

14

**LAW ON AMENDING AND REVISING  
THE LAW ON TRADE COMPANIES**  
(Official Gazette of the Republic of Macedonia no. 50/2001)

**Article 1**

In Article 10, paragraph 1, of the Law on Trade Companies (Official Gazette of the Republic of Macedonia no.s 28/96, 7/97, 21/98, 37/97, 63/98, 39/99, 81/99, 37/2000 and 31/2001) the conjunction “and” after item 3) is deleted. The period after item 4) is replaced with the conjunction “and”. A new item 5) is added and reads: “5) manner of representation.”

In paragraph 2 the words “form for an authorized signer” are deleted.

After paragraph 3 new paragraphs 4 and 5 are added and read:

“(4) A sole proprietor may, at his own risk, acquire the pertinent rights and liabilities as of the date of filing the registration form with the Trade Registry.

(5) A sole proprietor shall be liable for all of his obligations until the date of entry into the Trade Registry as if they were acquired after the entry into the Trade Registry.

**Article 2**

The title of Article 19 is amended and reads: “Company Incorporation Documents”

In Article 19 paragraph 1 is amended and reads:

“(1) A company shall be incorporated by a cCompany Agreement or a Charter, except when founders have decided to incorporate the company with Articles of Incorporation.”

Paragraph 2 is amended and reads:

“(2) The Articles of Incorporation, made in the form of an incorporation decision (hereinafter: Articles of Incorporation) shall determine: company’s form and founders; trade name and head office; business activity; basic capital amount, structure and composition; manner of representation; data on the members of the company’s management bodies when decided by the founders that such members be appointed by the incorporation decision; and other issues specified by this law with regard to specific forms of companies.”

Paragraph 3 is amended and reads:

“(3) When a company is incorporated with the Articles of Incorporation referred to in paragraph 2 of this Article, the provisions thereof shall constitute an integral part of the CCompany Agreement and Charter. Other issues required by this Law to be regulated by the CCompany Agreement or Charter shall be regulated in the manner and under the terms herein specified.”

After paragraph 3 a new paragraph 4 is added and reads:

“(4) The CCompany Agreement and all amendments and appendixes thereto shall be in writing. The Articles of Incorporation shall also be in writing.”

Paragraph 4 becomes paragraph 5.

### **Article 3**

In the title of Article 32 the words: “CCompany Agreement or Charter” are replaced with “data entered into the Trade Registry”

In Article 32, paragraph 1 is amended and reads:

“(1) Once a company is entered into the Trade Registry, no shareholder shall be allowed to claim that the data entered in the Trade Registry and contained in the Articles of Incorporation or the CCompany Agreement or Charter are invalid due to mistake, deceit or threat occurring when the CCompany Agreement or Articles of Incorporation were concluded or the Charter adopted.”

### **Article 4**

In Article 44, paragraph 2, after the word “Charter” the words “or of the Articles of Incorporation” are added.

### **Article 5**

The title of Article 45 and Article 45 are amended and read:

#### **“Data Verification**

#### **Article 45**

- (1) The Registration Court shall, in the course of the company registration procedure, verify the compliance with this Law of data entered in the Trade Registry and contained in the Company Articles of Incorporation, Agreement or Charter and the other company documents, regulations and decisions.
- (2) Following the entry of the company into the Trade Registry and upon request of a shareholder, stockholder or the company itself, the Registration Court shall decide on the company decisions compliance with this Law.
- (3) The data verification referred to in paragraph 1 of this Article shall not include issues to be decided by other court or administrative procedure.”

### **Article 6**

Article 50 is amended and reads:

“(1) CCompany Agreements shall be executed in writing.

(2) Shareholders’ signatures shall be certified by a notary.

(3) A General Partnership Articles of Incorporation or Agreement shall include:

- 1) Full name, citizenship, residence and addresses of partners or trade name and head office of partners that are legal entities;
  - 2) Trade name and head office of the general partnership;
  - 3) Principal business activities of the general partnership;
  - 4) Type, amount and appraisal of the value of each partner's contributions; and
  - 5) Manner of representation of the general partnership
- (4) Following the entry into the Trade Registry, the CCompany Agreement shall also determine the following:
- 1) Manner of each partner's personal engagement in the company operations
  - 2) Manner of distribution of profit and coverage of losses;
  - 3) Model of general partnership management and decision making; and
  - 4) Other issues provided by this Law."

#### **Article 7**

The title of Article 53 is amended and reads: "Documents Accompanying the Trade Registry Entry Form"

In Article 53, paragraph 1 is amended and reads:

"(1) Entry of a General Partnership into the Trade Registry also requires submission of the following documents:

- 1) Company Articles of Incorporation or Agreement
- 2) Evidence of the type, amount and appraisal of the value of each partner's contributions
- 3) Notary certified signatures of the partners or of the persons authorized as representatives pursuant to the cCompany Agreement."

Paragraphs 3 and 4 are deleted.

Paragraph 4 becomes paragraph 2.

#### **Article 8**

In Article 87 the word "notarisation" is replaced with the word "notary".

