

LAW

ON BORROWING A CREDIT BY THE REPUBLIC OF MACEDONIA FROM THE INTERNATIONAL DEVELOPMENT ASSOCIATION FOR IMPLEMENTATION OF THE FINANCIAL AND ENTERPRISE SECTOR ADJUSTMENT LOAN (FESAL 2)

Article 1

The Republic of Macedonia shall borrow a credit from the International Development Association (IDA) in the amount of US\$ 20 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 Credit Agreement upon the Financial and Enterprise Sector Adjustment Loan to be concluded between the Government of the Republic of Macedonia and the International Development Association.

On behalf of the Republic of Macedonia, the 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 35 years including 10-year grace period.

The credit shall be repaid in semi-annual installments falling due on 15th June and 15th December each year, starting from 15th December 2010 as of 15th June 2035 inclusive.

Each principal repayment from 15th June 2010 to 15th June 2020 shall be 1.25% of the credit principal amount, while each repayment from 15th December 2020 to 15th June 2035 shall be 2.5% of the principal amount.

The credit shall be interest-free.

Article 4

Commitment fee nor higher than 0.50% annually shall be repaid upon a rate set by the International Development Association (IDA) on 30th June each year. The fee shall be calculated 60 days from the day of entry into force of the Agreement referred to in Article 2 of this Law until the day the receipts are disbursed.

Service fee of 0,75% annually shall be paid for the disbursed receipts of the credit principal that falls due.

The fee referred to in paragraphs 1 and 2 of this Article shall be 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".