



NATIONAL BANK OF THE REPUBLIC OF MACEDONIA

Pursuant to Article 40 of the Law on Foreign Exchange Operations ("Official Gazette of the Republic of Macedonia" No. 34/01, 49/01, 103/01) and Article 64 paragraph 1 item 22 of the Law of the National Bank of the Republic of Macedonia ("Official Gazette of the Republic of Macedonia" No. 3/02), at its CI session held on July 06, 2002, the National Bank of the Republic of Macedonia Council adopted the following

DECISION

on obligatory reporting on the operations with abroad

1. The residents are obligated to report to the National Bank of the Republic of Macedonia on their operations with abroad related to:
 - the changes and the balances on the accounts of the residents abroad;
 - the changes and the amount of claims and liabilities of the residents to the non-residents;
 - the changes and the amount of claims and liabilities on the basis of investments of the residents abroad and the investments of the non-residents in the Republic of Macedonia (related entities);
 - all transactions with securities;
 - the changes and the amount of the credit transactions;
 - other changes and the amount of assets, claims and liabilities that influence the items in the balance of payments;

The term "changes" denotes all international business activities that alter the stock of assets, claims or liabilities of the residents with abroad.

2. All residents of the Republic of Macedonia that perform transaction i.e. that have stock of funds, claims and liabilities mentioned in Item 1 of this Decision shall be obliged to make the reporting.

The term "transaction" denotes each business activity which alters the stock of claims from and liabilities to foreign entities.

For the needs of this Decision the following are considered residents of the Republic of Macedonia:

- trading companies, sole proprietors and other legal entities with their main offices in the Republic of Macedonia, together with their representative offices in other countries, except their subsidiaries abroad;
- branch offices of foreign companies registered in the Trade Registry of the Republic of Macedonia;

- individuals, i.e. natural persons who independently perform activities as their profession, with permanent residence in the Republic of Macedonia, and who are not treated as traders according to the Law on Trade Companies;
 - diplomatic, consular and other representative offices of the Republic of Macedonia abroad, which are financed from the budget, as well the employees in those representative offices and the members of their closer family.;
 - natural persons with permanent residence in the Republic of Macedonia and foreign natural persons with an work permit exceeding six months;
3. Residents (hereinafter: reporters) shall report directly and indirectly through:
- authorized banks (regarding the payment operations abroad);
 - authorized participants in the securities market and Central Securities Depositary; and
 - customs authorities (regarding the export and import of goods and services).
4. The reporters shall be obliged to submit to the National Bank of the Republic of Macedonia reports for all transactions, i.e. the stock of assets, claims and liabilities stipulated under item 1 of this Decision on monthly, quarterly and annual basis, with respect to:
- the changes and the balances on the accounts abroad, and of the recording accounts for settling the mutual claims and liabilities with the non-residents;
 - the changes and the amount of claims from and liabilities to foreign entities for residents that conclude contracts for purchase/sale of goods and services with non-residents, regardless of:
 - a) whether the goods crossed the border of the Republic of Macedonia or not;
 - b) whether the service is rendered in the Republic of Macedonia or abroad;
 - c) whether the collection, i.e. the payment is made through domestic banks or through accounts abroad;
 - d) whether the collection i.e. the payment is in cash or not;
 - e) whether the collection i.e. the payment is made in Denar or in another foreign currency;
 - the changes and the amount of the investments of the residents abroad and the investments of the non-residents in the Republic of Macedonia, as well as the transactions resulting from their mutual activity;
 - the changes and the stock of securities;
 - the changes and the stock of claims and liabilities on the basis of credit transactions;
 - for the changes and the stock of assets, claims and liabilities which are of crucial importance for the balance of payments;
5. The reporters shall be responsible for the accuracy of the data given in the reports, which should be identical with the accounting records, book-keeping documents and other documents which the reporters are obliged to submit upon the requirement of the National Bank of the Republic of Macedonia.
6. The data given in the reports that refer to the individual reporters shall be considered as confidential.

7. The deadlines for submitting the reports are regulated with manuals for implementation of this Decision.
8. The competent authorities shall initiate a procedure against the reporters which fail to submit a report within the deadlines stipulated with the manuals or if they submit a report containing false data.
9. The Governor of the National Bank of the Republic of Macedonia shall adopt manuals for implementation of this Decision.
10. This Decision shall become effective within eight days from its publishing in the "Official Gazette of the Republic of Macedonia", and its implementation shall start on October 15, 2002.

D.No. 02-15/CI-20/2002
July 06, 2002
Skopje

President
of the National Bank of the
Republic of Macedonia Council
Ljube Trpeski
Governor

EXPLANATORY NOTE

The legal framework for adopting this Decision is stipulated in Article 40, paragraph 3 of the Law on Foreign Exchange Operations ("Official Gazette of the Republic of Macedonia, No. 34/2001, 49/2001 and 103/2001) according to which the National Bank of the Republic of Macedonia regulates the method and the procedure for reporting of the residents, i.e. the non-residents.

The Decision on obligatory reporting on the operations with abroad regulates the method of reporting of the residents, which can be direct or indirect, carried out through the authorized banks, the authorized participants on the securities market and through the customs authorities, then the reporting deadlines and the responsibility of the reporters.

Namely, this Decision includes keeping appropriate record and conducting efficient supervision of the data that the residents – reporters are obliged to present to the authorized departments in the National Bank of the Republic of Macedonia. Thus, this Decision requires from the residents to submit reports to the National Bank of the Republic of Macedonia for each operation with foreign entities which is subject of this Decision.

The Decision generally sets the deadlines for obligatory reporting (on monthly, quarterly and annual basis) within which the residents report to the National Bank of the Republic of Macedonia all conducted transactions, i.e. the stock of assets, claims and liabilities, which are subject of this Decision.

However, the fact that the Decision regulates the responsibilities of the residents for the conducted offences is of great importance. Thus, for the cases of disregarding the deadlines for submission of the reports or when the residents gave false data in the reports, the National Bank of the Republic of Macedonia shall undertake and shall initiate appropriate procedures with the authorities in the Republic of Macedonia, in accordance with the legal framework.

The Governor of the National Bank of the Republic of Macedonia shall adopt special manuals for the implementation of the provisions of this Decision, containing the forms on which the residents shall report.

Thus, according to the aforementioned, we recommend the National Bank of the Republic of Macedonia Council to adopt this Decision in the suggested form.