#### **Article 9**

Article 88 is amended and reads:

"(1) A Limited Partnership Agreement shall specify:

- 1) Trade name and head office of the limited partnership;
- 2) Business activities of the limited partnership;
- 3) Names and residency, or company trade name and head office, citizenship and partners' address;
- 4) Total amount of the partners' contributions; definition of the nature of the shareholders as limited or general partners, and
- 5) Manner of Limited Partnership representation;

(2) Following the entry into the Trade Registry, the Limited Partnership Agreement shall also determine the following:

- 1) Type and proportion of the contributions made by each partner;  
Manner of each partner's personal engagement in the company operations
- 2) Manner and date of payment of the contribution;
- 3) Manner of distribution of profit and coverage of losses;
- 4) Model of limited partnership management and decision making; and
- 4) Other provisions governing partners' relations."

#### **Article 10**

In Article 108 a new paragraph is added and reads:

"Representatives authorized by the notary with whom the identity of the shareholders was registered may take actions on behalf of the shareholders."

#### **Article 11**

In Article 110, paragraph 1, after the word 'shareholders' the words "or a notary on behalf of the shareholders with whom their identity was registered" are added.

Paragraph 2 is amended and reads:

"If a limited liability company is incorporated by a single entity, the cCompany Agreement shall be substituted with a shareholder's incorporation statement certified by a notary or by statement made on behalf of the shareholder by a notary with whom the shareholder's identity was registered."

In paragraph 3 the word "notarius" is replaced with the word "notary"<sup>1</sup>.

#### **Article 12**

Article 111 is amended and reads:

"(1) The Articles of Incorporation or the shareholder(s) statement on the incorporation of a limited liability company shall specify:

- 1) Full name, domicile, citizenship, and address of all shareholders, or trade name and head office if shareholder(s) is a legal entity;
- 2) Trade name and company head office;
- 3) Company's principal business activity;
- 4) Duration of the company;
- 5) Amount of basic capital and extent of each shareholder's share for shares made up of property and rights including an obligatory detailed description and value;
- 6) Name, domicile, citizenship and address of the manager or the managers of the company; and
- 7) Representation of the company.

(2) The CCompany Agreement or the statement by the shareholder(s) on the incorporation of a limited liability company, in addition to the items listed in paragraph 1 of this Article, shall also specify:

- 1) The manner and time in which monetary contributions must be fully paid;
- 2) The manner and criteria for distributing the profit and covering the loss;
- 3) Management of the company;

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<sup>1</sup> Translator's note: not applicable to the English translation.

4) The extent of shareholders' rights and obligations in addition to making the basic contributions.

(3) Issues and relations not addressed by paragraph 2 of this Article may be addressed by the CCompany Agreement.

(4) Provisions of a CCompany Agreement that are contrary to this law shall be void."

### **Article 13**

In Article 112, paragraph 3 the words "5,000 DM" are replaced with the words "2,500 EURO".

### **Article 14**

In Article 114, paragraph 2 the words "200 DM" are replaced with the words "100 EURO".

### **Article 15**

In Article 117, paragraph 1 the words "50,000 DM" are replaced with the words "25,000 EURO".

### **Article 16**

In Article 119, paragraph 1 the words "3,000 DM" are replaced with the words "1,500 EURO".

### **Article 17**

In Article 126, paragraph 1 in the introductory sentence the conjunction "and" is deleted<sup>2</sup>.

Item 1 is amended and reads:

"1) The Articles of Incorporation, the CCompany Agreement with contents pursuant to Article 111, paragraph 1 of this Law;"

Item 2 is amended and reads:

"2) the evidence and the signatures pursuant to Article 174, paragraph 2 of this Law;"

Paragraph 4 is deleted.

### **Article 18**

In Article 164, paragraph 1 the words "200 DM" repeated twice in the paragraph are replaced with the words "100 EURO".

### **Article 19**

In Article 173, paragraph 4 the sentence: "If the CCompany Agreement provides that all shareholders shall be appointed managers, only those who were shareholders when the contract was executed shall be considered to have been so appointed" is amended and

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<sup>2</sup> Translator's note: not applicable to the English translation.

reads: “If the Articles of Incorporation or the CCompany Agreement provide for the appointment of a shareholder a manager, the manager’s tenure may continue for the duration of his/her shareholder capacity.”

#### **Article 20**

In Article 174, paragraph 2 is amended and reads:

“(2) Proofs of appointment, representation and notary certified signatures of managers or authorized representatives, shall be attached to the entry form.”

#### **Article 21**

In Article 185, paragraph 2, item 1 the words “100,000 DM” are replaced with the words “50,000 EURO”.

#### **Article 22**

In Article 199, paragraph 4 is amended and reads:

“(4) A contribution shall be assumed with a written statement for assuming contributions. The statement shall specify: the amount of the assumed basic contribution, data on all other liabilities arising from the CCompany Agreement, the Decision to increase the basic capital and consent by non-shareholders to becoming shareholders and to assuming the rights and liabilities determined in the CCompany Agreement. The Statement shall be certified by a notary.”

