

# The National Cashless Payment Initiative

The National Cashless Payment Initiative “Better Way” is a joint project of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the companies Mastercard and Visa, implemented under the auspices of the develoPPP program, in cooperation with NALED and the Ministry of Finance of the Republic of Serbia.

## Project Goals

The project aims to increase financial inclusion for citizens and businesses by integrating them into financial flows, reducing the shadow economy, and accelerating Serbia’s economic development, while promoting the use of cashless payments.



Through the POS program, in cooperation with the banking sector, subsidies have been provided for the introduction of up to 25,000 POS terminals at points of sale and institutional counters across Serbia, including software solutions for e-commerce.



The project supported the development and implementation of the Program for Combating the Shadow Economy, education and raising awareness among citizens and businesses about the possibilities and advantages of cashless payments, as well as the exchange of experiences with countries in the region and worldwide. The backbone of the project is the development of card payment acceptance infrastructure in micro and small enterprises and at institutional counters.



Although Serbia has over 177,000 POS terminals, this still amounts to roughly half the EU average per million inhabitants. The POS program contributes to the development of acceptance infrastructure in Serbia and enables small merchants to improve their business by introducing cashless payments, gaining access to new online markets, and offering consumers more payment options.



The Better Way shows the benefits of cashless payments over cash when it comes to efficiency, safety and convenience. The project supports the development of all forms of cashless payments in Serbia, whether they are cards, instant payments by scanning the QR code, online and mobile banking and payments of the new generation.

## BEST PRACTICES IN THE EUROPEAN UNION

The “Better Way” initiative was inspired by a similar program successfully implemented in Poland (Cashless Poland), where in just over three years 430,000 new POS terminals were introduced – almost 40% of the existing 1.1 million. Subsidies for terminals were granted to 303,000 merchants, increasing the number of those accepting cashless payments to more than 490,000. Most program participants continued to accept cashless payments even after the subsidy period ended, and the expansion of the acceptance network contributed to further market and competition development, as well as to a reduction in merchant fees for card payments in Poland.

## CASHLESS PAYMENTS AGAINST THE SHADOW ECONOMY

In 2024, 63% of Serbian citizens used some form of cashless payment, and the number of payment card users had doubled compared to 2017. The popularity of instant payments also increased (21% in 2024 vs. 16% in 2023). As many as 94% of businesses that offer customers cashless payment confirm they enjoy higher turnover and more secure operations. At the same time, three-quarters of citizens see this type of payment as simple, efficient and safe. Cashless payments play a major role in reducing the shadow economy, since when receipts are issued, transactions become visible to tax authorities.

## GRAY-ZONE REDUCTION

It is estimated that narrowing Serbia’s gap with EU Central and Eastern European member states in terms of the relative value of cashless payments would be associated with a reduction of the shadow economy’s share in Serbia by 1.9% of GDP, potentially bringing additional tax revenues of around 0.7% of GDP, or about €380 million annually. In the case of full convergence with the EU-27 average, the impact on reducing the shadow economy in Serbia would be even more significant, amounting to 2.4% of GDP, or €490 million annually. Introducing electronic payments for public sector services further saves money and time in carrying out administrative procedures, by speeding up processes and lowering the costs of collecting fees and charges.

## Merchant experiences and applications for the POS Program

By the end of August 2025, nearly 8,500 small merchants had applied, whose subsidized POS solutions together generated a turnover of over €90.7 million. More than 85% of merchants continue using POS even after the subsidy expires, as they report increased sales, higher customer satisfaction, and an expanded market. Applications for POS subsidies can be submitted via the website [www.boljinacin.rs](http://www.boljinacin.rs) or at banks/e-money institutions participating in the POS program.

### PROGRAM BENEFICIARIES

Program users can include entrepreneurs, micro and small businesses, as well as institutions. The main requirement is that they have not accepted card payments in the previous 12 months. The POS program is particularly suitable for merchants subject to fiscalization, and small traders, regardless of their activity, who wish to offer their customers a better way to pay are welcome to apply.

### PROGRAM BENEFITS

The program includes free use of POS terminals and/or cashless payment software, free installation of instant and card payments, free installation of an online store solution, and a significantly reduced merchant fee of up to 0.99% on Mastercard and Visa card transactions for up to one year.