

**LAW**  
**On Guarantee by the Republic of Macedonia under the Financial Loan Agreement concluded between the European Investment Bank and “Elektrostopantsvo na Makedonija” A.D for Realization of the Project for Construction of Substations in the Republic of Macedonia**

**Official Gazette of the Republic of Macedonia no. 72/2003**

**Article 1**

The Republic of Macedonia shall guarantee the settlement of the liabilities under the Financial Loan Agreement for realization of the Project for Construction of Substations in the Republic of Macedonia to be concluded between the European Investment Bank and “Elektrostopanstvo na Makedonija” A.D in the amount of EUR 13 million.

**Article 2**

The conditions and the manner of utilization of the loan referred to in Article 1 of this Law shall be regulated with the Financial Loan Agreement between the European Investment Bank and “Elektrostopanstvo na Makedonija” A.D and Guarantee and Indemnity Agreement between the Ministry of Finance and the European Investment Bank, for financing the Project for Construction of Substations in the Republic of Macedonia.

**Article 3**

All liabilities arising from the Financial Loan Agreement referred to in Article 1 of this Law, as well as the loan servicing shall be settled out by “Elektrostopanstvo na Makedonija” A.D from the revenues it generates, under the terms and conditions defined in the Financial Loan Agreement.

**Article 4**

The Loan referred to in Article 1 of this law shall be repaid in the following manner:  
The repayment period shall be 20 years, including 5-year grace period. The interest rate to be calculated for each disbursed tranche separately shall be determined by the European Investment Bank on the day of the tranche from the loan is disbursed and it can be:

- fixed interest rate; or
- variable interest rate positioned at EURIBOR + 0.40%.

“Elektrostopanstvo na Makedonija” A.D shall decide which interest rate shall be applied for each of tranche from the loan in accordance with the offered options referred to in paragraph 3 of this Article.

The loan shall be repaid in equal semi-annual instalments in accordance with the repayment schedule. Separate repayment schedule shall be prepared for each tranche from the loan in accordance with the terms and conditions and the deadline given in this Article and they shall be an integral part of the Financial Loan Agreement.

## **Article 5**

Should the due liabilities on the basis of interest and principal be paid by the Republic of Macedonia, on behalf of "Elektrostopanstvo na Makedonija" AD, and within the deadlines defined in the Financial Loan Agreement, "Elektrostopanstvo na Makedonija" AD shall, within 30 days from the day of settling the liability, transfer to the revenue account of the Budget of the Republic of Macedonia Denar funds in the amount of the executed payment, increased by the calculated interest and the incurred costs related to the respective transaction.

The Minister of Finance can issue an order to the Public Revenue Office to block the funds of "Elektrostopanstvo na Makedonija" A.D. on the basis of VAT refund so as to settle the due liabilities towards the creditor, i.e. to compensate to the state Denar funds in the amount of the executed payment, increased by the calculated interest and the incurred costs related to the respective transaction.

## **Article 6**

The Ministry of Finance and "Elektrostopanstvo na Makedonija" A.D. shall conclude an agreement to regulate the mutual rights and obligations on the basis of the guarantee issued towards the European Investment Bank.

## **Article 7**

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