



NATIONAL BANK OF THE REPUBLIC OF MACEDONIA

Pursuant to Article 47 paragraph 1, item 6 of the Law on the National Bank of the Republic of Macedonia ("Official Gazette of the Republic of Macedonia" no. 158/10 and 123/12) Article 57, paragraph 2 and paragraph 3 and Article 59, paragraph 5 of the Banking Law ("Official Gazette of the Republic of Macedonia" no. 67/07, 90/09, 67/10 and 26/13), the Council of the National Bank of the Republic of Macedonia passed the following

DECISION on Issuing Approvals ("Official Gazette of the Republic of Macedonia" no. 72/13)

I. GENERAL PROVISIONS

1. This Decision shall prescribe:

- the type of documentation, the method of its submission, and the conditions and the procedure for issuance of prior approval for amendments to the statute of a bank;
- the type of documentation, the method of its submission, and the conditions and the procedures for issuance of prior approval for commencement of an activity stipulated in Article 7, paragraph 1, items 5, 8, 9, 13, 14, 15, 16, 17, 18 and 23 of the Banking Law;
- the documents, data, and information for issuance of prior approval for the appointment of a member of the Supervisory Board, the manner for their submission, as well as the manner and procedure for their assessment;
- the documents, data, and information for issuance of prior approval for appointment of a member of a Management Board, the manner for their submission, as well as the manner and procedure for their assessment;
- the type of documentation, the manner of its submission, and the conditions and the procedures for issuance of a prior approval for founding a subsidiary, branch, bank's representative office abroad or for acquiring an equity holding in a bank;
- the type of documentation, the manner of its submission, and the conditions and the procedures for issuance of prior approval for establishing or acquiring an equity holding in a non-bank financial institution or in a non-financial institution, directly or indirectly, which exceeds 10% of the bank's own funds;
- the type of documentation, the manner of its submission, and the conditions and the procedures for issuance of prior approval for opening of a representative office of a foreign bank;
- the type of documentation, the manner of its submission, and the conditions and the procedures for issuance of prior approval for changing the name and the head office of a bank;

- the documents, data, and information for issuance of prior approval for acquisition of shares in a bank, in cumulative nominal amount of and over 5%, 10%, 20%, 33%, 50% and 75% of the total number of shares, i.e. of the total number of issued voting shares, the manner of their submission, as well as the manner and procedure for their assessment.

II. ISSUING AN APPROVAL FOR AMENDMENTS TO THE STATUTE OF A BANK

2. Together with the application for issuing an approval for amendments to the statute of a bank, the bank shall submit the following:

- a decision of the General Meeting of Shareholders on the amendment to the statute, which shall enter into force after the Governor of the National Bank of the Republic of Macedonia (hereinafter: the Governor) has issued an approval, or a draft-decision of the Supervisory Board on the amendment to the statute, which shall enter into force after it has been adopted by the General Meeting of Shareholders and after the Governor has issued an approval;
- a draft text of the amendment to the bank statute;
- explanation of the need for the amendment to the bank statute;
- revised text of the statute containing track of the amendments to the text for which approval is required.

3. When deciding on the application stipulated in item 2 of this Decision, an assessment shall be made whether the proposed amendment to the statute is in accordance with the legislation and the prescribed supervisory standards.

4. Based on the assessment stipulated in item 3 of this Decision, the Governor shall pass a decision on issuing an approval for the amendment to a bank statute or on rejecting the application, within the deadlines stipulated in the Banking Law.

III. ISSUING AN APPROVAL FOR COMMENCEMENT OF THE PERFORMANCE OF THE ACTIVITY STIPULATED IN ARTICLE 7, PARAGRAPH 1, ITEMS 5, 8, 9, 13, 14, 15, 16, 17, 18 AND 23 OF THE BANKING LAW

5. Together with the application for issuing an approval for performing the activity stipulated in Article 7, paragraph 1, items 5, 8, 9, 13, 14, 15, 16, 17, 18 and 23 of the Banking Law (hereinafter: new financial activity) the bank shall submit the following:

5.1. Written analysis justifying the commencement of the performing of a new financial activity, which should elaborate the reasons, the objectives and the expected financial results.

5.2. Name of the organizational part which shall primarily perform the new financial activity and its position within the organizational structure of the bank.

5.3. Data on the number and the education of the persons that will be involved in the performing of the new financial activity, as well as the identity, education and experience of the persons with special rights and responsibilities, who shall be responsible for the execution of the new financial activity (Form 5).

5.4. Data on the information system and the technical capacities of the bank which shall be used when performing the new financial activity, where:

- the documentation for the information system shall be based on the minimum information system security and business continuity standards, prescribed by the bank's Decision on information system security. If the performance of the new financial activity should depend on external providers (ancillary banking services undertaking), such providers shall submit appropriate data with regard to the application of the information system security and business continuity standards.

- the documentation for the technical capacity shall contain data on the business premises where the bank will operate (bank's own premises, rented space, location, surface area and time schedule for the installation of the equipment required for the start of operation, on the premises) as well as data on the technical equipment which shall be used to execute the new financial activity. The bank should submit documentation regarding the basic characteristics of the servers, the communication networking and the databases which shall be used to perform the new financial activity, as well as data on the manner of functioning of the main components of the information system and the application solutions.

5.5. Draft policies and internal regulations for the execution of the new financial activity, as well as procedures for the internal control system, the activities of the internal audit within the organizational part which is responsible for performing the new financial activity and procedures for adequate inclusion of the new financial activity in the process of prevention of money laundering and financing of terrorism.

5.6. Projection of the revenues and expenditures related to the performing of the new financial activity, for the next three years. The projections shall contain a comment for each category of revenues and expenditures, as well as the basic assumptions used as the basis for the projections.

5.7. Proof that a license or an approval has been obtained from a competent institution or that an opinion has been obtained from a competent authority, if such a license, approval or opinion have been envisaged with another law.

6. Together with the application for issuing an approval for issuance of electronic money, in addition to the documentation stipulated in item 5 of this Decision, the bank shall also submit the following:

- plan for internal audit of that activity, at least for the first two years after the introduction of the activity;
- other data and information according to the Decision on the terms and the method of work of the company for issuing electronic money.

7. Together with the application for issuing an approval for conducting domestic and international payment operations, including purchasing and selling of foreign currency (hereinafter: international payment operations), in addition to the documentation stipulated in item 5 of this Decision, the bank shall also submit the following:

- data on the person with special rights and responsibilities who will be responsible for conducting domestic payment operations, i.e. international payment operations, who shall have at least five years of experience in the banking operation, of which at least three years in the domestic, i.e. international payment operations (Form 5);
- tariffs for the payment operations services;
- plan for internal audit of that activity, at least for the first two years after the introduction of the activity.

The policies and internal regulations stipulated in sub-item 5.5 of this Decision pertaining to the conduct of domestic payment operations shall contain at least the following:

- procedure on the manner of execution of the domestic payment operations and interbank payment operations;
- procedure for opening of accounts of the depositors for the purpose of conducting domestic payment operations;
- time plan for operation with the participants in the payment operations;
- method of communication with the participants in the payment operations.

Together with the application for issuing an approval for conducting international payment operations, in addition to the documentation stipulated in paragraph 1 of this item and item 5 of this Decision, the bank shall also submit a proof that it had commenced the procedure for connecting to the S.W.I.F.T. network.

8. Together with the application for issuing an approval for fast money transfer, in addition to the documentation stipulated in item 5 of this Decision, the bank shall submit the documentation prescribed by the National Bank for issuing an approval for performing fast money transfer.

9. Together with the application for issuing an approval for trading in foreign assets (including the trade in precious metals), trading in securities, and trading in financial derivatives, in addition to the documentation stipulated in item 5 of this Decision, the bank shall also submit the following:

9.1. Investment strategy, which shall contain at least: a description of the types of instruments which shall be traded, the level of acceptable risk, the scope of the planned trading with each instrument, the method of performing stress testing, as well as defining the system of exposure limits and/or permissible loss limits for:

- each risk to which the bank will be exposed by performing the new financial activity;
- each organizational part which shall be involved in performing the new financial activity;
- each instrument (security, financial derivative) which shall be traded by the bank;
- each person trading on behalf and for the account of the bank.

9.2. Procedures for the decision-making process and the responsibilities of the individual persons involved in that process, including procedures for decision-making in the event of exceeding the determined limits.

9.3. Data on the manner of functional distinction between the organizational part which will perform the new financial activity and the other parts of the bank, from the aspect of protecting the confidentiality of the data and avoiding conflict of interests.

9.4. Data on the distinction between the function of receipt and implementation of the trading orders (front office) and the function of conclusion of the trade orders (back office), as well as the distinction of the reporting lines to the management bodies, with regard to these two functions.

9.5. Plan for internal audit of the new financial activity, at least for the first two years after the introduction of the activity.

Together with the application for issuing an approval for trading in foreign assets (including the trade in precious metals), trading in securities, and trading in financial derivatives abroad, the bank shall also submit the following:

- certificate for operating on the financial markets for the employees that will perform the new financial activity, i.e. at least the ACI Dealing Certificate – for the employees in the front office and ACI Settlement Certificate – for the employees in the back office;
- proof for possessing a uniform electronic system for access to the information on the money and securities market and on the foreign exchange market in the Republic of Macedonia. The National Bank shall organize the making of the electronic system for access to the information on the money and securities market and on the foreign exchange market in the Republic of Macedonia uniform;
- proof for initiated procedure for connecting to the S.W.I.F.T. network, if the bank trades in foreign assets (including the trade in precious metals), securities, and financial derivatives abroad.

10. Together with the application for issuing an approval for asset and securities portfolio management for clients and/or investment consulting for clients, in addition to the documentation stipulated in item 5 of this Decision, the bank shall also submit the following:

- data on the manner of functional distinction between the organizational part that will perform the new financial activity and the other parts of the bank, from the aspect of protecting the confidentiality of the data and avoiding conflicts of interests;
- a sample standardized contract for asset and securities portfolio management for clients and/or investment consulting for clients, which shall contain the rights and responsibilities of the contracting parties, including the manner of indemnification for damages occurred due to the fault of the bank;
- certificate for an investment advisor for the employees that will perform the new financial activity;
- proof for possession of an electronic system for accessing information on the financial markets, in particular Reuters, Bloomberg or Tenfore;
- proof for initiated procedure for connecting to the S.W.I.F.T. network, if the bank performs trading abroad, when engaged in asset and securities portfolio management for clients.

