

LAW

ON BORROWING A LOAN BY THE REPUBLIC OF MACEDONIA FROM THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT – IBRD FOR IMPLEMENTATION OF THE FINANCIAL AND ENTERPRISE SECTOR ADJUSTMENT LOAN (FESAL 2)

Article 1

The Republic of Macedonia shall borrow a loan from the International Bank for Reconstruction and Development – (IBRD) in the amount of US\$ 30.3 million intended for implementation of the Financial and Enterprise Sector Adjustment Loan.

Article 2

The conditions and the manner of using the loan referred to in Article 1 of this Law shall be determined in an Loan Agreement upon the Financial and Enterprise Sector Adjustment Loan to be concluded between the Government of the Republic of Macedonia and the International Bank for Reconstruction and Development.

On behalf of the Republic of Macedonia, the Loan Agreement referred to in paragraph 1 of this Article shall be signed by the Minister of Finance or a person authorized by him/her.

Article 3

The repayment period of the loan referred to in Article 1 of this Law shall be 17 years including 8-year grace period.

The loan shall be repaid in semi-annual installments falling due on 15th June and 15th December each year, starting from 15th June 2009 as of 15th December 2017 inclusive.

Each installment shall be determined as product of the total loan amount and percentage of installment repayment on the basis of the agreed amortisation plan.

Article 4

The interest of the loan shall be LIBOR +0.85% for the first four years, i.e. LIBOR+0.75 for the period following the past four years.

The interest rate shall be reduced by 0.50% annually in the both periods if the Republic of Macedonia regularly pays the liabilities on the basis of principal and interest.

The interest referred to in paragraph 1 of this Article is paid semi-annually on 15th June and 15th December each year.

Article 5

The Republic of Macedonia shall repay the loan referred to in Article 1 of this Law from the Budget of the Republic of Macedonia.

Article 6

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