonization with the European System of Central Banks, also requires significant infrastructure investments.

Our objective is for Montenegro's payment system to operate as a reliable public service, a system which the citizens trust, businesses rely on and the state uses as a stable basis for development.

