



NATIONAL BANK OF THE REPUBLIC OF NORTH 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 17 paragraph 5 and Article 22 paragraph 2 of the Banking Law ("Official Gazette of the Republic of Macedonia" no. 67/07, 90/09, 67/10 and 26/13) and Article 56 of the Law on Amending the Banking Law ("Official Gazette of the Republic of Macedonia" no. 26/13), the Council of the National Bank of the Republic of Macedonia passed the following

Decision on issuing licenses (Unofficial revised text)¹

I. GENERAL PROVISIONS

1. This Decision shall prescribe:

- the type and the manner of submitting documents, data and information and the procedure for their evaluation when issuing a license for founding and operating a bank;
- the type and the manner of submitting documents, data and information and the procedure for their evaluation when issuing a license for founding and operating a bank controlled by a foreign bank and/or foreign entity with participation in a foreign bank;
- the documentation, the procedure and the criteria for issuing a license for status changes of a bank;
- the documentation and the procedure for issuing license for status change and/or transformation of a savings house into a bank.

II. ISSUING A LICENSE OF FOUNDING AND OPERATING A BANK

2. For obtaining temporary license for founding and operating a bank, the National Bank of the Republic of North Macedonia (hereinafter referred to as: the National Bank) shall be submitted the following documentation:

2.1. Completed application for issuing a license for founding and operating a bank (Form 1).

2.2. Draft article of incorporation, that should contain at least the following data:

- name and head office of the bank;
- financial activities to be performed by the bank;
- amount of the initial capital;
- nominal amount of the shares, number of shares of any type and class, rights, obligations, restrictions, and benefits that arise from the shares;
- manner of acquiring and cease of the rights of the bank shareholders;

¹ This is a revised text of the Decision on Issuing Licenses. The revised text consists of the Decision on Issuing Licenses (Official Gazette of the Republic of Macedonia No. 72/13), Decision on amending the Decision on Issuing Licenses (Official Gazette of the Republic of Macedonia No. 24/18) and the Decision on amending the Decision on issuing Licenses (Official Gazette of the Republic of North Macedonia No. 50/19).

- procedure for calling and holding of the General Meeting;
- for a person who intends to establish a bank - domestic natural person: name and surname and national identification number; for a person intending to establish a bank - foreign natural person: name and surname, citizenship, place of living and passport number or number of other document valid in their country, for determining their identity: for a an entity that intends to establish a bank - domestic and foreign legal entity: title, head office and identification number of the entity (or other unique identification number, valid in the country);
- type, composition, number, manner and conditions for selection, term of office, rights, duties, responsibilities and manner of operation of the bank bodies;
- number, term of office, rights, responsibilities and conditions for appointing persons with special rights and responsibilities of the bank;
- manner of resolving disputes between the bank shareholders;
- manner of resolving conflict of interest and protection of confidentiality of the bank data;
- representation of bank by the managers of the Management Board;
- form and manner of publication of data by the bank;
- conditions and instances of cease of bank operation.

2.3. Strategic and operating plan of the bank that should contain at least the following:

2.3.1.Explanation, i.e. analysis of the reasons for founding a bank and the bank business objectives.

2.3.2.Review of the market the bank shall participate in, the structure of the bank clients and the type of financial activities the bank shall perform, including also the activities that the bank intends to specialize in, as well as the manner of attaining that specialization.

2.3.3.Description of the risk management and internal control systems.

2.3.4.Number and location of the branch offices, sub-branches and other units, as well as the deadline until when the bank intends to open them.

2.3.5.Organizational structure of the bank, with a special description of the operating area and the responsibilities of both the persons with special rights and responsibilities and each organizational part, the mutual relations and the relations with the bank bodies, as well as description of the necessary number of employees and their qualification structure.

2.3.6.The projection of the scope and the nature of the financial activities the bank will perform and the shareholders' plans about the future development of the bank, from the viewpoint of the increase in the own funds for the following five years, as well as projection of the financial statements for the following five years, with the projections for the first year needed to be prepared on a quarterly basis. The projections should contain the following:

- detailed balance sheet, income statement and cash flow report with comment for each position and the basic assumptions the projection is based on;

- movement of the financial indicators and the supervisory standards, such as the capital adequacy ratio, capital buffers, liquidity, profitability and the exposure to credit risk and other material risks indicators;
- movement of the financial indicators and the supervisory standards determined on consolidated basis, if the bank intends to invest in other bank and non-bank financial institutions in the following five years, thus forming a banking group.

2.3.7. Date planned for initiation of operations

2.4. Data on the identity, education, experience and professional history of the proposed members of both the Supervisory and the Management Board.

2.5. Data on the information system and the technical equipment of the bank, from the aspect of its capability to perform planned financial activities, with the following being taken into consideration:

- the documentation on the information system should be based on the minimum standards for information system security and for ensuring business continuity, in accordance with the Decision on security of the bank's information system. If envisaged that the information system functioning depends on outsourcing (banking services outsourcing company), relevant data on the implementation of the information system security standards and data on ensuring business continuity by those persons/entities shall be submitted;
- the documentation on the technical equipment should contain data on the business premises the bank shall operate in, including also the branch offices, sub-branches and other planned operating units, on the business premises of the bank's reserve location (own, leased, location, area and dynamics of its equipment in order to become functional) and on the technical equipment it will use, the documents on the main characteristics of the servers, the communication connections, and the databases to be used, as well as on the manner of functioning of the main components of the information system and the applicative solutions.

2.6. Data required for the persons/entities that intend to found a bank, especially:

2.6.1. Data required for the legal entities

- completed Questionnaire for the legal entities that intend to found a bank (Form 2);
- decision of the competent body of the legal entity for participation in the bank founding;
- statement signed by competent body of the legal entity given under full criminal and material accountability, for the origin of the funds invested, i.e. the ground for acquiring shares in the bank, by enclosing adequate proof for the source of funds the entity invests in the bank (audit report, annual account and other relevant proof);
- certificate from competent court or other relevant institution that no misdemeanor sanction or penalty envisaging ban on performing activity was rendered;

- certificate from competent court or other competent institution that no additional penalty was rendered: ban on obtaining license for founding and operating a bank, revocation of the license for founding and operating a bank, ban on founding new legal entities and temporary or permanent ban on performing banking activities;
- statement signed by competent body of the legal entity, given under full criminal and material accountability, for existence, i.e. non-existence of connection with other persons/entities that intend to found a bank, as well as connection with other legal entities and natural persons in conformity with the Banking Law;
- certificate from the Public Revenues Office or certificate from relevant institution (for foreign entities) for regular payment of taxes and contributions and certificate from competent institution for non-encumbrance of the property with liabilities towards the state and other legal entities and natural persons;
- certificate from competent institutions that no bankruptcy or liquidation procedure has been instigated against the legal entity;
- audit report for the legal entity for the last three years. The legal entities that are founded and operate less than three years shall provide audit reports for the latest three years for their shareholders - legal entities, i.e. to submit the respective documents under sub-item 2.6.2 of this item for its shareholders - natural persons who have participation in the legal entity's capital exceeding 10%. The audit report which is submitted for the foreign legal entity that intends to found bank or for its shareholders - legal entities, should be prepared by international audit company;
- statement signed by competent body of the legal entity, given under full criminal and material accountability, whether it acts jointly, directly or indirectly, through a formal or informal agreement, with the other persons/entities that intend to found a bank or with other persons/entities, whereby it would have control over the bank;
- schematic representation of the ownership structure of the legal entity to the beneficial owner – natural person.

