

“Official Gazette of the Republic of North Macedonia”, no.74 dated 2nd April 2024

20240741578

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 shall issue the following

DECREE ON PROMULGATION OF THE LAW ON GUARANTEE BY THE REPUBLIC OF NORTH MACEDONIA UNDER THE LOAN AGREEMENT FOR ADDITIONAL FINANCING FOR THE ROAD UPGRADING AND DEVELOPMENT PROJECT, TO BE CONCLUDED BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT - WORLD BANK AND THE PUBLIC ENTERPRISE FOR STATE ROADS

Law on Guarantee by the Republic of North Macedonia under the Loan Agreement for Additional Financing for the Road Upgrading and Development Project, to be concluded between the International Bank for Reconstruction and Development - World Bank and the Public Enterprise for State Roads, adopted by the Parliament of the Republic of North Macedonia at its session held on 28th March 2024 shall be promulgated.

No. 08-2167/1
28th March 2024
Skopje

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

President
of the Parliament of the Republic
of North Macedonia,
Jovan Mitreski, in his own hand

LAW ON GUARANTEE BY THE REPUBLIC OF NORTH MACEDONIA UNDER THE LOAN AGREEMENT FOR ADDITIONAL FINANCING FOR THE ROAD UPGRADING AND DEVELOPMENT PROJECT, TO BE CONCLUDED BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT - WORLD BANK AND THE PUBLIC ENTERPRISE FOR STATE ROADS

Article 1

Republic of North Macedonia shall guarantee the settlement of liabilities and fulfillment of the provisions in the Loan Agreement for additional financing of the Road Upgrading and Development Project, to be concluded between the International Bank for Reconstruction and Development - World Bank and the Public Enterprise for State Roads, in the amount of EUR 31,000,000, in case the Public Enterprise for State Roads fails to fulfil and service the liabilities under the Loan Agreement.

Article 2

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 referred to in Article 1 of this Law, to be concluded between the International Bank for Reconstruction and Development - World Bank and the Public Enterprise for State Roads for additional financing of the Road Upgrading and Development Project.

Article 3

Public Enterprise for State Roads shall settle all liabilities arising from the Loan Agreement referred to in Article 1 of this Law, as well as the loan itself, from the revenues it generates, within the deadlines and under the terms and conditions determined in the Loan Agreement referred to in Article 1 of this Law.

Article 4

Loan repayment period referred to in Article 1 of this Law shall be 16 years, including 3-year grace period.

Interest rate shall be six-month EURIBOR with variable spread.

Public Enterprise for State Roads shall pay Front-End Fee, accounting for 0.25% as own resources, to the International Bank for Reconstruction and Development - World Bank.

Public Enterprise for State Roads shall pay Commitment Charge, accounting for 0.25% per annum, to the International Bank for Reconstruction and Development - World Bank.

Article 5

For the purpose 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 rendered to the Public Enterprise for State Roads, intended for implementing the Road Upgrading and Development Project, financed under the Loan Agreement referred to in Article 1 of this Law, shall be exempt from Value Added Tax with a right to tax credit deduction.

Import of goods carried out by the Public Enterprise for State Roads, intended for implementing the Road Upgrading and Development Project, financed under the Loan Agreement referred to in Article 1 of this Law, shall be exempt from Value Added Tax, import duties and excise duties on energy, as well as tax on motor vehicles for the duration of the Project.

As regards the supply rendered to the Public Enterprise for State Roads, for the purpose of implementing the Road Upgrading and Development Project, financed under the Loan Agreement referred to in Article 1 of this Law, being a tax debtor therefor pursuant to point 4 in Article 32 and Article 32-a of the Law on Value Added Tax, the Public Enterprise for State Roads shall be released from the obligation to calculate and pay the Value Added Tax.

Taxpayer performing VAT-exempt supply pursuant to paragraphs 1 and 3 of this Article shall, in addition, to the name (title) of the respective recipient of the goods or the respective user of the service, mandatorily indicate the name of the Project and the name of the Loan Agreement referred to in Article 1 of this Law in the invoice.

When importing goods exempted pursuant to paragraph 2 of this Article, the Public Enterprise for State Roads shall mandatorily submit, to the competent customs authority, a copy of the Loan Agreement referred to in Article 1 of this Law and a statement confirming that the imported goods are intended for implementing the Road Upgrading and Development Project, financed under the Loan Agreement referred to in Article 1 of this Law.

Supply of goods and services referred to in paragraphs 1 and 3 of this Article, as well as import of goods referred to in paragraph 2 of this Article, shall not exceed the amount of the Agreement between Public Enterprise for State Roads and the winning contractor, for the purpose of performing the contractual works intended for implementing the additional financing for the Road Upgrading and Development Project, financed with the Loan Agreement referred to in Article 1 of this Law.

Article 7

Goods exempted from import duties pursuant to paragraph 2 in Article 6 of this Law shall, within three years from the day of import, neither be alienated nor given at the disposal of a third person, borrowed or used otherwise for purposes other than those for which they were respectively exempted prior to such import duties being paid. Such items shall not be pledged, lent or used as security for other obligations.

Should the holder of the right intend, prior to the expiry of the time limit referred to in paragraph 1 of this Article, to use the goods exempted from import duties pursuant to paragraph 2 in Article 6 of this Law for purposes other than those for which such goods were respectively exempted, he/she shall submit request for payment of customs debt to the customs authority.

Amount of the customs debt referred to in paragraph 2 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 and 2 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 exempted from import duties.

Article 8

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