

LAW

On Guarantee by the Republic of Macedonia under the Loan Agreement to be concluded between the European Bank for Reconstruction and Development and Elektrostopantsvo na Makedonija A.D for Realization of the Project for Construction of 400 kv Electricity Transmission Line from Stip (Republic of Macedonia) to Crvena Mogila (Republic of Bulgaria)

Official Gazette of the Republic of Macedonia no. 72 dated 10th November 2003

Article 1

The Republic of Macedonia shall guarantee the settlement of the liabilities under the Loan Agreement for realization of the Project for Construction of 400 kV Electricity Transmission Line from Stip (Republic of Macedonia) to Crvena Mogila (Republic of Bulgaria) to be concluded between the European Bank for Reconstruction and Development and Elektrostopanstvo na Makedonija A.D in the amount of EUR 40,470,600.

Article 2

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

Article 3

The loan referred to in Article 1 of this law shall be repaid in the following manner: The repayment period shall be 15 years including four-year grace period and variable interest rate – six -month EURIBOR +1%.

The loan shall be repaid in equal semi-annual instalments falling due on 30th May and 30th November, starting from 30th May 2007 until 30th November 2018.

After the loan effectiveness, Elektrostopanstvo na Republika Makedonija A.D. shall pay one-off fee of 1% for the loan administration and costs for legal services in the amount of EUR 10, 000, while 0.5% commitment fee shall be paid annually.

Article 4

Should the liabilities due on the basis of interest and principal be paid by the Republic of Macedonia on behalf of Elektrostopanstvo na Makedonija A.D. within the periods set in the Loan Agreement, Elektrostopanstvo na Makedonija A.D. shall be obliged within 30 days as of the day the liability was settled, to transfer to the budget revenue account of the Republic of Macedonia, an amount in denars equal to the paid amount, plus the calculated interest and the costs incurred with regard to the respective transaction.

Minister of Finance may issue an order to the Public Revenue Office to freeze the resources 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 amount in denars equal to the payment made, plus the calculated interest and the costs incurred with regard to the respective transaction.

Article 5

Elektrostopantsvo na Makedonija A.D. shall fully realize the project both on the territory of the Republic of Macedonia and on the territory of the Republic of Bulgaria.

Mutual rights and obligations with regard to realization and repayment for the portion of the project to be carried out on the territory of the Republic of Bulgaria, Elektrostopantsvo na Makedonija A.D. and the Bulgarian National Electric Company shall be regulated by concluding Construction Coordination Agreement, Power Delivery Agreement and Coordinated Operations Protocol.

Article 6

Elektrostopantsvo na Makedonija A.D. shall provide financial resources, out of its own revenues, in the amount of EUR 5 million as participation of Elektrostopantsvo na Makedonija A.D. in the realization of the part of the Project for Construction of 400 kV Electricity Transmission Line from Stip (Republic of Macedonia) to Crvena Mogila (Republic of Bulgaria) on the Macedonian territory.

Article 7

Ministry of Finance and Elektrostopanstvo na Makedonija A.D. shall conclude an agreement for regulation of the mutual rights and obligations on the basis of the guarantee issued to the European Bank for Reconstruction and Development.

Article 8

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".