

National Bank of the Republic of Macedonia
Financial Stability and Banking Regulations Department



INSTRUCTIONS
amending the Instructions for implementing the Decision on the accounting and
regulatory treatment of foreclosed assets

November 2017

Pursuant to Article 48 paragraph 1 item 3 of the Law on the National Bank of the Republic of Macedonia (Official Gazette of the Republic of Macedonia No. 158/10, 123/12, 43/14, 153/15 and 6/16), Article 49 of the Statute of the National Bank of the Republic of Macedonia (St. No. 02-15/IV-1/2011 of 21 April 2011, D No. 02-15/III-4/2012 of 29 March 2012 and D No. 02-15/II-10/2016 of 25 February 2016) and item 16 of the Decision on the accounting and regulatory treatment of foreclosed assets (Official Gazette of the Republic of Macedonia No. 50/13 and 26/17), the Governor of the National Bank of the Republic of Macedonia adopted the following

INSTRUCTIONS

amending the Instructions for implementing the Decision on the accounting and regulatory treatment of foreclosed assets (Official Gazette of the Republic of Macedonia No. 161/17)

1. In the Instructions for implementing the Decision on the accounting and regulatory treatment of foreclosed assets (Official Gazette of the Republic of Macedonia No. 107/13) in item 2, paragraph 1 shall be amended and read as follows:

„The bank shall fill in and submit to the National Bank of the Republic of Macedonia (hereinafter: the National Bank) the following reports:

- Report on foreclosed assets – FA Form;
- Report on foreclosed securities and stakes – FSS Form;
- Reports on foreclosed assets sold in the current year – FAS Form and
- Reports on the property intended for sale – PS Form.”

2. In item 3 paragraph 2, the words: “excluded from the amount of supplementary capital, according to the Decision on the methodology for determining capital adequacy” shall be replaced with the words: “released according to item 6 paragraph 2 of the Decision.”

3. Item 9 sub-item 9.2 shall be followed by a new section IV-a. REPORTS ON THE PROPERTY INTENDED FOR SALE and a new item 9-a that read as follows:

"IV-a. REPORTS ON THE PROPERTY INTENDED FOR SALE

9-a. The Reports on the property intended for sale - PS Form shall contain data on the immovable and movable property the bank intends to sell, as at the end of the reporting month. The PS Form shall consist of two tables, as follows:

- Table 1 - Report on the immovable property intended for sale;
- Table 2 - Report on the movable property intended for sale.

Table 1 referred to in paragraph 1 indent 1 of this item shall be filled in by applying the following rules:

- Column 1 - "reference number" shall state the ordinal number of the immovable property;
- Column 2 - "description of the immovable property" shall state the type of immovable property (land, building, apartment, house, factory, production

facility, auxiliary facilities and other real estate), providing access to pictures of the property being sold;

- Column 3 - "address" shall state the address of the real estate, together with the cadastre municipality;
- Column 4 - "number of the property list or the preliminary registration form" shall state the number of the property list or the preliminary registration form of the immovable property;
- Column 5 - "squaring of the immovable property" shall state the squaring of the immovable property intended for sale;
- Column 6 - "possession" shall state "yes" or "no" depending on whether the property is in possession of the bank or not. If the property is not in possession, an adequate explanation shall be provided;
- Column 7 - "lien or other property burdens" shall state "yes" or "no". If there is a lien or other burden on the immovable property, according to the property list, an adequate explanation shall be provided for them;
- Column 8 - "holder of the ownership right and other real rights" shall state an explanation if there is another holder of the ownership right and other real rights of the immovable property, according to the property list (for example, land under building, concession right, etc.);
- Column 9 - "price" shall state the price at which the immovable property is being sold;
- Column 10 - "contact person" shall state the contact person in the bank in charge of providing information on the sale of that property."

Table 2 referred to in paragraph 1 indent 2 of this item shall be filled in by applying the following rules:

- Column 1 - "reference number" shall state the ordinal number of the movable property;
- Column 2 - "description of the movable property" shall state the type of movable property being sold, providing access to pictures of the movable property being sold;
- Column 3 - "address" shall state the address of the movable property;
- Column 4 - "reach of the movable property being sold" shall state an explanation if the movable property is sold as a whole or in parts, if it is sold with or without the immovable property on/in which it is located, if it is sold with some other additional movable property and the like;
- Column 5 - "age" shall state the years of age of the movable property;
- Column 6 - "lien or other burdens on the movable property" shall state "yes" or "no". If there is a lien or other burden on the movable property, an adequate explanation shall be provided for them;
- Column 7 - "price" shall state the price at which the movable property is being sold;
- Column 8 - "contact person" shall state the contact person in the bank in charge of providing information on the sale of that movable property."

4. In item 11, sub-item 11.3 paragraph 4, the words: "excluded from the amount of supplementary capital, according to the Decision on the methodology for determining

capital adequacy" shall be replaced with the words: "released according to item 6 paragraph 2 of the Decision."

5. Item 13 shall be followed by a new item 13-a that reads as follows:

"13-a. As an exception to item 13 of these Instructions, the reports referred to in item 2, paragraph 1, indent 4 of these Instructions shall be prepared on a monthly basis and shall be submitted to the National Bank within 15 days after the expiration of the reporting month."

6. Item 14 shall be followed by a new item 14-a that reads as follows:

14-a. Within the period specified in item 13-a of these Instructions, the bank shall disclose the reports on the property intended for sale on its website and update them on a monthly basis, according to the condition of the property sold by the bank at the end of the month to which the reports refer.

According to the bank's internal regulations, beside the reports referred to in paragraph 1 of this item, the bank may also disclose other data on the property it sells, including data on the assets it sells, which are not covered by the reports.

7. Banks shall:

- prepare the first Report on the immovable property intended for sale (Table 1 of the PS Form) for the position registered as of 31 October 2017 and submit it to the National Bank and disclose it, by 30 November 2017;
- prepare the first Report on the movable property intended for sale (Table 2 of the PS Form) for the position registered as of 31 December 2017 and submit it to the National Bank and disclose it, by 31 January 2018.

8. These Instructions shall enter into force on the date of their publishing in the Official Gazette of the Republic of Macedonia.

**I No. 34475
7 November 2017
Skopje**

**Dimitar Bogov
Governor**