



## **NATIONAL BANK OF THE REPUBLIC OF MACEDONIA**

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Pursuant to Article 36 paragraph 3 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 on 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 the conditions and the manner of obtaining license and performing exchange offices operations**

1. In regard to this Decision, the operations of exchange offices include:
  - purchase of cash foreign currency and cheques denominated and payable in foreign currency from foreign and domestic natural persons; and
  - sale of cash foreign currency to foreign and domestic natural persons;
2. The exchange offices operations may be performed by banks, savings houses, trade companies, sole proprietors and other legal entities with their main offices on the territory of the Republic of Macedonia (hereinafter: authorized exchange offices) which obtained a license for conducting exchange offices operations from the National Bank of the Republic of Macedonia.
3. The authorized exchange offices may operate on their behalf or for their account or on their behalf and for the account of an authorized bank.
4. The National Bank of the Republic of Macedonia issues a license for performing exchange offices operations under the following conditions:
  - to be established and registered in accordance with the Law on Trade Companies, and to be registered for the performing exchange offices operations;
  - to have its tax and ID number;
  - to have appropriate premises for performing exchange offices operations, which satisfy the hygienic and technical conditions;
  - to possess an ownership document or rent agreement for the premises where the activity will be performed;
  - for those offices that declared that they will operate on their behalf and for the account of an authorized bank, an agreement with the authorized bank for the account of which they will work is also required. The agreement regulates the mutual rights and responsibilities of the bank and the exchange office in regard to the commission, required manuals and forms, the cash maximum, the purchase and sale, the exchange rate list according to which it will operate, the control, the mutual reporting and the reporting to the National Bank of the Republic of Macedonia, the expenses as well as the number of units through which the exchange office will operate and which have to coincide with that declared to the National Bank of the Republic of Macedonia;
  - to have a vault for safe keeping of the cash used exclusively for the needs of the exchange office;

- the premises where the operations will be performed should be equipped with suitable instruments for protection and security of the means of payment, the property and the employees;
  - the responsible person in the legal entity and the employees that perform exchange offices operations should not be subject to pressed criminal charges nor to non-trial condemning sentence which is proved with a document issued by the authorized court, and they should not be convicted nor be under investigation for offences related to financial operations.
  - The employees that perform exchange offices operations should have knowledge of at least one foreign language;
5. In order to obtain a license for performing exchange offices operations, a written application to the National Bank of the Republic of Macedonia should be submitted, containing the following data:
- name and address of the applicant;
  - address of the premises where the exchange offices operations shall be carried out and the fax number;
  - name and surname of the person authorized to perform the exchange offices operations, number of their identity card and national identification number;
  - name, surname and address of the responsible person of the applicant, number of their identity card, and national identification number;

Together with the application, a documentation that proves that the conditions stipulated in item 4 of this Decision are fulfilled should also be submitted.

6. The National Bank of the Republic of Macedonia decides on the application within 30 days from the completion of the documentation and fulfillment of the conditions, and adopts a decision on the subject.  
The decision on the exchange offices operations is issued on unlimited period.
7. The authorized exchange office is obliged to fulfill the following additional conditions within 30 days from the date of receiving the decision:
- to put a view a sign with a special inscription "exchange office" written in Macedonian and at least one foreign language. If other activities besides this are conducted in the same premises, the inscription must be also displayed in the part of the premises where the operations are performed;
  - to put on view the list of the exchange rates of the cash foreign currencies place;
  - to procure a catalogue of the cash foreign currencies;
  - to submit a proof for having opened single Denar and foreign exchange account for exchange offices operations;

The National Bank of the Republic of Macedonia shall check whether the authorized exchange office will fulfill the conditions stipulated in items 4 and 7 of this Decision, and if it is identified that the conditions are met, a label for opening the exchange office with an inscription "the exchange office fulfills the conditions for performing exchange offices operations" is issued for each individual window.

After obtaining the label, the authorized exchange office is obliged to start operating immediately.

