

“Official Gazette of the Republic of North Macedonia”, no. 262 dated 11<sup>th</sup> December 2023

**20232624552**

**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 BORROWING A LOAN BY THE REPUBLIC OF NORTH MACEDONIA AT THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT UNDER THE LOAN AGREEMENT FOR RAIL CORRIDOR VIII - PHASE 3, SECTION KRIVA PALANKA TO THE BULGARIAN BORDER**

Law on Borrowing a Loan by the Republic of North Macedonia at the Bank for Reconstruction and Development under the Loan Agreement for Rail Corridor VIII - Phase 3, section Kriva Palanka to the Bulgarian Border, adopted by the Parliament of the Republic of North Macedonia, at its session held on 11<sup>th</sup> December 2023 is hereby promulgated.

No. 08-6408/1  
11<sup>th</sup> December 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 BORROWING A LOAN BY THE REPUBLIC OF NORTH MACEDONIA AT THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT UNDER THE LOAN AGREEMENT FOR RAIL CORRIDOR VIII - PHASE 3, SECTION KRIVA PALANKA TO THE BULGARIAN BORDER**

Article 1

Republic of North Macedonia shall borrow a Loan from the European Bank for Reconstruction and Development in the amount of EUR 175,000,000, intended for financing the Rail Corridor VIII - Phase 3, section Kriva Palanka to the Bulgarian Border Project, which shall, as well, be partially financed through the Instrument for Pre-Accession assistance-IPA of the European Union.

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 for Rail Corridor VIII - Phase 3, section Kriva Palanka to the Bulgarian Border, 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

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 74,00,000 and the second tranche shall be in the amount of EUR 101,000,000.

Repayment period of the first tranche of the Loan shall be 15 years, including four-year grace period. 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 of each year, with the first date being the date immediately following the fourth anniversary of the Loan Agreement signing.

Repayment period of the second tranche of the Loan shall be 15 years, including four-year grace period. Second tranche of the Loan shall be repaid in 22 semi-annual installments on 20<sup>th</sup> April and 20<sup>th</sup> October of each year, with the first date being the date immediately following the second tranche availability date.

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

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

Republic of North Macedonia shall pay to the European Bank for Reconstruction and Development front-end commission, accounting for 1% of the amount of the second tranche within seven days from the second tranche availability date.

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

Commitment charge for the first tranche shall accrue from the date 60 days after the date of signing the Loan Agreement referred to in Article 2 of this Law.

Commitment charge for the second tranche shall accrue from the date 60 days after the second tranche availability date.

#### Article 4

Project referred to in Article 1 of this Law shall be implemented by the Ministry of Finance - Central Financing and Contracting Department and the Public Enterprise for Railway Infrastructure Railways of Republic of North Macedonia - Skopje.

#### Article 5

For the purpose of implementing the Project referred to in Article 1 of this Law, the Public Enterprise for Railway Infrastructure Railways of Republic of North Macedonia-Skopje shall conclude Project Agreement with the European Bank for Reconstruction and Development.

#### Article 6

To the end of regulating the mutual rights and obligation 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 Communication and Public Enterprise for Railway Infrastructure Railways of Republic of North Macedonia - Skopje shall conclude separate 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 delivered/rendered to the Public Enterprise for Railway Infrastructure Railways of Republic of North Macedonia - Skopje by the winning contractor, intended for implementing the Rail Corridor VIII - Phase 3, section Kriva Palanka to the Bulgarian Border Project, 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.

As regards supply of goods and/or services delivered/rendered to the Public Enterprise for Railway Infrastructure Railways of Republic of North Macedonia – Skopje by the winning contractor, intended for implementing the Rail Corridor VIII - Phase 3, section Kriva Palanka to the Bulgarian Border Project, financed under the Loan Agreement referred to in Article 2 of this Law, whereby the Public Enterprise for Railway Infrastructure Railways of Republic of North Macedonia - Skopje is tax debtor pursuant to point 4, Article 32 of the Law on Value Added Tax, it shall be exempt from assessing and paying value added tax.

As regards the supply of goods and/or services rendered and exempted from the value added tax pursuant to paragraph 1 of this Article, “value added tax has not been assessed” shall be specified in the invoice by the supplier, also indicating the basis for value added tax exemption, i.e. Project name and title of the Loan Agreement referred to in Article 2 of this Law.

Import of goods by the Public Enterprise for Railway Infrastructure Railways of Republic of North Macedonia - Skopje, intended for implementing the Rail Corridor VIII - Phase 3, section Kriva Palanka to the Bulgarian Border Project, financed under the Loan Agreement referred to in Article 2 of this Law, shall be exempt from value added tax, import duties, excise duties on energy products, as well as motor vehicles tax, in the course of the Project.

When importing goods exempted pursuant to paragraph 4 of this Article, Public Enterprise for Railway Infrastructure Railways of Republic of North Macedonia – Skopje shall mandatory submit copy of the Loan Agreement referred to in Article 2 of this Law to the competent customs authority and a statement that imported goods are intended for implementation of the Rail Corridor VIII - Phase 3, section Kriva Palanka to the Bulgarian Border Project, financed under the Loan Agreement referred to in Article 2 of this Law.

Supply of goods and/or services referred to in paragraphs 1 and 2 of this Article, as well as the import of goods/services referred to in paragraph 4 of this Article, may not exceed the loan amount referred to in Article 1 of this Law.

#### Article 9

Goods exempted from import duties pursuant to paragraph 4, Article 8 of this Law may not, within three years from the day of import, be alienated or 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 may 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 4, Article 8 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 non-compliance with the provisions referred to in paragraphs 1 and 2 of this Article, 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 10

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