11. Together with the application for issuing an approval for provision of services of a custodian bank for investment and pension funds, in addition to the documentation stipulated in item 5 of this Decision, the bank shall also submit the following:

- proof for initiated procedure for connecting to the S.W.I.F.T. network;
- data on the manner of functional distinction between the organizational part which will perform the new financial activity and the other parts of the bank, from the aspect of protecting the confidentiality of the data and avoiding conflicts of interests, especially with respect to the distinction from the organizational parts which engage in trading with securities and asset and securities portfolio management for clients and/or investment consulting for clients;
- a sample standardized contract for provision of custodian services for investment and pension funds, which shall contain the rights and responsibilities of the contracting parties, including the manner of indemnification of damages which have occurred due to the fault of the bank;
- data on the distinction of the reporting lines to the bodies competent for management of the other organizational parts, especially with respect to the distinction of the reporting lines with the organizational parts that are engaged in trading in securities and assets and securities portfolio management for clients and/or investment consulting for clients.

12. Together with the application for issuing an approval for purchasing and selling, underwriting or placement of securities issue, in addition to the documentation stipulated in item 5 of this Decision, the bank shall also submit the following:

12.1. Strategy for purchasing and selling, underwriting or placement of a securities issue, which, at the least, shall contain a description of the services provided by the bank, related to the new financial activity, the level of acceptable risk, the scope of the planned purchase and sales, underwriting or placement of a securities issue, the method for performing stress testing, as well as a definition of the system of exposure limits and/or permissible loss-limits for:

- each risk to which the bank will be exposed by performing the new financial activity;
- each organizational part which shall be involved in the execution of the new financial activity.

12.2. Procedures for the decision making process and the responsibilities of the individual persons involved in that process, including procedures for decision-making in the event of exceeding the determined limits.

12.3. Data on the manner of functional distinction between the organizational part which will perform the new financial activity and the other parts of the bank, from the aspect of protecting the confidentiality of the data and avoiding conflict of interests.

12.4. Plan for internal audit of the new financial activity, at least for the first two years after the introduction of the activity.

13. When deciding on the application for issuing an approval for introduction of a new financial activity, the National Bank of the Republic of Macedonia (hereinafter: the National Bank) shall make an assessment of whether the bank will be organized and capable of operating in accordance with the legal regulations and the prescribed supervisory standards, when at least the following criteria shall be taken into consideration:

- the bank shall possess the prescribed level of own funds necessary to perform the new financial activity;
- there shall be economic justification for the introduction of the new financial activity;
- the bank shall have an appropriate staff structure in order to efficiently and effectively perform the new financial activity. The appropriateness of the staff structure shall be assessed by the required number of staff to perform the new financial activity, their qualifications, as well as by the appropriateness of the qualifications of the persons with special rights and responsibilities who shall be responsible for performing the new financial activity. The required number of employees is the number that ensures that the bank will regularly and normally perform the planned scope of the new financial activity. The appropriateness of the qualifications of the employees and the persons with special rights and responsibilities shall mean possession of the required knowledge, expertise and experience to perform specific tasks related to the new financial activity;
- the bank shall provide an appropriate functional distinction between the performance of the new financial activity and the other activities of the bank, as well as a distinction between the reporting lines to the management bodies;
- double control shall be provided for the performance of the new financial activity, i.e. there shall not be one person performing all the stages of a transaction, including the accounting records of that transaction (this is especially important in the event of trading in foreign assets, trading in securities and trading in financial derivatives, assets and securities portfolio management for clients and/or investment consulting for clients, provision of custodian services for investment and pension funds, and purchasing and selling, underwriting or placement of a securities issue);
- the bank shall have appropriate information system and technical capacity for successful and reliable performance of the new financial activity. The information system shall be considered appropriate if it fulfills the standards prescribed by the Decision on the bank's information system security, provides business continuity, and fulfills the criteria determined with this Decision, necessary for the performance of the new financial activity, which in turn provides for a permanent and reliable support of the new financial activity of the bank and provides grounds for timely and accurate reporting to the persons with special rights and responsibilities and the National Bank. The bank shall possess appropriate business premises and technical equipment which shall enable safe and uninterrupted performance of the new financial activity;

- the new financial activity shall be appropriately included in the system of internal control, in the internal audit and in the system for prevention of money laundering and financing of terrorism;
- the bank shall ensure appropriateness of the established policies and procedures for the performance of the new financial activity, especially from the point of view of the possibility to appropriately manage the risks to which the bank shall be exposed as a result of the new financial activity;
- the role of the persons with special rights and responsibilities which will be responsible for decision making and monitoring of the performance of the new financial activity, shall be clearly defined;
- the bank shall have the capacity to manage the risks to which it shall be exposed while performing the new financial activity;
- the application shall not contain any inconsistencies that cannot be explained.

The degree to which the bank complies with the regulations governing the operation of the banks in the Republic of Macedonia as well as the degree of compliance with the measures imposed by the National Bank shall also be taken into account when making the assessment stipulated in paragraph 1 of this item.

14. Based on the assessment stipulated in item 13 of this Decision, the Governor shall pass a decision for issuing an approval for introduction of the new financial activity, or for rejecting the application within the deadlines stipulated in the Banking Law.

15. If, while deciding, it is determined that a higher degree of capital adequacy is required due to the nature, type and scope of the activities performed by the bank and the risks to which it is exposed as a result of those activities, including the new financial activity, the Governor may pass a decision for issuing an approval for the performance of the new financial activity and at the same time require from the bank to achieve the required level of capital adequacy within a precisely determined deadline.

The bank will be able to begin to perform the new financial activity only if it achieves the necessary level of capital adequacy within the deadline stipulated in paragraph 1 of this item.

In all cases when the Governor assesses that the conditions for issuing an approval to perform the new financial activity have not been fulfilled or if the approval to perform the financial activity has been revoked, the bank may file a new application for an approval only after the expiration of a period of one year from the day of rejection of the previous application, or from the day the approval was revoked.

IV. ISSUING AN APPROVAL FOR APPOINTMENT OF A MEMBER OF THE SUPERVISORY BOARD

16. Together with the application for issuing an approval for appointment of a member of the Supervisory Board of a bank, the bank shall submit the following:

16.1. Decision of the General Meeting of Shareholders of the bank to appoint the proposed member of the Supervisory Board, which shall become legally effective after the Governor has issued the approval. The decision shall state the duration of the mandate for which the proposed member is appointed, having regard to the provisions of the Banking Law and the Statute of the Bank, concerning the duration of the mandate of the members of a Supervisory Board.

16.2. Data (name and surname, date and place of birth, address, national identification number of the citizen and ID number) of the proposed member of the Supervisory Board, taken from the ID card, i.e. copy of the passport of the proposed Supervisory Board member (foreign natural person). In addition to the data on the proposed member taken from the ID card, a statement from the person shall be submitted, confirming the accuracy of data, certified by an authorized person (notary).

16.3. Certificate of the completed university degree of the proposed Supervisory Board member.

16.4. Filled in questionnaire for a bank Supervisory Board member (Form 1). The signature of the person proposed as member of the Supervisory Board, who completed the questionnaire, should be certified by an authorized person (notary). The proposed person is obliged to answer all the questions contained in the questionnaire.

16.5. Document issued by a competent court or other competent institution certifying that there is no misdemeanor sanction or ban on performing a profession, activity or duty, imposed on the person proposed as member of the Supervisory Board.

16.6. Explanation of the person proposed as a member of the Supervisory Board of the way his/her experience will contribute to the successful execution of tasks as a member of the bank's Supervisory Board. The person proposed as a member of the Supervisory Board shall consider the responsibilities and powers of the members of a bank Supervisory Board, the standards that banks need to comply with, according to the regulations and their specific activities.

16.7. Data from the Central Registry of legal entities in which the proposed person is a manager, member of a managing or supervisory body. Data should be dated no earlier than one month before the date of application for issuing an approval to the National Bank.

16.8. A copy of the document, if issued as such, of the competent authority for the supervision of banks and other financial institutions pursuant to which the person proposed as member of the Supervisory Board was issued the approval for a member of a bank or financial institution body.

16.9. Document issued by the bank that submits the application confirming that the proposed member is not a net debtor to the bank.

16.10. Document issued by the bank confirming that the person proposed as an independent member of the Supervisory Board and the natural persons related thereto:

- are not employed nor are persons with special rights and responsibilities in the bank;
- are not shareholders with qualified share in the bank;
- do not work for, i.e. in the previous three years did not work for the audit company which audited the operations of the bank in that period;
- in the last three years preceding the date of application, had no financial interest or business relationship with the bank in an average annual value exceeding Denar 3 million.

16.11. National Bank shall ex officio obtain from the competent court a notice of (non)conviction of the proposed member, pursuant to Article 83 paragraph 2 item 2-a of the Banking Law. If the person proposed to be a member of the Supervisory Board is a foreign national he/she shall be obliged to provide such notification by the competent authorities in the foreign country himself/herself.

16.12 Other documentation that the National Bank may require during the process of deciding whether the proposed person fulfills the criteria for being a bank Supervisory Board member, prescribed with the Banking Law.

17. Together with the application for issuing an approval for reappointment of a member of the bank's Supervisory Board, the bank shall submit the documentation of sub-items 16.1 (decision on reappointment), 16.2 (in case of expired validity of previously submitted documents or change in data), 16.4, 16.5, 16.7, 16.8, 16.9, 16.10 (for independent members) and 16.11 (for a foreign natural person) of this Decision as well as:

- minutes of the meetings of the Supervisory Board held during at least one year prior to application;
- all annual assessment of the own work of the person proposed as a member of the Supervisory Board, made pursuant to Article 89 paragraph 4 of the Banking Law, for the entire period while he/she was a member of the bank's Supervisory Board;
- document issued by the bank confirming that the person proposed as member of the Supervisory Board and the persons related thereto using loans or other forms of exposure or having deposits in the bank, do not enjoy more favorable conditions than those applicable to other customers of the bank at the same level of risk;
- other documents which the National Bank may require in the process of deciding whether the proposed person meets the criteria for a member of the Supervisory Board of a bank, laid down by the Banking Law.

18. The proposed bank Supervisory Board member may be invited for an interview, where the candidate's knowledge of the regulations in the area of banking and/or finance, the knowledge of the bank in which he/she is proposed to be a Supervisory Board member, his/her understanding of the responsibilities and powers of the Supervisory Board and his/her experience will be assessed.

19. During the decision making, based on the submitted documentation stipulated in item 16 of this Decision and the conducted interview, the National Bank shall make an assessment whether the proposed Supervisory Board member fulfills the criteria prescribed with the Banking Law, i.e. whether the candidate possesses a

university degree, knowledge of the regulations from the area of banking and/or finance and whether he/she has the appropriate experience and reputation to ensure safe and sound operations of the bank.