#### **Article 23**

In Article 201, paragraph 3 the words: “5,000 DM” are replaced with the words “2,500 EURO”; the words “3,000 DM” are replaced with the words “1,500 EURO”; and the words “10,000 DM” are replaced with the words “2,500 EURO”.

#### **Article 24**

In Article 217, paragraph 1, item 1 the sentence: “If stock is registered by name or certificates of the stock are not issued, stockholders shall be asked by registered mail to make a statement immediately” is deleted.

#### **Article 25**

In Article 218, paragraph 1 the words “with a notarial act” are replaced with the words “by a notary”.

In paragraph 3 the word “notarius” is replaced with the word “notary”<sup>3</sup>.

#### **Article 26**

In Article 223 after the full stop new text is added and reads:

“The basic capital and the stocks may be payable in foreign currency.”

A new paragraph 2 is added and reads:

“(2) The basic capital and the stocks payable in foreign currency or foreign currency counter-value shall be bought and sold in the Republic of Macedonia in Denars.”

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<sup>3</sup> Translator’s note: not applicable to the English translation.

### **Article 27**

In Article 224, paragraph 1 is amended and reads:

“(1) The minimum nominal amount of basic capital required to incorporate a joint-stock company by public offer shall be 25,000 EURO expressed in Macedonian Denars ("MKD"). Incorporation in a manner other than public offer shall require 10,000 EURO in basic capital, in MKD counter-value calculated according to the middle exchange rate of the National Bank of the Republic of Macedonia on the date preceding the adoption date of the Articles of Incorporation and Charter or the Decision on the change in the basic capital of the Company.”

In paragraph 2 the full stop at the end of the first sentence is deleted and the words “and in other instances determined by the law” are added.

Paragraph 3 is amended and reads:

“(3) The minimum nominal amount of a stock may not be less than 1 EURO calculated according to the middle exchange rate of the National Bank of the Republic of Macedonia on the date preceding the adoption of Articles of Incorporation and the Company Charter.”

Paragraph 4 is deleted.

In paragraph 5, which becomes paragraph 4 the words “paragraphs 3 and 4” are replaced with the words “paragraph 3”.

### **Article 28**

In Article 225, paragraph 2 the full stop at the end is replaced with a coma and the words “pursuant to the law” are added.

### **Article 29**

In Article 226 a new paragraph 1 is added and reads:

“(1) Each stock shall have the nominal value to which the stock is payable.”

The existing paragraphs 1, 2 and 3 become paragraphs 2, 3 and 4.

### **Article 30**

In Article 227 the words “in foreign currency” are replaced with the words “in MKD or in foreign currency which may be expressed in MKD”.

### **Article 31**

In Article 232 paragraph 3 is deleted.

Paragraph 4 becomes paragraph 3.

Paragraph 5 is deleted.

### **Article 32**

In Article 234, paragraph 2 item 4 is amended and reads:

“4. sum for which stocks are issued and the value of their total emission.”

Paragraph 3 is deleted.

### **Article 33**

In Article 235, paragraph 1 the words “may provide for the issuance of” are replaced with the words “shall provide for the issuance of”. At the end of the paragraph a new sentence is added and reads: “The certificate shall be issued for all stocks of the same kind”.

Paragraph 3 is amended and reads:

“(3) Certificates of stock and temporary certificates may only be used as identification for participating at the Company Incorporation Assembly and in subsequent Company Assemblies with a certain number of votes and in the manner and under the conditions provided for in this Law, and as evidence of the stocks payment and entry into the Stockholders’ Book kept at Central Securities Depository, when required by law.”

### **Article 34**

The title of Article 236 and Article 236 are amended and read:

#### “Elements of Electronic Subscription of Stocks Article 236

- (1) Stocks are issued and kept as electronic records in the Central Securities Depository.
- (2) The electronic subscription of stock in the Central Securities Depository shall specify the following data:
  - 1) indication of the type and kind of stock;
  - 2) place and date of issuance and stock serial and control number;
  - 3) trade name, head office and identification number of the stock issuer;
  - 4) when the stock owner is a natural person: first and last name, address and citizen’s personal identification number (EMBG) or passport number for foreign persons.
  - 5) when the stock owner is a legal person: trade name, address and identification number;
  - 6) nominal value of stocks and the manner in which their value is expressed
  - 7) date of stocks’ entry into the Central Securities Depository.”

### **Article 35**

The title 237 and Article 237 are amended and read:

#### “Manner of Keeping Stockholders Books Article 237

- (1) Joint Stock Companies shall keep record of stocks issued and changes in the ownership of the stocks constituting the company’s basic capital. Such records shall be kept in electronic form in the company Stockholders’ Book administered in the Central Securities Depository, in the manner and under the conditions determined by law.



(2) The managing body of the joint stock company shall regularly submit to the Central Securities Depository all relevant documents, data and facts required for the creation and recording of the right acquired by the stockholder on the basis and in relation with the stocks.”