The legal entity that intends to acquire qualified holding in bank shall submit also the following documents:

- certificate from the registry the legal entity's head office is registered in;
- article of incorporation of the legal entity and list of members of its management bodies;
- list of persons/entities with direct or indirect ownership of more than 10% of the shares, i.e. stakes in the legal entity, and
- list of legal entities in which the legal entity has direct or indirect ownership of more than 10% of the shares, i.e. stakes, including financial statements for the last three years.

The obligation under paragraph 2 indent 4 of this sub-item shall refer to the revised financial statements on consolidated basis, provided that the legal entity that intent to acquire qualified holding in a bank is obliged to prepare such statements, in line with the valid accounting regulations in the Republic of [North](#) Macedonia or in the legal entity's home country.

2.6.2.Data on the natural persons:

- completed Questionnaire for the natural persons that intend to found a bank (Form 3). The following data shall be filled in (name and surname, place and date of birth, address, national identification number and number of identification card) for the natural person as it is in the identification card, i.e. copy of the passport for the foreign natural person. The statement of the person that those are his/hers personal and accurate data verified by an authorized person (notary) shall be enclosed to the data on the natural person true to the ones in the identification card;
- statement made under full criminal and material accountability, for the origin of the invested funds, i.e. the basis for acquiring shares in the bank together with a relevant proof for the source of funds the person invests in the bank (decision on heritage, receipt from a bank or other financial institution for the amount and date of deposited funds, document on the salary amount and income generated from other sources and other relevant evidence);
- certificate of competent court or other relevant institution that no misdemeanor sanction or penalty envisaging ban on performing profession, activity or duty was rendered;
- statement made under full criminal and material accountability for the existence or non-existence of a relationship with other persons/entities that intend to establish a bank, as well as of a relationship to other legal entities and natural persons in accordance with the Banking Law;
- certificate issued by the Public Revenues Office or certificate from relevant institution (for foreign persons/entities) for regular payment of taxes and contributions and a certificate from competent institution for non-encumbrance of the property with obligations to the state and other legal entities and natural persons;
- statement given under full criminal and material accountability, whether it acts jointly, directly or indirectly, through a formal or informal agreement, with the other persons/entities that intend to found a bank or with other persons/entities, whereby it would have control over the bank;
- statement given under full criminal and material responsibility whether together with another natural person, directly or indirectly and/or through a contract exercises control over a domestic or foreign trade company.

The National Bank, ex officio, obtains from a competent court in the Republic of North Macedonia a certificate for (non)conviction for the person who intends to found a bank, pursuant to Article 13 paragraph 3 of the Banking Law. If the natural person who intends to found a bank has an associate pursuant to the Banking Law, the National Bank, ex officio, obtains from a competent court a certificate for (non)conviction of the associate. In case of foreign persons, such certificates issued by the competent institutions in the foreign country shall be attached to the request for issuing license for founding and operating a bank.

The National Bank, ex officio, may also require additional documents, data and information from an appropriate competent authority in the country or abroad for the purpose of assessing the reputation or integrity of the persons/entities that intend to found a bank

3. The additional documents the Governor of the National Bank (hereinafter referred to as: the Governor) may require, pursuant to the Banking Law, in order to decide upon the application for issuing license for founding and operating a bank can refer especially, but not exclusively, to the following documents, data and information:

- statement for the balance on the accounts of the banks of the person/entity that intends to found a bank, for a certain period;
- data on the legal status, the financial standing and the ownership structure of the persons who exercise control in the entity that intends to found a bank;
- data on the composition of the banking or other group in the country or abroad, if the person that intends to found a bank is member of such a group, with list of each person/entity in the group and description of their connection;
- audited financial statements of other members of the banking group or other group, if the person/entity that intends to found a bank is member of such a group, or other persons/entities that pursuant to the Banking Law are considered connected with the person that intend to found a bank, whose operating may influence on the operations and/or risks the bank to be founded is exposed to;
- financial statements on consolidated basis for the group of the persons/entities that intend to found a bank and the persons/entities that according to the Banking Law are considered connected with that person/entity, if that group differs from the group the revised consolidated financial statement was submitted by in accordance with paragraph 3 of the sub item 2.6.1 of this Decision.

4. Regarding the application for issuing temporary license for founding and operating a bank, the Governor shall adopt a decision on issuing temporary license or on rejecting the application, within the deadline prescribed in the Banking Law.

The Governor shall reject the application under paragraph 1 of this item if determines, according to the item 7 of this Decision, that the criteria prescribed in the Banking Law have not been fulfilled.

5. For the purpose of issuing license for founding and operating, the bank shall be obliged to fulfill the conditions stated in the temporary license within the deadline prescribed in the Banking Law, submitting the National Bank the following proofs:

5.1. Proof that the initial capital is deposited on the temporary account with the payment operations carrier, i.e. a proof that the foreign legal entity or natural person has deposited the foreign assets on special account with the National Bank.

5.2. Statute which should contain at least the following data:

- title and head office of the bank;
- financial activities the bank will perform;
- amount of the initial capital;
- nominal amount of shares, number of shares of any type and class, rights, obligations, restrictions and benefits arising from the shares;
- manner of acquiring and cease of the rights of the bank shareholders;
- procedure for calling and holding of the General Meeting;
- for person who intends to found a bank - domestic natural person: name and surname and national identification number; for the person who intends to found a bank - foreign natural person: name and surname, citizenship, place of living and passport number or number of other document valid in their home country, for determining their identity; for

entity that intends to found a bank - domestic and foreign legal entity: title, head office and identification number of the entity (or other unique identification valid in the country);

- type, composition, number, manner and conditions for election, duration of the term of office, rights, duties, responsibilities and the manner of operating of the bank bodies;
- number, duration of the term of office, rights, responsibilities and conditions for appointing the persons with special rights and responsibilities in the bank;
- manner of resolving disputes between the bank shareholders;
- manner of resolving conflict of interest and protection of the confidentiality of the bank data;
- segregation of duties of the members of the bank's Management Board , if such segregation is planned, and representation of the bank by the members of the Management Board;
- form and manner of publication of data by the bank;
- conditions for and instances of cease of the bank operations.

5.3. Data on the identity, education, experience and professional history of persons with special rights and responsibilities (completed Form 4), except for the members of both the Supervisory and Management Board. These data shall be filled in (name and surname, date and place of birth, address, identification number and number of the identification card) for the natural person, as it is in identification card, i.e. copy of passport for foreign natural person. In addition to the data about the natural person, as it is in the identification card, statement of a person that those are his/hers personal and accurate data verified by an authorized person (notary) shall be submitted.

5.4. Number of employees by organizational units and plan for attaining the planned number of employees shall be submitted, if required.

5.5. Evidence for lease or purchase of business premises and equipment for bank operating and its business units and establishing an information system.