The knowledge of the regulations in the area of banking and/or finance shall mean knowledge of the Banking Law, the by-laws resulting thereof, as well as the other banking and financial regulations and practice which is of significance for the operations of the banks, including knowledge of the bank in which the person is proposed to be a member of the Supervisory Board, in terms of operation and management of the bank. The fulfillment of this criterion shall be confirmed on the basis of the previous experience of the candidate and/or based on an interview with the candidate. If at the interview, the proposed candidate fails to demonstrate basic knowledge of the regulations in the field of banking and/or finance and/or knowledge of the bank, he/she shall be deemed not to meet this criterion.

The person proposed to be a member of the Supervisory Board shall be considered to have an appropriate reputation if he/she is honest, competent, diligent and assures that his/her work will not endanger the bank's safety and soundness and that he/she will not disrupt the bank's reputation and trust. This means that for this person there is no proof of his/her prior involvement in business operation or activities which meant noncompliance with the regulations and the business practices and procedures, disruption or jeopardizing the interests of the legal entity where this person worked or works, as well as the interests of its depositors.

If the person proposed as member of the Supervisory Board had previously been a member of the bank body or of any other bank body, it shall be assessed whether the person had violated the provisions of the Banking Law and the regulations adopted pursuant to that law and/or had failed to act upon the measures imposed by the Governor, thus threatening the stability and security of the bank, the other bank or their depositors. Through the submitted documentation and the documentation available to the National Bank, assessment shall be made of his/her presence, participation and contribution to the work of the Supervisory Board.

If the person proposed to be a member of the Supervisory Board is a foreign person with experience as a member of bodies of financial institutions, data relevant for determining his/her experience and reputation may be required from the supervisory authority of the country of origin.

20. Based on the assessment performed in accordance with item 19 of this Decision, the Governor shall pass a decision on issuing an approval for appointing a member of a Supervisory Board or for rejecting the application, within the deadlines prescribed with the Banking Law.

The National Bank may issue an approval for the person proposed to be a member of the Supervisory Board of a bank for a period shorter than the one specified in the application, if it considers it necessary.

After issuing the approval for the appointment of the person proposed to be a member of the Supervisory Board of the bank, the bank shall submit an official document to the National Bank confirming the registration of the person in the Central Registry of the Republic of Macedonia. The official document shall be delivered within five days after the registration.

V. ISSUING AN APPROVAL FOR APPOINTMENT OF A MEMBER OF THE MANAGEMENT BOARD

21. Together with the application for issuing an approval for appointment of a member of the Management Board of a bank, the bank shall submit the following:

21.1. Decision of the Supervisory Board of the bank on appointment of the proposed Management Board member, which shall become legally effective after the Governor has issued the approval. The decision shall state the duration of the mandate for which the proposed member is appointed, having regard to the provisions of the Statute of the Bank, concerning the duration of the mandate of the members of a Management Board. The decision is to be accompanied by an explanation of the Supervisory Board of the reasons for appointing the person proposed as a member of the bank's Management Board, as well as an explanation of the benefits for the bank from his/her appointment.

21.2. Data (name and surname, date and place of birth, address, national identification number of the citizen and ID number) of the proposed member of the Management Board, taken from the ID card, i.e. copy of the passport of the proposed Management Board member (foreign natural person). In addition to the data on the proposed member taken from the ID card, a statement from the person shall be submitted, confirming the accuracy of data, certified by an authorized person (notary).

21.3. Certificate of the completed university degree of the proposed Management Board member.

21.4. Filled in questionnaire for a bank Management Board member (Form 2). The signature of the person proposed as a member of the Management Board who completed the questionnaire, should be certified by an authorized person (notary). The person proposed as a member of the Management Board is obliged to answer all the questions/requirements contained in the questionnaire.

21.5. Proof of at least six years of work experience in the area of finance or banking or a three year work experience as a person with special rights and responsibilities in a bank with activities corresponding to those in the bank in which the proposed Management Board member is to be appointed. As evidence of compliance with this requirement, an official document shall be submitted, issued by the legal entities in which the experience necessary for a bank Managing Board member was acquired.

21.6. Work program of the person proposed as a member of the Management Board, approved by the bank's Supervisory Board, for the period of his/her mandate. The program shall include at least the following:

- description of the condition of the bank in which the person is proposed as a member of the Management Board, including a description of the place and the role of the bank in the market;

- description of the planned activities in the areas of the bank's operations that will be the responsibility of the person proposed as a member of the Management Board, in accordance with the bank's internal regulations during his/her mandate.

21.7. Valid certificate of residence and a valid permit for work in the Republic of Macedonia (for a foreign national). The bank is required to submit a new certificate of residence and work permit to the National Bank within fifteen days of the expiry of the certificate of residence and work permit, if the validity of either of these two documents expires in the period for which the person proposed as a member of the Management Board has received approval from the Governor.

21.8. Document issued by a competent court or other competent institution certifying that there is no misdemeanor sanction or ban on performing a profession, activity or duty, imposed on the person proposed as a member of the Management Board.

21.9. References from at least two persons with experience in the area of banking and/or finance, of which one person shall not be a person with special rights and responsibilities in the bank in which the member of the Management Board is to be appointed, nor is he/she a person related to the bank;

21.10. Explanation provided by the person proposed as a member of the Management Board of the way his/her experience will contribute to the successful execution of tasks as a member of the bank's Management Board. The person proposed as a member of the Management Board shall consider the responsibilities and powers of the members of a bank Management Board, the standards that banks need to comply with, according to the regulations and their specific activities.

21.11. Data from the Central Registry on the legal entities in which the proposed person is a manager, member of a managing or supervisory body. Data should be dated no earlier than one month before the date of application for issuing an approval to the National Bank.

21.12. Statement of the proposed entity who is a manager or member of the management body in another entity, confirming that such function will cease immediately upon issuance of the approval by the National Bank for his appointment as a member of the Management Board.

21.13. Statement of the proposed person for termination of employment in another legal entity immediately after the issuance of the approval by the National Bank for his appointment as a member of the bank's Management Board, or other similar document that can verify the fulfillment of the criterion that the person proposed as a member of the Management Board will be permanently employed in the bank.

21.14. A copy of the document, if issued as such, of the competent authority for the supervision of banks and other financial institutions pursuant to which the person proposed as member of the Management Board was issued the approval for a member of a bank or financial institution body.

21.15. National Bank shall ex officio obtain from the competent court a notice of (non)conviction of the proposed member, pursuant to Article 83 paragraph 2 item 2-a of the Banking Law. If the person proposed to be a member of the Management Board is a foreign national he/she shall be obliged to provide such notification by the competent authorities in the foreign country himself/herself.

21.16. Other documentation that the National Bank may require during the process of deciding.

22. At least one of the persons proposed as members of the Management Board of the bank shall be obligated to submit a confirmation from a competent authority that he/she possesses knowledge of the Macedonian language and its Cyrillic alphabet, and a proof of permanent residence in the Republic of Macedonia.

23. Together with the application for issuing an approval for reappointment of a member of the bank's Management Board, the bank shall submit the documentation of sub-items 21.1 (decision on reappointment), 21.2 (in case of expired validity of previously submitted documents or change in data), 21.4, 21.6, 21.7, 21.8, 21.11, 21.13, 21.14 (if the proposed Management Board member was a member of the Supervisory Board of the bank's subordinated entity and was subject to the assessment of other supervisory body) and 21.15 (for foreign natural person), as well as:

- a document issued by the bank confirming that the person proposed as member of the Management Board and the persons related thereto using loans or other forms of exposure or having deposits in the bank, do not enjoy more favorable conditions than those applicable to other customers of the bank at the same level of risk;
- other documents which the National Bank may require in the process of deciding.

24. The proposed bank Management Board member may be invited for an interview, where the candidate's knowledge of the regulations in the area of banking and/or finance, the knowledge of the bank in which he/she is proposed to be a Management Board member, his/her understanding of the responsibilities and powers of the Management Board and his/her experience in banking and finance will be assessed.

25. During the process of deciding on the application for issuing an approval for a member of the Management Board, based on the submitted documentation stipulated in item 21 of this Decision and the conducted interview, the National Bank shall make an assessment of whether the proposed Management Board member fulfils the criteria prescribed with the Banking Law, i.e. whether the candidate possesses a university degree, knowledge of the regulations from the area of banking and/or finance and whether he/she has the appropriate experience and reputation to ensure safe and sound operations of the bank.

The knowledge of the regulations in the area of banking and/or finance shall mean knowledge of the Banking Law, the by-laws resulting thereof, as well as the other banking and financial regulations and practice which is of significance for the operations of the banks, including knowledge of the bank in which the person is proposed to be a member of the Management Board, in terms of providing conditions for its operations in accordance with regulations, as well as the characteristics and developments in the banking system in the Republic of Macedonia. The fulfillment of this criterion shall be confirmed on the basis of the previous experience of the candidate and/or based on an interview with the candidate. If at the interview, the proposed candidate fails to demonstrate basic knowledge of the regulations in the field of banking and/or finance and/or knowledge of the bank, he/she shall be deemed not to meet this criterion.

Possession of an appropriate experience which shall be assessed by at least the following:

- successful six year working experience in the area of finance or banking,
- successful three year working experience as a person with special rights and responsibilities in a bank with activities corresponding to those of the bank in which the person is proposed as Management Board member.

The person proposed to be a member of the Management Board shall be considered to have an appropriate reputation if he/she is honest, competent, diligent and assures that his/her work will not endanger the bank's safety and soundness and that he/she will not disrupt the bank's reputation and trust. This means that for this person there is no proof of his/her prior involvement in business operation or activities which meant noncompliance with the regulations and the business practices and procedures, disruption or jeopardizing the interests of the legal entity where this person worked, as well as the interests of its depositors.

If the person proposed as member of the Management Board had previously been a member of the bank body or of any other bank body, it shall be assessed whether this person had violated the provisions of the Banking Law and the regulations adopted pursuant to that law and/or had failed to act upon the measures imposed by the Governor, thus threatening the stability and security of the bank or its depositors.

If the person proposed to be a member of the Management Board is a foreign person with experience as a member of bodies of financial institutions, data relevant for determining his/her experience and reputation may be required from the supervisory authority of the country of origin.

26. Based on the assessment from item 25 of this Decision, the Governor shall pass a decision on issuing an approval for appointing a member of a Management Board or for rejecting the application, within the deadlines prescribed with the Banking Law.

27. The National Bank may issue an approval for the person proposed to be a member of the Management Board of a bank for a period shorter than the one specified in the application, if it considers it necessary.

28. After issuing the approval for the appointment of the person proposed to be a member of the Management Board of the bank, the bank shall submit the following:

- a decision on registration of the person in the Central Registry of the Republic of Macedonia. The decision shall be delivered within five days after the registration;
- proof that the person is no longer a manager or member of the management body of another legal entity, if the person had performed such a function before the approval was issued. The proof shall be submitted within five days of registering the Management Board member in the Central Registry of the Republic of Macedonia.
- proof that the person has established a permanent employment in the bank as a Management Board member.