#### **Article 36**

In Article 240, paragraph 2 the words “by a notary act” are replaced with the words “by a notary”.<sup>4</sup>

#### **Article 37**

In Article 241, paragraph 1 item 7 is amended and reads:

“(7) name, place and address of residence and citizenship of senior members of the managing and supervisory bodies, when appointed with the company Articles of Incorporation and Charter.”

Paragraph 3 is amended and reads:

“(3) Upon incorporation of a joint stock company, whether simultaneous or consecutive, the founders shall decide if the issues referred to in paragraph 1 of this Article shall be regulated with the company Articles of Incorporation or Charter.”

After paragraph 3 a new paragraph 4 is added and reads:

“When a joint stock company is incorporated with a Company Charter, the Charter shall regulate the issues referred to in paragraph 1 of this Article. Other issues to be regulated, pursuant to this Law, with the Company Charter shall be regulated by the Company upon the entry of the Company incorporation in the Trade Registry.”

#### **Article 38**

In Article 252 paragraph 1 is deleted.

In paragraph 2, which becomes paragraph 1, the words “If according to the Company Charter, the Assembly of the Company must appoint” are replaced with the words: “If Company Articles of Incorporation or Charter do not provide for the appointment of.”

In Paragraph 3 which becomes paragraph 2 the number “2” is replaced with the number “1”.

#### **Article 39**

In Article 268 paragraph 1 the word “body” is replaced with the words: “body president”.

In Paragraph 3 item 1 the sentence “Charter and Articles of Incorporation” is replaced with the sentence “Articles of Incorporation and the Charter or the Charter with contents as determined in Article 241 of this Law.”

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<sup>4</sup> Translator’s note: not applicable to the English translation.

In item 4 after the words “managing body” the words “or the person authorized by the founders” are added.

In item 5 the sentence “For members who are citizens of a foreign country, a statement of the members of the company that they accept the foreign parties is required” is deleted.

Item 6 is deleted.

Item 7 becomes item 6.

Paragraph 4 is amended and reads:

“(4) When the founders fail to appoint the members of the managing or supervisory body with the Company Articles of Incorporation or Charter, the president of the managing body shall submit the memorandum referred to in paragraph 3 item 1 and the list referred to in item 5 to the Registry Court no later than within 15 days from the day of the Convention of the Incorporation Assembly of the persons assuming the stocks.”

After paragraph 4 a new paragraph 5 is added and reads:

“(5) The entry form shall be signed by all founders when the Articles of Incorporation and Charter do not provide for the appointment of senior members of the managing body and the supervisory board in which case the entry form shall be signed by all members of the Board of Directors, or of the managing and supervisory boards, when they are appointed by the Company Articles of Incorporation or Charter.”

Paragraph 5, which becomes paragraph 6, is amended and reads:

“(6) The signatures referred to in paragraph 5 of this Article shall be notarised by a notary and kept in the Registration Court in the original, as copies or publicly certified copies.”

#### **Article 40**

In Article 269, the first sentence of paragraph 1 is amended and reads:

“The Registration Court may reject the company’s entry if the report of the appraiser(s) is inaccurate or incomplete or not in compliance with the law.” In the second sentence the words “or if the court believes” are deleted.

#### **Article 41**

The title of Article 270 is amended and reads: “Entry”

In paragraph 1 after the words “Entry of” the words “the Articles of Incorporation and” are added.

Paragraphs 2 and 3 are deleted.

#### **Article 42**

In Article 271, paragraph 1 is amended and reads:

“(1) All data recorded into the Trade Registry pursuant to this Law shall be announced.”

**Article 43**

In Article 280 paragraph 3 the words “or public auction” are deleted.

**Article 44**

In Article 281 paragraphs 1 and 2 after the words “into the book of stocks” the words “kept in the Central Securities Depository” are added.

**Article 45**

In Article 284, paragraph 1 the last sentence is deleted.

**Article 46**

In Article 285, paragraph 1 the words “in somebody else’s possession” are replaced with the words “not in the possession of the owner”.

In paragraph 3 after the word “stock” the coma is deleted and the words “provided that the document has been recorded therein” are replaced with the words “in the Central Securities Depository”.

**Article 47**

The title of Article 289 shall read: “Recording Stock in the Book of Stock”

In paragraph 1 at the end of the first sentence the full stop is deleted and the words “kept in the Central Securities Depository” are added.

In paragraph 2 at the end of the first sentence the full stop is deleted and the following words are added: “kept in the Central Securities Depository. Rights and liabilities arising from the stocks shall come into being as of the moment of entry into the Central Securities Depository”.

In paragraph 3 the word “company” is replaced with the words “Central Securities Depository”.

In paragraph 4 at the end of the sentence the full stop is deleted and the words “kept by the Central Securities Depository” are added.

**Article 48**

In Article 290 paragraph 1 is amended and reads:

“(1) Stock in form of electronic record shall be transferred in the manner determined with this or other law.”

Paragraph 2 is amended and reads: “Transfer of stocks registered to another party shall be recorded in the Stockholders’ Book kept in the Central Securities Depository.”

**Article 49**

The title of 291 and Article 291 are deleted.

#### **Article 50**

In Article 353 in paragraph 1 after the words “book of stocks” the words “kept in the Central Securities Depository” are added.

