



Introduction of SEPA (Single Euro Payments Area) in North Macedonia

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Money Transfer

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Each investment and innovation that contributes to reducing administrative and financial barriers in cooperation with European partners is an additional step toward European financial integration and harmonization. Despite being a European project, SEPA's primary objective is to establish a safe and open global payment system.

What is the SEPA project?

SEPA is a product of the European Union, and in literal translation, it represents a form of one integrated area for payments in euros. The project was established with the purpose of making possible for every consumer, company, or institution to make and receive euro payments across borders to another SEPA member country under the same conditions as if the transaction were carried out within a single country. By joining the SEPA project, euro payments that are made to another country that is also part of SEPA are no longer considered "international" but rather domestic euro payments within a single payment area.

Benefits

The previous system of transactions through international payment orders and the use of the “SWIFT” network is being replaced by an easier, faster, and much more effective method of financial message exchange. Specifically, SEPA payments do not involve mediator banks that transfer the funds, which significantly reduces commission costs, as the funds are transferred directly from one bank to another - from the sender’s bank to the recipient’s bank.

The transfer is made via a standardized SEPA payment order, which does not require special foreign exchange forms and is used in the same format by all participating countries. Due to this simplified structure, the payment speed is reduced to just one day, meaning that funds are received within 24 hours, while certain banks even offer “instant SEPA payments.”

Furthermore, because of the lower expenses, the recipient gets the entire amount received, with no deductions for bank fees. The “shared costs” regulation, which prohibits banks from withholding or deducting money from the main amount, is applicable in accordance with Regulation (EC) No 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001. Instead, and it means that both the sender and the recipient share the costs, each covering the fees of their respective bank.

North Macedonia's Accession to the SEPA Project

On March 6th of this year, the European Council approved the inclusion of North Macedonia within the geographical scope of the SEPA project. In the preceding period, active preparations were undertaken to integrate domestic banks into European payment schemes.

On October 6th of this year, the National Bank of the Republic of North Macedonia issued an official announcement stating that, as of October 7th, payments would become faster and cheaper through the SEPA project. Specifically, nine banks are already fully prepared and have begun executing payments within the SEPA framework according to the implementation calendar published by the European Council, while three additional banks are actively working on integrating the SEPA scheme.

According to the officially published tariffs of the Macedonian banks participating in SEPA, euro payments with SEPA member countries are significantly cheaper compared to the existing correspondent banking system. Furthermore, banks are charging less for electronic payments than for those made in person at branch counters.

In line with these developments and their implementation, the Law on Payment Services and Payment Systems of the Republic of North Macedonia ("Official Gazette of the Republic of North Macedonia" Nos. 90/22, 64/24, 37/25, and 144/25) has been harmonized with Regulation (EU) 2024/886 of the European Parliament and of the Council of 13 March 2024, which amends Regulations (EU) No. 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 regarding instant credit transfers in euros.

The amendments introduced in definitions and terminology are intended to align the legal framework with European standards while establishing the necessary infrastructural conditions for both technical and regulatory capacity.

Impact on Relations with European Partners

The introduction of SEPA payments represents a significant step forward in the financial and institutional integration of the Republic of North Macedonia into the European economic and payment system. In particular, both domestic and foreign companies operating in SEPA member countries will experience major benefits, as they will be able to execute credit transfers in euros under the same conditions, standards, and timeframes as companies within the European Union. In this way, not only is international trade facilitated, but the reduction of transaction costs also enhances predictability in financial operations.

For domestic companies, competitiveness in the European market is strengthened primarily through the reduction of administrative barriers. Furthermore, cheaper and faster cross-border payments simplify communication with European partners, while the use of a standardized payment order simplifies financial processes.

For foreign companies, SEPA signals institutional stability and alignment with European standards. It is expected that the improved efficiency and predictability of the payment system will facilitate access to foreign capital investments by eliminating financial risks and potential losses.

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Conclusion

To summarize, the Republic of North Macedonia's admission to the SEPA region signifies a higher degree of harmonization and integration within the European economic environment, not only a modification in the way credit transfers are conducted. Without a doubt, this development will boost confidence in the Macedonian financial system and encourage investment activities. A stable legal framework that promotes increased security and transparency in interbank payments and serves the interests of local businesses is being created by bringing national laws into compliance with European regulations.

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