

LAW
on Borrowing by the Republic of Macedonia from
European Bank for Reconstruction and Development under Credit Agreement for
Civil Aviation Upgrading Project

Article 1

Republic of Macedonia shall borrow from the European Bank for Reconstruction and Development

- upon a credit in the amount of EUR 11.2 million, intended for realization of the Civil Aviation Upgrading Project, comprising procurement of navigation equipment for the whole air space in the Republic of Macedonia and modernization of Ohrid Airport runway.

Article 2

The repayment period for the credit referred to in Article 1 of this Law shall be 12 years, including 3-year grace period and variable interest rate – EURIBOR + 1%.

The credit shall be repaid in equal semi-annual installments falling due on 16th March and 16th September each year, starting from 16th March 2006 until 16th September 2014.

After the credit effectiveness, one-off fee of 1% shall be paid for credit administration, while 0.5% commitment fee shall be paid annually.

Article 3

Final beneficiary of the credit shall be the Civil Aviation Authority, a body within the Ministry of Transport and Communications.

Article 4

Credit referred to in Article 1 of this Law shall be repaid by the Civil Aviation Authority from the revenues it realizes from collection of overflight fees above the territory of the Republic of Macedonia, according to the rules in the Eurocontrol (executive body of the International Civil Aviation Organisation) headquartered in Brussels.

Article 5

Entities successors of the Civil Aviation Authority shall continue to repay the credit from their revenues, within the deadlines and under the terms and conditions determined in the Credit Agreement.

Article 6

Ministry of Finance shall collect 1% fee from the final beneficiary above the amount of the interest rate as a compensation for the credit exposure of the Republic of Macedonia towards abroad. Funds collected on this basis shall be deemed as revenues of the Budget of the Republic of Macedonia.

Article 7

Should the annuities due within the deadlines determined in the Credit Agreement be paid by the Republic of Macedonia, on behalf of the final beneficiary, the Minister of Finance, after 30 days as of the day the liability was settled, but no later than 60 days, shall issue an order to the National Bank of the Republic of Macedonia or to the commercial bank where the final beneficiary has denar account, to transfer from the account of the final beneficiary to the budget revenue account of the Republic of Macedonia, an amount in denars equal to the paid amount, plus the calculated interest and the costs.

Article 8

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".