5.6. Data on the risk management system and policies and internal acts for risk management prepared in accordance with the Banking Law and bylaws thereof, and which refer to:

- credit risk management;
- risk exposure concentration management;
- liquidity risk management;
- market risk management;
- management of interest rate risk in the banking book;
- currency risk management;
- operational risk management, including the information system inadequacy risk (policy for information system security and for ensuring business continuity) and risk of money laundering and financing terrorism (anti-money laundering and financing terrorism program);
- legal risk management;
- management of other material risks the bank will be exposed to depending on the financial activities it performs.

5.7. Written policies and procedures for the bank operations for the following:

- decision-making process and responsibilities of individual persons in that process;
- functioning of the internal control system;
- functioning of the Internal Audit Department and internal audit plan at least for the first two years of the bank operating;
- accounting;
- awarding the persons with special rights and responsibilities as well as other employees and
- ethical behavior (Code of Conduct);
- corporate governance (Corporate Governance Code);
- avoiding conflicts of interests;
- method of selection, monitoring of operations and dismissal of members of the Supervisory Board, the Risk Management Committee, the Auditing Committee and the Management Board.

5.8. Evidence (letter of intent, negotiations protocol, etc.) for engaging an audit company.

6. Together with the application for issuing license for founding and operating a bank, the following shall also be submitted:

- documents for issuing approval for appointing a member of Supervisory Board and Management Board pursuant to the Decision on issuing approvals, with in the evaluation of the persons proposed to be members of the bank Supervisory Board and the Management Board, the manner and the procedure set forth in the Decision on issuing approvals being applied;
- application for issuing approval for commencement of performing financial activity for which, according to the Banking Law, prior approval by the Governor is required, with regarding the documents, the manner of submission and the terms and the procedure for issuing approvals for commencement of the financial activity, the provisions of Decision on issuing approvals being applied.

7. The decision on issuing a license shall be made upon assessment whether the bank meets the criteria prescribed by the Banking Law, at least through the following:

- determining of the identity of the persons/entities that intends to found a bank, persons/entities in accordance with the Banking Law are considered connected persons and their legal form;
- determining whether the financial standing of the persons/entities that intend to establish a bank is appropriate in terms of value of shares they intend to acquire;
- assessment of the opportunities to support the planned growth of the bank's own funds by persons/entities that intend to found a bank;
- determining of the sources of funds, their origin and legitimacy;
- quality and reality of the strategic and operational plan. The plan shall be evaluated in terms of the prescribed way of managing risks in the operations, the method of establishing internal control systems, reality of the projection of the financial activities and financial statements and the

possibility for fulfilling the shareholders' plan for the future development of the bank;

- assessment of the adequacy of the necessary number of the bank employees for its efficient and successful management and operation. Necessary number of employees shall mean the number that ensures that the bank will regularly and normally perform the planned scope of activities;
- assessment of the qualification, experience, training and reputation of the Supervisory and Management Board members and the reputation of the persons who intend to found a bank. It shall be considered that the proposed persons for the supervisory and management board, as well as persons who intend to found a bank have an adequate reputation if they are honest, competent, hard-working and ensure that their operation shall not jeopardize the stability and security of the bank nor impair its reputation and trust. This means that for these persons there is no proof for their previous involvement in business or activities that violated the regulations and business practices and procedures, violate the rules for good corporate governance, disruption or jeopardizing the interest of the legal entity where these persons had worked or work, as well as the interests of its creditors, inadequate cooperation or refusal to cooperate with competent authorities, including supervisory bodies, refusal, revocation or withdrawal of the approval for shareholder or exercising a certain function by a competent body including a supervisory body. An adequate reputation shall mean proof for non-conviction of these persons pursuant to Article 13 paragraph 3 and Article 83 paragraph 3 of the Banking Law, including non-conviction of the associate of the natural person who intends to found a bank or is proposed for a member of the Management Board;
- assessment of the suitability of the information system and technical equipment of the bank for successful and secure execution of financial activities. Information system shall be considered adequate if it provides consistent and reliable support to the bank operations and provides a basis for timely and accurate reporting to the persons with special rights and responsibilities and the National Bank. The bank should have adequate business premises and technical equipment to enable its safe and smooth operation and proper separation of business processes;
- assessment of the adequacy of the system for prevention from money laundering and financing terrorism based on established processes and software solution for monitoring risk exposure of the bank to money laundering and financing terrorism;
- assessment of the adequacy of the organizational structure of the bank, which means at least defining of the operating procedures for all business processes that will take place in the bank in accordance with the planned financial activities, defining of the decision-making and responsibility lines and establishing an internal control system in all business processes that involve some level of risk;
- assessment of the organizational structure of the bank for managing risks it will be exposed to when performing planned financing activities;
- determining of the bank capacity to comply with prescribed supervisory standards;
- determining the inconsistencies in the application that can not be explained, if any;

- assessment whether the close connections or organizational or ownership structure of the bank or the group it belongs to do not hinder the performance of an efficient supervision and taking corrective measures on an individual and consolidated basis.

8. The Governor shall adopt a decision on issuing license for founding and operating a bank or rejecting the application within the deadlines prescribed in the Banking Law.

III. ISSUING A LICENSE FOR FOUNDING AND OPERATING A BANK CONTROLLED BY FOREIGN BANK AND/OR FOREIGN ENTITY WITH A PARTICIPATION IN A FOREIGN BANK

9. The application for issuing a license for founding and operating a bank controlled by foreign bank and/or foreign entity with a participation in a foreign bank, except the documents envisaged in item 2 and the documents and the applications under item 6 of this Decision, the foreign bank and/or the foreign entity/person shall be required to enclose also the following documents to the National Bank:

- certificate from the registry of the head office of the foreign bank and/or the foreign entity verifying the legal form and the date of registration;
- proof that the foreign bank, i.e. the foreign bank in which the foreign entity has a participation, is authorized to collect deposits and other repayable sources of funds in the country of registration of the bank's head office;
- opinion of the competent body in the country in which the head office of the foreign bank or the foreign bank where the foreign entity has participation is registered, related to the acquiring control in the bank in the Republic of North Macedonia;
- evidence that the competent body in the country where the head office of the foreign bank or the foreign bank in which the foreign entity has a participation is registered, exercises adequate supervision on consolidated basis, by submitting data on the regulations, policies and the practice in the domain of supervision on consolidated basis.

10. The additional documents the Governor may request according to the Banking Law, because of the deciding upon the request for issuing a license for founding and operating a bank controlled by foreign bank and/or foreign entity with a participation in foreign bank, can especially refer, but not exclusively, to the following documents, data and information:

- audit reports of the foreign bank where the foreign entity has a participation for the last three years, prepared by the international audit company;
- a brief history of operations and financial activities performed by the foreign bank or foreign bank in which the foreign entity has a participation;
- data on the lines of reporting that will be established between the bank and the bodies of the foreign bank;
- current or planned investments in other banks or financial institutions in the Republic of North Macedonia, or in other countries by the foreign bank or the foreign entity;
- audited financial statements of other entities, members of the banking group, in which a member is foreign bank, or foreign bank in which the

foreign entity has a participation and/or other entities in accordance with the Banking Law are deemed connected with the foreign bank, or foreign bank where the foreign entity has a participation, the operating of which can affect the operation and/or risks the bank that is being founded would be exposed to;

- a statement signed by the competent body of the foreign bank or the foreign entity that the bank which is founded will comply with the supervisory standards prescribed in the Banking Law and that it will submit data required by the National Bank for performing effective supervision of individual and consolidated basis;
- statement of the competent body of the country of registration of the head office of the foreign bank or foreign bank in which the foreign entity has a participation, that is willing to cooperate with the National Bank from the aspect of the international principles and standards for cooperation and exchange of information for performing effective supervision.