VI. ISSUING AN APPROVAL FOR FOUNDING A SUBSIDIARY, BRANCH, OR BANK'S REPRESENTATIVE OFFICE ABROAD OR FOR ACQUIRING AN EQUITY HOLDING IN A BANK

Founding a subsidiary or a branch abroad

29. Together with the application for issuing an approval for founding a subsidiary or a branch of a bank abroad, the bank shall submit the following:

29.1. Decision of the competent body of the bank on founding the subsidiary or the branch of the bank abroad.

29.2. Written analysis of the rationale for the founding of the subsidiary i.e. the branch of the bank abroad, which needs to elaborate the objectives, the amount of the capital being invested (if there is such an investment), the expectations with respect to the level of the financial results and the financial indicators for the first three years of the operation of the subsidiary or the branch.

29.3. List of shareholders with qualified holding in the subsidiary, if any.

29.4. Work program which should contain at least the financial activities to be performed by the subsidiary or a branch of the bank abroad, as well as the organizational structure of the subsidiary or the branch.

29.5. The country in which the subsidiary or the branch will be established, as well as the name of the competent supervisory authority.

29.6. The head office of the subsidiary or the branch of the bank abroad from where the necessary data on the operation of the subsidiary or the branch of the bank can be obtained.

29.7. A list of persons with special rights and responsibilities in the subsidiary or the branch of the bank abroad.

29.8. Data on the existing or the planned investments in other banks or financial institutions in the country or abroad.

29.9. Other documentation that the National Bank may request during the decision making process stipulated in item 30 of this Decision.

30. When deciding on the application for issuing an approval for founding a subsidiary or a branch of a bank abroad, the National Bank shall make an assessment of the influence which the establishment of the subsidiary or the branch abroad will have on the overall performance of the bank, from the point of view of its safe and sound operations, by assessing the fulfillment of at least the following criteria:

- the financial condition of the bank and its prior operations provide possibility to expand the operations abroad, with the bank being obliged to comply with the supervisory standards;
- the systems for internal control and reporting and accounting in the subsidiary or the branch are appropriate and enable risk management at the level of the bank or the banking group whose member the subsidiary is or will be;
- the bank is able to provide for all the necessary information and data for the preparation of its financial reports or the financial reports of the banking group and to establish a system for verification of the accuracy and authenticity of the obtained data and information from the subsidiary or the branch of the bank abroad;
- the regulations and the practices in the country where the subsidiary or the branch is being founded indicate that the National Bank will be able to efficiently perform its supervisory function and that it will be able to cooperate with the competent supervisory authority in that country in line with the international principles and standards for cooperation and exchange of information for the purposes of conducting efficient supervision;
- the degree of harmonization of the regulations and the practices of the country where the subsidiary or the branch is being founded, with the international standards in the area of finance, financial reporting and accounting, prevention of money laundering and financing of terrorism etc., does not indicate that there could be a high risk which could jeopardize the stability, safety and reputation of the bank, i.e. its operations in accordance with the regulations.

Founding a representative office abroad

31. Together with the application for issuing an approval for the establishment of a representative office abroad, the bank shall submit the documentation stipulated in sub-items 29.1, 29.5, 29.6 and 29.7, as well as a Written Analysis of the rationale for the establishment of a representative office of the bank abroad, which will elaborate the goals and the expected results from the establishment of the representative office.

When deciding on the basis of the submitted documentation, the criteria stipulated in item 30 of this Decision shall apply respectively.

Acquiring an equity holding in a bank

32. Together with the application for issuing an approval for acquiring an equity holding in another bank, the bank shall submit the following:

32.1. Decision of a competent body of the bank for acquiring an equity holding in another bank, together with an explanation of the goal and the justification of the acquisition and data on the name and the head office of the bank in which the equity holding is acquired.

32.2. Data on the percentage share in the capital of the bank in which the equity holding is acquired.

32.3. Statement from a competent body of the bank, in which the equity holding is acquired, provided under full criminal and material accountability, that the bank does not have directly or indirectly more than 5% of the total number of shares of the bank acquiring an equity holding.

32.4. Data on existing or planned investments in other banks or financial institutions in the country or abroad.

32.5. Other documentation that the National Bank may request during the decision making process stipulated in item 34 of this Decision.

33. Together with the application for issuing an approval for acquiring an equity holding in a foreign bank which represents acquisition of a share in the foreign bank, in addition to the data stipulated in item 32 of this Decision, the bank shall submit also the following:

- name and head office of the foreign bank;
- data on the identity of the other shareholders with a qualified holding in the foreign bank;
- country in which the foreign bank is located, as well as the name of the competent supervisory authority in that country;
- audit report of the foreign bank for the last year, prepared by a international audit company;
- data on the amount of the bank's own funds and the capital adequacy ratio of the foreign bank;
- data on the amount of the possible equity holdings of the foreign bank in other banks or financial institutions;
- reports on the dominant financial activities performed by the foreign bank, its information system and the risk management and internal control systems, as well as the plans for harmonizing the information systems of the foreign bank with those of the domestic bank which has applied for an approval (this report shall be prepared only by the bank which acquires control in a foreign bank).

34. When deciding on the application for issuing of an approval for acquiring an equity holding in another bank, the National Bank shall make an assessment of the influence that the acquisition of an equity holding in another bank will have on the overall performance of the bank, from the point of view of its safe and sound operation, by assessing at least the following criteria:

- the financial standing of the bank enables the realization of the planned investment in another bank, where the bank shall comply with the prescribed supervisory standards;

- the systems for internal control and reporting and accounting enable the risk management at the level of the entire banking group whose member the bank is or will be;
- the bank is able to provide all necessary information and data for the preparation of consolidated reports of the banking group and to establish a system for verification of the accuracy and the authenticity of the obtained data and information from the bank in which it acquires an equity holding (in cases where there is a banking group or when based on the acquiring an equity holding in another bank, a banking group will be formed);
- the existence of any close links of the bank in which the equity holding is being acquired, with other persons/entities does not hinder the performance of an efficient supervision;
- the regulations and the practices of the country where the equity holding of a bank is acquired indicate that the National Bank will be able to efficiently perform its supervisory function and that it will be able to cooperate with the competent supervisory authority in that country in line with the international principles and standards for cooperation and exchange of information for the purposes of an efficient supervision (in the event of acquiring an equity holding in a foreign bank);
- the degree of harmonization of the regulations and the practices in the country where an equity holding of a bank is acquired with the international standards in the area of finance, financial reporting and accounting, prevention of money laundering and financing of terrorism etc., do not indicate that there could be a high risk which could jeopardize the stability, safety and reputation of the domestic bank, i.e. its operation in accordance with the regulations (in the event of acquiring an equity holding in a foreign bank).

When deciding with respect to issuing of an approval for acquiring an equity holding in a foreign bank, the National Bank may contact the competent supervisory body of that bank, for the purposes of exchanging information and in order to determine a joint approach to consolidated supervision of the banking group, in accordance with the provisions stipulated in the Banking Law.

35. On the basis of the assessment stipulated in items 30, 31 and 34 of this Decision, the Governor shall pass a decision on issuing the approval for the establishment of a subsidiary, branch or a representative office of the bank abroad or for the acquisition of an equity holding in another bank, or on rejecting the application, within the deadlines prescribed with the Banking Law.

VII. ISSUING AN APPROVAL FOR ESTABLISHING OR ACQUIRING AN EQUITY HOLDING IN A NON-BANK FINANCIAL INSTITUTION OR IN A NON-FINANCIAL INSTITUTION WHICH EXCEEDS 10% OF THE BANK'S OWN FUNDS

36. Together with the application for issuing an approval for establishing or acquiring an equity holding in a non-bank financial institution or in a non-financial institution which exceeds 10% of the bank's own funds (hereinafter: capital investment), the bank shall submit the following:

36.1. Decision of a competent body of the bank, together with an explanation of the reasons, the objective and the justification of the capital investment.

36.2. Draft act for founding of the institution (in the event when an institution is established).

36.3. Audit report or annual account of the institution to be invested in, for the last two years.

36.4. Data on the percentage share in the capital of the institution to be invested in, as well as the on ownership structure of that institution.

36.5. Data on the supervisory and management bodies of the institution to be invested in.

36.6. Data on the amount of the possible equity holdings that the institution to be invested in, has in other institutions.

36.7. Statement of the bank's Supervisory Board members, given under full criminal and material accountability that the investment does not result in exceeding the prescribed supervisory standards.

36.8. Statement of the bank's Supervisory Board members, given under full criminal and material accountability about the existence or nonexistence of connections with the other persons/entities who are shareholders/partners or persons with special rights and responsibilities in the institution to be invested in. If there are such connections, more detailed data shall be provided on the connected persons/entities and the manner in which the bank is related to these persons/entities.

36.9. Other documentation that the National Bank may require during the decision making process stipulated in item 38 of this Decision.

37. If the capital investment in a non-bank financial institution enables the bank to control that institution, in addition to the data stipulated in item 36 of this Decision, the bank shall submit also the following:

- data on the core activity of the non-bank financial institution and on the future development plans;
- existing or planned investments in other financial or non-financial institutions in the country or abroad;
- data on the country in which the foreign institution to be invested in, is located (in the event of investments in a foreign non-bank financial institution);
- data on the supervisory authority responsible for the operation of the non-bank financial institution;
- data on the method of identification, measurement, monitoring and control of the transactions with the non-bank financial institution and the manner of establishment and maintenance of appropriate systems for risk management, internal control and reporting and accounting;
- data on the manner of providing the necessary information and data to prepare consolidated reports of the banking group and the method of

verifying the accuracy and the authenticity of the data obtained from the non-bank financial institution.

38. When deciding on the basis of the submitted documentation stipulated in items 36 and 37 of this Decision, the National Bank shall make an assessment of the influence of the capital investment in a non-bank financial or a non-financial institution on the overall performance of the bank, from the point of view of its safe and sound operation, by fulfillment of at least the following criteria:

- the financial standing of the bank enables the realization of the planned capital investment, and the bank shall comply with the prescribed supervisory standards;
- the systems for internal control and reporting and accounting enable the risk management at the level of the entire group whose member the bank is or will be;
- the ownership and management structure of the institution to be invested in do not have a negative influence on the operation of the bank;
- the existence of any close links of the institution to be invested in with other persons/entities does not hinder the performance of an efficient supervision;
- the bank is able to provide all necessary information and data for the preparation of consolidated reports of the group and to establish a system for verification of the accuracy and the authenticity of the obtained data and information from the institution to be invested in (if the bank is subject to consolidated supervision);
- the bank has an adequate system for risk management, internal control, reporting and accounting to identify, measure, monitor and control the transactions with the institution to be invested in;
- the regulations and the practices of the country where the bank acquires an equity holding indicate that the National Bank will be able to efficiently perform its supervisory function and that it will be able to cooperate with the competent supervisory authority in that country in line with the international principles and standards for cooperation and exchange of information for the purposes of an effective supervision (in the event of a capital investment in a foreign non-bank financial institution);
- the degree of harmonization of the regulations and the practices of the country where the investment is being made with the international standards in the area of finance, financial reporting and accounting, prevention of money laundering and financing of terrorism etc., does not indicate that there could be a high risk which could jeopardize the stability, safety and reputation of the bank, i.e. its operation in accordance with the regulations (in the event of a capital investment in a foreign non-bank financial and non-financial institution).

