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PARLIAMENT OF THE REPUBLIC OF MACEDONIA

Pursuant to Article 75, paragraphs 1 and 2 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 LAW ON GUARANTEE BY THE REPUBLIC OF MACEDONIA UPON THE LOAN AGREEMENT FOR MACEDONIAN RAILWAYS FLEET RENEWAL PROJECT, TO BE CONCLUDED BETWEEN THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT AND MACEDONIAN RAILWAYS TRANSPORT JOINT STOCK COMPANY

Law on Guarantee by the Republic of Macedonia upon the Loan Agreement for Macedonian Railways Fleet Renewal Project, to be concluded between the European Bank for Reconstruction and Development and Macedonian Railways Transport Joint Stock Company, adopted by the Parliament of the Republic of Macedonia at its session held on 26.09.2012 shall be promulgated.

No. 07-4065/1
26.09. 2012
Skopje

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

President
of the Parliament of the Republic
of Macedonia,
Trajko Veljanoski, in his own hand

LAW ON GUARANTEE BY THE REPUBLIC OF MACEDONIA UPON THE LOAN AGREEMENT FOR MACEDONIAN RAILWAYS FLEET RENEWAL PROJECT, TO BE CONCLUDED BETWEEN THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT AND MACEDONIAN RAILWAYS TRANSPORT JOINT STOCK COMPANY

Article 1

Republic of Macedonia shall guarantee the settlement of liabilities and the adherence to the provisions under the Loan Agreement for the Macedonian Railways Fleet Renewal Project, to be concluded between the European Bank for Reconstruction and Development and Macedonian Railways Transport Joint Stock Company, in the amount of EUR 50,000,000, should Macedonian Railways Transport Joint Stock Company fail to meet 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 a Loan Agreement, to be concluded between the European Bank for Reconstruction and

Development and Macedonian Railways Transport Joint Stock Company for financing the Macedonian Railways Fleet Renewal Project.

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 settled by Macedonian Railways Transport Joint Stock Company from the revenues it generates, under the terms and conditions and within the deadlines set in the Loan Agreement.

Article 4

Repayment period of the loan referred to in Article 1 of this Law shall be 15 years, including three years and 6 months grace period.

Interest rate shall be variable six month EURIBOR, plus 1% margin. Interest rate shall be paid on annual basis.

Macedonian Railways Transport Joint Stock Company shall pay the European Bank for Reconstruction and Development front-end fee in the amount of 1% of the loan amount.

Commitment charges shall be paid to the European Bank for Reconstruction and Development in the amount of 0.5% of the amount of undisbursed loan funds. Commitment charges shall be paid on annual basis.

Article 5

To the end of regulating mutual rights and obligations arising from the Loan Agreement and the Guarantee Agreement, Ministry of Finance and Macedonian Railways Transport Joint Stock Company shall conclude separate agreement.

Article 6

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