11. After the application for issuing a license for founding and operating a bank controlled by a foreign bank or a foreign entity with a participation in a foreign bank, the Governor shall adopt a decision on issuing temporary license, or rejecting the application within the deadlines prescribed by the Banking Law.

The Governor shall reject the application from paragraph 1 of this item if, through the assessment stipulated in item 13 of this Decision, finds that the criteria prescribed by the Banking Law are not fulfilled.

12. In order to obtain a license for founding and operating, the bank which is founded by a foreign bank or a foreign entity with participation in foreign bank shall meet the requirements specified in the temporary license within the deadline prescribed in the Banking Law, submitting the relevant documentation stipulated in item 5 of this Decision to the National Bank.

13. The assessment whether the criteria stipulated in the Banking Law are fulfilled, the assessment under item 7 of this Decision shall be applied, performing also the following:

- assessment of the supervisory regulations and practices in the home country of the foreign bank or the foreign bank where the foreign entity has participation and whether it can cooperate with the competent supervisory authority of that country, in terms of compliance with the international principles and standards for cooperation and exchange of information for performing efficient supervision, implementing administration, undertaking other measures for resolving the situation, revocation of approvals, revocation of the license for status changes or revocation of the founding and operating license;
- analysis of the regulations and practices of the home country of the foreign bank or the foreign bank where the foreign entity has participation referring to the financial reporting and accounting, prevention of money laundering and financing terrorism, etc. in terms of whether there is a risk that could jeopardize the stability, safety and reputation of the bank, i.e. its operations in accordance with the regulations

14. According to the assessment of item 13 of this Decision, the Governor shall adopt a decision on issuing license for founding and operating a bank, or rejecting the

application, within the time limits prescribed by the Banking Law.

IV. ISSUING A LICENSE FOR STATUS CHANGE OF A BANK

15. With regard to this Decision, status changes of a bank shall denote the following:

15.1. Acquisition of a bank or other legal entity to a bank, by transferring the total assets and liabilities of the entity to be acquired, without being previously liquidated, in exchange for shares of the acquiring bank.

15.2. Merger of two or several banks or acquisition of one or several banks to other legal entities into one bank, where all banks and/or legal entities lose their legal identity and found new bank the total assets and liabilities of the merging banks and/or legal entities are transferred to, in exchange for shares of the new bank.

15.3. Bank division through:

- separation with founding, by transfer of the total assets and liabilities to two or several new banks and/or new legal entities, with the bank subject to division ceases to exist without being liquidated;
- separation with takeover, by transfer of the total assets and liabilities to two or several existing banks and/or existing legal entities, with the bank subject to division ceases to exist without being liquidated;
- secession with founding, transfer of part of the assets and liabilities to one or several new banks and/or new legal entities, with the bank subject to division continues to exist;
- secession with takeover, by transferring part of the assets and liabilities to one or several existing banks and/or existing legal entities, with the bank subject to division continues to exist.

16. For the status changes that are part of the bank rehabilitation plan which is implemented in case of administration in bank, no license from the Governor shall be required.

Documents enclosed to the application for the status change "acquisition"

17. In addition to the application for issuing a license for the status change "acquisition", the National Bank shall be submitted the following:

17.1. Completed application for issuing a license for the status change "acquisition" (Form 1).

17.2. Decision of the General Meeting of Shareholders of the bank and/or the competent bodies of the legal entity to be acquired and the acquiring bank, on initiating the acquisition procedure.

17.3. The statute of the acquiring bank, if make changes on the current statute of the bank, which should contain the data envisaged in item 5.2 of this Decision.

17.4. Acquisition agreement concluded between the Supervisory Board of the bank, i.e. the supervisory body of the legal entity to be acquired and the Supervisory

Board of the acquiring bank. The agreement shall contain the data prescribed in the Company Law.

17.5. Strategic and operational plan prepared by the acquiring bank, which should contain analysis of the need for acquisition and projections of the financial statements for the acquiring bank, prepared in accordance with sub-item 2.3.6 of this Decision. If there are changes in the organizational structure of the acquiring bank, the new organization structure with data on the scope of work and responsibilities of persons with special rights and responsibilities of each organizational unit, and the number of employees with their qualification structure shall be submitted.

17.6. Data on the number and the education of the employees taken over from the bank or legal entity to be acquired, while for the employees that are taken over who will have status of persons with special rights and responsibilities in the acquiring bank, also data for their professional history.

17.7. Data from sub-item 2.6 and item 9 of this Decision on the identity of legal entities that are to be acquired. The National Bank may request additional documentation from items 3 and 10 of this Decision.

17.8. Balance sheet of the acquiring bank, which shows the amount of its own funds. The balance sheet of the acquiring bank shall be obtained after consolidation of the mutual claims and liabilities with the banks, i.e. legal entities to be acquired, audited by an authorized auditor.

17.9. Documents and applications from item 6 of this Decision, if there are changes in the members of the Management Board or Supervisory Board of the acquiring bank or in the financial activities to be performed by the acquiring bank, which according to the Banking Law, Governor's approval is required.

Documentation enclosed to the application for the status change "merger"

18. In addition to the application for issuing a license for the status change "merger", the National Bank shall be submitted the following:

18.1. Completed application for issuing license for the status change "merger" (Form 1).

18.2. Decision of the General Meeting of Shareholders of the banks and/or the competent bodies of the legal entities that are merging, on initiating the merger procedure.

18.3. Merger agreement concluded between the Supervisory Boards of the banks, i.e. the supervisory bodies of the legal entities that are merging, which should contain the data prescribed in the Company Law.

18.4. Initial balance sheet of the new bank showing the amount of its initial capital. The initial balance sheet shall be obtained after consolidation of the mutual claims and liabilities and/or legal entities that are merging and should be audited by an authorized auditor.

18.5. Proof that the necessary amount of funds for reaching the initial capital is deposited on the temporary account with the payment operations carrier, provided

that there is a need for additional payment of funds for reaching the required amount of initial capital.

18.6. The relevant documents prescribed in sub-items 2.3, 2.4, 2.5, 2.6 (only for the shareholders with qualified holding), 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8 and items 6 and 9 of this Decision. The National Bank may request also the additional documents from items 3 and 10 of this Decision.

Documents enclosed to the application for the status change "division"

19. In addition to the application for issuing a license for the status change "division", the National Bank shall be submitted the following:

19.1. Completed application for issuing a license for the status change "division" (Form 1).

19.2. Decision of the General Meeting of Shareholders of the bank that is divided, on initiating the procedure on division.

19.3. Plan on division, adopted by the Supervisory Boards of the bank that is dividing, which shall contain the data prescribed in the Company Law.

20. In instances of separation with founding and secession with founding, in addition to the documents under item 19 of this Decision, the following documents shall be enclosed to the application for issuing a license for status change:

20.1. Initial balance of the new banks showing the amount of the initial capital. The initial balance shall be obtained after consolidation of the mutual claims and liabilities of the bank that is divided and should be audited by an authorized auditor.

