

**LAW**  
**on Guarantee by the Republic of Macedonia for the Loan Agreement for Financing Small and Medium-Size Enterprises and Other Priority Projects to be Concluded between the European Investment Bank and the Macedonian Bank for Development Promotion**

**Official Gazette of the Republic of Macedonia, no. 77/09 dated 19 June 2009**

**Article 1**

Republic of Macedonia shall guarantee the settlement of the liabilities and the fulfilment of the provisions of the Financial Loan Agreement that will be concluded between the European Investment Bank and the Macedonian Bank for Development Promotion according to the Project for Financing Small and Medium-Size Enterprises and Other Priority Projects (hereinafter: Financial Agreement) in the amount of EUR 100,000,000, within deadlines and conditions envisaged under the Financial Agreement, if the Macedonian Bank for Development Promotion does not fulfil and service the liabilities under the Financial Agreement.

**Article 2**

Conditions and manner of using the loan referred to in Article 1 of this Law shall be determined under Financial Agreement that will be concluded between the European Investment Bank and the Macedonian Bank for Development Promotion after the Project for Financing Small and Medium-Size Enterprises and other Priority Projects.

**Article 3**

All liabilities arising from the Financial Agreement referred to in Article 1 of this Law, as well as the loan servicing shall be carried out by the Macedonian Bank for Development Promotion from the revenues it realizes, within deadlines and conditions determined in the Financial Agreement.

**Article 4**

Repayment period of the loan referred to in Article 1 of this Law shall be at least 4 (four) and 12 (twelve) years at the most, with included grace period of at least 4 (four) years for the part of the Project intended for financing small and medium-size enterprises.

Repayment period of the loan referred to in Article 1 of this Law shall be at least 4 (four) and 15 (fifteen) years at the most, with included grace period of at least 5 (five) years for the part of the Project intended for financing other priority projects.

The loan shall be disbursed in 25 tranches at the most. Minimum amount of the tranche shall be EUR 3,000,000.

**Article 5**

Interest rate and the repayment period shall be determined for each tranche of the loan separately, on day of the submission of the request for disbursement of the loan funds by the Macedonian Bank for Development Promotion, depending on which interest rate is more favourable for the Republic of Macedonia (fixed or variable one).

**Article 6**

To the end of regulating the mutual rights and obligations arising from the Financial Agreement and the Guarantee Agreement, the Ministry of Finance and the Macedonian Bank for Development Promotion shall be committed to conclude separate agreement.

**Article 7**

This law shall enter into force on the day of its publication in the "Official Gazette of the Republic of Macedonia".