#### **Article 51**

In Article 354, paragraph 2 the words “keep their stocks with the company” are replaced with the words “authorized the financial institutions and stockholders’ associations to vote on their behalf”.

In paragraph 4 the words “who keep their stock with the company or who are entered in the book of stock as stockholders” are replaced with the words “recorded in the stockholders book kept with the Central Securities Depository as stockholders.”

#### **Article 52**

In Article 357, paragraph 1 the words “depositing of stock for a limited period of time prior to the meeting of the Assembly or with” are deleted.

Paragraph 2 is deleted.

Paragraphs 3 and 4 become paragraphs 2 and 3.

#### **Article 53**

In Article 411, paragraph 2 after the word “stock” the coma and the words “including the right to the issuance of a document for such stock” are deleted.

#### **Article 54**

In Article 417, paragraphs 2 and 3 are deleted.

In paragraph 4, which becomes paragraph 2 the coma and the following words are deleted: “, and where there is no such price, the stocks shall be sold at a public auction, at the place where it is expected that such stocks will be sold at a price most favorable for the stockholders. The time and the place of the auction shall be announced in the daily newspapers, at least one month prior to the date of the auction”.

Paragraphs 5 and 6 become paragraphs 3 and 4.

#### **Article 55**

In Article 440, paragraph 3 the second sentence is deleted.

#### **Article 56**

In Article 480, paragraph 3 is amended and reads:

“(3) The regulations referred to in paragraph 2 of this Article shall closely define the Trade Registry, the registration procedure, the accompanying books, the content and the format of the filing forms for sole proprietors and of any form of a trade company, the form and the control books of registration form numbers, the manner in which data contained in the entry filing form are transferred into the uniform Trade Registry entry

form, the manner of entry of the identity of physical and legal domestic and foreign persons, the manner of entry announcements, the electronic administration of the Trade Registry and other issues of importance to proper administration of the registry.”

After paragraph 3, two new paragraphs are added and read:

“(4) All data in the application for the entry of a sole proprietor or a trade company into the Trade Registry and revisions and changes to the entry made shall be recorded in the uniform Trade Registry entry form of sole proprietors and trade companies.

(5) Data recorded into the Trade Registry shall be subject to indefinite keeping.”

#### **Article 57**

In Article 481, after paragraph 2 a new paragraph 3 is added and reads:

“(3) The court may not require submission of other documents on the company in addition to those specified by this Law.”

#### **Article 58**

Article 482 is amended and reads:

“(1) The Trade Registry shall be administered in mechanical and electronic manner.

(2) Electronic documents, electronic signatures and seals, filing (electronic filing and filing of original paper documents), processing of court cases, movement of electronic documents and original documents in the process of registration is regulated with the provision referred to in Article 480 paragraph 3 of this Law in conformity with the Law on Courts, Law on Administration of Registries in the Republic of Macedonia, a law governing the legal validity of electronic documents and this Law.”

#### **Article 59**

In Article 483 paragraph 2 the words: “shall be based on a decision of” are replaced with the words “is made by”.

#### **Article 60**

In Article 484 after paragraph 1 new paragraph 2 is added in reads:

“(2) When the identity of the shareholders is registered with a notary, the person obligated to file the facts referred to in paragraph 1 of this Article shall act upon notary authorization.”

Paragraph 2 becomes paragraph 3.

After paragraph 3 which becomes paragraph 4 three new paragraphs 5, 6 and 7 are added and read:

“(5) An entry is made through registering facts that are subject to registration submitted by an authorized person, unless otherwise provided by law or ex officio only when so required by this law.

(6) Identity shall be proven with an identity card for domestic natural persons or the unique identification number for legal entities. Foreign legal entities shall prove their identity with a certified translation or other official document issued by the registry of legal entities in the country where their head offices are registered, whereas foreign natural persons shall prove their identity with a certificate of citizenship or extract from other official records of the state whose citizens they are or possess the passport thereof.

(7) When the identity of the persons mentioned in paragraph 6 of this Article is registered with a notary, instead of their identity the identity of the notary shall be established with his/her identity card and notary identification.”

### **Article 61**

In Article 485 paragraph 1 is amended and reads:

“(1) Data entered into the Trade Registry shall be public. Any interested person may, without having to prove a legal interest, access data entered into the Trade Registry and evidence and documents that make the required set of documents, make copies and seek certified transcripts at his/her expense.”

After paragraph 3 two new paragraphs 4 and 5 are added and read:

“(4) When the entry is made pursuant to Article 484 paragraph 2 of this Law, the notary shall announce the identity of the shareholders only upon request by the court having jurisdiction.

(5) The Ministry of Justice shall prescribe the conditions and the procedure for access to the data kept in electronic form with the use of adequate technical devices and equipment.”

### **Article 62**

In Article 486, after the paragraph 2 a new paragraph 3 is added and reads:

“(3) The Official Gazette of the Republic of Macedonia shall issue, not less than twice a month and when necessary even more frequently, a special edition containing data from the Trade Registry.”