When deciding with respect to the issuing of an approval for acquiring an equity holding in a foreign non-bank financial institution the National Bank may contact the competent supervisory authority of that foreign institution, for the purposes of exchanging information and in order to determine a joint approach to consolidated supervision of the banking group, in accordance with the provisions stipulated in the Banking Law.

39. On the basis of the assessment stipulated in item 38 of this Decision, the Governor shall pass a decision on issuing an approval for the establishing or acquiring an equity holding in a non-bank financial institution or in a non-financial institution, which exceeds 10% of the bank's own funds, or on rejecting the application, within the deadlines prescribed with the Banking Law.

VIII. ISSUING AN APPROVAL FOR OPENING OF A REPRESENTATIVE OFFICE OF A FOREIGN BANK

40. Together with the application for issuing an approval for opening of a representative office of a foreign bank, the bank shall submit the following:

40.1. Decision of the competent management body of the foreign bank to open a representative office in the Republic of Macedonia.

40.2. An excerpt from the register in which the head office of the foreign bank is registered, which shall show the legal form and the date of the entry, as well as data on the ownership structure of the foreign bank.

40.3. An audit report for the last year prepared by an international audit company.

40.4. Written analysis justifying the opening of a representative office in the Republic of Macedonia.

40.5. Data on the head office and the person managing the representative office.

41. After submitting the documentation stipulated in item 40 of this Decision, the applicant shall be obligated to announce the intention to open a representative office in a daily newspaper, for at least three consecutive days, and the advertisement should contain: name and head office of the representative office and the activities it will perform. Within five days from the day of publication, a proof for the published announcement shall be submitted to the National Bank.

42. When analyzing the application for issuing an approval for opening a representative office of a foreign bank, special attention should be paid to the financial standing and the reputation of the foreign bank.

43. Upon the application for opening a representative office of a foreign bank, the Governor shall pass a decision on issuing the approval or on rejecting the application, within the deadlines prescribed in the Banking Law.

Within fifteen days after the entry in the register of representative offices of foreign entities in the Republic of Macedonia, a written proof on the performed entry shall be submitted to the National Bank. The National Bank shall be informed about the change of the head office and the person managing the representative office, and the closing of the representative office, within five working days from the day when the change occurred.

IX. ISSUING AN APPROVAL FOR CHANGING THE NAME AND THE HEAD OFFICE OF A BANK

44. Together with the application for issuing an approval for changing the name and the head office of a bank, the bank shall submit a draft decision of the Supervisory Board of the bank and an explanation of the need and the objective of this change.

45. If the application for approval pertains to change in the head office, the application of item 44 of this Decision shall be accompanied by data on the business premises where the new head office will be located (own or rented, location, area, etc.) and on the organizational units of the bank, which will operate in the new head office.

If on the business premises where the new head office will be located the bank plans to perform financial activities for which it has received an approval of the Governor, the application shall be accompanied by data on the information system and technical equipment on the premises, necessary to carry out those financial activities referred to in sub-item 5.4 of this Decision.

The National Bank may examine the head office in order to see whether it meets the required level of technical equipment and whether it is appropriate to ensure normal execution of the financial activities.

46. If the application for approval pertains to change in the name of the bank, attention shall be paid to ensure that the new name of the bank does not create a possibility for confusion with respect to the identity of some of the existing institutions, as well as a confusion with respect to the identity and the scope of activities of the bank which applies for change of the name.

47. Simultaneously with the application for changing the name and the head office of a bank, an application for changing the statute of the bank, in the section pertaining to the name and the head office shall also be submitted to the National Bank along with the documentation envisaged in item 2 of this Decision.

48. With respect to the application for changing the name and/or the head office of a bank, the Governor shall pass a decision on issuing an approval or on rejecting the application, within the deadlines prescribed in the Banking Law.

The change in the name and the head office of the bank shall be published in a daily newspaper, for a period of at least three consecutive days. A proof of the published announcement shall be submitted to the National Bank no later than within five days from the day of its publication in a daily newspaper.

X. ISSUING AN APPROVAL FOR ACQUISITION OF SHARES IN A BANK IN CUMULATIVE NOMINAL AMOUNT OF, OR OVER 5%, 10%, 20%, 33%, 50% AND 75% OF THE TOTAL NUMBER OF SHARES, OR THE TOTAL NUMBER OF ISSUED VOTING SHARES

49. The person who intends to acquire directly or indirectly, gradually or in a single transaction, shares in a bank in total cumulative nominal amount of, or over

5%, 10%, 20%, 33%, 50% and 75% of the total number of shares, i.e. of the total number of issued voting shares in the bank (hereinafter: acquisition of shares in a bank) together with the application for issuing an approval, shall submit the following:

49.1. Data on the number of shares that the person intends to acquire, the number of shares that the person may already possess in that bank, as well as data on the percentage share in the initial capital of the bank before and after the acquisition of the shares.

49.2. The relevant documentation envisaged in sub-item 2.6 and items 3, 9 and 10 of the Decision on issuing licenses to banks.

49.3. Filled in questionnaire for acquisition of shares in a bank (Forms 3 or 4). The signature of the person who completed the questionnaire should be certified by an authorized person (notary). When completing the questionnaire, it is necessary to provide accurate and complete answers to all the questions.

49.4. Other documentation which the National Bank may request during the decision making process stipulated in item 51 of this Decision.

50. Together with the application for an approval, the person who intends to acquire shares in cumulative amount of at least 33% of the total number of shares or the total number of issued voting shares, along with the documentation stipulated in item 49 of this Decision, shall submit also the following:

- strategic business plan which should contain the expected objectives, course of actions and perspectives of the bank, as well as possible proposals for expansion and promotion of the operation and the market presence;
- statement given under full criminal and material accountability, signed by the entity or by a competent body of the entity (in the event of a legal entity) that it will continually support the bank's operation.

51. When deciding on the basis of the submitted documentation stipulated in items 49 and 50 of this Decision, an assessment shall be made whether the person who intends to acquire shares in the bank fulfills the criteria prescribed with the Banking Law, which will ensure that the bank is organized and capable to work in accordance with the regulations and the prescribed supervisory standards, at least by:

- determining the identity of the person who intends to acquire shares in the bank, the persons connected thereto and their legal form;
- determining whether the financial standing of the person who intends to acquire shares in a bank is appropriate with respect to the value of the share that it intends to acquire;
- determining the sources of funds, their origin and legality;
- the reputation of the person who intends to acquire shares in the bank. The person who intends to acquire shares in a bank shall be considered to have an appropriate reputation if he/she is honest, competent, and diligent and gives confidence that with his/her work will not jeopardize the stability and the safety of the bank and that he/she will not distort

the bank's reputation and trust. This means that there is no proof for his/her prior involvement in business operation or activities which meant noncompliance with the regulations and the business practices and procedures, disruption or jeopardizing the interests of the legal entity where this person worked or works, and the interests of its creditors, violation of the provisions of the Banking Law and the regulations adopted pursuant to that law and/or failing to act upon the measures imposed by the Governor, thus threatening the stability and security of a bank or its depositors. If this person is a foreign person with experience as a member of a body of financial institutions or their shareholder, appropriate data to determine his/her reputation may be requested from the competent supervisory authority of the country of origin;

- assessing the regulations and practices of the country of origin of the person who intends to acquire shares in the bank, with respect to whether the National Bank can efficiently perform the supervisory function and whether it can cooperate with the competent supervisory authority of that country, in line with the international principles and standards for cooperation and exchange of information in order to perform efficient supervision (in the event of a foreign person/entity who intends to acquire shares in the bank);
- determining whether the degree of harmonization of the regulations and practices of the country of origin of the person who intends to acquire shares in the bank with the international standards in the area of finance, financial reporting and accounting, prevention of money laundering and financing of terrorism etc., indicates that there could be a high risk which could jeopardize the stability, safety and reputation of the bank, i.e. its operation in accordance with the regulations (in the event of a foreign person/entity who intends to acquire shares in the bank).
- determination whether there are any inconsistencies that cannot be explained in the application for an approval.

When deciding on the basis of the submitted documentation stipulated in item 50 of this Decision, an assessment shall be made of the possibility to support the planned growth of the bank's own funds.

52. With respect to the application for issuing an approval for acquisition of shares in a bank which the person acquires on the basis of a decision of a competent authority in accordance with the law, the documentation that needs to be submitted by this person/entity and the procedure for assessment, the provisions stipulated in items 49, 50 and 51 of this Decision shall apply respectively.

53. With respect to the application stipulated in items 49 and 52 of this Decision, the Governor shall pass a decision on issuing the approval or on rejecting the application, within the deadlines stipulated in the Banking Law.

XI. FORM OF SUBMISSION OF THE DOCUMENTATION AND OTHER INFORMATION AND DATA NECESSARY FOR IMPLEMENTING THE DECISION

54. With the applications for issuing the approvals stipulated in item 1 of this Decision the bank shall submit data on the authorized contact person with the

National Bank (name and surname, telephone number, fax number, e-mail address) and a proof of payment of the fee for processing of the applications.

55. The documentation submitted with the application for issuing of the approvals stipulated in item 1 of this Decision, should be in its original form or a copy notarized with an authorized person (public notary), signed by the authorized person or by the appropriate competent body, it should be clean, without additional corrections and in the Macedonian language. If the document that needs to be submitted is in a different language, a translation in Macedonian language, signed and stamped by an authorized court translator shall be submitted together with the original.

56. All certificates, statements and questionnaires which are a part of the documentation which is submitted with the application for issuing the approvals stipulated in item 1 of this Decision have to be notarized with an authorized person (public notary) and shall not be older than six months before the day of submission of the application for issuing a license. All decisions that are part of the documentation shall not be older than six months before the date of submitting the application, except the decisions adopted by the General Meeting of Shareholders which shall not be older than one year before the date of submitting the application.