20.2. Proof that the required amount of funds for reaching the initial capital is deposited on the temporary account with the payment operations carrier, provided that there is a need for additional payment of funds for reaching the required initial capital.

20.3. Relevant documents prescribed in sub-items 2.3, 2.4, 2.5, 2.6 (only for shareholders with qualified holdings), 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8 and items 6 and 9 of this Decision. The National Bank may request also the additional documents under items 3 and 10 of this Decision.

21. In instances of separation with takeover and secession with takeover, in addition to the documents under item 19 of this Decision, the following documents shall be enclosed to the application for issuing a license for status change:

21.1. Statute of the bank that is divided and statutes of the existing banks, if changes in the existing statutes are made, which should contain the data provided in sub-item 5.2 of this Decision.

21.2. Strategic and operational plan for the feasibility of the division, which should include analysis of the need for division and projections of financial statements prepared for the bank that is divided and for existing banks, under sub-item 2.3.6 of this Decision. The new organizational structure with data on the scope of work and the responsibilities of the persons with special rights and responsibilities of each

organizational unit, and the number of employees with their qualification structure shall also be submitted.

21.3. Balance sheets of the bank that is divided and balance sheets of the existing banks, showing the amount of own funds of the bank that is divided and the existing banks. The balance sheets shall be obtained after the division and/or consolidation of the claims and liabilities of the bank which is divided and the existing banks and should be audited by an authorized auditor.

21.4. Data on the number and education of employees taken over from the bank that is divided, while for employees who are taken over, and who will have the status of persons with special rights and responsibilities in the existing banks, also data on their professional history.

21.5. Documentation and applications under item 6 of this Decision, if the division implies changes in the members of the Management Board or the Supervisory Board of the bank that is divided or of the existing banks or in the financial activities to be performed by the bank that is divided i.e. existing banks, which pursuant to the Banking Law, Governor's approval shall be required.

21.6. Data from sub-item 2.6 and item 9 of this Decision on the identity of shareholders with qualified holding in existing banks, if the division implies changes in the shareholders structure of the existing banks. The National Bank may request additional documentation stipulated in items 3 and 10 of this Decision.

22. By way of derogation of items 20 and 21 of this Decision, in case of separation with founding or takeover of a bank of two or several entities that are not banks, the application for issuing a license for a status change, in addition to documents under item 19 of this Decision, a proof that the bank that is divided has paid the total amount of deposits or has transferred all deposits to another bank in the Republic of North Macedonia is required.

Issuing a license for a status change of a bank

23. When deciding, it shall be assessed whether the new bank or new banks or existing banks will be organized and cable to work in accordance with the regulations and prescribed supervisory standards and whether they are going to fulfill the standards of corporate governance and risk management. The criteria set out in items 7 and 13 of this Decision shall be adequately applied in the assessment, as well as:

- whether all the preparations for the proper implementation of the status change have been made;
- whether the operational and strategic plan and balance sheet show that the bank, i.e. banks will operate in safe and sound manner;
- whether the status change is not going to jeopardize the solvency, liquidity and profitability of the bank, i.e. banks;
- whether the risks of the potential status change have been identified and whether they can be properly managed;
- whether the necessary payment or transfer of the total amount of deposits has been made;
- whether the instances of possible conflict of interest have been identified and whether they will be adequately controlled.

24. Based on the assessment stipulated in item 23 of this Decision, the Governor shall adopt a decision on issuing a license for status changes, without implementing the procedure for issuing a temporary license, or rejecting the application within the deadlines prescribed by the Banking Law.

25. In cases when the status change implies establishment of new legal entities that are not banks, and the founding and operation of which, according to the current regulations, needs licensing, consent or other approval from the competent authority in the country, the new legal entities shall be obliged to initiate special procedure for providing the necessary approval.

V. ISSUING LICENSE FOR STATUS CHANGE AND/OR TRANSFORMATION OF A SAVINGS HOUSE INTO A BANK

Status change of a savings house

26. For the purposes of this Decision, status change of a savings house shall mean the following:

- acquisition of a savings house to a bank, by transferring the total assets and liabilities of the savings house without being liquidated, in exchange for shares of the acquiring bank and
- merger of two or several savings houses in order to found a bank, and all the savings houses lose their legal identity, and found a new bank which will take all the assets and liabilities of the savings houses that merge, in exchange for shares of the new bank.

27. In addition to the application for issuing a license for acquisition of a savings house to a bank, relevant documents under item 17 of this Decision shall be submitted.

28. In addition to the application for issuing a license for a status change merger of two or several savings houses for founding a bank, the National Bank shall be submitted the following:

28.1. Completed application for issuing a license for the status change "merger"(Form 1).

28.2. Decision of the General Meeting of Members, the single member or the General Meeting of Shareholders of the merging savings houses for initiation of the merger procedure in order to found a bank.

28.3. Merger agreement, concluded between the supervisory bodies or General Meeting of Members, the single member, or the General Meeting of Shareholders of the savings houses, which should properly include the data prescribed by the Company Law.

28.4. Initial balance sheet of the new bank that shall show the amount of its initial capital. The initial balance sheet shall be obtained by consolidating the mutual claims and liabilities of the merging savings houses and should be audited by an authorized auditor.

28.5. Proof that the necessary amount of funds for reaching the initial capital is deposited on the temporary account with the payment operations carrier, if there is a need of additional payment of funds for reaching the required amount of initial capital.

28.6. The relevant documentation stipulated in sub-items 2.3, 2.4, 2.5, 2.6 (only for the shareholders with qualified holding in the new bank), 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8 and items 6 and 9 of this Decision. The National Bank may request the additional documents under items 3 and 10 of this Decision.

Transformation of a savings house into a bank

29. If the savings house that intends to become a bank should change the form of limited liability company/limited liability company - one person in the joint stock company, it shall carry out this procedure before applying for transformation into a bank.

30. To the application for issuing a license for transformation of a savings house into a bank, the National Bank shall be submitted the following:

30.1. Completed application for issuing a license for transformation of a savings house into a bank (Form 1).

30.2. Decision of the General Meeting of Shareholders of the savings house for its transformation into a bank.

30.3. Transformation plan prepared and verified by the competent body of the savings house that is transformed, which should include:

- title and address of the bank;
- intent, purpose and conditions of the transformation;
- the method of converting the amount of the difference in the value of the shares, the date on which the shares give a right for a participation in the profit and the date from which the accounting operations of the savings house that is transformed will be deemed as performed by the bank;
- cut-off date of the transformation, i.e. the date of cease of the savings house that is transformed and the date of commencement of the preparation of the bank's balance sheets.

30.4. Report on the operation of the savings house that is transformed developed to date of adoption of the decision on transformation and initial balance of the new bank, audited by an authorized auditor.

30.5. Proof that the necessary amount of funds for reaching the initial capital is deposited on the temporary account with the payment operations carrier, if there is a need of additional payment of funds for reaching the required amount of initial capital.

30.6. The relevant documentation stipulated in sub-items 2.3, 2.4, 2.5, 2.6 (for shareholders with qualified holding), 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8 and items 6 and 9 of this Decision. The National Bank may request the additional documents under items 3 and 10 of this Decision.

