



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, 123/12 and 43/14) and Article 18 paragraph 5 of the Banking Law (Official Gazette of the Republic of Macedonia No. 67/07, 90/09, 67/10, 26/13 and 15/15), the National Bank of the Republic of Macedonia Council adopted the following

DECISION amending the Decision on the method of determining connected persons/entities (Official Gazette of the Republic Macedonia No. 121/15)

1. In the Decision on the method of determining connected persons/entities (Official Gazette of the Republic of Macedonia No. 31/08 and 72/13), in item 3 paragraph 1, the wording "the legal entity's capital or voting rights exercised by person/entity" shall be replaced with the wording "legal person exercised".

2. Indent 2 of item 4 shall be amended and read as follows:

"- the legal entities and natural persons who are members of the supervisory and/or management bodies in those entities;"

3. Item 5 shall be amended and read as follows:

"5. For the purposes of item 2 paragraph 1 indent 2 of this Decision, connected persons/entities shall be considered at least the following:

- at least 50% of claims or liabilities of a person/entity in the last twelve months results from transactions with the other person/entity;
- the approved exposure to a person/entity (debtor) is fully or partially guaranteed by the other person/entity or subject to other form of collateral provided by the other person/entity - collateral provider, and the exposure is in the amount that could cause financial problems for the collateral provider, in case of foreclosure of the collateral;
- a significant portion of products/services of one legal entity is purchased by the other person/entity, while the market cannot easily find another buyer for those products/services;
- there is a high probability that the bankruptcy or liquidation of one legal entity will cause financial problems for the other person/entity or would cause bankruptcy or liquidation for the other legal entity, or
- two or more persons/entities having a common source of funding and/or repayment of liabilities, whereas in case of unavailability of that source, no another source of funding can be easily found.

Two or more persons/entities who meet one or more of the criteria listed in paragraph 1 of this item might not be regarded as connected persons/entities if the bank has indisputable evidence that the person/entity will find other sources of

funding or other business partners on time, to overcome financial problems caused by the connection referred to in paragraph 1 of this item."

4. In item 8, the wording "pursuant to the provisions of the Banking Law" shall be replaced by the wording "as they are connected in a manner similar to the cases provided for by this Decision."

5. Banks shall comply with the provisions of this Decision regarding exposures approved prior to the entry into force of this Decision by 31 March 2016.

6. This Decision shall enter into force eight days after the date of its publication in the Official Gazette of Republic Macedonia.

D. No. 02-15 / X- 1/2015
16 July 2015
Skopje

Dimitar Bogov
Governor

Chairman
of the National Bank of the Republic
of Macedonia Council