



## NATIONAL BANK OF THE REPUBLIC OF MACEDONIA

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Pursuant to Article 47 paragraph 1 item 6, and pursuant to Article 19 paragraph 1 item 2 of the Law on the National Bank of the Republic of Macedonia ("Official Gazette of the Republic of Macedonia" no. 158/2010), the National Bank of the Republic of Macedonia Council adopted the following

### **DECISION on overnight credit**

1. This Decision shall set forth the conditions and the manner of extending available overnight credit (hereinafter referred to as: overnight credit) for the purposes of meeting the short-term liquidity needs of the banks.
2. All banks and foreign banks' branch offices (hereinafter referred to as: banks) shall have the right of overnight credit.
3. The National Bank of the Republic of Macedonia (hereafter: National Bank) shall extend overnight credit to a bank by concluding a repo transaction with maturity of one working day (overnight).
4. The National Bank shall charge interest on the overnight credit, at interest rate which is obtained by adding 1.50 percentage points to the CB bills interest rate with maturity of 28 days.

In instance of interest rate tender, the interest rate on the overnight credit shall be obtained by adding 1.50 percentage points to the average weighted interest rate from the last auction of CB bills with maturity of 28 days.

The interest under paragraph 1 of this item shall be calculated by using simple interest method.

5. Instruments used as collateral of the overnight credit shall be the securities indicated on the *List of securities for conducting monetary operations*.
6. The overnight credit shall be approved at the request of the bank.

The National Bank shall have the right to limit the approval or to reject the overnight credit application.

7. The application for concluding overnight credit, i.e. the application for converting intraday credit into overnight credit shall contain the following elements:

- Denar amount;
- Securities mark (ISIN, i.e. auction mark);
- Nominal amount of securities;
- Account in the Macedonian Interbank Payment System (hereinafter: MIPS);
- Securities account in the Central Securities Depository a.d. Skopje, if using securities registered with this institution.

The bank shall submit the overnight credit application, i.e. the application for converting intraday credit into overnight credit to the National Bank through the National Bank's Electronic system for market operations (hereinafter: Electronic System) in the course of each working day, once the MIPS ceases receiving funds transfer messages from the institutions responsible for conducting payment operations for their clients to the moment the MIPS ceases receiving funds transfer messages from the institutions responsible for conducting payment operations, as defined by the MIPS Term Plan, and it shall be irrevocable.

8. A confirmation shall be prepared, as specified by the General Repo Agreement, on the overnight credit extended through the Electronic System.

9. In event of technical problems in the utilization of Electronic System, the bank may submit the application to the National Bank by fax or by using other manner of written notification. The National Bank shall notify the bank on the extended overnight credit by telephone, fax or by using other manner of notification.

10. The bank shall repay the overnight credit on the following working day of the MIPS, as a first payment transaction initiated by the bank.

11. Provided that the bank fails to repay the overnight credit, the National Bank shall collect the credit and all claims arising thereof by full foreclosure of the collateral instruments.

12. The overnight credit settlement shall be made on the basis of the elements indicated in the confirmation, adhering to the *Rules for the manner and the procedure for trading and settling transactions in securities on over the counter markets, the Standard for the purpose and the format of the MT 199 messages in the Matching System, the Standard for the purpose and the format of the messages in the MIPS and the Instructions on settlement of transactions with issued CB bills.*

13. With the effectuation of this Decision, the Decision on Overnight Credit ("Official Gazette of the Republic of Macedonia" no. 84/2005) shall become void.

14. This Decision shall enter into force with the day of its publishing in the "Official Gazette of the Republic of Macedonia".

D. no. 02-15/III-14/2011

March 31, 2011

Skopje

G o v e r n o r

and

Chairperson

of the National Bank of the Republic of

Macedonia Council

Petar Goshev, M.Sc.