



NATIONAL BANK OF THE REPUBLIC OF NORTH MACEDONIA

Pursuant to Article 47 paragraph 1 item 6 and in accordance with Article 19 paragraph 2 of the Law on the National Bank of the Republic of North Macedonia (Official Gazette of the Republic of Macedonia No. 158/10, 123/12, 43/14, 153/15, 6/16 and 83/18 and Official Gazette of the Republic of North Macedonia No. 110/21 and 74/24), the National Bank of the Republic of North Macedonia Council has adopted the following

DECISION

on determining the instruments used as collateral in the conduct of monetary operations

1. This Decision sets forth the instruments used by the National Bank of the Republic of North Macedonia (hereinafter: (National Bank) as collateral in the conduct of monetary operations. The monetary operations for providing or absorbing liquidity on temporal and/or outright basis shall be conducted with banks, foreign bank branches and savings houses (hereinafter: counterparties), that meet the access criteria specified in the National Bank's by-laws.

The instruments referred to in paragraph 1 of this item shall serve for National Bank protection against credit, market and liquidity risks.

2. Instruments used as collateral in the conduct of monetary operations shall include debt securities.

The National Bank shall use debt securities with residual maturity period exceeding the maturity period of the monetary operations.

The National Bank may decide not to accept the debt securities with coupon interest payment during the monetary operations.

3. When conducting the monetary operation and during, the National Bank shall value the instruments used as collateral at market prices, on a daily basis.

Market prices are the prices achieved in the domestic secondary market, i.e. the prices published on the electronic information systems for global financial markets.

Notwithstanding paragraph 1 of this item, if the collateral instruments are not traded on the secondary market or recent prices deviate significantly from the actual market movements, the National Bank has the right to determine a theoretical valuation price of instruments by applying an appropriate valuation methodology.

4. The National bank shall define margin ratios, as a ratio of the value of instruments used as collateral-to-funds.

In the monetary operations for providing Denar liquidity on temporal basis, the value of instruments used as collateral shall exceed the approved funds.

In the monetary operations for absorbing Denar liquidity on temporal basis, the value in instruments used as collateral shall equal the absorbed funds.

5. The National Bank shall, during the monetary operations, monitor the value of instruments used as collateral, on a daily basis.

If the ratio between the value of instruments used as collateral and funds falls below the defined margin ratios, the National Bank shall demand coverage in funds or in suitable collateral. If the ratio of value of instruments used as collateral-to-funds

climbs above the defined margin ratios, the National Bank shall return the excess collateral on request of the bank.

6. The securities the National Bank uses as collateral instruments in the conduct of monetary operations, and the margin ratio shall be defined in the List of securities for conducting monetary operations, adopted by the Executive Board of the National Bank.

The List of securities for conducting monetary operations shall be published in the "Official Gazette of the Republic of North Macedonia".

7. The National Bank shall make available to the counterparties in monetary operations a detailed list of instruments used as collateral that it accepts in the conduct of monetary operations, through the electronic system, on a daily basis.

8. On the date this Decision starts being applied, it shall supersede the Decision on determining the instruments used as collateral in the conduct of monetary operations (Official Gazette of the Republic of Macedonia No. 126/11).

9. This decision shall enter into force on the eighth day of its publication in the Official Gazette of the Republic of North Macedonia.

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26 December 2024
Skopje

Governor
Chairman
of the National Bank of the Republic
of North Macedonia Council
Anita Angelovska Bezhoska, PhD