If the legislation of the country of origin of the foreign person who applies for the approval under item 1 of this Decision, or the legislation of the country where the person worked at least five years prior to submitting the application for the approval under item 1 of this Decision, regulates the matter regarding the documentation attached to the application in a different manner, along with the documentation attached to the application, the foreign person shall submit the following:

- excerpt from the relevant regulations of the foreign country or
- a legal opinion from an independent lawyer who is not engaged by the relevant bank or a person related to the bank, where the opinion is accompanied by a document verifying that it is issued by an authorized lawyer in the foreign country.

57. The National Bank shall process an application for issuing an approval stipulated in item 1 of this Decision accompanied by complete documentation. Complete documentation shall be deemed the documentation prescribed with this Decision, the documentation additionally required by the Governor of the National Bank, as well as the relevant documents, data and information that should be obtained from domestic and foreign institutions competent to decide upon the application.

While processing the application, the National Bank may also use the documentation it possesses about the relevant bank, the legal entity or natural person.

XII. TRANSITIONAL AND FINAL PROVISIONS

58. The provisions of this Decision shall appropriately apply also to the savings houses in the Republic of Macedonia.

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

60. The proceedings initiated before the entry into force of this Decision, shall be subject to the provisions that were in effect on the date of submission of the application for obtaining prior approval by the National Bank.

61. On the day this Decision enters into force, the Decision on issuing approvals ("Official Gazette of the Republic of Macedonia" no. 91/07, 134/07, 139/08 and 24/11) shall cease to apply.

D.No. 02-15/V - 2/2013
May 10, 2013
Skopje

Dimitar Bogov
Governor and Chairman of the
Council of the National Bank
of the Republic of Macedonia

Questionnaire for a Supervisory Board member

1. Personal data

1.1. Name and surname

1.2. Home address

1.3. Address in the Republic of Macedonia (in case of foreign person with residence in the Republic of Macedonia)

1.4. Date and place of birth

1.5. Citizenship

1.6. Number of the identity card or passport number (for foreign natural persons)

1.7. NINC (National Identification Number of the Citizen)

1.8. Telephone and e-mail address

2. Education

Educational institution	Degree obtained	Period of education

3. Data on the qualifications, professional history and experience

3.1. Please list all jobs and/or positions which you have held until the moment of completing this Questionnaire, starting from the most recent job.

Period from/to (month/year)	Name, head office and core activity of the employer	Job/position (when and where)

3.2. Please list all attended training courses in the area of banking and/or finance

Training course	Institution sponsoring the training course	Period when the training course was held

--	--	--

4. Have you ever been imposed a misdemeanor sanction, or a ban on performing a profession, activity or duty? If such a sanction or a ban had been imposed on you, please provide all the details.

5. Have you ever been convicted by an effective court judgment for unconditional imprisonment of more than six months, in the period of duration of the legal consequences of the conviction, for crimes against property, crimes against public finances, payment operations and economy, criminal offenses against official duty, as well as crimes of forging documents, specific cases of forging documents, computer forgery, using a document with untrue content and pettifoggery of the Criminal Code? If such judgment was rendered, please provide all the details.

6. Are you, or the person/entity connected with you, a shareholder, owner, co-owner or partner in some legal entity, including the bank in which you are proposed to be a member of the Supervisory Board? If the answer is yes, please complete the following two tables, where the first one is completed only for the proposed member and the second for the persons/entities connected with him/her.

Name and head office of the legal entity in which the proposed member holds capital and/or voting shares	Percentage of the capital and/or of the voting shares

Name and surname, or title of the connected person/entity	Name and head office of the legal entity where the connected person/entity holds capital and/or voting shares	Percentage of the capital and/or of the voting shares

7. Are you, or the person/entity connected with you, a member of a supervisory or management body in the above-stated entities? If the answer is yes, please complete the following two tables, where the first one is completed only for the proposed member and the second one for the persons/entities connected with him/her.

Name and head office of the legal entity	Supervisory or management body

Name and surname, or title of the connected person/entity	Name and head office of the legal entity	Supervisory or management body

8. Are you a member of a supervisory or a management body or do you in any other way exert influence on the management and the policy making and the making of financial and business decisions of any other legal entity, except the legal entities stipulated in item 6 of this questionnaire? Please list any such legal entities, the management or supervisory body or the manner under which you exert influence.

Name and head office of the legal entity	Supervisory or management body	Description of the manner of exerting influence

9. Have you and/or the persons/entities connected with you had any material interest or business relationship with the bank in which you have been proposed as a member of the Supervisory Board, in the last three years? If the answer is yes, please provide more details on the type and the amount of the material interest or the type of the business relationship.
10. Are you, or the person/entity connected with you, connected with a legal entity in which the bank in which you have been proposed as a member of the Supervisory Board, has a share? If the answer is yes please state the legal entity and the manner of connection.
11. If you are a representative of shareholder(s) of the bank, which shareholder(s) will you represent in the Supervisory Board? What is the basis for your connection with the shareholder(s)?
12. If you have been proposed as an independent member of the Supervisory Board of the bank, how do you think you can perform your independent role?
13. Are you a person connected with the other members of the Supervisory Board or with the members of the Management Board of the bank? If the answer is yes, please indicate the members to which you are connected and the manner of connection.
14. Are you, or the person connected with you, connected with other persons, who in accordance with the Banking Law, are considered affiliated with the bank? If the answer is yes, please complete the following two tables, where the first one is completed only for the natural person and the second one for the persons/entities connected with him/her.

Name and surname, or title and	Type of affiliation
---------------------------------------	----------------------------

head office of the person/entity affiliated with the bank	

Name and surname, or title and head office of the person/entity affiliated with the natural person	Name and surname, or title and head office of the person/entity affiliated with the bank	Type of affiliation between the entities/persons from columns 1 and 2

15. Has a bankruptcy procedure been initiated against the legal entities in which you held a position of a responsible person (manager, executive member of a board of directors, member of a management board)? If the answer is yes, please provide more details about your activities, competences and responsibilities in that legal entity.
16. Is there a legally effective court decision rendered against you whereby you are held liable for the opened bankruptcy procedure? If the answer is yes, please provide all the details related to the court verdict.
17. If applicable in your country, is your estate subject to bankruptcy proceedings? If the answer is yes, please provide all the details related to the circumstances connected with this procedure.
18. Has a competent supervisory authority ever undertaken any measures against a bank or other financial institution where you have exerted control or have been a member of a supervisory or a management body or have in any way influenced the management and the policy making and the making of financial and business decisions? If the answer is yes, please list the measures and all details related to their implementation.
19. Has any competent authority responsible for supervision of banks and/or other financial institutions ever assessed your reputation when applying for an approval for becoming a member of a supervisory or a management body of those institutions? If the answer is yes, please provide all the details.

Name of the competent supervisory authority	Type of approval/license applied for	Reasons for rejecting the application (if the competent body did not issue the requested approval)	Validity period of the obtained approval/license

20. Has the competent authority for supervision of banks and/or other financial institutions ever revoked your approval for a shareholder or for a participation in the capital of a bank or another financial institution or an approval for a member of a supervisory or a management body? If the answer is yes, please provide all the details.
21. Have you ever been removed or asked to resign from any function in another legal entity? If the answer is yes, please provide full details.
22. Please list other facts or circumstances which could be important when assessing your knowledge of the regulations from the area of banking and/or finance as well as your experience in providing sound and safe operation of the bank.
23. Please provide a short description of where you see the bank after five years.

I, the undersigned _____
 (name of the natural person)

a) Declare, under full moral, material and criminal accountability, that the information provided in this Questionnaire, as well as the complete documentation that I submit Together with the application for issuing an approval for a member of the Supervisory Board of _____ (name of the bank), are accurate and do not contain forged data and documents.

b) I am aware of the criteria prescribed in the Banking Law which I have to fulfill in order to become a member of the Supervisory Board of a bank.

c) I declare that I will ensure compliance with the supervisory standards and the measures undertaken by the National Bank, and thereby provide for sound and safe operation of the bank.

Place and date

Signature of the natural person

Form 2

Questionnaire for a Management Board member

1. Personal data

1.1. Name and surname

1.2. Home address

1.3. Address in the Republic of Macedonia (in case of foreign person with residence in the Republic of Macedonia)

1.4. Date and place of birth

1.5. Citizenship

1.6. Number of the identity card or passport number (for foreign natural persons)

1.7. NINC (National Identification Number of the Citizen)

1.8. Telephone and e-mail address

2. Education

Educational institution	Degree obtained	Period of education

2.1. Knowledge of the Macedonian language

Native speaker _____
Excellent _____
Good _____
Poor _____

2.2. Knowledge of foreign languages

Foreign language	Excellent	Good	Poor

3. Data on the qualification, professional history and experience

3.1. Please list all jobs and/or positions which you have held until the moment of completing this Questionnaire, starting from the most recent job.

Period from/to (month/year)	Name, head office and core activity of the employer	Job/position (where and when)

3.2. Please indicate all memberships in professional bodies or similar organizations

Professional body or similar organization	Date of acquiring membership

3.3. Please indicate all attended training courses in the area of banking and/or finance

Training course	Institution sponsoring the training course	Period when the training course was held

4. Have you ever been imposed a misdemeanor sanction, or a ban on performing a profession, activity or duty? If such a sanction or a ban had been imposed on you, please provide all the details.
5. Have you ever been convicted by an effective court judgment for unconditional imprisonment of more than six months, in the period of duration of the legal consequences of the conviction, for crimes against property, crimes against public finances, payment operations and economy, criminal offenses against official duty, as well as crimes of forging documents, specific cases of forging documents, computer forgery, using a document with untrue content and pettifoggery of the Criminal Code? If such judgment was rendered, please provide all the details.
6. Are you, or the person/entity connected with you, a shareholder, owner, co-owner or partner in some legal entity, including the bank in which you are proposed to be a member of the Management Board? If the answer is yes, please complete the following two tables, where the first one is completed only for the proposed member and the second for the persons/entities connected with him/her.

Name and head office of the legal entity in which the proposed member holds capital and/or voting shares	Percentage of the capital and/or of the voting shares

Name and surname, or title of the connected person/entity	Name and head office of the legal entity where the connected person/entity holds capital and/or voting shares	Percentage of the capital and/or of the voting shares

7. Are you, or the person/entity connected with you, a member of a supervisory or management body in the above-stated entities? If the answer is yes, please complete the following two tables, where the first one is completed only for the proposed member and the second one for the persons connected with him/her.

Name and head office of the legal entity	Supervisory or management body

Name and surname, or title of the connected person/entity	Name and head office of the legal entity	Supervisory or management body

8. Are you a member of a supervisory or a management body or do you in any other way exert influence on the management and the policy making and the making of financial and business decisions of any other legal entity, except the legal entities stipulated in item 6 of this questionnaire? Please list any such legal entities, the management or supervisory body or the manner under which you exert influence.