Paragraphs 3 and 4 become paragraphs 4 and 5.

### **Article 63**

Article 487 is amended and reads:

“(1) The entry into the Trade Registry shall be considered duly completed as of the date of registration, unless otherwise provided by this or other law.

(2) The entry into the Trade Registry shall have legal effect or may be claimed against third entities as of the date of its publication in the “Official Gazette of the Republic of Macedonia”, unless otherwise provided by this or other law.”

#### **Article 64**

In Article 489, paragraph 2 the words “be personally deposited or” are deleted. At the end of the same paragraph the full stop is deleted and the words “with a notary” are added.

#### **Article 65**

In Article 491, paragraph 1 after the word “shall” the words “within the time limits specified by this Law” are added and the words “by law” are replaced with the words “by this law”.

After paragraph 2 two new paragraphs are added and read:

“(3) The court shall, within eight days following the date of submission of the entry filing form, decide in writing on the approval or denial of the entry, except when the court fails to act in conformity with Article 511 of this Law.

(4) The court shall deny entry of a trade company into the Trade Registry or entry of other data to be registered in the Trade Registry only in cases when the entry filing form does not contain all data required by this Law or when appraisal is not signed by the appraiser or when the appraiser is not on the list approved by the court or the appraisal does not contain an opinion on the accuracy of the statements made in the appraisal with regard to the non-monetary contributions or if the application contains data not in conformity with this law.”

#### **Article 66**

The title of Article 492 and Article 492 are deleted.

#### **Article 67**

The title of Article 493 and Article 493 are amended and read:

#### **“Postponement of Entry Article 493**

Should entry of data or facts recorded pursuant to this Law into the Trade Registry depend on impending court resolution of a legal issue, the Registration Court may postpone such entry until the resolution of the legal issue in question.

#### **Article 68**

In Article 495, paragraph 1 the word “Court” is replaced with the word “Trade” and the words “within sixty (60) days of the submission of proof issued by a competent government body or fund that s/he has fulfilled the obligations imposed by Law” are replaced with the words “and a statement of statutory liabilities payment.”

Paragraphs 3, 4, 5 and 6 are deleted.

#### **Article 69**

In Article 496, paragraphs 2, 3 and 5 are deleted.

Paragraph 4 becomes paragraph 2.

#### **Article 70**

In Article 497, paragraph 1 the words “a form” are replaced with the words “entry form submitted on a single registration form.

Paragraph 5 is deleted.

#### **Article 71**

In Article 498 a new paragraph 2 is added and reads:

“(2) The court shall administer the procedure by means of conclusions.”

#### **Article 71**

In Article 499, paragraph 2 at the end of the sentence the full stop is replaced with a coma and the words “or stay of procedure”.

After paragraph 2 two new paragraphs 3 and 4 are added and read:

“(3) Conclusions may not be appealed.

(4) The final decision may not be revised and the procedure may not be repeated.”

#### **Article 73**

In Article 500, paragraph 2 is amended and reads:

“Under this Law, a proposer is the person upon whose proposal the procedure is initiated and the opponent of the proposer is the entity to which the complaint in the proposal refers.”

In paragraph 3 after the full stop a new sentence is added and reads:

“When there are more participants to a procedure and procedure expenses are incurred, the court shall include in the court order of entry a decision on the expenses pursuant to the Law on Trial Procedures.”

#### **Article 74**

In Article 501, after paragraph 2 a new paragraph 3 is added and reads:

“(3) Entry of sole proprietors are within the jurisdiction of the court in the place chosen by the sole proprietor for the performance of his/her business activities or, should such place not be determined, in the place of residence.”

#### **Article 75**

In Article 506, paragraph 2 the coma after the word “Registry” and the words “and other obligatory relevant data” are deleted.

Paragraph 5 is deleted.



#### **Article 76**

In Article 507, paragraph 1 at the end of the sentence the full stop is replaced with a coma and the words “as determined by this Law” are added.

In paragraph 2 the words “a competent court or other authorized government body” are replaced with the word “notary”.

#### **Article 77**

The title of Article 508 and Article 508 are amended and read:

#### **“Examination of Conditions for Entry Article 508**

(1) Prior to passing an order on the application for entry in the Trade Registry, the Registration Court shall establish that all prerequisites for entry are met, preconditions exist and the entry filing form is approved.

(2) Should the court decide that it does not have subject-matter and territorial jurisdiction to proceed upon the entry filing form, the court shall, within a period not exceeding 3 days, declare lack of jurisdiction; when the decision becomes effective the court shall hand the entry filing form over to the registry court having jurisdiction.

#### **Article 78**

The title of Article 509 is amended and reads: “Conditions for Entry”

In Article 509 the words “Formal conditions pertaining to Article 508 of this Law” are replaced with the words “An entry filling form shall be considered justified if”.

In items 1, 2 and 3 the words “to be” are deleted;

Item 4 is amended and reads:

“4) the documents and the evidence are of the prescribed content with reference only to the data recorded in the Trade Registry as determined by this Law;”

Items 5 and 6 are deleted.

#### **Article 79**

The title of Article 510 and Article 510 are deleted.

