

LAW
ON BORROWING BY THE REPUBLIC OF MACEDONIA FROM THE CREDIT BANK OF
FEDERAL REPUBLIC OF GERMANY FOR RECONSTRUCTION (“KfW”) FOR
IMPLEMENTATION OF THE PROMOTION OF MICRO, SMALL AND MEDIUM SIZE
ENTERPRISES PROJECT

Article 1

The Republic of Macedonia shall borrow a loan from the Credit Bank for Reconstruction (“KfW”) of Federal Republic of Germany in the amount of 13 million deutsche marks, intended for implementation of the Promotion of Micro, Small and Medium Size Enterprise Project

Article 2

The conditions and the manner of using the loan referred to in Article 1 of this Law shall be determined in Loan Agreement to be concluded between the Republic of Macedonia and the Credit Bank for Reconstruction (“KfW”).

On behalf of the Republic of Macedonia, the Loan Agreement referred to in paragraph 1 of this Article shall be signed by the Minister of Finance.

Article 3

The repayment period of the loan referred to in Article 1 of this Law shall be 40 years including 10-year grace period and interest rate of 0.75% annually.

The loan shall be repaid in semi-annual installments falling due on each 30th June and 30th December, starting from 30th December 2010.

Commitment fee of 0.25% annually shall be paid. This fee shall be set by the Credit Bank for Reconstruction (“KfW”).

The fee referred to in paragraph 3 of this Article shall be paid semi-annually on 30th June and 30th, starting from 30th December 2010.

Default interest in the amount of the base interest rate of Bundesbanka, increased by 3% annually shall be paid for the loan amount not paid within the envisaged deadlines.

Article 4

Macedonian Bank for Development Promotion shall administer the loan on behalf of the Republic of Macedonia.

Article 5

The Republic of Macedonia shall repay the loan referred to in Article 1 of this Law from the Budget of the Republic of Macedonia.

The loan repayment shall be made from the funds to be established with the loan repayment by the final beneficiaries.

Article 6

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