



NATIONAL BANK OF THE REPUBLIC OF MACEDONIA

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Pursuant to Article 24 paragraphs 1 and 3 and Article 64 paragraph 1 item 22 of the Law on the National Bank of the Republic of Macedonia ("Official Gazette of RM" no. 3/02, 51/03, 85/03, 40/04, 61/05 and 129/06), Article 36 paragraph 3 and Article 45 paragraph 1 of the Law on the Foreign Exchange Operations ("Official Gazette of RM" no. 34/01, 49/01, 103/01, 51/03 and 81/08), the National Bank of the Republic of Macedonia Council adopted the following

DECISION on the currency exchange operations

I. GENERAL PROVISIONS

1. This Decision shall prescribe the conditions, the manner, the procedure and the necessary documentation for obtaining license for conducting currency exchange operations, the manner of conducting the currency exchange operations, the supervision and the measures that the National Bank may undertake (hereinafter referred to as: the National Bank).

2. Individual terms used in this Decision shall have the following meaning:

a) currency exchange operations shall be the following:

- purchase of cash foreign currency and checks denominated in foreign currency, from foreign and domestic natural persons, and
- sale of cash foreign currency to domestic and foreign natural persons on the basis of repurchase;

b) licensed currency exchange operators shall be the residents - legal entities the main office of which is situated in the Republic of Macedonia, which obtained a license from the National Bank for conducting currency exchange operations in conformity with this Decision

The licensed currency exchange operators may perform currency exchange operations on its behalf and for its account, or on its behalf and for the account of a bank.

c) currency exchange office shall be the premise where the currency exchange operations are carried out;

d) cashier's desk shall be part of the currency exchange office the currency exchange operations are carried out;

e) authorized person shall be a person employed with the licensed currency exchange operator, reported and registered in the National Bank Registry for conducting currency exchange operations;

f) responsible person shall be the person representing the legal entity by law;

g) authorized bank shall be the bank to which the Governor of the National Bank has issued a founding and operating license, and

h) cash shall denote the cash foreign currency and checks and Denars.

II. CONDITIONS FOR PERFORMING CURRENCY EXCHANGE OPERATIONS AND NECESSARY DOCUMENTATION

3. For the purpose of obtaining license from the National Bank for conducting currency exchange operations the resident - legal entity, should obligatory fulfill the following conditions:

- to be registered for the activity "64.19 Other monetary intermediation" in the Trade Companies Registry or other registry with competent body;
- to have appropriate premise for conducting currency exchange operations;
- the legal entity that wants to perform currency exchange operations on its behalf and for the account of bank, should conclude agreement with the bank. The agreement shall regulate the mutual rights and the responsibilities at least about the amount of the commission, the required instructions and forms, the repurchase and sale, the exchange rate list on the basis of which the currency exchange operations are performed, the supervision, the mutual reporting and the reporting to the National Bank, the expenses, as well as the number of the currency exchange offices through which the legal entity will operate;
- to have vault for safe keeping of the cash used exclusively for conducting currency exchange operations;
- the premise where the currency exchange operations will be performed should be equipped with suitable instruments for protection and security of the cash, the property and the employees;
- the premise where the currency exchange operations will be performed shall have telephone - fax installed;
- no misdemeanor sanction i.e. ban on performing a profession, activity or duty should be imposed, nor effective court verdict for criminal act in the area of finance should be pronounced against the responsible person of the legal entity and the authorized persons;
- the authorized persons should have knowledge of at least one of the following languages: English, German, French, Spanish and Italian, and completed at last secondary education.

4. For the purpose of obtaining license for conducting currency exchange operations, the legal entity should submit written application to the National Bank that contains the following data:

- company and the main office of the applicant, single registration and tax number;
- name and surname, place and date of birth, address, number of ID card and national identification number of the responsible person of the applicant;
- address of the premise where the currency exchange operations will be performed;
- telephone and fax number;
- name and surname, number of the ID card and the national identification number of the authorized persons;
- for which account the currency exchange operations will be performed.

Together with the written application under paragraph 1 of this item, the following documentation shall also be submitted:

- proof that the legal entity has been registered for the activity "64.19 Other monetary intermediation", in the Trade Companies Registry, or other registry with a competent body. The certificate issued by the Trade Registry or other registry shall not be older than 3 (three) months from to the date of submission of the application;
- proof for ownership or lease agreement for the premise the currency exchange operations will be performed;
- decision issued by the State Sanitary and Health Inspectorate within the Ministry of Health, that the premise fulfills the conditions for performing the activity;

