

PARLIAMENT OF THE REPUBLIC OF MACEDONIA

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

DEGREE

ON PROMULGATION OF THE LAW ON AMENDMENT AND ADDENDUM OF THE LAW ON BORROWING A LOAN BY THE REPUBLIC OF MACEDONIA FROM THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT UNDER THE LOAN AGREEMENT FOR “REHABILITATION OF EASTERN PART OF RAIL CORIDOR VIII PROJECT, PHASE I – SECTION KUMANOVO-BELJAKOVCE“

Law on Amendment and Addendum of the Law on Borrowing a Loan by the Republic of Macedonia from the European Bank for Reconstruction and Development under the Loan Agreement for “Rehabilitation of Eastern Part of Rail Corridor VIII Project, Phase I - Section Kumanovo-Beljakovce”, adopted by the Parliament of the Republic of Macedonia at its session held on 16 January 2015, shall be promulgated.

No.08-281/1

16 January 2015

Skopje

President

of the Republic of Macedonia

Gorge Ivanov, in his own hand

President

of the Parliament of the Republic

of Macedonia,

Trajko Veljanovski, in his own hand

LAW ON AMENDMENT AND ADDENDUM OF THE LAW ON BORROWING A LOAN BY THE REPUBLIC OF MACEDONIA FROM THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT UNDER THE LOAN AGREEMENT FOR “REHABILITATION OF EASTERN PART OF RAIL CORIDOR VIII PROJECT, PHASE I – SECTION KUMANOVO-BELJAKOVCE“

Article 1

As for the Law on Borrowing a Loan by the Republic of Macedonia from the European Bank for Reconstruction and Development under the Loan Agreement for “Rehabilitation of Eastern Part of Rail Corridor VIII Project, Phase I - Section Kumanovo-Beljakovce”, („Official Gazette of the Republic of Macedonia”, no. 100/12“), Article 2 shall be amended and shall read:

“Conditions and manner of using the Loan referred to in Article 1 of this Law shall be determined under the Amendment and Restatement Agreement no. 1 to the Loan Agreement dated 21 August 2012 for the “Rehabilitation of Eastern Part of Rail Corridor VIII Project, Phase I - Section Kumanovo-Beljakovce”, to be concluded between the Republic of Macedonia and the European Bank for Reconstruction and Development.

Minister of Finance or person authorized by him shall sign, on behalf of the Republic of Macedonia, the Amendment and Restatement Agreement no. 1 to the Loan Agreement dated 21 August 2012 referred to in paragraph 1 of this Article.

Article 2

Article 4 shall be amended and shall read:

“As regards the implementation of the Project referred to in Article 1 of this Law, Public Enterprise Macedonian Railway Infrastructure – Skopje shall conclude Project Agreement with the European Bank for Reconstruction and Development “.

Article 3

Article 5 shall be amended and shall read:

“The Project shall be implemented by Public Enterprise Macedonian Railway Infrastructure – Skopje, in cooperation with the Ministry of Transport and Communications and the Ministry of Finance”.

Article 4

Article 5-a, 5-b and 5-c shall be added after Article 5 and shall read:

Article 5-a

“On-Lending Agreement shall be concluded between Public Enterprise Macedonian Railway Infrastructure – Skopje, Ministry of Finance and Ministry of Transport and Communications for the funds referred to in Article 1 of this Law”.

Article 5-b

“Republic of Macedonia shall repay the Loan referred to in Article 1 of this Law with the funds to be collected on the basis of repayment of funds borrowed by the Public Enterprise Macedonian Railway Infrastructure – Skopje, in line with the On-Lending Agreement referred to in Article 5-a of this Law”.

Article 5-c

“Supply of goods and services to the Public Enterprise Macedonian Railway Infrastructure – Skopje, intended for realization of the “Rehabilitation of Eastern Part of Rail Corridor VIII Project, Phase I - Section Kumanovo-Beljakovce”, financed with the Loan Agreement referred to in Article 1 of this Law, shall be entitled to VAT tax credit deduction.

Import of goods/services by the Public Enterprise Macedonian Railway Infrastructure - Skopje, intended for realization of the “Rehabilitation of Eastern Part of Rail Corridor VIII Project, Phase I - Section Kumanovo-Beljakovce“, financed with the Loan Agreement referred to in Article 1 of this Law, shall be exempted from VAT and customs duties, as well as excises on import of passenger vehicles and mineral oils.

As regards the supply to the Public Enterprise Macedonian Railway Infrastructure – Skopje for the purpose of realizing the “Rehabilitation of Eastern Part of Rail Corridor VIII Project, Phase I - Section Kumanovo-Beljakovce”, financed with the Loan Agreement referred to in Article 1 of this Law, for which the concerned Public Enterprise is a tax debtor pursuant to point 4, Article 32 and Article 32-a of the Law on Value Added Tax, it shall be released from the obligation to calculate and pay value added tax.

Taxpayer performing VAT-exempt supply pursuant to paragraph (1) of this Article shall mandatory indicate 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.

When importing such goods exempted pursuant to paragraph (2) of this Article, Public Enterprise Macedonian Railway Infrastructure – Skopje shall mandatory submit copy of the Loan Agreement referred to in Article 1 of this Law and a statement that the imported goods/services are intended for realization of the “Rehabilitation of Eastern Part of Rail Corridor VIII Project, Phase I - Section Kumanovo-Beljakovce“, financed with the Loan Agreement referred to in Article 1 of this Law, to the competent customs authority.”

Article 5

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