#### **Article 80**

In Article 511, paragraph 1 is amended and reads:

“(1) Should a Trade Registry entry form be too ambiguous or incomplete to act upon, the court shall call the person requesting the entry to put the entry in conformity with the law. The court may invite and verbally instruct the person filing the entry form to correct all material and procedural irregularities of the Trade Registry entry and make an official note thereof to be signed by the person filing the entry form.”

After paragraph 2 two new paragraphs 3 and 4 are added and read:

“(3) When acting according to paragraph 1 of this Article, the court shall determine an additional time period which shall not exceed eight days.

(4) When the person filing the entry form fails to act according to paragraph 1 of this Article, the court shall return the form for correction and revision.”

Paragraphs 3, 4 and 5 become paragraphs 5, 6 and 7.

#### **Article 81**

The title of Article 512 and Article 512 are deleted.

#### **Article 82**

In Article 513 paragraph 1 is deleted.

Paragraph 2 which becomes paragraph 1 is amended and reads:

“Should an entry filing form be submitted by a person not authorized in accordance with the law to file an entry form, the court shall submit the entry form with accompanying evidence to the subject of the entry. In the conclusion accompanying the entry form the court shall advise the subject of entry that the entry shall be made unless objected. Should within eight days following the submission of the entry form the entity to be registered does not object the entry and should all other preconditions determined with this law be met, the court shall make the entry into the Trade Registry.”

Paragraph 3 becomes paragraph 2.

#### **Article 83**

The title of Article 514 and Article 514 are deleted.

#### **Article 84**

The title of Article 515 and Article 515 are deleted.

#### **Article 85**

In Article 516 paragraph 2 in the first sentence after the word “proposer” the words “within three days” are added.

#### **Article 86**

In Article 517 paragraph 1 the words “prior to the entry of the order” are deleted.

#### **Article 87**

The title of Article 518 and Article 518 are amended and read:

“Court’s Decision on Entry  
Article 518

(1) The court shall decide, without holding a hearing, on each entry form and each request and all data subject to entry.

(2) The court may, on request for entry, decide on partial or individual entry of each data listed in one particular entry form or decide on the entry of more data at one time. Should a request for entry be denied by the court, the appellate procedure shall not delay the execution of the section of the decision pertaining to the entry.

(3) Should entry into the Trade Registry depend on impending court resolution of a legal issue, the Registration Court shall resolve such issue unless otherwise provided by other law.”

### **Article 88**

The title of Article 519 and Article 519 are amended and read:

#### **“Contents of Order of Entry and Conclusion Article 519**

(1) The order of entry into the Trade Registry is a constituent part of the Trade Registry entry form.

(2) The order by which a proposal is denied, rejected or withdrawn, or is made ex officio or in proceedings involving hearings or deciding on participants conflicting claims, shall consist of an introduction, statement, legal advice and reasoning.

(3) The conclusion shall consist of introduction and statement. The statement shall also contain a legal advice for the person requesting entry on the legal consequences arising from failure to act according to the conclusion.”

### **Article 89**

In Article 520 paragraph 1 the words “the registration forms” are replaced with the words “Trade Registry” and after the word “court” the words “shall in line of duty make an order for correction and” are added.

Paragraph 2 is amended and reads: “Paragraph 1 of this Article shall also apply when there are discrepancies between the translation and the data contained in the court order and in the Trade Registry and the translation of data recorded in the Court of Entry.”

### **Article 90**

In Article 522 after paragraph 2 new paragraph 3 is added and reads:

“(3) Should the registration court not accept the comments of the court of entry it shall notify the court of entry thereof. The court of entry shall make the entry without delay.”

### **Article 91**

The title of Article 523 and Article 523 are deleted.

**Article 92**

The title of Article 524 and Article 524 are deleted.

**Article 93**

The title of Article 525 and Article 525 are amended and read:

“Changes or Deletion of Data  
Article 525

(1) The participant shall have the right to require entry of changes or deletion of entry of particular data recorded in the Trade Registry.

(2) When filing the proposal referred to in paragraph 1 of this Article the participant shall enclose the documents proving the grounds for the request.”

**Article 94**

The title of Article 526 and Article 526 are deleted.

**Article 95**

In Article 527 paragraph 3 is amended and reads:

“(3) Should a court order for entry in the Trade Registry not be delivered, the party believing that his/her right or interest under the law have been violated by the order may file an appeal within eight days following the day when the entry was published in the “Official Gazette of the Republic of Macedonia.”

**Article 96**

In Article 528 paragraph 2 the word “documents ” is replaced with the words “propose new evidence proving the facts being entered.”

In paragraph 4 the full stop is deleted and the words “within a period not exceeding eight days following the date of submission of the appeal.”

**Article 97**

In Article 529 paragraph 2 is deleted.

**Article 98**

In Article 530 paragraph 2 the number “15” is replaced with the word “eight”.

**Article 99**

In Article 531 paragraph 1 the words “within 30 days of the day s/he becomes aware of the entry, but not later than 60 days of the day the entry was made” are deleted.

