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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 hereby issue the following

DECREE

ON PROMULGATION OF THE LAW ON MODIFICATIONS AND AMENDMENTS TO THE LAW ON BORROWING A LOAN BY THE REPUBLIC OF MACEDONIA AT THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT UNDER THE LOAN AGREEMENT FOR FINANCING THE PROJECT “CONSTRUCTION OF NEW AND RECONSTRUCTION OF THE EXISTING SECTION BELJAKOVCE - KRIVA PALANKA – EASTERN PART OF RAIL CORRIDOR VIII, PHASE 2”

Law on Modifications and Amendments to the Law on Borrowing a Loan by the Republic of Macedonia at the European Bank for Reconstruction and Development under the Loan Agreement for financing the Project “Construction of new and reconstruction of the existing section Beljakovce – Kriva Palanka – eastern part of Rail Corridor VIII, Phase 2”,

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

No. 08-3261/1
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 MODIFICATIONS AND AMENDMENTS TO THE LAW ON BORROWING A LOAN BY THE REPUBLIC OF MACEDONIA AT THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT UNDER THE LOAN AGREEMENT FOR FINANCING THE PROJECT “CONSTRUCTION OF NEW AND RECONSTRUCTION OF THE EXISTING SECTION BELJAKOVCE - KRIVA PALANKA – EASTERN PART OF RAIL CORRIDOR VIII, PHASE 2”

Article 1

As for the Law on Borrowing a Loan by the Republic of Macedonia at the European Bank for Reconstruction and Development under the Loan Agreement for financing the Project “Construction of new and reconstruction of the existing section Beljakovce – Kriva Palanka – eastern part of Rail Corridor VIII, Phase 2, (“Official Gazette of the Republic of Macedonia”, nos. 178/14 and no. 10/15), the wording “Republic of Macedonia” in the title of the Law shall be replaced with the wording “Republic of North Macedonia” and the wording “the Project “Construction of new and reconstruction of the existing section Beljakovce – Kriva Palanka – eastern part of Rail Corridor VIII, Phase 2”” shall be replaced with the wording “the Project for construction of the eastern section of Rail Corridor VIII, from Kumanovo to Kriva Palanka, and completion of Rail Corridor X”.

Article 2

The wording “Public Enterprise for Railway Infrastructure “Macedonian Railways” – Skopje” in Articles 4, 5, 6 and 7 shall be replaced with the wording “Public Enterprise for Railway Infrastructure “Railways of the Republic of North Macedonia” - Skopje”.

Article 3

Article 7-a shall be amended and shall read:

“Supply of goods and services rendered to the Public Enterprise for Railway Infrastructure “Railways of the Republic of North Macedonia” - Skopje, intended for implementation of the Project for construction of the eastern section of Rail Corridor VIII, from Kumanovo to Kriva Palanka, and completion of Rail Corridor X, financed under the Loan Agreement referred to in Article 2 of this Law, shall be exempt from value added tax with a right to tax credit deduction.

Import of goods by the Public Enterprise for Railway Infrastructure “Railways of the Republic of North Macedonia” - Skopje, intended for implementation of the Project for construction of the eastern section of Rail Corridor VIII, from Kumanovo to Kriva Palanka, and completion of Rail Corridor X, financed under the Loan Agreement

referred to in Article 2 of this Law, shall be exempt from value added tax, import duties and excise duty on energy products and motor vehicle tax.

As regards the supply rendered to the Public Enterprise for Railway Infrastructure “Railways of the Republic of North Macedonia” - Skopje, intended for implementation of the Project for construction of the eastern section of Rail Corridor VIII, from Kumanovo to Kriva Palanka, and completion of Rail Corridor X, financed under the Loan Agreement referred to in Article 2 of this Law, being a tax debtor therefor pursuant to point 4, Article 32 and Article 32-a of the Law on Value Added Tax, the Public Enterprise for Railway Infrastructure “Railways of the Republic of North Macedonia” - 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, in addition to the name (title) of the recipient of the good or the user of the service, 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.

When importing the goods exempted pursuant to paragraph (2) of this Article, the Public Enterprise for Railway Infrastructure “Railways of the Republic of North Macedonia” - Skopje shall mandatorily submit a copy to the competent customs authority of the Loan Agreement referred to in Article 1 of this Law and a statement confirming that the imported goods/services are intended for implementation of the Project for construction of the eastern section of Rail Corridor VIII, from Kumanovo to Kriva Palanka, and completion of Rail Corridor X, financed under the Loan Agreement referred to in Article 2 of this Law.”

Article 4

New Article 7-b shall be added after Article 7-a and shall read:

“Article 7-b

Goods exempted from import duties pursuant to paragraph 2, Article 7-a of this Law, may not, within three years from the day of their import, be alienated nor given at the disposal of a third person, lent or otherwise used for purposes other than those for which they were respectively exempted prior to such import duties being paid. Such items may not be pledged, rented 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, Article 7-a of this Law for purposes other than those for which such goods were respectively exempted, he/she shall submit a 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 non-compliance with the provisions referred to in paragraphs 1 and 2 of this Article, 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 5

The wording “Republic of Macedonia” shall be replaced with the wording “Republic of North Macedonia” and the wording “the Project “Construction of new and reconstruction of the existing section Beljakovce – Kriva Palanka – eastern part of Rail Corridor VIII, Phase 2” shall be replaced with the wording “Project for construction of the eastern section of Rail Corridor VIII, from Kumanovo to Kriva Palanka, and completion of Rail Corridor X” in the entire text of the Law.

Article 6

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