

“Official Gazette of the Republic of North Macedonia”, no. 77 dated 6<sup>th</sup> April 2021

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## PARLIAMENT OF THE REPUBLIC OF NORTH MACEDONIA

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

### **DECREE ON PROMULGATION OF THE LAW ON BORROWING A LOAN BY THE REPUBLIC OF NORTH MACEDONIA AT THE EUROPEAN BANK FOR RECONSTRUCTIONS AND DEVELOPMENT UNDER THE LOAN AGREEMENT FOR FINANCING THE “SKOPJE BUS RAPID TRANSIT PROJECT“**

Law on Borrowing a Loan by the Republic of North Macedonia at the European Bank for Reconstructions and Development under the Loan Agreement for Financing the “Skopje Bus Rapid Transit Project“, adopted by the Parliament of the Republic of North Macedonia, at its session held on 2<sup>nd</sup> April 2021 shall be hereby promulgated.

No. 08-6831/2  
2<sup>nd</sup> April 2021  
Skopje

President of the Republic  
of North Macedonia,  
**Stevo Pendarovski**, in his own hand

President  
of the Parliament of the Republic  
of North Macedonia,  
**Talat Xhaferi, MA**, in his own hand

### **LAW ON BORROWING A LOAN BY THE REPUBLIC OF NORTH MACEDONIA AT THE EUROPEAN BANK FOR RECONSTRUCTIONS AND DEVELOPMENT UNDER THE LOAN AGREEMENT FOR FINANCING THE “SKOPJE BUS RAPID TRANSIT PROJECT“**

#### Article 1

Republic of North Macedonia shall borrow a loan from the European Bank for Reconstruction and Development in the amount of EUR 70,000,000, intended for financing the “Skopje Bus Rapid Transit Project“.

#### Article 2

The terms and conditions and the manner of using the Loan referred to in Article 1 of this Law shall be determined in the Loan Agreement, to be concluded between the Republic of North Macedonia and the European Bank for Reconstruction and Development.

Minister of Finance shall, on behalf of the Republic of North Macedonia, sign the Loan Agreement referred to in paragraph 1 of this Article.

### Article 3

The Loan referred to in Article 1 of this Law shall be disbursed in two tranches. The first tranche shall be in the amount of EUR 47,600,000, and the second tranche shall be in the amount of EUR 22,400,000.

Repayment period of the first tranche of the Loan shall be 15 years, including four-year grace period. The first tranche of the Loan shall be repaid in 22 semi-annual installments on 20<sup>th</sup> April and 20<sup>th</sup> October each year, starting from the first date following the fourth anniversary of the Loan Agreement.

The repayment period of the second tranche of the Loan shall be 15 years, including four-year grace period. The second tranche of the Loan shall be repaid in 22 semi-annual installments on 20 April and 20<sup>th</sup> October each year, starting from the first date following the fourth anniversary from the second trach availability date.

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

Republic of North Macedonia shall pay the European Bank for Reconstruction and Development a front-end fee in the amount of 1% of the amount of the first tranche within seven days from the effective date of the tranche.

Within seven days from the second trach availability date, Republic of North Macedonia shall pay the European Bank for Reconstruction and Development a front-end fee in the amount of 1% of the amount of the second tranche.

Republic of North Macedonia shall pay the European Bank for Reconstruction and Development a commitment charge in the amount of 0.5% of the amount of the undisbursed loan funds on annual level.

Commitment charge for the first tranche shall start to be calculated following 60 days from the day of signing the Loan Agreement referred to in Article 1 of this Law, and the commitment charge for second tranche shall start to be calculated after seven days from the second tranche availability date.

### Article 4

The Project shall be implemented by City of Skopje, in cooperation with the Ministry of Transport and Communications.

### Article 5

For the purpose of implementing the Project referred to in Article 1 of this Law, the City of Skopje shall conclude a Project Agreement with the European Bank for Reconstruction and Development.

### Article 6

To the end of regulating the mutual rights and obligations arising from the Loan Agreement referred to in Article 2 of this Law and the Project Agreement referred to in Article 5 of this Law, Ministry of Finance, Ministry of Transport and Communications and City of Skopje shall conclude Implementation Agreement.

### Article 7

Republic of North Macedonia shall repay the Loan referred to in Article 1 of this Law from the Budget of the Republic of North Macedonia.

## Article 8

Supply of goods and services rendered to the City Of Skopje, intended for “Skopje Bus Rapid Transit Project”, financed with Loan Agreement referred to in Article 2 of this Law shall be exempt from VAT with the right to tax credit deduction.

Import of goods by the City of Skopje, intended for “Skopje Bus Rapid Transit Project”, financed with the Loan Agreement referred to in Article 2 of this Law, shall be exempt from VAT, import duties, excise duty on energy sources and motor vehicle tax.

As regards the supply rendered to the City of Skopje, for purposes of “Skopje Bus Rapid Transit Project”, financed with the Loan Agreement referred to in Article 2 of this Law, being a tax debtor therefor pursuant to point 4 in Articles 32 and 32-a of the Law on Value Added Tax, the City of Skopje shall be released from the obligation to calculate and pay the Value Added Tax.

Taxpayer performing VAT-exempt supply pursuant to paragraph 1 of this Article shall mandatorily indicate the name of the Project and the name of the Loan Agreement referred to in Article 2 of this Law, in the invoice, in addition to the name (title) of the recipient of the goods or the beneficiary of the service.

City of Skopje when importing goods, being exempt pursuant to paragraph 2 of this Article, shall mandatorily submit to the competent customs authority, a copy of the Loan Agreement referred to in Article 2 of this Article and statement that imported goods are intended for implementing “Skopje Bus Rapid Transit Project”, financed with the Loan Agreement referred to in Article 2 of this Law.

## Article 9

Goods being exempt from VAT, import duties, excise duty on energy sources and motor vehicle tax pursuant to paragraph 2 in Article 8 of this Law, within three years from the day of import, shall not be alienated, given at the disposal of a third person, borrowed or used otherwise for purposes other than those for which they were exempt from VAT, import duties, excise duty on energy sources and motor vehicle tax. Such goods shall not be pledged, lent or used as security for other obligations.

Notwithstanding paragraph 1 of this Article, goods exempt from VAT, import duties, excise duty on energy sources and motor vehicle tax pursuant to paragraph 2 in Article 8 of this Law may be given at the disposal only to the Public Transport Enterprise “Skopje”, without previously paying the duties pursuant to paragraph 1 of this Article.

If the holder of the right intends, prior to the expiry of the time limit referred to in paragraph Article 1 of this Law, to use the goods exempt from duties referred to in paragraph 2 in Article 8 of this Law, for purposes different from those for which such goods were exempt from duties, he/she shall submit request for payment of the customs debt to the customs authority.

Amount of the customs debt referred to in paragraph 3 of this Article, shall be calculated by the customs authority on the basis of the taxation elements, being applicable at the moment of submitting the request for payment of the customs debt.

In case of incompliance with the provisions referred to in paragraphs 1, 2, and 3 of this Law, the amount of the customs debt shall be calculated on the basis of the taxation elements applicable at the moment of accepting the customs declaration, on the basis of which, the goods were exempt from import duties.

#### Article 10

Procurement of goods and services intended for implementing the Project referred to in Article 1 of this Law shall be carried out in line with the European Bank for Reconstruction and Development Procurement Policies and Rules.

Procurement of goods and services intended for implementing the Project referred to in Article 1 of this Law shall be carried out by the City of Skopje.

#### Article 11

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