



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

---

Pursuant to Article 26-a 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, 83/18 and Official Gazette of the Republic of North Macedonia No. 110/21), the National Bank of the Republic of North Macedonia Council adopted the following

### **DECISION on the conditions and the manner of inspecting the supply of banknotes and coins (Official Gazette of the Republic of North Macedonia No. 149/21)**

#### **I. GENERAL PROVISIONS**

1. This Decision shall set forth the conditions and the manner of monitoring the supply of banknotes and coins (hereinafter: cash).

#### **II. CONDITIONS AND MANNER OF INSPECTION**

##### **Inspection of the conditions required for carrying out cash supply activities**

2. The fulfillment of the conditions required for carrying out cash supply activities by banks and cash supplying companies (hereinafter: cash centers), that are trade companies registered in the register of trade companies, and which meet the conditions for cash supply in accordance with the regulations, shall be monitored by the National Bank of the Republic of North Macedonia (hereinafter:

the National Bank) through off-site inspection of the documents that prove the cash supply conditions and on-site inspection of the equipment and the commercial real estate where the cash is stored and processed.

##### **Inspection of the implementation of the conditions and the manner of supplying cash**

3. The National Bank shall inspect the implementation of the conditions and the manner of supplying cash by banks and cash centers by:

- controlling and analyzing the data submitted by banks and cash centers in accordance with the regulation of the National Bank; and
- full-scope or targeted on-site inspection (announced or unannounced) of banks and cash centers.

The inspection shall check the application of the regulations, the working procedures of the machines, the processing of the cash and the handling of the processed money.

The National Bank may take samples of processed cash from the banks and cash centers in order to check it in its premises.

The on-site inspections referred to in paragraph 1 indent 2 of this item shall be conducted by authorized persons, determined by a decision of the Governor of the National Bank, which shall also determine the subject of the inspection.

**4.** The announced on-site inspection shall be conducted according to a predetermined on-site inspection plan, approved by the Governor of the National Bank.

The preparation of the inspection plan shall take into account:

- the size of banks and cash centers;
- identified weaknesses in the operations with the performed previous on-site inspections; and
- previously identified irregularities in the operations by controlling the data that are submitted on a regular basis in accordance with the regulation of the National Bank.

**5.** For the announced on-site inspection, the National Bank shall submit a notification to the bank/cash center within 15 days before the commencement of the on-site inspection. The notification shall contain:

- information on the subject of inspection;
- information on the inspector in charge;
- inspection commencement date;
- duration of the inspection;
- a list of information to be compiled by the bank/cash center for the inspection purposes;
- deadline and manner of submitting the required information.

The information to be compiled by the bank/cash center for the inspection purposes, should be complete, accurate and final.

**6.** Upon the inspection, the National Bank shall prepare a report that is submitted to the bank and the cash center.

The report shall include:

- final findings on each inspected area;
- a detailed review of all inspection findings concerning the identified operating weaknesses or irregularities;
- any non-compliance with the relevant laws and bylaws; and
- responsiveness of the bank/cash center to previous irregularities identified by the National Bank.

**7.** The inspection report shall be a professional secret of the National Bank and the banks/cash centers shall be obliged to keep it in accordance with the Decision on the access and the manner of using information of the National Bank of the Republic of North Macedonia which are not public. The banks and cash centers may quote or otherwise disclose the contents of the inspection report only for the purposes of auditing the annual financial statements and trading books, due diligence of the bank and in other cases provided by law, upon written approval obtained by the Governor of the National Bank.

**8.** The inspection report shall be submitted to the bank's Board of Directors and the cash center management body.

The bank's Board of Directors shall discuss the inspection report, inform the Supervisory Board of its contents and submit a copy to the Internal Audit Department.

**9.** The bank and the cash center shall have the right to object to the report. The complaint should be submitted within a period specified by the National Bank, which neither can be shorter than five days nor longer than 10 days.

Together with the complaint, the bank and the cash center should submit a notification of the planned or undertaken activities regarding the overcoming of the noncompliance with the regulations or the weaknesses specified in the report.

The National Bank shall provide a response to the complaint about the report within fifteen days from the date of receipt of the complaint, after which the inspection shall be considered officially completed, and the report shall be final.

**10.** In cases when the inspection identifies actions contrary to the provisions of this Decision, the National Bank shall instigate misdemeanor procedure against the banks and the cash centers in accordance with the law, and depending on the irregularity, it may also terminate the agreement concluded with the cash centers.

In the case of an unrepairable defect of the cash processing machine the National Bank may remove the machine from the list published on the website of the National Bank.

### **III. TRANSITIONAL AND CLOSING PROVISIONS**

**11.** This Decision shall enter into force on the eighth day from the day of its publication in the Official Gazette of the Republic of North Macedonia.

**D No.02-15/IX-2/2021**

**30 June 2021  
Skopje**

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