31. Provided that in the transformation of a savings house into a bank, a third party, whether legal entity or natural person as shareholder of the new bank, emerges, for that person/entity the following documents shall be submitted to the National Bank:

- a statement that the person/entity under full moral, material and criminal accountability reaffirms its intention to engage in the process of transformation of a savings house into a bank (for shareholder – natural person), i.e. decision of the General Meeting of Members, the single member, or the General Meeting of Shareholders of the shareholder - legal entity for inclusion in the procedure of transformation of a savings house into a bank,
- documents under sub-item 2.6 of this Decision,
- statement or other similar document signed by the Supervisory Board of the savings house that is transformed that clearly shows its consent for inclusion of a new shareholder in the process of transformation of the savings house into a bank,
- statement or other similar document where the person/entity under full moral, material and criminal accountability declares that it is aware of and agrees with the documents submitted by the savings house that is transformed, to the application for issuing a license for transformation into a bank. For the shareholder - legal entity, this document must be signed by the supervisory or management body of the legal entity,
- proof that the person/entity has deposited the required amount of funds to participate in the initial capital of the new bank and/or purchase of shares from the current shareholders of the savings house that is transformed on the temporary account with the payment operations carrier.

32. When transforming the savings house into a bank, the savings houses can make a status change merger of two or several savings houses for founding a bank.

33. When deciding on the application for a status change and/or transformation of a savings house into a bank, whether the new bank will be organized and able to operate in compliance with the regulations and supervisory standards and whether it will meet the standards of corporate governance and risk management shall be assessed. To issue a license for the status change and/or transformation of a savings house into a bank, the assessment of the criteria under items 7 and 23 of this Decision shall be applied.

Provided that during the implementation of the status change and/or transformation of a savings house into a bank new shareholder emerges, the National Bank shall assess whether the person may be a shareholder of the new bank, in accordance with the appropriate criteria in items 7 and 13 of this Decision.

33-a. Based on the assessment under item 33 of this Decision, the Governor shall adopt a decision on issuing approval for a status change and/or transformation of a savings house into a bank, without a procedure for issuing a temporary license or on rejecting the application within the deadlines prescribed by the Banking Law.

VI. FORM OF SUBMISSION OF DOCUMENTS AND OTHER INFORMATION AND DATA NECESSARY FOR IMPLEMENTATION OF THE DECISION

34. To the applications for issuing licenses under item 1 of this Decision, data to an authorized contact person with the National Bank (name, phone number, fax number, address and e-mail) shall be submitted, as well as proof for paid fee in accordance with the National Bank Tariff for consideration of the applications.

The applicant shall be obliged to fully prepare the application for issuing an approval submitted to the National Bank, to verify and ensure that the application and the documentation submitted to the application do not contain errors regarding the facts or other omissions.

Together with the application, the entire documentation prescribed with the Banking Law and this Decision should be submitted. Other additional documentation may also be required during the procedure, and the National Bank shall notify the applicant thereon.

The National Bank shall review the application for issuing a license from item 1 of this Decision with the complete documentation. "Complete documentation" shall mean documents prescribed in this Decision, documents additionally requested by the National Bank, and the relevant documents, data and information to be obtained from relevant national and international institutions for deciding upon the application.

In considering the application, the National Bank may use the documents it has about the appropriate bank, legal entity or natural person.

35. The documents submitted with the application for issuing licenses under item 1 of this Decision should be in original, or a copy verified by an authorized person (notary), signed by the authorized person or the relevant competent body, to be clear, without additional corrections and in Macedonian language. If the document to be submitted is in another language, a translation in Macedonian, verified by a certified translator shall be submitted together with the original.

36. All certificates, statements and questionnaires that are part of the documentation submitted with the application for issuing a license stipulated in item 1 of this Decision have to be verified by an authorized person (notary) and shall not be older than six months before the date of application for authorization. All decisions that are part of the documentation shall not be older than six months prior to applying for the license, except the decisions of the General Meeting of Shareholders/General Meeting of Members which shall not be older than one year before applying for the license.

37. Provided that the legislation of the home country of the foreign person/entity that intends to found a bank otherwise regulates the matters regarding the documents submitted with the application for issuing licenses under item 1 of this Decision, it shall be obliged to submit:

- an extract from the relevant regulation of the foreign country; or
- a legal opinion from an independent lawyer, whereby a document that will confirm that he/she is an authorized lawyer in the foreign country shall also be submitted together with the opinion.

The documents under paragraph 1 of this item shall clearly and unambiguously state that according to the legislation of the foreign country, a certain document prescribed with this Decision may not be obtained, i.e. there is no competent institution in that country that keeps a record and issues a document as that stipulated in this

Decision or clearly and unambiguously state in which manner and through which other document a certain circumstance is proved (e.g. ban on performing a profession, activity or duty).

38. After submission of the complete documentation required for issuing the license under item 1 of this Decision, the bank that is founded, the new bank/s, the bank acquired and the existing banks shall be required to publish an announcement in the newspaper for at least three consecutive days, which should include:

- title and head office of the bank that is founded, the new bank/s, the acquiring bank, the bank/ savings house/legal entity that is acquired and the existing banks;
- the amount of the initial capital;
- the number of person/entity that intends to found a bank, i.e. the number of shareholders of the new bank/s, the acquiring bank and the existing banks and
- financial activities that the bank that is founded, the new bank/s, acquiring bank and the existing banks will perform.

The bank that is founded, the new bank/s, the acquiring bank and the existing banks shall be obliged to notify the National Bank on the public announcement.

39. The applicants for issuing the license under item 1 of this Decision shall, immediately after the registration with the competent institution, submit registration certificate to the National Bank.

40. The persons/entities shall be obliged to respond any of the questions/requirements stated in the questionnaires.

VII. TRANSITIONAL AND FINAL PROVISIONS²

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

42. The provisions of this Decision shall apply to the proceedings initiated before the effectiveness of this Decision.

43. On the date this Decision enters into force, the Decision on issuing licenses to banks ("Official Gazette of the Republic of Macedonia" no. 91/07, 134/07 and 139/08) shall become void.

**Governor
and Chairperson
of the National Bank of the Republic of
Macedonia Council
Dimitar Bogov**

² Regarding procedures initiated prior the entry into force of the Law on amending the Banking Law (Official Gazette of the Republic of Macedonia No. 7/19), the Decision on Issuing Licenses (Official Gazette of the Republic of Macedonia No. 72/13 and 24/18) shall be applied.

Application for issuing a license for founding and operating a bank³

1.	Proposed title of the bank		
2.	Proposed head office of the bank (street and number, city)		
3.	Proposed initial capital of the bank		
4.	Total number of persons/entities that intend to found a bank		
5.	List of persons/entities that intend to found a bank	Name and surname i.e. title of the entity that intends to found a bank	Planned participation in the total number of shares i.e. in the total number of voting shares
5.1	Domestic banks or other domestic financial institutions		
5.2	Other domestic legal entities		
5.3	Domestic natural persons		
5.4	Foreign banks or other foreign financial institutions		
5.5	Other foreign legal entities		
5.6	Foreign natural persons		
6.	Person authorized for contacts with NBRM		
6.1	Telephone and fax of the authorized person		
6.2	E-mail address of the authorized Person		
6.3	Address and number of identity card i.e. passport number (for foreign citizens) of the authorized person		

Place and date

Signature of the applicant(s)⁴

³ This form shall be adequately completed in case of submission of an application for founding and operating a bank controlled by a foreign bank and/or foreign entity with a share in a foreign bank, in case of submission of an application for a license for status change of a bank and in case of submission of an application for a license for status change and/or transformation of a savings house into a bank.

