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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 THE LAW ON GUARANTEE OF THE REPUBLIC OF MACEDONIA
UNDER THE LOAN AGREEMENT FOR THE “PROJECT ON CONSTRUCTION OF KICEVO-OHRID
MOTORWAY” TO BE
CONCLUDED BETWEEN THE EXPORT-IMPORT BANK OF CHINA AND THE PUBLIC
ENTERPRISE FOR STATE ROADS OF THE REPUBLIC OF MACEDONIA**

Law on Guarantee of the Republic of Macedonia under the Loan Agreement for the “Project on Construction of Kicevo-Ohrid Motorway” to be concluded between the Export-Import Bank of China and the Public Enterprise for State Roads of the Republic of Macedonia, adopted by the Parliament of the Republic of Macedonia, at its session held on 25th October 2013, shall be promulgated.

No. 07-4104/1
25th October 2013
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 OF THE REPUBLIC OF MACEDONIA UNDER THE LOAN AGREEMENT
FOR THE PROJECT ON CONSTRUCTION OF KICEVO-OHRID MOTORWAY TO BE CONCLUDED
BETWEEN THE EXPORT-IMPORT BANK OF CHINA AND THE PUBLIC ENTERPRISE FOR
STATE ROADS OF THE REPUBLIC OF MACEDONIA**

Article 1

Republic of Macedonia shall guarantee the settlement of liabilities and the adherence to the provisions under the Loan Agreement for the “Project on Construction of Kicevo-Ohrid Motorway”, to be concluded between the Export-Import Bank of China and the Public Enterprise for State Roads of the Republic of Macedonia, in the amount of USD 505,044,966.98, in case the Public Enterprise for State Roads fails to both realize and settle the liabilities under the Loan Agreement.

Official Gazette of the Republic of Macedonia, no.149 dated 29th October 2013

Article 2

Terms and conditions and manner of using the loan referred to in Article 1 of this Law shall be determined in the Loan Agreement, to be concluded between the Export-Import Bank of China and the Public Enterprise for State Roads of the Republic of Macedonia for the “Project on Construction of Kicevo-Ohrid Motorway”.

Article 3

Terms and conditions and manner of calling up the guarantee referred to in Article 1 of this Law shall be determined in the Guarantee Letter, which shall be signed by the Minister of Finance on behalf of the Republic of Macedonia.

Minister of Justice shall issue legal opinion about the legal validity of the Guarantee Letter referred to in paragraph 1 of this Article.

Article 4

All liabilities arising from the Loan Agreement referred to in Article 1 of this Law, as well as the loan, shall be settled by PE for State Roads from its own revenues, within the deadline and the terms and conditions provided under the Loan Agreement.

Article 5

Repayment period of the loan referred to in Article 1 of this Law shall be 20 years, including five-year grace period.

Interest rate shall be fixed interest rate, and shall amount to 2% on an annual basis of the outstanding amounts of the loan.

Loan shall be repaid in 30 equal semi-annual instalments, falling due on 21st January and 21st July.

Article 6

Within 30 days from the date of concluding the Loan Agreement referred to in Article 1, up – front fee shall be paid to Export-Import Bank of China amounting to 0.25% of the loan amount.

Commitment fee shall be paid to the Export-Import Bank of China annually, amounting to 0.25% of the loan amount.

Article 7

To the end of regulating the mutual rights and obligations arising from the Loan Agreement and the Guarantee Agreement, Ministry of Finance and PE for State Roads shall conclude separate agreement.

Article 8

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