

20181632978

PARLIAMENT OF THE REPUBLIC OF MACEDONIA

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

DECREE ON PROMULGATION OF THE LAW ON GUARANTEE BY THE REPUBLIC OF MACEDONIA FOR THE LOAN AGREEMENT FOR FINANCING KRIVA PALANKA- DEVE BAIR ROAD SECTION (BORDER WITH BULGARIA), TO BE CONCLUDED BETWEEN THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE PUBLIC ENTERPRISE FOR STATE ROADS

Law on Guarantee by the Republic of Macedonia for the Loan Agreement for financing Kriva Palanka - Deve Bair Road Section (border with Bulgaria) to be concluded between European Bank For Reconstruction and Development and the Public Enterprise for State Roads, adopted by the Parliament of the Republic of Macedonia at its session held on 3rd September 2018 shall be promulgated.

No. 08-5118/1
3rd September
Skopje

President
of the Republic of Macedonia,
Gorge Ivanov PhD, in his own hand

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

LAW ON GUARANTEE BY THE REPUBLIC OF MACEDONIA FOR THE LOAN AGREEMENT FOR FINANCING KRIVA PALANKA- DEVE BAIR ROAD SECTION (BORDER WITH BULGARIA), TO BE CONCLUDED BETWEEN THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE PUBLIC ENTERPRISE FOR STATE ROADS

Article 1

Republic of Macedonia shall guarantee the settlement of liabilities and the fulfilment of provisions referred to in the Loan Agreement for Financing Kriva Palanka-Deve Bair Road Section (Border with Bulgaria), in the amount of EUR 10,000,000, to be concluded between the European Bank For Reconstruction and Development and the Public Enterprise for State Roads, should the Public Enterprise for State Roads fail to meet and settle the liabilities under the Loan Agreement.

Article 2

Terms and conditions and the manner of using the loan shall be determined in a Loan Agreement referred to in Article 1 of this Law, to be concluded between the European Bank for

Reconstruction and Development and the Public Enterprise for State Roads for financing Kriva Palanka-Deve Bair Road Section (Border with Bulgaria).

Article 3

All liabilities arising from the Loan Agreement referred to in Article 1 of this Law, as well as the loan servicing, shall be carried out by the Public Enterprise for State Roads 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 terms and conditions include 15-year repayment period and 3-year grace period. Interest rate shall be 6-month EURIBOR variable interest rate increased by 1% margin. Public Enterprise for State Roads shall pay to the European Bank for Reconstruction and Development front-end fee amounting to 1% of the loan amount. Public Enterprise for State Roads shall pay to the European Bank for Reconstruction commitment charge amounting to 0.5% of the loan on annual level.

Article 5

To the end 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 Kriva Palanka-Deve Bair Road Section (Border with Bulgaria), 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 by the Public Enterprise for State Roads intended for Kriva Palanka-Deve Bair Road Section (Border with Bulgaria), financed under the Loan Agreement referred to in Article 1 of this Law shall be exempt from value added tax and import duties, as well as from excises on import of passenger vehicles and mineral oils.

As regards the supply rendered to the Public Enterprise for State Roads for purposes of Kriva Palanka-Deve Bair Road Section (Border with Bulgaria), financed under the Loan Agreement referred to in Article 1 of this Law, being a tax debtor therefor pursuant to point 4 Articles 32 and 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 paragraph 1 of this Article shall mandatory indicate in the invoice the name of the project and the name of the Loan Agreement referred to in Article 1 of this Law in the invoice, in addition to the name (title) of the recipient of the goods or the user of the services.

Article 7

To the end of applying the exemption referred to in paragraph 2, Article 6 of this Law, the Public Enterprise for State Roads shall submit request to the Ministry of Finance and the Customs Administration. Form and contents of the request referred to in paragraph 1 of this Article and accompanying documentation shall be stipulated by the Minister of Finance.

Article 8

Goods, which have been exempted from import duties pursuant to paragraph 2, Article 6 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 exempted from import duties before payment of such import duties is made. Such items shall not be pledged, lent or used as security for other obligations.

If the holder of the right intends, prior to the expiry of the time limit referred to in paragraph Article 6 of this Law, to use the goods exempted from import duties pursuant to paragraph 2 Article 6 of this Law, for purposes different from those for which such goods were exempted from import 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 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 9

Bylaws envisaged under this Law shall be adopted within 60 days from the day of entry into force of this Law.

Article 10

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