



## **NATIONAL BANK OF THE REPUBLIC OF NORTH MACEDONIA**

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Pursuant to item 5 of 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), the Governor of the National Bank of the Republic of North Macedonia adopted this

### **List of securities for conducting monetary operations**

1. When conducting monetary operations, the National Bank of the Republic of North Macedonia (hereinafter: the National Bank) shall use the following debt securities as collateral instruments:

- securities issued by the National Bank;
- securities issued by the Republic of North Macedonia through regular issues on the domestic financial market;
- securities issued by the Republic of North Macedonia for structural purposes, and
- Eurobonds issued by the Republic of North Macedonia on international financial markets.

2. The National Bank shall accept the securities referred to in item 1, indents 1, 2 and 3 of this List if issued on the domestic financial market and registered in the securities depository of the National Bank or in the Central Securities Depository AD - Skopje.

The settlement of transactions in which the collateral instruments referred to in item 1, indents 1, 2 and 3 are used, shall be made according to the "delivery versus payment" principle.

3. The National Bank shall accept the securities referred to in item 1, indent 4 of this List if issued on the international financial markets and registered in international depositories in which securities are held.

When settling transactions in which the collateral instruments referred to in item 1, indent 4 are used, the National Bank shall approve the funds, once it receives confirmation of a final transfer of the ownership of the securities at the expense of the National Bank.

4. When conducting monetary operations for providing denar liquidity, the National Bank shall apply margin ratios as a ratio between the value of the collateral instruments, determined in accordance with item 6 paragraph 2 and 3 of this List, and the approved funds.

The margin ratios shall equal:

| List of securities   | Margin ratios   |                               |                       |                        |                         |                |
|--|-----------------|-------------------------------|-----------------------|------------------------|-------------------------|----------------|
|  | up to 12 months | above 12 months up to 3 years | above 3 up to 5 years | above 5 up to 10 years | above 10 up to 15 years | above 15 years |
| Securities issued by the National Bank;<br>Securities issued by the Republic of North Macedonia through regular issues on the domestic financial market;<br>Securities issued by the Republic of North Macedonia for structural purposes | 1.01            | 1.05                          | 1.10                  | 1.15                   | 1.25                    | 1.50           |
| Eurobonds issued by the Republic of North Macedonia on international financial markets   | 1.01            | 1.05                          | 1.09                  | 1.12                   |                         |                |

5. The amount of the securities used as collateral for the approved funds shall be calculated by applying the following formula:

$$\text{amount of securities} = \frac{\text{approved funds} * \text{margin ratio} * 100}{\text{price of securities}}$$

When determining the value of the securities in foreign currency and the securities with currency clause, the middle exchange rate from the Exchange Rate List of the National Bank on the valuation date shall be applied.

6. Once the monetary operation is conducted, the National Bank shall monitor the value of the securities on a regular basis, at market prices.

Market prices are the prices achieved in the domestic secondary market (the Macedonian Stock Exchange AD Skopje and/or over the counter), i.e. the prices published on the electronic information systems for the international financial markets.

Notwithstanding paragraph 1 of this item, if the securities 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 by applying an appropriate valuation methodology.

7. In case of exposure arising from a change in the market price or the theoretical price defined by the National

Bank, the National Bank shall be entitled to require margin in appropriate collateral.

The National Bank shall apply a minimum amount for the margin request in the amount of 0.1% of the approved funds.

8. The List shall be published in the Official Gazette of the Republic of North Macedonia and on the National Bank Electronic System for Market Operations, for the securities referred to in item 1.

9. On the date this List starts being applied, it shall supersede the List of Securities for Conducting Monetary Operations (Official Gazette of the Republic of Macedonia No. 154/14).

10. This List shall enter into force on the date of its publishing in the Official Gazette of the Republic of North Macedonia.

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**01 June 2020**  
**Skopje**

**Anita Angelovska Bezhoska**  
**Governor of the National Bank of the**  
**Republic of North Macedonia**