Name and head office of the legal entity	Supervisory or management body	Description of the manner of exerting influence

9. Are you, or a person/entity connected with you, connected with a legal entity in which the bank in which you have been proposed as a member of the Management Board, has a share? If the answer is yes please state the legal entity and the manner of connection.

10. Has a bankruptcy procedure been initiated against the legal entities in which you held a position of a responsible person (manager, executive member of a board of directors, member of a management board)? If the answer is yes, please provide more details about your activities, competences and responsibilities in that legal entity.

11. Is there a legally effective court decision rendered against you whereby you are held liable for the opened bankruptcy procedure? If the answer is yes, please provide all the details related to the court verdict.

12. If applicable in your country, is your estate subject to bankruptcy proceedings? If the answer is yes, please provide all the details related to the circumstances connected with this procedure.

13. Has a competent supervisory authority ever undertaken any measures against a bank or other financial institution where you have exerted control or have been a member of a supervisory or a management body or have in any way influenced the management and the policy making and the making of financial and business decisions? If the answer is yes, please list the measures and all details related to their implementation.

14. Are you a person connected with the other members of the Management Board or with the members of the Supervisory Board of the bank? If the answer is yes, please indicate the members to which you are connected and the manner of connection.

15. Are you, or the person connected with you, connected with other persons, who in accordance with the Banking Law, are considered affiliated with the bank? If the answer is yes, please complete the following two tables, where the first one is completed only for the natural person and the second one for the persons/entities connected with him/her.

Name and surname, or title and head office of the person/entity affiliated with the bank	Type of affiliation

Name and surname, or title and head office of the person/entity affiliated with the natural person	Name and surname, or title and head office of the person/legal entity affiliated with the bank	Type of affiliation between the entities/persons from columns 1 and 2

16. Has any competent authority responsible for supervision of banks and/or other financial institutions ever assessed your reputation when applying for an approval for becoming a member of a supervisory or a management body of those institutions? If the answer is yes, please provide all the details.

Name of the competent supervisory authority	Type of approval/license applied for	Reasons for rejecting the application (if the competent body did not issue the requested approval)	Validity period of the obtained approval/license

17. Has any competent authority responsible for supervision of banks and/or other financial institutions ever revoked your approval for a shareholder or for participation in the capital of a bank or another financial institution or the approval for a member of a supervisory or a management body? If the answer is yes, please provide all the details.

18. Have you ever been removed or asked to resign from any function in another legal entity? If the answer is yes, please provide full details.

19. Is there a subdivision of the areas of responsibility of the members of the Management Board of the bank? If so, which area will you be responsible for?

20. In your opinion, what are the advantages of the bank where you have been proposed to be a member of the Management Board? How will you use these advantages to strengthen the stability and safety of the bank?

21. In your opinion, what are the weaknesses of the bank where you have been proposed to be a member of the Management Board? How will you remove/minimize these weaknesses?

22. Please list other facts or circumstances which could be important when assessing your capability of becoming a member of a bank Management Board and providing sound and safe operation of the bank.

23. Please provide a short description of where you see the bank after five years.

I, the undersigned _____
(name of the natural person)

a) Declare, under full moral, material and criminal accountability, that the information provided in this Questionnaire, as well as the complete documentation that I submit together with the application for issuing an approval for a member of

the Management Board of _____ (name of the bank), are accurate and do not contain forged data and documents.

b) I am aware of the criteria prescribed in the Banking Law which I have to fulfill in order to become a member of the Management Board of a bank.

c) I declare that I will ensure compliance with the supervisory standards and the measures undertaken by the National Bank and will submit all the data and information requested by the National Bank for the purposes of performing efficient supervision, and thereby provide for safe and sound operation of the bank.

Place and date

Signature of the natural person

Form 3

Questionnaire for the natural persons that intend to acquire shares in a bank

1. Personal data

1.1. Name and surname

1.2. Home address

1.3. Address in the Republic of Macedonia (in case of foreign person with residence in the Republic of Macedonia)

1.4. Date and place of birth

1.5. Citizenship

1.6. Number of the identity card or passport number (for foreign natural persons)

1.7. NINC (National Identification Number of the Citizen)

1.8. Telephone and e-mail address

2. Education

Educational institution	Degree obtained	Period of education

3. Please list all jobs and/or positions which you have held until the moment of completing this Questionnaire, starting from the most recent job.

Period from/to (month/year)	Name, head office and core activity of the employer	Job/position (where and when)

4. Have you ever been imposed a misdemeanor sanction, or a ban on performing a profession, activity or duty? If such a sanction or a ban had been imposed on you, please provide all the details.

5. Have you ever been convicted by an effective court judgment for unconditional imprisonment of more than six months, in the period of duration of the legal consequences of the conviction, for crimes against property, crimes against public finances, payment operations and economy, criminal offenses against official duty, as well as crimes of forging documents, specific cases of forging documents, computer forgery, using a document with untrue content and

pettifoggery of the Criminal Code? If such judgment was rendered, please provide all the details.

6. If applicable in your country, is your estate subject to bankruptcy proceedings? If the answer is yes, please provide all the details related to the circumstances connected with this procedure.

7. Are you, or the person/entity connected with you, a shareholder, owner, co-owner or partner in another legal entity? If the answer is yes, please complete the following two tables, where the first one is completed only for the natural person and the second for the persons/entities connected with him/her.

Name and head office of the legal entity in which the proposed member holds capital and/or voting shares	Percentage of the capital and/or of the voting shares

Name and surname, or title of the connected person/entity	Name and head office of the legal entity where the connected person/entity holds capital and/or voting shares	Percentage of the capital and/or of the voting shares

8. Are you, or the person/entity connected with you, a member of a supervisory or management body in the above-stated entities? If the answer is yes, please complete the following two tables, where the first one is completed only for the natural person and the second one for the persons/entities connected with him/her.

Name and head office of the legal entity	Supervisory or management body

Name and surname, or title of the connected person/entity	Name and head office of the legal entity	Supervisory or management body

9. Are you a member of a supervisory or a management body or do you in any other way exert influence on the management and the policy making and the making of financial and business decisions of any other legal entity, except the legal entities stipulated in item 7 of this questionnaire? Please list any such legal entities, the management or supervisory body or the manner under which you exert influence.

Name and head office of the legal entity	Supervisory or management body	Description of the manner of exerting influence

10. Has a bankruptcy procedure been initiated against the legal entities in which you have exerted control or have been a member of a supervisory or a management body or have in any way influenced the management and the policy making and the making of financial and business decisions? If the answer is yes, please provide more details about your activities in that legal entity.

11. Is there a legally effective court decision rendered against you whereby you are held reliable for the opened bankruptcy procedure? If the answer is yes, please provide all the details related to the court verdict.

12. Has a competent supervisory authority ever undertaken any measures against a bank or other financial institution where you have exerted control or have been a member of a supervisory or a management body or have in any way influenced the management and the policy making and the making of financial and business decisions? If the answer is yes, please list the measures and all details related to their implementation.

13. Are you, or the person connected with you, connected with other persons, who in accordance with the Banking Law, are considered affiliated with the bank? If the answer is yes, please complete the following two tables, where the first one is completed only for the natural person and the second one for the persons/entities connected with him/her.

Name and surname, or title and head office of the person/entity affiliated with the bank	Type of affiliation

Name and surname, or title and head office of the person/entity affiliated with the natural person	Name and surname, or title and head office of the person/entity affiliated with the bank	Type of affiliation between the entities/persons from columns 1 and 2

14. Has any competent authority responsible for supervision of banks and/or other financial institutions ever assessed your reputation and capability when applying for an approval for acquiring a share or becoming a member of a supervisory or a management body of those institutions? If the answer is yes, please provide all the details.

Name of the competent supervisory authority	Type of approval/license applied for	Reasons for rejecting the application (if the competent body did not issue the requested approval)

15. Has any competent authority responsible for supervision of banks and/or other financial institutions ever revoked your approval for a shareholder or for participation in the capital of a bank or another financial institution or the approval for a member of a supervisory or a management body? If the answer is yes, please provide all the details.

16. Have you ever been removed or asked to resign from any function in another legal entity? If the answer is yes, please provide full details.

17. Please list other facts or circumstances which could be important when assessing your ability to be a bank shareholder and to provide for sound and safe operation of the bank.

18. Please provide a short description of where you see the bank after five years (obligatory question for natural persons who intend to acquire participation in the bank which is being established).

I, the undersigned _____
(name of the natural person)

a) Declare, under full moral, material and criminal accountability, that the information provided in this Questionnaire, as well as the complete documentation that I submit Together with the application for issuing an approval for acquiring shares in _____ (name of the bank), are accurate and do not contain forged data and documents.

b) I am aware of the criteria prescribed in the Banking Law which I have to fulfill in order to become a bank shareholder.

c) I declare that I will ensure compliance with the supervisory standards and the measures undertaken by the National Bank and will submit all the data and information requested by the National Bank for the purposes of performing efficient supervision, and thereby provide for safe and sound operation of the bank.

Place and date

Signature of the natural person

Form 4

Questionnaire for the legal entities that intend to acquire shares in a bank

1. Data on the legal entity

1.1. Name of the legal entity

1.2. Head office

1.3. Tax number

1.4. Identification number (relevant identification number in accordance with the regulations in the foreign country – for a foreign legal entity)

1.5. Telephone, e-mail address and web address (if the legal entity has one)

1.6. Core activity, in accordance with the national classification of activities, or in accordance with the classification of activities applicable in the foreign country (for a foreign legal entity)

2. Please indicate the persons who are members of the management and supervisory bodies of the legal entity, with a short overview of their education and the work experience (the table is filled in by the legal entities who intend to acquire qualified holding in the bank)

Name and surname	Supervisory or management body	Education obtained	Work experience (where and when)

3. Please indicate the persons/entities who own more than 10% of the shares, or the stakes in the legal entity, directly or indirectly (the table is filled in by the legal entities that intend to acquire qualified holding in the bank).

Name and surname / title	Address / head office	Core activity	Share in the capital or in the voting rights in percents

4. Do the entities stipulated in item 3 of this Questionnaire have their representatives in the management or supervisory bodies of the legal entity? If the answer is yes, please indicate the legal entities and their representatives in the management or supervisory bodies of the legal entity which intends to establish a bank.

Name and head office	Name and surname of the representative	Supervisory or management body

5. Please indicate the legal entities in which the legal entity owns, directly or indirectly more than 10% of the shares or the stakes (the table is filled in by the legal entities that intend to acquire qualified holding in the bank).

Name and head office	Core activity	Share in the capital or the voting rights of the legal entity in percents	Assessed (market) value of the share* (in 000 denars)

- * If the assessed (market) value of the share is not available, the book value of the share shall be considered.