- application to the State Inspectorate for Labor and Social Policy within the Ministry of Labor and Social Policy for meeting the measures, the norms and the standards for protection at work during performing the activity;
- an agreement concluded with bank, if the currency exchange operations are performed on its behalf, and for the account of a bank;
- proof that it has vault;
- proof for having constructed a separate cubical and installed alarm system or separate cubical protected with bulletproof glass;
- proof issued by a competent body that no misdemeanor sanction, i.e. ban on performing profession, activity or duty has been stated against the responsible person of the legal entity and the authorized persons, not older than 6 (six) months prior to the day of submission of the application;
- photocopy of the ID cards of the responsible person of the legal entity and the authorized persons;
- residence certificate and work permit for operating in the Republic of Macedonia for foreign natural person who is the responsible person of the legal entity or s/he is employed with the legal entity and s/he will conduct currency exchange operations;
- proof that the authorized persons have knowledge of at least one of the following languages: English, German, French, Spanish and Italian and proof for finished at least secondary education;
- filled in and signed questionnaire by the responsible person of the legal entity (form 1) verified by an authorized person (notary), not older than 6 (six) months prior to the day of submission of the application.

The documentation submitted together with the application for issuing license for conducting currency exchange operations should be submitted in original or a copy verified by authorized person (notary). If the documentation that should be submitted is written in language other than Macedonian, translation in Macedonian language, verified by authorized court translator, should be submitted together with the original.

5. For the purpose of decision-making upon the application for issuing a license, the National Bank may request further precise stating of the submitted documentation or submission of additional documentation.

6. The National Bank, *ex officio*, will provide proof from the Ministry Interior whether the responsible person in the legal entity and the employees performing the currency exchange operations are or not stated effective court verdict for criminal act from the area of finance.

If the responsible person of the legal entity or the person performing the currency exchange operations is foreigner, s/he will be obliged to provide this proof from the competent institutions in the foreign country by her/himself, which shall not be older than 6 (six) months prior to the day of submission of the application.

If the legislation of the country the foreign person comes from regulates the subject under item 6 paragraph 2 of this Decision differently, s/he will be obliged to enclose appropriate document, or legal opinion of a solicitor, that will prove the difference in the regulations.

7. The National Bank shall decide upon the application under item 4 of this Decision with a decision, within 15 (fifteen) days from the day of submission of the complete application.

Complete application shall denote the application completed with the documentation prescribed under item 4 and the documentation that the National Bank will require in line with items 5 and 6 of this Decision.

8. The licensed currency exchange operator obtaining the license for conducting currency exchange operations from the National Bank shall be obliged to meet also the following additional terms within 30 (thirty) days from the day of obtaining the decision:

- to put on view the firm of the legal entity in each currency exchange office and special inscription "exchange office" in Macedonian and at least one of the following languages: English, German, French, Spanish and Italian. If other activities besides this are conducted in the same exchange office, the inscription "exchange office" must be also displayed in the part where the currency operations are performed;

- to put on view the exchange rate list of purchase and sell rates of the currencies it purchases and sells;

- to procure a catalogue of the cash foreign currencies from the National Bank;

- to open Denar transaction account and foreign exchange account for currency exchange operations with authorized bank;

- to pay Denar funds on the Denar transaction account for currency exchange operations in the amount of at least Denar 200,000.00;

- to procure personal computer;

- to install an internet connection;

- to provide electronic signature certificate from authorized issuer of digital electronic signature certificates;

- to have money laundering prevention program, in conformity with the regulations that regulate the money laundering prevention and other profit from criminal acts and financing terrorism and proof that such a program has been submitted to the Money Laundering Prevention and Financing Terrorism Directorate.

The licensed currency exchange operator shall be required to inform the National Bank in written on the fulfillment of the additional conditions.

9. When opening the accounts under item 8 paragraph 1 indent 4, the licensed currency exchange operator shall be obliged to submit the authorized bank a decision on obtaining license for performing currency exchange operations issued by the National Bank.

10. The licensed currency exchange operator may open Denar transaction account and foreign exchange account for performing currency exchange operations in several authorized banks. The licensed currency exchange operator may open only one transaction account and one foreign exchange account for performing currency exchange operations in one authorized bank.

11. The National Bank, after written notification from the licensed operator or after the expiration of the deadline determined in item 8 of this Decision, will supervise the currency exchange office for meeting the conditions under item 3 paragraph 1 indents 4, 5 and 6 and Article 8 of this Decision. If determined that they are met for each currency exchange office, it shall issue a written mark - label, with the following inscription "the currency exchange office fulfills the conditions for performing currency exchange operations".

After the label is obtained, the licensed currency exchange operator shall be obliged to start performing currency exchange operations within 3 (three) working days.

12. If the National Bank through its on-site supervision determines that the conditions under item 3 paragraph 1 indents 4, 5 and 6 and item 8 of this Decision are not fulfilled, it will not issue a written mark - label to the licensed currency exchange operator and it will revoke the license for performing currency exchange operations.

