

DRAFT LAW  
ON REPORTING AND RECORDING OF LIABILITIES

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Article 1

This Law shall regulate the reporting and recording of undue liabilities and arrears, to the end of providing and maintaining transparency and accountability, as well as strengthening the responsibility as regards the use of public funds.

Article 2

Provisions referred to in this Law shall refer to government bodies, local government units, institutions performing activities in the field of culture, education, health, child care and social protection, as well as other activities of public interest determined by law, established by the Republic of Macedonia or the local government units, as well as the public enterprises companies, institutions, agencies, funds and other legal entities (being established by the Republic of Macedonia or local government units (hereinafter referred to as: entities).

Article 3

Certain terms used in this Law shall have the following meaning:

1. Undue liabilities shall be financial liabilities incurred on the basis of law, i.e. bylaw or on the basis of obligatory relations, causing future payment liabilities, whereby the entities shall appear as a debtor thereof.

2. Arrears shall be financial liabilities incurred on the basis of law, i.e. bylaw or on the basis of obligatory relations, whereby the entities shall appear as a debtor thereof, not being settled by the set maturity deadline.

3. Public funds shall be all collected, received, acquired, awarded and spent funds by the entities.

Article 4

Reporting and recording of liabilities by the entities shall be carried out in line with the following principles:

1. Transparency, involving access to the data from the reports on the liabilities of the entities.

2. Accountability involving an obligation for the entity to completely, accurately and timely report the respective liabilities.

#### Article 5

Reporting and recording of liabilities shall be carried out through the Electronic System for Reporting and Recording of Liabilities (hereinafter referred to as: ESRRL).

Ministry of Finance shall establish, manage and maintain ESRRL.

#### Article 6

ESRRL shall provide for gathering, recording and publishing the data reported by the entities, pertaining to the undue liabilities and arrears of the respective entities.

#### Article 7

As for the entities reporting their liabilities through ESRRL, Ministry of Finance shall provide them with controlled access thereto, i.e. access to the data referring to their reported liabilities.

#### Article 8

Minimum technical standards and conditions for the functioning of ESRRL shall be prescribed by the Government of the Republic of Macedonia upon proposal by the Minister of Finance.

#### Article 9

Entities shall be obliged, to report the liabilities to the Ministry of Finance through ESRRL on monthly basis, up to the 10<sup>th</sup> day in the month, for the previous month.

#### Article 10

Ministry of Finance shall, on quarterly basis, publish on its website summary reports on the recorded data on the reported liabilities referred to in Article 9 of this Law.

#### Article 11

Manner of reporting the liabilities by the entities, as well as the form and contents of the summary reports referred to in Article 10 of this Law shall be closely prescribed by the Minister of Finance.

#### Article 12

Implementation of the provisions referred to in this Law shall be supervised by the Ministry of Finance through the Department for Public Sector Financial Inspection pursuant to the Law on Financial Inspection in the Public Sector.

#### Article 13

Responsible person at the legal entity, the office-holder, i.e. the mayor shall be fined with EUR 1,000 to EUR 2,000 in Denar equivalent for a misdemeanor, should he/she fail to act pursuant to Article 9 referred to in this Law.

#### Article 14

If a misdemeanour has been committed by failure to meet the obligation referred to in Article 9 of this Law, the perpetrator committing such misdemeanour for the first time in the calendar year, and if the perpetrator, prior to the decision on misdemeanour being reached, has met the prescribed obligation, i.e. he/she has reported the liabilities pursuant to Article 9 of this Law, warning as a misdemeanour sanction shall be pronounced thereto.

#### Article 15

Department for Public Sector Financial Inspection shall be the body authorized for submitting the request for initiation of misdemeanour procedure upon the misdemeanors referred to in Article 13 of this Law.

As for the committed misdemeanour referred to in Article 13 of this Law, financial inspectors shall be obliged to propose to the perpetrator of the misdemeanour, a settlement procedure, by issuing misdemeanour-related payment order, before they submit the request for misdemeanour procedure, pursuant to the Law on Misdemeanours.

Authorized officials shall be obliged to keep records of the issued misdemeanor-related payment orders, as well as the outcome of the initiated procedures.

As for the records referred to in paragraph (3) of this Article, data shall be collected, processed and kept, those being the following: name and surname, i.e. name of the perpetrator, place of residence, i.e. place of stay, seat, type of misdemeanour, number of misdemeanour order and outcome of the procedure.

Personal data referred to in paragraph (4) of this Article shall be kept for five years from the day of the entry in the records.

Form and contents of the misdemeanour payment order shall be proscribed by the Minister of Finance.

#### Article 16

With respect to the misdemeanours referred to in Article 13 of this law, the competent court shall both conduct misdemeanour procedure and impose misdemeanour sanctions.

#### Article 17

Bylaws envisaged under this Law shall be adopted within 30 days from the day of entry into force of this Law.

#### Article 18

This law shall enter into force on the eighth day from the day of its publication in the "Official Gazette of the Republic of Macedonia", and it shall start to be applied after 30 days from the day of its entry into force.

