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PARLAMENT OF THE REPUBLIC OF NORTH MACEDONIA

Pursuant to paragraphs 1 and 2, Article 75 of the Constitution of the Republic of North Macedonia, President of the Republic of North Macedonia and President of the Parliament of the Republic of North Macedonia issue the following

DEGREE

ON PROMULGATION OF THE LAW ON GUARANTEE BY THE REPUBLIC OF NORTH MACEDONIA FOR THE LOAN AGREEMENT FOR FINANCING THE PROJECT FOR CONSTRUCTION AND INSTALLATION OF NEW ELECTRONIC TOLLING SYSTEMS ALONG CORRIDOR VIII AND MILADINOVCI - SH TIP MOTORWAY, TO BE CONCLUDED BETWEEN THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE PUBLIC ENTERPRISE FOR STATE ROADS

Law on Guarantee by the Republic of North Macedonia for the Loan Agreement for financing the Project for Construction and Installation of New Electronic Tolling Systems along Corridor VIII and Miladinovci - Shtip Motorway to be concluded between the European Bank for Reconstruction and Development and the Public Enterprise for State Roads, adopted by the Parliament of the Republic of North Macedonia at its session held on 12th June 2019, is hereby promulgated.

No. 08-3489/1
12th June 2019
Skopje

President
of the Republic of North Macedonia,
Stev Pendarovski PhD, in his own hand

President
of the Parliament of the Republic of North Macedonia,
Talat Xharefi, MA, in his own hand

LAW

ON GUARANTEE BY THE REPUBLIC OF NORTH MACEDONIA FOR THE LOAN AGREEMENT FOR FINANCING THE PROJECT FOR CONSTRUCTION AND INSTALLATION OF NEW ELECTRONIC TOLLING SYSTEMS ALONG CORRIDOR VIII AND MILADINOVCI - SH TIP MOTORWAY, TO BE CONCLUDED BETWEEN THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE PUBLIC ENTERPRISE FOR STATE ROADS

Article 1

Republic of North Macedonia shall guarantee the settlement of liabilities and the fulfilment of provisions referred to in the Loan Agreement for Financing the Project for Construction and Installation of New Electronic Tolling Systems along Corridor VIII and Miladinovci - Shtip Motorway, in the amount of EUR 13,000,000, to be concluded between the European Bank for Reconstruction and Development and the Public Enterprise for State Roads, should the Public Enterprise for State Roads fail to meet and settle the liabilities under the Loan Agreement.

Article 2

Terms and conditions and the manner of using the Loan shall be determined in the Loan Agreement referred to in Article 1 of this Law, to be concluded between the European Bank for Reconstruction and Development and the Public Enterprise for State Roads for financing the Project for Construction and Installation of New Electronic Tolling Systems along Corridor VIII and Miladinovci - Shtip Motorway.

Article 3

The Public Enterprise for State Roads shall settle all liabilities arising from the Loan Agreement referred to in Article 1 of this Law, as well as the loan itself, from the revenues it generates, within the deadlines and under the terms and conditions determined in the Loan Agreement.

Article 4

Loan repayment period referred to in Article 1 of this law shall be 15 years and 6 months, including 4-year grace period. The Public Enterprise for State Roads shall repay the Loan in 24 equal semi-annual instalments falling due on 10th June and 10th December each year, under the terms and conditions determined in the Loan Agreement referred to in Article 1 of this Law.

Interest rate shall be 6-month EURIBOR variable interest rate increased by 1% margin.

Public Enterprise for State Roads shall pay front-end commission amounting to 1% of the loan amount to the European Bank for Reconstruction and Development.

Public Enterprise for State Roads shall pay commitment charge amounting to 0.5% of the loan annually to the European Bank for Reconstruction and Development.

Article 5

To the end of regulating the mutual rights and obligations arising from the Loan Agreement referred to in Article 1 of this Law and the Guarantee Agreement, Ministry of Finance and Public Enterprise for State Roads shall conclude separate agreement.

Article 6

Supply of goods and services rendered to the Public Enterprise for State Roads, intended for Project for Construction and Installation of New Electronic Tolling Systems along Corridor VIII and Miladinovci - Shtip Motorway, financed under the Loan Agreement referred to in Article 1 of this Law shall be exempt from value added tax with a right to tax credit deduction.

Import of goods by the Public Enterprise for State Roads intended for Project for Construction and Installation of New Electronic Tolling Systems along Corridor VIII and Miladinovci - Shtip Motorway, financed under the Loan Agreement referred to in Article 1 of this Law shall be exempt from value added tax and import duties, as well as from excises on import of passenger vehicles and mineral oils.

As regards the supply rendered to the Public Enterprise for State Roads for purposes of the Project for Construction and Installation of New Electronic Tolling Systems along Corridor VIII and Miladinovci - Shtip Motorway, financed under the Loan Agreement referred to in Article 1 of this Law, being a tax debtor therefor pursuant to point 4 Article 32 and 32-a of the Law on value Added Tax, the Public Enterprise for State Roads shall be released from the obligation to calculate and pay the value added tax.

Taxpayer performing VAT-exempt supply pursuant to paragraph 1 of this Article shall mandatorily indicate in the invoice the name of the project and the name of the Loan Agreement referred to in Article 1 of this Law in the invoice, in addition to the name (title) of the recipient of the goods or the user of the services.

The Public Enterprise for State Roads shall, upon import of the goods exempt from VAT pursuant to paragraph 2 of this Article, mandatorily submit to the competent customs authority a copy of the Loan Agreement referred to in Article 1 of this Law and a declaration that the imported goods are intended for realization of the Project for Construction and Installation of New Electronic Tolling Systems along Corridor VIII and Miladinovci - Shtip Motorway, financed with Loan Agreement referred to in Article 1 of this Law.

Article 7

Goods, which have been exempt from import duties pursuant to paragraph 2, Article 6 of this Law, within three years from the day of import, shall not be alienated, given at the disposal to a third person, borrowed or used otherwise for purposes other than those for which they were exempt from import duties before payment of such import duties is made. Such items shall not be pledged, lent or used as security for other obligations.

If the holder of the right intends, prior to the expiry of the time limit referred to in paragraph 1 of this Article, to use the goods exempt from import duties pursuant to paragraph 2 Article 6 of this Law, for purposes different from those for which such goods were exempt from import duties, he/she shall submit request for payment of the customs debt to the customs authority.

Amount of the customs debt referred to in paragraph 2 of this Article, shall be calculated by the customs authority on the basis of the taxation elements being applicable at the moment of submitting the request for payment of the customs debt.

In case of incompliance with the provisions referred to in paragraphs 1 and 2 of this Law, the amount of the customs debt shall be calculated on the basis of the taxation elements applicable at the moment of accepting the customs declaration, on the basis of which, the goods were exempt from import duties.

Article 8

This Law shall enter into force on the day it is published in the "Official Gazette of the Republic of North Macedonia".