13. The authorized currency exchange operator shall be required to inform the National Bank about each change of data under item 4 of this Decision, as well as about the

termination of performing currency exchange operations, at least within 5 (five) working days before the change, by submitting appropriate documentation.

Depending on the data changed and the submitted documentation thereof, as well as for the termination of performing currency exchange operations, the National Bank shall issue adequate decision or notification to the licensed currency exchange operator, within 15 (fifteen) days from the receipt of the completed notification.

14. The authorized bank shall obtain the authorization for conducting currency exchange operations from the National Bank, simultaneously with the founding and operating license, or with its further amendments.

15. The authorized bank shall be obliged to inform the National Bank on the address of each opened or closed currency exchange office, i.e. for each change of the address of the currency exchange office, as well as of the name, surname and the national identification number of the authorized persons that will conduct the currency exchange operations, at least 5 (five) working days before the change.

The National Bank shall issue written mark - label to the bank under paragraph 1 of this item for each opened currency exchange office, i.e. withdraw the issued label for each closed currency exchange office.

16. The National Bank shall maintain a registry for issued decisions, which contains:

- number and date of the issued decision;
- company and main office of the licensed currency exchange operator;
- name of the bank if the licensed currency exchange operator concluded an agreement with bank;
- number of the label and
- name, surname and the national identification number of the responsible person of the legal entity and the authorized persons performing the currency exchange operations.

III. MANNER OF PERFORMING THE CURRENCY EXCHANGE OPERATIONS

17. When performing the currency exchange operations, the licensed currency exchange operator shall be obliged:

- to put the label on view in the premise where the currency exchange operations will be carried out;
- to put on view in the premise where the currency exchange operations will be carried out a notification written in big printed letters which will read as follows: "In conformity with item 17 paragraph 1 indent 7 of the Decision on the currency exchange operations adopted by the National Bank of the Republic of Macedonia, the licensed currency exchange operator shall be obliged to issue a confirmation for purchase/sell of cash foreign currency and checks on MT1 form for each concluded transaction".
- to perform currency exchange operations only with natural persons;
- to put on view at all times a currency exchange list with purchase and sell exchange rates of the currencies it purchases/sells;
- to put on view at all times the price for the service for conducting currency exchange operations;
- to identify the natural persons for each purchase/sell of cash foreign currency and checks;
- to prepare "confirmation for purchase/sell of cash foreign currency and checks" for each purchase/ sell of cash foreign currency on MT1 form in two copies, one of which shall be given to the natural person, while the second copy will be kept in the own record-keeping;
- to record each purchase/sale transaction of cash foreign currency in a cash journal ;

- to keep a cash journal on a daily basis;
- to submit an aggregated 10-day report on the IMR1 form to the National Bank within two working days after the expiration of the 10-day period;
- to keep numerated registry, signed by authorized person, for each purchase/sale of cash foreign currency and checks that includes an amount larger than Euro 2,500.00 in Denar counter value. The data shall be recorded chronologically;
- to perform the currency exchange operations in the currency exchange offices licensed by the National Bank and which are recorded in the National Bank Registry;
- the currency exchange operations shall be carried out only by authorized persons who are reported and recorded in the National Bank Registry;
- to have no differences between the documents pertaining to the turnover and the factual stock of the cash on the cashier's desk;
- not to keep cash in the cashier's desk that does not originate from conducting currency exchange operations;
- to implement money laundering prevention program;
- to keep the documentation on the basis of conducting currency exchange operations from the last three months, in the premise where the currency exchange operations are carried out;
- to sell cash foreign currency of residents only on the basis of repurchase;
- when purchasing cash foreign currency and checks from residents over the amount of Euro 10,000.00 in Denar denomination, it shall be required to request and to hold a written confirmation for entered cash foreign currency and checks in the Republic of Macedonia, or document as a proof that they are withdrawn from the account opened with the authorized bank, in original;
- to put an inscription "currency exchange office" at all times in Macedonian and one of the following languages: English, German, French, Spanish and Italian in the premise where the currency exchange operations are carried out;
- to put on view label with working hours in the premise for conducting currency exchange operations;
- with a decision of the responsible person of the legal entity, to set the amount of the Denar and foreign exchange vault maximum. The National Bank may prescribe the manner for determining the amount of the Denar and foreign exchange maximum in the Instructions for enforcing this Decision;
- the amount of the vault maximum it should pay on its Denar and foreign exchange accounts for currency exchange operations , on the very same day or the following working day.

IV. SUPERVISION AND MEASURES

18. The National Bank shall supervise the implementation of the provisions of the Law on the Foreign Exchange Operations, of this Decision and of the Instructions for enforcement of this Decision through:

- off-site supervision by collecting, monitoring and verifying the reports, the licensed currency exchange operators are obliged to submit to the National Bank according to this Decision and
- on-site supervision of the currency exchange operations conduct with the licensed currency exchange operator.

