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PARLIAMENT OF THE REPUBLIC OF NORTH MACEDONIA

Pursuant to Article 75 paragraphs 1 and 2 of the Constitution of the Republic of North Macedonia, President of the Republic of North Macedonia and the 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 OF LIABILITIES UNDER THE FINANCE CONTRACT FOR LOAN OF THE DEVELOPMENT BANK OF THE NORTH MACEDONIA FOR FINANCING SMALL - AND MEDIUM-SIZED ENTERPRISES, MID-CAP COMPANIES AND GREEN TRANSITION, TO BE CONCLUDED BETWEEN THE EUROPEAN INVESTMENT BANK AND THE DEVELOPMENT BANK OF NORTH MACEDONIA JSC SKOPJE

Law on Guarantee by the Republic of North Macedonia of liabilities under the Finance Contract for loan of the Development Bank of the North Macedonia for financing small- and medium-sized enterprises, mid-cap companies and green transition, to be concluded between the European Investment Bank and the Development Bank of North Macedonia JSC Skopje,

adopted by the Parliament of the Republic of North Macedonia at its session held on 14th June 2023 shall be promulgated.

No. 08-3257/1
14th June 2023
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 GUARANTEE BY THE REPUBLIC OF NORTH MACEDONIA OF
LIABILITIES UNDER THE FINANCE CONTRACT FOR LOAN OF THE
DEVELOPMENT BANK OF THE NORTH MACEDONIA FOR FINANCING SMALL-
AND MEDIUM-SIZED ENTERPRISES, MID-CAP COMPANIES AND GREEN
TRANSITION, TO BE CONCLUDED BETWEEN THE EUROPEAN INVESTMENT
BANK AND THE DEVELOPMENT BANK OF NORTH MACEDONIA JSC SKOPJE**

Article 1

Republic of North Macedonia shall guarantee the settlement of liabilities under the Finance Contract for loan of the Development Bank of the North Macedonia for financing small- and medium-sized enterprises, mid-cap companies and green transition in the amount of EUR 100,000,000, to be concluded between the European Investment Bank and the Development Bank of the North Macedonia JSC Skopje, should the Development Bank of the North Macedonia JSC Skopje fail to meet and settle the liabilities under the terms and conditions envisaged in the Finance Contract.

Article 2

Terms and conditions and the manner of using the loan referred to in Article 1 of this Law shall be determined in a Finance Contract for loan of the Development Bank of the North Macedonia to be concluded between the European Investment Bank and the Development Bank of the North Macedonia JSC Skopje for financing small- and medium-sized enterprises, mid-cap companies and green transition.

Article 3

All financial liabilities arising from the Finance Contract for loan of the Development Bank of the North Macedonia JSC Skopje for small- and medium-sized enterprises, mid-cap companies and green transition, shall be settled by the Development Bank of the North Macedonia JSC Skopje.

Article 4

The loan referred to in Article 1 of this Law shall be disbursed in 20 tranches at the most. Minimum amount of the tranche is EUR 5,000,000.

As for each tranche disbursement of the loan amount, the European Investment Bank shall issue a Disbursement Notice, which shall determine the financial requirements as regards the tranche, that being: the amount of the tranche, the payment date, the interest rate, the repayment period and other terms and conditions related to the disbursement of funds.

Repayment period of each loan tranche, except for the working capital tranche, may be from four years up to 12 years starting from the Scheduled Disbursement Date,

including a grace period, which may range from 30 days to four years from the Scheduled Disbursement Date. Loan repayment period shall be determined for each tranche separately in the Disbursement Notice. The tranche may also be repaid in a single installment, on a date falling between three and eight years from the Scheduled Disbursement Date.

Repayment period of the working capital tranche, may be from four years up to five years starting from the Scheduled Disbursement Date, including a grace period, which may range from 30 days to one year from the Scheduled Disbursement Date. Loan repayment period shall be determined for each tranche separately in the Disbursement Notice. Working capital tranche may also be repaid in a single installment, on a date falling on the three years from the Scheduled Disbursement Date.

Development Bank of North Macedonia JSC Skopje shall pay to the European Investment Bank up-front fee in the amount of EUR 50,000 within 30 days from the day of signing the Finance Contract for loan of the Development Bank of North Macedonia for financing small- and medium-sized enterprises, mid-cap companies and green transition.

Development Bank of North Macedonia JSC Skopje shall pay to the European Investment Bank a commitment charge accounting for 0.1% of the amount of the loan funds on annual basis.

Commitment charge of the undisbursed loan funds shall start to be calculated following 24 months from the day of signing the Finance Contract for a loan of the Development Bank of North Macedonia JSC Skopje for financing small- and medium-sized enterprises, mid-cap companies and green transition.

Article 5

Interest rate shall be determined for each tranche of the loan separately, in the Disbursement Notice.

Article 6

To the end of regulating the mutual rights and obligations arising from the Finance Contract for loan of the Development Bank of the North Macedonia for financing small- and medium-sized enterprises, mid-cap companies and green transition and from the Guarantee Agreement, Ministry of Finance and Development Bank of the North Macedonia JSC Skopje shall conclude separate agreement.

Article 7

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