

## **LAW<sup>1</sup>**

### **On Amendments and Modifications to the Law on Guarantee by the Republic of Macedonia under the Loan Agreements for the Project HPP “Kozjak” with the Bank of China and CWE Company (China International Water & Electric Corp.)**

#### **Article 1**

Words “Elektrostopanstvo na Makedonija” shall be replaced with the words “Elektrani na Makedonija” in Articles 1 and 3 of the Law on Guarantee of the Republic of Macedonia under the Loan Agreements under the Project HPP “Kozjak” with the Bank of China and CWE Company (China International Water & Electric Corp), (Official Gazette of the Republic of Macedonia no. 27/98, 70/01 and 98/02).

#### **Article 2**

New paragraph shall be added in Article 4 and shall read:

“For part of the loan funds from the Chinese Bank for the Project HPP Kozjak and that shall be used by AD ESM and AD MEPSO, the state-owned Joint Stock Company “Elektrani na Makedonija” – Skopje shall conclude special Agreements with AD ESM and AD MEPSO for using and returning the funds used for investments, which, according to the transformation of AD ESM shall be under their competence”.

#### **Article 3**

Article 5 shall be amended and shall read:

“Ministry of Finance and the state-owned Joint Stock Company “Elektrani na Makedonija” shall conclude Agreement for regulating the mutual rights and obligations on the basis of guarantee issued towards the Bank of China referred to in Article 1 of this law.

If the liabilities due on the basis of interest and principal, under deadlines set in the Loan Agreement, on behalf of the state-owned Joint Stock Company “Elektrani na Makedonija” are paid by the Republic of Macedonia, the Minister of Finance may issued order to the Public Revenue Office to freeze the funds of the state-owned Joint Stock Company “Elektrani na Makedonija”, on the basis of VAT refund, so as to settle the due liabilities to the creditor, i.e. to compensate the state the amount in denars equal to the paid amount, plus the calculated interest and the costs incurred with regard to the respective transaction”.

#### **Article 4**

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

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<sup>1</sup> Published in Official Gazette of the Republic of Macedonia no. 13/2006