19. The licensed currency exchange operator shall be required to enable the authorized persons of the National Bank performing the supervision a smooth supervision, inspection in the entire performance of the currency exchange operations and upon their request to put the entire necessary documentation on their disposal.

20. The authorized persons from the National Bank shall prepare a report on the determined situation from the conducted supervision.

The report from the conducted supervision shall represent a business secret of the National Bank and the licensed currency exchange operator is obliged to keep it. The licensed currency exchange office may quote or state otherwise the contents of the report to third parties only after a prior written approval from the National Bank.

The licensed currency exchange office shall be entitled to submit a complaint against the report on the performed supervision within 8 (eight) days from the day of the receipt of the report.

21. The National Bank shall revoke the license for conducting currency exchange operations to the resident - legal entity, which has obtained license from the National Bank for conducting currency exchange operations, if reveals that:

- the license was obtained on the basis of false data;
- no longer meets the conditions for conducting currency exchange operations;
- it conducts the currency exchange operations contrary to the provisions adopted on the basis of the Law on the Foreign Exchange Operations;
- it prevents supervision by the National Bank;
- submits false reports during the operations; and
- fails to perform currency exchange operations longer than 30 (thirty) days.

After the receipt of the decision on revocation of the license for performing currency exchange operations, the legal entity under paragraph 1 of this item shall be required to cease performing the currency exchange operations immediately and to return the written mark - label to the National Bank.

22. After the revocation of the license for performing currency exchange operations, the legal entity under paragraph 1 of item 22, its founders or members of the managing body have no right to submit application for obtaining license for conducting currency exchange operations within 10 (ten) years from the day of the enforcement of the decision on the license revocation.

23. The provisions from items 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 17 paragraph 1 indent 2, 8, 9, 14, 15, 17, 21, 22 and 23 and item 19 and 20 of this decision shall not refer to the authorized banks having obtained a founding and operating license from the Governor of the National Bank.

V. TRANSITIONAL AND CLOSING PROVISIONS

24. The Governor of the National Bank shall adopt Instructions for Enforcement of this Decision.

25. The applications for issuing licenses for performing currency exchange operations submitted to the National Bank before the enforcement of this Decision will be decided upon according to the provisions of the Decision on the manner for obtaining license and performing currency exchange operations ("Official Gazette of RM" no. 53/02, 77/03 and 61/04).

26. This Decision shall enter into force the eighth day from the day of its publishing in the "Official Gazette of the Republic of Macedonia".

27. The licensed currency exchange offices having obtained a license for performing currency exchange operations before the enforcement of this Decision shall be obliged to harmonize their operating with the provisions under item 8 paragraph 1 indents 6, 7 and 8 of this Decision, until September 30,2009 at the latest.

28. By entering into force of this Decision, the Decision on the conditions and the manner of obtaining license and performing exchange offices operations ("Official Gazette of RM" no. 53/02, 77/03 and 61/04) shall become void.

D. no. 02-15/II-1/2009
February 26,2009
Skopje

Petar Goshev, M.Sc.
Governor
and President of the
National Bank of the Republic of Macedonia
Council

QUESTIONNAIRE
for the responsible person of the legal entity

1. Personal data:

- 1.1 Name and surname
- 1.2 Home address
- 1.3 Address in RM (for foreign natural person with a residence in RM)
- 1.4 Date and place of birth
- 1.5 Citizenship
- 1.6 Number of the ID card
- 1.7 National identification number
- 1.8 Telephone/fax

2. Has the legal entity _____, with registration number _____ and main office on _____, that submits the application for obtaining license for performing currency exchange operations, been revoked the license for performing currency exchange operations on any basis, calculated from the day of submission of the application?

Yes _____

No _____

3. Has/have the founder/founders _____, with national identification number _____ of the legal entity that submits application for obtaining license for performing currency exchange operations, been a founder or member of managing body of a company to which the license for performing currency exchange operations was revoked on any basis, in the previous 10 (ten) years, calculated from the day of submission of the application?

Yes _____

No _____

If the answer is confirmative, please state the name of the company, its registration number, the function s/he has and the basis for the revocation of the license:

_____.

4. Has/have the member/members of the managing body of the legal entity submitting the application for obtaining license for performing currency exchange operations _____, national ID number _____, been founder or member of the managing body of a company to which the license for performing currency exchange operations was revoked on any basis, calculated from the day of submission of the application?

Yes _____

No _____

If the answer is confirmative, please state the name of the company, its registration number, the function s/he has and the basis for the revocation of the license:

_____.

I hereby claim under full moral, material and criminal accountability that the information contained in this Questionnaire, as well as the entire documentation that the legal entity submits within the application for obtaining license for performing currency exchange operations, is true and does not contain forged data and documents.

Place and date

Signature of the responsible person