⁴ The application shall be signed by the natural persons /authorized representatives of the legal entities that intend to found a bank, i.e. the authorized persons of the banks, savings houses and/or legal entities that apply for status change of a bank or a status change and/or transformation of a savings house into a bank.

Questionnaire for the legal entities that intend to found a bank⁵

1. Data on the legal entity

1.1. Title of the legal entity

1.2. Head office

1.3. Tax number

1.4. Identification number (or appropriate identification number in accordance with the regulations of the foreign country - for a foreign entity)

1.5. Phone, e-mail and web site

1.6. Main activity in accordance with the National Classification of Activities, or in accordance with the classification of activities valid in the foreign country (for foreign entity).

2. Please list the persons that are members of the management and supervision bodies of the legal entity, with a short biography of their education and previous work experience (the table filled for legal persons intending to acquire a qualified holding in the bank).

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

3. Please list the persons owning, directly, or indirectly, more than 10% in the shares, i.e. stakes in the legal entity (the table shall be filled in for legal entities intending to acquire qualified holding in the bank).

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

⁵ Completed by each legal entity that intends to establish a bank, separately. The form is completed properly also by the foreign bank or foreign legal entity participating in a foreign bank that intends to control bank in the Republic of North Macedonia, as well as legal entities that intend to be shareholders of the new bank formed as a result of merger, division (separation with founding or secession with founding), transformation of a savings house into a bank or merger of savings houses in order to found a bank.

4. Do the persons from item 3 of this Questionnaire have their representatives in the supervisory or management bodies of the legal entity? If the answer is yes, list the legal entities and their representatives in the supervisory or management bodies of the legal entities that intend to found a bank.

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

5. Please list the legal entities in which the legal entity owns, directly, or indirectly, more than 10% of the shares, i.e. stakes (the table shall be filled in for legal entities that intend to acquire qualified holding in the bank).

Title and head office	Main activity	Share in the capital or in the voting rights of the legal entity in percents	Assessed (market) value of the share*

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

6. Does the legal entity have its representatives in the supervisory or management bodies of the entities from item 5 of this Questionnaire (the table shall be filled in only for 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 that intends to found bank in their supervisory or management bodies.

Title 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 supervisory or management bodies or in any other way influence the management and adoption of policies and financial and operating decisions of any other legal entity in the Republic of North Macedonia or abroad? Please specify the legal entities, bodies and the persons representing the legal entity.

Title and head office of the legal entity	Supervisory or management body	Name and surname of the representative of the legal entity	Other manner of exerting influence

8. Was the legal entity imposed an additional penalty: ban for obtaining license for founding and operating a bank, revocation of a license for founding and operating a bank, a ban on founding new legal entities and temporary or permanent ban on performing banking operations? If such a penalty was imposed, provide all the details.
9. Has the person who controls the legal entity (if legal entity) been imposed additional penalty: ban on obtaining license for founding an operating a bank, revocation of a license for founding and operating a bank, ban on founding new legal entities and temporary or permanent ban on performing banking operations? If such a penalty has been imposed, please provide all the details.
10. Has the legal entity been imposed a misdemeanor sanction or penalty ban on performing operations? If such a sanction was imposed, please provide all the details.
11. Has the legal entity that exercise control in the legal entity been stated a misdemeanour sanction or ban on performing profession, activity or duty? If such a sanction or ban was imposed, please provide all the details.
12. Has the person that exercises control over the legal entity been convicted with a legally effective court verdict (in case of a natural person) to unconditional imprisonment over six months? If such judgment was rendered, please provide all the details.
13. Has a bankruptcy or liquidation procedure been initiated against the property of the legal entity that exercise control in the legal entity (provided that the entity that exercise control in the legal entity is natural person, the questions are answered only if applicable in their home country)? If the answer is yes, please provide all the details related to this decision.
14. Is a person/entity connected to the legal entity a shareholder or member of a supervisory or management body of another bank or financial institution? If the answer is yes, please provide more detail:

Name and surname/ title and head office of the connected person/entity	Name and head office of the bank/financial institution	Share in percent	Supervisory or management body	Other important data

15. Has a bankruptcy or liquidation procedure been initiated against the legal entities in which the legal entity exercised control or had its representative in their supervisory or management bodies or in any way influenced the management and the policy making and the financial and business decisions? If the answer is yes, please provide details.

16. Has the competent supervisory authority undertaken any measures against a bank or other financial institution in which the legal entity exercised control or had its representative in the supervisory or management bodies or has in any way influenced the management and the policy making and the financial and business decisions? If the answer is yes, list the measures and provide the details about their implementation or non-implementation.
17. Has the competent supervisory authority undertaken any measures against a bank or other financial institution controlled by the person that exercise control in the legal entity or had its representative in the supervisory or management bodies or has in any way influenced the management and the policy making and the financial and business decisions? If the answer is yes, list the measures and provide the details about their implementation or non-implementation.
18. Is the legal entity or the person that controls the legal entity connected to the other persons/entities that intend to found a bank together with the legal entity? Please, describe in which manner.
19. Has any competent authority for supervision of banks and other financial institutions ever assessed the reputation and capability of the legal entity or of the person/entity that exercise control in the legal entity for acquiring a qualified holding in the capital of those institutions? If the answer is yes, please provide all the details in separate tables for the legal entity and for the person/entity that controls the legal entity.

Title of the competent supervisory authority	Type of requested approval/license	Reasons due to which the approval has not been obtained (if the competent authority has not issued the requested approval)

20. Has the competent authority for supervision of banks and/or other financial institutions ever revoked the legal entity's approval for shareholder or for qualified holding in the capital in another bank or other financial institution or the approval to be a member or to delegate a member in the supervisory or management body in that bank or financial institution? If the answer is yes, please provide all the details.
21. Has the competent authority for supervision of banks and/or other financial institutions ever revoked the approval of the person/entity that controls the legal entity for shareholder or for qualified holding in the capital in another bank or other financial institution or the approval to be a member or to delegate a member in the supervisory or management body in that bank or financial institution? If the answer is yes, please provide all the details.

22. Please list other facts or circumstances that could be important for the assessment of the capability of the legal entity to be a shareholder in a bank and to provide sound and safe operation of the bank.

23. Please provide a short description of where you see the bank within five years from its foundation (the competent body of the legal entities that intend to hold a participation in the bank which is founded has to answer this question).

I _____ (name and surname of the member of the supervisory or management body of the legal entity that intends to found a bank) as a member of _____ (the supervisory or management body of the legal entity that intends to found a bank) of _____ (title 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 with the application for issuing a license for founding and operating a bank/application for issuing a license for status changes, are accurate and do not contain forged data and documents.