5.1. Financial reports for the last three years shall be submitted for all of these entities.

6. Does the legal entity have its representatives in the management or supervisory bodies of the entities stipulated in item 5 of this Questionnaire (the table is filled in by the legal entities that intend to acquire qualified holding in the bank)? If the answer is yes, please list the legal entities and the representatives of the legal entity which intends to establish a bank, in their management or supervisory bodies.

Name and head office	Name and surname of the representative of the legal entity	Supervisory or management body

7. Does the legal entity have its representatives in the management or supervisory bodies or in any other way influences the management and the policy making and the making of financial and business decisions of any other legal entity in the Republic of Macedonia or abroad? Please indicate the legal entities, the bodies and the persons that represent the legal entity.

Name and head	Supervisory or	Name and	Description of the
----------------------	-----------------------	-----------------	---------------------------

office of the legal entity	management body	surname of the representative of the legal entity	manner of exerting influence

8. Has the legal entity ever been imposed an accessory penalty: ban on obtaining a license for founding and operating of a bank, revoking a license for founding and operating of a bank, ban on establishing new legal entities and temporary or permanent ban on performing banking activities. If such a sanction has been imposed, please provide all the details.
9. Has the person who exerts control in the legal entity (if it is a legal entity) ever been imposed an accessory penalty: ban on obtaining a license for founding and operating of a bank, revoking a license for founding and operating of a bank, ban on establishing new legal entities and temporary or permanent ban on performing banking activities. If such a sanction has been imposed, please provide all the details.
10. Has the legal entity ever been imposed a misdemeanor sanction, or a ban on performing a profession, activity or duty? If such a sanction or a ban has been imposed, please provide all the details.
11. Has the person who exerts control in the legal entity ever been imposed a misdemeanor sanction, or a ban on performing a profession, activity or duty? If such a sanction or a ban has been imposed, please provide all the details.
12. Has the person who exerts control in the legal entity ever been convicted by an effective court judgment for unconditional imprisonment (if it is a natural person) of more than six months, in the period of duration of the legal consequences of the conviction, for crimes against property, crimes against public finances, payment operations and economy, criminal offenses against official duty, as well as crimes of forging documents, specific cases of forging documents, computer forgery, using a document with untrue content and pettifoggery of the Criminal Code? If such judgment was rendered, please provide all the details.
13. Is the estate of the legal entity or the estate of the person who exerts control in the legal entity subject to bankruptcy or liquidation proceedings (if the person who exerts control in the legal entity is a natural person, this question is answered only if applicable in the country of origin)? If the answer is yes, please provide all the details related to the circumstances connected with this procedure.
14. Is a person/entity connected with the legal entity, a shareholder or a member of the management or the supervisory body of another bank or financial institution? If the answer is yes, please provide details about:

Name and	Name and	Share in	Supervisory	Other
-----------------	-----------------	-----------------	--------------------	--------------

surname / title and head office of the connected person/entity	head office of the bank / financial institution	percents	or management body	important data

15. Was there any bankruptcy procedure initiated against the legal entities in which the legal entity exerted control or had its representative in the management or supervisory bodies or in any other way influenced the management and the policy making and the making of financial and business decisions? If the answer is yes, please provide more detail.
16. Has a competent supervisory authority undertaken any measures against a bank or other financial institution where the legal entity exerted control or had its representative in the supervisory or management bodies or in any other way influenced the management and the policy making and the financial and business decisions? If the answer is yes, please list all the measures and all the details related to their implementation or non-implementation?
17. Has a competent supervisory authority undertaken any measures against a bank or other financial institution controlled by the person who exerts control in the legal entity or in which this entity had its representative in the management or supervisory bodies or in any other way influenced the management and the policy making and the financial and business decisions? If the answer is yes, please list all the measures and all the details related to their implementation or non-implementation?
18. Is the legal entity, or the person who exerts control in the legal entity, connected with the other entities who, together with the legal entity intend to establish a bank? Please describe in which manner.
19. Has any competent authority responsible for supervision of banks and other financial institutions ever assessed the reputation and the capability of the legal entity or the person who exerts control in the legal entity, to acquire share in the capital of those institutions? If the answer is yes, please provide all the details in separate tables for the legal entity and the person who exerts control in the legal entity.

Name of the competent supervisory authority	Type of the requested approval/license	Reasons due to which the approval has not been obtained (if the competent authority rejected the application for approval)

20. Has any competent authority responsible for supervision of banks and other financial institutions ever revoked the approval previously given to the legal entity for becoming a shareholder or for qualified holding in the capital of the bank or another financial institution or an approval for becoming a member or have its representative in the supervisory or management body of the bank or the financial institution? If the answer is yes, please provide all the details.
21. Has any competent authority for supervision of banks and other financial institutions ever revoked the approval from the person exerting control in the legal entity for becoming a shareholder or for holding a share in the capital of the bank or another financial institution or an approval for becoming a member or have his/her representative in the supervisory or management body of the bank or the financial institution? If the answer is yes, please provide all the details.
22. Please list other facts or circumstances which could be important when assessing the capability of the legal entity to be a shareholder of the bank and provide stable and safe operation of the bank.
23. Please provide a short description of where you see the bank after five years (obligatory question for the competent body of the legal entities that intend to acquire participation in the bank which is being established).

I, the undersigned _____ (name and surname of the member of the supervisory or management body of the legal entity that intends to acquire shares in a bank) as a member of _____ (the supervisory or management body of the legal entity that intends to acquire shares in a bank) of _____ (name of the legal entity)

a) Declare, under full moral, material and criminal accountability, that the information provided in this Questionnaire, as well as the complete documentation submitted by the legal entity together with the application for issuing an approval for acquiring shares in a bank, are accurate and do not contain forged data and documents.

b) I am aware of the criteria prescribed in the Banking Law which _____ (name of legal entity) has to fulfill in order to become a shareholder with qualified holding in a bank.

c) Declare that the legal entity will ensure compliance with the supervisory standards and the measures undertaken by the National Bank and will submit all the data and information requested by the National Bank for the purposes of performing efficient supervision, and thereby provide for safe and sound operation of the bank.

Place and date

Signature of an authorized member of the competent body

Questionnaire for the persons with special rights and responsibilities¹

1. Personal data

- 1.1. Name and surname
- 1.2. Home address
- 1.3. Address in the Republic of Macedonia (in case of foreign person with residence in the Republic of Macedonia)
- 1.4. Date and place of birth
- 1.5. Citizenship
- 1.6. Number of the identity card or passport number (for foreign natural persons)
- 1.7. NINC (National Identification Number of the Citizen)
- 1.8. Telephone and e-mail address

2. Education

Educational institution	Degree obtained	Period of education

3. Data on the qualifications, professional history and experience

3.1. Please list all jobs and/or positions which you have held until the moment of completing this Questionnaire, starting from the most recent job.

Period from/to (month/year)	Name, head office and core activity of the employer	Job/position

¹ Filled in by the person with special rights and responsibilities who will be authorized to perform the new financial activity.

3.2. Please list all memberships in professional bodies or similar organizations

Professional body or similar organization	Date of acquiring membership

3.3. Please list all attended training courses in the area of banking and/or finance

Training course	Institution sponsoring the training course	Period when the training course was held

4. Have you ever been imposed a misdemeanor sanction, or a ban on performing a profession, activity or duty? If such a sanction or a ban had been imposed on you, please provide all the details.
5. Have you ever been convicted by an effective court judgment for unconditional imprisonment of more than six months, in the period of duration of the legal consequences of the conviction, for crimes against property, crimes against public finances, payment operations and economy, criminal offenses against official duty, as well as crimes of forging documents, specific cases of forging documents, computer forgery, using a document with untrue content and pettifoggery of the Criminal Code? If such judgment was rendered, please provide all the details.
6. Has a bankruptcy procedure been initiated against the legal entities in which you held a position of a responsible person (manager, executive member of a board of directors, member of a management board)? If the answer is yes, please provide more details about your activities, competences and responsibilities in that legal entity.
7. Is there a legally effective court decision rendered against you whereby you are held reliable for the opened bankruptcy procedure? If the answer is yes, please provide all the details related to the court verdict.
8. Has a competent supervisory authority ever undertaken any measures against a bank or other financial institution where you have exerted control or have been a member of a supervisory or a management body or have in any way influenced the management and the policy making and the making of financial and business decisions? If the answer is yes, please list the measures and all details related to their implementation.
9. Are you a person connected with the other persons with special rights and responsibilities in the bank? If the answer is yes, please indicate the members to which you are connected and the manner of connection.

10. Are you, or the person/entity connected with you, connected with other persons, who in accordance with the Banking Law, are considered affiliated with the bank? If the answer is yes, please complete the following two tables, where the first one is completed only for the natural person and the second one for the persons who, according to the Banking Law, are considered to be connected with him/her.

Name and surname, or title and head office of the person/entity affiliated with the bank	Type of affiliation

Name and surname, or title and head office of the person/entity affiliated with the natural person	Name and surname, or title and head office of the person/entity affiliated with the bank	Type of affiliation between the entities/persons from columns 1 and 2

11. Has any competent authority responsible for supervision of banks and/or other financial institutions ever assessed your reputation when applying for an approval for becoming a member of a supervisory or a management body of those institutions? If the answer is yes, please provide all the details.

Name of the competent supervisory authority	Type of approval/license applied for	Reasons for rejecting the application (if the competent body did not issue the requested approval)

12. Has any competent authority responsible for supervision of banks and/or other financial institutions ever revoked your approval for a shareholder or for a participation in the capital of a bank or another financial institution or the approval for a member of a supervisory or a management body? If the answer is yes, please provide all the details.

13. Have you ever been removed or asked to resign from any function in another legal entity? If the answer is yes, please provide full details.

14. In your opinion, what are the advantages of the bank where you have been proposed to be a person with special rights and responsibilities? How will you use these advantages to strengthen the stability and safety of the bank?

15. In your opinion, what are the weaknesses of the bank where you have been proposed to be a person with special rights and responsibilities? How will you remove these weaknesses?
16. Please list other facts or circumstances which could be important when assessing your capability of becoming a person with special rights and responsibilities and providing sound and safe operation of the bank.

I, the undersigned _____
(name of the natural person)

a) Declare, under full moral, material and criminal accountability, that the information provided in this Questionnaire, as well as the complete documentation that I submit together with the application for issuing an approval for a person with special rights and responsibilities in _____ (name of the bank), are accurate and do not contain forged data and documents.

b) I am aware of the criteria prescribed in the Banking Law which I have to fulfill in order to become a person with special rights and responsibilities of a bank.

c) I declare that I will ensure compliance with the supervisory standards and the measures undertaken by the National Bank and will submit all the data and information requested by the National Bank for the purposes of performing efficient supervision, and thereby provide for safe and sound operation of the bank.

Place and date

Signature of the natural person
