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PARLIAMENT OF THE REPUBLIC OF MACEDONIA

Pursuant to paragraphs 1 and 2 of 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 issue

DECREE ON PROMULGATION OF THE LAW ON GUARANTEE BY THE REPUBLIC OF MACEDONIA UPON THE LOAN AGREEMENT (SHTIP – RADOVISH ROAD SECTION), TO BE CONCLUDED BETWEEN THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT AND PUBLIC ENTERPRISE FOR STATE ROADS

Law on Guarantee by the Republic of Macedonia upon the Loan Agreement (Shtip - Radovish Road Section), to be concluded between the European Bank for Reconstruction and Development and Public Enterprise for State Roads,

adopted by the Parliament of the Republic of Macedonia at its session held on 6th November 2015, shall be promulgated.

No. 08-5224/1

6th November 2015

Skopje

President

of the Republic of Macedonia,

Gjorge Ivanov, Ph.D., in his own hand

President

of the Parliament of the Republic

of Macedonia,

Trajko Veljanovski, in his own hand

LAW ON GUARANTEE BY THE REPUBLIC OF MACEDONIA UPON THE LOAN AGREEMENT (SHTIP - RADOVISH ROAD SECTION), TO BE CONCLUDED BETWEEN THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT AND PUBLIC ENTERPRISE FOR STATE ROADS

Article 1

Republic of Macedonia shall guarantee the settlement of liabilities and fulfillment of the provisions in the Loan Agreement (Shtip – Radovish Road Section), to be concluded between the European Bank for Reconstruction and Development and Public Enterprise for State Roads, in the amount of EUR 64,000,000, should the Public Enterprise for State Roads fail to meet and settle the liabilities under the Loan Agreement.

Article 2

Terms and conditions and the manner of using the loan shall be determined in the Loan

Agreement referred to in Article 1 of this Law, which shall be concluded between the European Bank for Reconstruction and Development and the Public Enterprise for State Roads for financing Shtip – Radovish road section.

Article 3

All liabilities arising from the Loan Agreement referred to in Article 1 of this Law, as well as the loan servicing, shall be carried out by the Public Enterprise for State Roads from the revenues it realizes, within the deadlines and under the terms and conditions determined in the Loan Agreement referred to in Article 1 of this Law.

Article 4

Repayment deadline for the loan referred to in Article 1 of this Law shall be 15 years, including 4-year grace period.

Interest rate shall be variable, with six-month EURIBOR, plus 1%.

Public Enterprise for State Roads shall pay the European Bank for Reconstruction and Development front-end fee in the amount of 1% of the loan amount.

Public Enterprise for State Roads shall pay the European Bank for Reconstruction and Development commitment charge in the amount of 0.5% annually.

Article 5

To the end of regulating the mutual rights and obligations arising from the Loan Agreement referred to in Article 1 of this Law and the Guarantee Agreement, Ministry of Finance and Public Enterprise for State Roads shall conclude separate agreement.

Article 6

Supply of goods and services to the Public Enterprise for State Roads intended for Shtip – Radovish road section, financed under the Loan Agreement referred to in Article 1 of this Law, shall be exempt from value added tax with the right to tax credit deduction.

Import of goods by the Public Enterprise for State Roads intended for Shtip - Radovish road section, financed under the Loan Agreement referred to in Article 1 of this Law, shall be exempt from value added tax and customs duties, as well as excise duties, when importing passenger vehicles and mineral oils.

Supply rendered to the Public Enterprise for State Roads for the purposes related to Shtip - Radovish road section, financed under the Loan Agreement referred to in Article 1 of this Law, the Public Enterprise being a tax debtor pursuant to point 4, Article 32 and Article 32-a of the Law on Value Added Tax, shall be exempt from the obligation to calculate and pay the 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 good or the user of the service.

When importing the goods exempted pursuant to paragraph (2) of this Article, Public

Enterprise for State Roads 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 Shtip – Radovish road section, financed under the Loan Agreement referred to in Article 1 of this Law, to the competent customs authority.

Article 7

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