



THE ECB'S MONETARY POLICY TOOLS AND MONEY MARKET DEVELOPMENTS IN 2018

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The main factors behind financial market developments in 2018 were the global political situation and the challenges of international trade relations. Major world central banks were adapting their policy stances to changing developments in underlying fundamentals, one consequence of which was a continued shortage of significant investment opportunities and muted activity in capital and financial markets. The phasing-out of the ECB's asset purchase programme was a key cause of the slower growth in surplus liquidity in the EMU, as were developments in autonomous factors. Early repayments of long-term liquidity provided by the ECB did not trigger any significant market movements, and deposit rates on the dominant secured interbank market did not deviate further from their benchmarks. The major central banks' forward guidance on the degree of accommodation in their individual monetary policy stances is expected to be enhanced in 2019. The current signs point to the Federal Reserve maintaining a cautious restrictive stance and to the ECB postponing monetary policy normalisation. (p. 2)

MACROECONOMIC PROJECTIONS FOR SLOVAKIA ACCORDING THE MARCH 2019 MEDIUM-TERM FORECAST (MTF-2019Q1)

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Owing to lower foreign demand and the related revision of the timing and extent of new production in the car industry, and given weaker than expected developments in the last quarter of 2018, Národná banka Slovenska's projections for Slovakia's GDP growth have been revised down to 3.5% in 2019 and 3.4% in 2020. After the impact of new car production capacity has faded, economic growth is projected to slow to 2.8% in 2021. As a corollary of moderate employment growth, the unemployment rate should fall to an all-time low and wage growth should remain strong. Inflation is projected to be around 2.5% throughout the forecast period, owing mainly to food and energy price developments. (p. 7)

THE FUTURE OF PAYMENT SERVICES AND THE IMPACT OF TECH GIANTS ON THEIR PROVISION

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The services of tech giants have become a fact of everyday life. Many of these companies are now extending their internet-based activities into payment and financial services, as their sectoral dominance provides a platform for the natural expansion of their payment services to a large customer base. New European legislation in the area of payment services (PSD2) has given these companies, as well as other fintech companies and banks, further options for providing financial services. Time will tell what role these tech giants will play in the future of payment services. (p. 13)

LEGISLATIVE CHANGES CONCERNING ALTERNATIVE DISPUTE RESOLUTION IN THE BANKING SECTOR

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Legislative changes in force from 1 January 2019 have significantly changed the options for alternative resolution of disputes between payment service providers (banks) and customers in regard to the provision of payment services and banking transactions. The changes include introducing a new body competent to resolve such disputes – the Alternative Dispute Resolution Institute of the Slovak Banking Association (SBA) – as a replacement for the SBA's Permanent Court of Arbitration. This change also has ramifications for how arbitration proceedings initiated at the Permanent Court of Arbitration before its abolition are to be continued. The article also deals with a specific case related to the above-mentioned changes. (p. 16)

THE CONVENTION FOR THE SUPPRESSION OF COUNTERFEITING CURRENCY, THEN AND NOW: AN ANALYSIS COINCIDING WITH THE 90TH ANNIVERSARY OF ITS ADOPTION

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*This article looks at the circumstances in which the Convention for the Suppression of Counterfeiting Currency was adopted. It briefly analyses the Convention's articles and their significance. Among other things, the Convention defines the general crime of counterfeiting money. It is also pointed out here that the Convention was the first international treaty to use principle of *aut dedere aut judicare* and that it was unique in other respects, too. The article then analyses Convention-related developments and the Convention's status in Slovakia, in the rest of the European Union and at the wider international level. The positions of Interpol and Europol are also addressed in this respect. Finally, the article discusses the current state of cooperation among euro area countries in areas covered by the Convention and the impact of the Convention on that cooperation. (p. 20)*

CENTRAL BANKING IN THE DIGITAL WORLD

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This article aims to provide an overview of the main implications of digitalisation for central banking and financial sector regulators. In addition to surveying the current state of the art, it highlights several implications for central bank policy and research agendas. The main claim made here is that the digital era will require taking on new responsibilities while continuing to provide services to traditional, branch-based banking, which for the foreseeable future will remain present alongside innovative digital services. Successful adaptation to digitalisation will therefore mean preserving existing competencies and simultaneously developing new ones in the areas of programming, machine learning analysis, and big data processing. (p. 25)