

LAW

on guarantee by the Republic of Macedonia under the Loan Agreement for Railway Reform Project, to be concluded between the PE Macedonian Railways Infrastructure - Skopje and the International Bank for Reconstruction and Development

Official Gazette of the Republic of Macedonia no. 17/08 dated 4th February 2005

Article 1

The Republic of Macedonia shall guarantee the settlement of the liabilities and fulfillment of the provisions under the Loan Agreement for the Railway Reform Project, to be concluded between the PE Macedonian Railways and the International Bank for Reconstruction and Development in the amount of EUR 5,970,000 under terms and conditions set under the Loan Agreement, only in the cases when the PE Macedonian Railways Infrastructure - Skopje fails to meet and service the liabilities under the Loan Agreement.

Article 2

The conditions and the manner of utilization of the loan referred to in Article 1 of this Law shall be set under the Loan Agreement between the PE Macedonian Railways Infrastructure - Skopje and the International Bank for Reconstruction and Development.

Article 3

All financial liabilities arising from the Loan Agreement referred to in Article 1 of this Law, as well as the loan servicing shall be made by the PE Macedonian Railways Infrastructure - Skopje from the revenues it generates, under the terms and conditions set in the Loan Agreement.

Article 4

The repayment period of the loan referred to in Article 1 of this Law shall be 17 years including 5-year grace period. The interest rate of the loan shall be LIBOR (for euro currency) plus the variable spread. Interest rate may be reduced on the basis of previously adopted decision by the International Bank for Reconstruction and Development.

The loan shall be repaid in 24 semi-annual annuities, each in the amount of EUR 248,750. Repayment shall be made each 15th April and 15th October 15, starting 15th April 2011 until November 2022.

During the 5-year grace period, which is also project implementation period, only the loan interest will be paid.

On disbursement date, the Republic of Macedonia shall pay the International Bank for Reconstruction and Development one-off fee in the amount of 1% of the loan amount of the International Bank for Reconstruction and Development. The amount of the one-off fee may be less than 1% on the basis of previous decision adopted by the International Bank for Reconstruction and Development.

Commitment fee shall be paid of 0,75% annually. The amount of this commitment fee may be lower than 0,75% on the basis of previous decision adopted by the International Bank for Reconstruction and Development.

Commitment fee referred to in paragraph 5 of this Article shall be paid semi-annually, on 15th April and 15th October 15 each year.

Article 5

In the case the liabilities due on the basis of interest and principal are paid by the Republic of Macedonia, on behalf of the PE Macedonian Railways and within the periods set in the Loan Agreement, the PE Macedonian Railways shall be obliged within 30 days 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.

The Minister of Finance shall have right to issue order to the Public Revenue Office to freeze the resources of PE Macedonian Railways Infrastructure - Skopje on the basis of VAT refund so as to settle the due liabilities towards the creditor, i.e. to compensate to the state the amount in denars equal to the payment made, plus the calculated interest and the costs incurred with regard to the respective transaction.

Article 6

To the end of regulating the mutual rights and obligations arising from the Loan Agreement and the Guarantee Agreement, the Ministry of Finance and the PE Macedonian Railways Infrastructure - Skopje shall be obliged to conclude separate agreement.

Article 7

Guarantee law of the Republic of Macedonia under the Loan Agreement intended for the Railway Reform Project, to be concluded between the PE Macedonian Railways Infrastructure - Skopje and the International Bank for Reconstruction and Development ("Official Gazette of the Republic of Macedonia", no. 109/2005) shall cease to be valid on the day of entry into force of this Law.

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".