8. In performing its operations, the authorized exchange office is obliged:
- to put the label on view;

- to record promptly each purchase/sale transaction of cash foreign currency;
- to keep a record book on the cash transactions on a daily basis;
- to set the Denar and the foreign exchange cash maximum with a general act;
- to pay the amount exceeding the stipulated maximum on its Denar or foreign exchange account for these operations during the same day or on the next working day at latest;
- to use only one Denar and only one foreign exchange account for exchange offices operations;
- to prepare a special MT1 form (stipulated by the Manual for implementation of the Decision on the conditions and the manner of obtaining license and performing exchange offices operations) in two copies for each performed transaction, one of which remains with the person who performed the transaction, and the second one is kept for the own record-keeping;
- always to have posted the buying and selling exchange rates of the currencies that are purchased or sold;
- to have the prices for its services for conducting the exchange offices operations put on a view at all times;
- to submit to the National Bank of the Republic of Macedonia an aggregated ten-day report, within two working days after the expiration of the ten-day period, on the IMR1 form (stipulated with the Manual for implementation of the Decision on the conditions and the manner of obtaining license and performing exchange offices operations).

9. The authorized office is obliged to inform the National Bank of the Republic of Macedonia about each change of data mentioned in items 4 and 5 of this Decision, as well as about the termination of its activity, within 10 days from the date of the change in the data.

10. The National Bank of the Republic of Macedonia keeps a registry for the issued licenses, which contains:

- number and date of the issued license;
- company, i.e. the name of the exchange office;
- name of the bank if the exchange office have concluded an agreement;
- address of the exchange office;
- number of the label;

11. The National Bank of the Republic of Macedonia controls the authorized exchange offices whether they apply the provisions of the Law on the Foreign Exchange Operations, this Decision and the Manual for implementation of this Decision by:

- control, collection and review of the reports which the authorized exchange offices are obliged to submit to the National Bank of the Republic of Macedonia pursuant to this Decision.
- performing on-site examination of the operations of the authorized exchange offices.

The authorized offices are obliged to enable an access in the exchange operations to the authorized persons of the National Bank of the Republic of Macedonia, and to place all required documentation at their disposal.

If certain irregularities in the exchange offices operations are presented in the report on the on-site examination, the National Bank of the Republic of Macedonia undertakes actions according to the Law on the National Bank of the Republic of Macedonia, the Banking Law and the Law on Foreign Exchange Operations.

12. The National Bank of the Republic of Macedonia may revoke the decision for operations of the authorized exchange office, if the examination reveals that:

- the exchange office no longer meets the conditions stipulated in items 4 and 5 of this Decision;
- the exchange office unabled the examination and control on the exchanging operations;
- there are differences between the data in the documents and the actual amount of cash in the vault;
- the exchange office performed exchange offices operations at a window which is not listed as such;
- the exchange office continually performs its operations contrary to the conditions stipulated in this Decision;
- the cash founded in the vault is not a result of the exchange office operations;

Besides the license for conducting on exchange offices operations, the authorized employees of the National Bank of the Republic of Macedonia, also revoke the issued label after the first instance decision shall become effective.

13. After the license is revoked, the authorized exchange office is not allowed to apply for obtaining a license for conducting exchange office operations in the next 12 months.

14. The Governor of the National Bank of the Republic of Macedonia adopts a Manual for implementation of this Decision.

15. The authorized exchange offices which obtained a license for conducting exchange offices operations before the adoption of this Decision, are obliged to comply with the conditions stipulated in this Decision and the Manual for its implementation within six months from the date of the implementation of this Decision.

16. This Decision shall become effective eight days after its publishing in the "Official Gazette of the Republic of Macedonia" and it shall be implemented from October 15, 2002.

D. No. 02-15/CI-19/2002  
July 06, 2002  
Skopje

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

## **EXPLANATORY NOTE**

Article 36 of the Law on the Foreign Exchange Operations regulates the exchange offices operations of the residents and defines the term exchange offices operations.

Article 36 paragraph 3 empowers the National Bank of the Republic of Macedonia to set the conditions and the manner of obtaining license for performing exchange offices operations.

The Decision lists the legal entities that may obtain a license for performing exchange offices operations, and sets the conditions that the residents should meet in order to be allowed to submit an application for obtaining a license for conducting exchange offices operations.

Besides the general conditions that the resident should meet in order to obtain a license for performing exchange offices operations, this Decision also stipulates the additional conditions that the exchange office should meet for obtaining a label which is used as a proof that it may start operating.

The exchange office is obliged to adhere to the conditions stipulated under item 8 of the Decision during its operations, in order the license for exchange offices operations not to be revoked.

The National Bank of the Republic of Macedonia controls the operations of the exchange offices which is stipulated in items 11 and 12 of this Decision and makes a report on the stated omissions and irregularities, and in certain cases, revokes the decision for performing exchange operations.

This draft-Decision is expected to improve the discipline and the control in the exchange operations.

In regard with the aforementioned, we suggest the National Bank of the Republic of