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

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

Place and data

Signature of the authorized member of the
competent body

Questionnaire for the natural persons who intend to found a bank⁶**1. Personal data**

1.1. Name and surname

1.2. Home address

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

1.4. Date and place of birth

1.5. Citizenship

1.6. Number of 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. Data on education

Educational institution	Education degree	Period of education

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

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

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

⁶ Completed by each natural person who intends to found a bank, separately. The Form shall also be completed by the foreign natural person with a share in a foreign bank, that intends to control a bank in the Republic of North Macedonia, as well as by the natural persons who intend to be shareholders in a new bank which is established by merger or division (separation with founding or secession with founding) of a bank, transformation of a savings house into a bank or merger of savings houses in order to found a bank.

5. Have you been convicted with a legally effective court verdict to unconditional imprisonment over six months? If such judgment was rendered, please provide all the details.
- 5.1. If you have an associate pursuant to the Banking Law, has the person been convicted with a legally effective court verdict to unconditional imprisonment over six months? If such judgment was rendered, please provide all the details.
6. If applicable in your country, has a bankruptcy procedure been initiated against your property? If the answer is yes, please provide all the circumstances related to this procedure.
7. Are you, or a person/entity connected to you, a shareholder, owner, co-owner or member in another legal entity? If the answer is yes, please complete the following two tables, where the first one is completed for the natural person and the second one for the persons/entities connected to the natural person.

Name and head office of the legal entity in which the natural person holds capital and/or of the voting shares	Percent of the capital and/or of the voting shares

Name and surname i.e. title of the connected person/entity	Name and head office of the legal entity in which the connected person/entity holds capital and/or of the voting shares	Percent of the capital and/or of the voting shares

8. Are you, or a person connected to 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 for the natural person and the second one for the persons connected to the natural person.

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

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

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

Title and head office of the legal entity	Supervisory management body or	Other manner of exerting influence

10. Was there any bankruptcy or liquidation procedure initiated against the legal entities in which you exerted control or were a member of a supervisory or management body or in any way influenced the management and the policy making and the financial and business decisions? If the answer is yes, please provide details about your activities in that legal entity.
11. Is there a legally effective court verdict rendered against you whereby you are held responsible for the opened bankruptcy procedure? If the answer is yes, please provide all the details regarding the court verdict.
12. Has the competent supervisory body undertaken any measures against a bank or other financial institution where you have exerted control or have been a member of a supervisory or management body or have in any way influenced the management and the policy making and the financial and business decisions? If the answer is yes, please list the measures and all the details related with their implementation or non-implementation.
13. Are you, or the person/entity connected to you, connected to other persons/entities, that are considered connected to the bank pursuant to the Banking Law? If the answer is yes, please complete the following two tables, where the first one is completed for the natural person and the second one for the persons/entities connected to the natural person.

Name and surname i.e. title and head office of the person/entity connected to the bank	Manner of connection

Name and surname i.e. title and head office of the person/entity connected to the natural person	Name and surname i.e. title and head office of the person/entity connected to the bank	Manner of connection between the persons/entities from column 1 and 2

14. Has any competent body for supervision of banks and other financial institutions assessed your reputation and capability for obtaining a participation in the capital or for becoming a member of a supervisory or management body of those institutions? If the answer is yes, please provide all the details.

Title of the competent supervisory body	Type of approval/license applied for	Reasons due to which the approval has not been obtained (if the competent body has not issued the requested approval)

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

16. Have you ever been removed or have you ever been asked to resign from holding a certain position in another legal entity? If the answer is yes, please provide all the details.

17. Please list all the facts or circumstances that could be important for the assessment of your capability to be a shareholder of a bank and to provide stabile and safe operation of the bank.

16. Please provide a short description of where you see the bank within five years from its establishment (the natural persons who intend to acquire a participation in the bank that is founded are required to answer this question).

I _____ (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 I submit with the application for issuing a license for founding and operating a bank/application for issuing a license for status changes, 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 shareholder with qualified holding in a bank.

c) Declare, under full moral, material and criminal accountability that I will ensure compliance with the supervisory standards, implementation of the measures undertaken by the National Bank and submit all data and information requested by the

National Bank for performing efficient supervision, and thereby provide for safe and sound operation of the bank.

Place and date

Signature of the natural person

Questionnaire for the persons with special rights and responsibilities⁷

1. Personal data

1.1. Name and surname

1.2. Home address

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

1.4. Date and place of birth

1.5. Citizenship

1.6. Number of 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. Data on education

Educational institution	Education degree	Period of education

3. Data on the qualification, the professional history and experience

3.1. List all the jobs and/or positions you had until the moment of completing of the Questionnaire, starting from the most recent job.

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

3.2. Please list all the professional bodies, or similar organizations in which you have been a member.

⁷ Completed by each person with special rights and responsibilities, except to the proposed members of the Management and Supervisory Board.

Professional body or similar organization	Date of acquiring membership

3.3. Please list all trainings you have attained within banking and/or finance

Name of the training	Institution that conducted the training	Training period

4. Have you ever been stated a misdemeanour sanction or ban on performing profession, activity or duty? If such a sanction was stated, please provide all the details.
5. Have you been convicted with a legally effective court verdict to unconditional imprisonment over six months? If such judgment was rendered, please provide all the details.
6. Has a bankruptcy procedure ever been initiated against the legal entities where you have been a person with special rights and (manager, executive member of Board of Directors, member of the Management Board? If the answer is yes, please provide detailed information about your activities, duties and responsibilities in that legal entity.
7. Is there a legally effective court verdict rendered against you whereby you are held responsible for the opened bankruptcy procedure? If the answer is yes, please provide all the details regarding the court verdict.
8. Has the competent supervisory body undertaken any measures against a bank or other financial institution where you have exerted control or have been a member of a supervisory or management body or have in any way influenced the management and the policy making and the financial and business decisions? If the answer is yes, please list the measures and all the details related with their implementation.
9. Are you a person connected to other persons with special rights and responsibilities of the bank? If the answer is yes, please list these persons and in what way you are connected to them.
10. Are you, or the person/entity connected to you, connected to other persons/entities, that considered persons connected to the bank pursuant to the Banking Law? If the answer is yes, please complete the following two tables, where the first one is completed for the natural person and the second one for the persons/entities connected to the natural person pursuant to the Banking Law.

Name and surname i.e. title and head office of the person/entity connected to the bank	Manner of connection

Name and surname i.e. title and head office of the person/entity connected to the natural person	Name and surname i.e. title and head office of the person/entity connected to the bank	Manner of connection between the persons/entities from column 1 and 2

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

Title of the competent supervisory body	Type of approval/license applied for	Reasons due to which the approval has not been obtained (if the competent body has not issued the requested approval)

12. Has the competent body 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 an approval for becoming a member of a supervisory or management body? If the answer is yes, please provide all the details.

13. Have you ever been removed or have you ever been asked to resign from holding a certain position in another legal entity? If the answer is yes, please provide all the details.

14. Please list other facts or circumstances that could be important for the assessment of your capability to become a person with special rights and responsibilities of a bank and to provide safe and sound operation of the bank.

I _____ (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 I submit with the application as proposed person with special rights and responsibilities of _____ (title 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) Declare that I will ensure compliance with the supervisory standards and the measures undertaken by the National Bank and submit all data and information requested by the National Bank for performing efficient supervision, and thereby provide for safe and sound operation of the bank.

Place and date

Signature of the natural person