Paragraph 2 is amended and reads:

“(2) The Registration Court shall erase the unjustified entry upon establishment that the entry is invalid, unauthorized and unlawful;”

#### **Article 100**

In Article 532 paragraph 3 reads: “Having determined the facts, the court shall issue a court order which either directs the erasure of the company’s entry from the Trade Registry or terminates the procedure for erasure.”

#### **Article 101**

In the title of Article 534 and paragraphs 1 and 4 of Article 534 the word “final” is deleted.

Paragraph 2 is amended and reads:

“(2) The Registration Court shall issue a court order binding the founders to file a request for initiating a winding up procedure for the entity registered, within 15 days following the moment of the order validity.”

Paragraph 3 is amended and reads:

“(3) Should founders disregard the court’s order and fail to file a request for initiating a winding up procedure, they shall, jointly and severally and without limitation, assume all rights and liabilities.”

#### **Article 102**

The title of Article 535 and Article 535 are deleted.

#### **Article 103**

The title of Article 536 and Article 536 are deleted.

#### **Article 104**

The title of Section Five preceding Article 537 “TRADE BOOKS AND ANNUAL ACCOUNTS” is amended and reads: “ACCOUNTANCY KEEPING, CLASSIFICATION OF TRADE ENTITIES, TRADE BOOKS AND ANNUAL ACCOUNTS” and two new subsections and two new articles 536-a and 536-b are added and read:

##### **“Subsection One**

##### **Accountancy Keeping Article 536-a**

A trade entity shall keep accounts and prepare and submit accounting statements in compliance with this Law, generally recognized accounting principles, accounting practice and recognized accounting standards so as to truly and honestly present the assets, the capital, the liabilities and the business results.”

##### **Subsection Two**

##### **Classification of Trade entities Article 536-b**

(1) From the aspect of the scope of the accounting records trade entities can be classified, under this law, as large, medium and small trade entities depending on the number of employees and the amount of the assets shown in the annual accounts for the last two years (accounting years).

(2) In the first year of the operation the trade entity shall be classified in accordance with the estimated scope of his business operation, while in the second year according to the data pertaining to the previous fiscal year.

(3) Reclassification of a trade entity from one category into another in accordance with paragraph 1 of this Article shall not be made in the course of the fiscal year.

(4) Small trade entity shall be the trade entity who, in each of the last two accounting years or in the first fiscal year, shall have met at least two of the following criteria:

- 1) the average number of employees per working hours to be up to 50;
- 2) the annual revenue to be lower than 8,000 average monthly gross salaries per worker in the economy of the Republic of Macedonia; and
- 3) the average value (at beginning and end of the accounting year) of the total assets to be lower than 6,000 average monthly gross salaries per worker in the economy of the Republic of Macedonia;

(5) Middle trade entity shall be the trade entity who, in each of the last two accounting years or in the first fiscal year, shall have met at least two of the following criteria:

- 1) the average number of employees per working hours to be up to 250;
- 2) the annual revenue to be lower than 40,000 average monthly gross salaries per worker in the economy of the Republic of Macedonia; and
- 3) the average value (at beginning and end of the accounting year) of the total assets to be lower than 30,000 average monthly gross salaries per worker in the economy of the Republic of Macedonia;

(6) Trade entities not classified as small or medium shall have the status of large trade entities.

(7) Should the last two accounting years show different data concerning the trade entity, which are relevant to the classification, the trade entity shall remain in the category of the last year's classification.

(8) The register of annual accounts at the Central Registry shall announce, by end of March of the current year, the data on the average monthly gross salaries per worker for the previous year.

(9) The register of annual accounts at the Central Registry to which annual accounts are submitted and which performs supervision shall, within 60 day term prescribed for the

submission of the last account based on which the trade entity is classified pursuant to the provisions of paragraph 1 of this Article, notify the trade entity of the classification.

(10) The National Bank of the Republic of Macedonia, the banks, the insurance companies and other financial institutions and trade entities that prepare consolidated accounting statements shall be classified in conformity with the provisions of this Article pertaining to large trade entities.”

Subsection one becomes subsection three.

#### **Article 105**

In Article 537 paragraph 3 the words “the Double” are replaced with the word “Double”.

#### **Article 106**

In Article 538 paragraph 5 is amended and reads:

“(5) In the Double Entry Accounting System trade books shall be kept in conformity with the recognized accounting principles, standards and guidelines and accounting practice by applying the uniform accounts prescribed with the accounting plan.”

After paragraph 5 three new paragraphs are added and read:

“(6) The trade entity shall, according to his/her needs, divide the accounts of the accounting plan into analytical accounts (in his/her own analytical accounting plan).

(7) The Government of the Republic of Macedonia shall prescribe the accounting plan referred to in paragraph 5 of this Article.

(8) The Minister of Finance shall adopt detailed regulations on the procedures for collecting and processing data in the keeping of books and the bookkeeping documents, and shall prescribe the form and contents of the trade books and statements.”

#### **Article 107**

In Article 539 paragraph 3 the word “Inventory” is replaced with the word Inventory (itemization)”.

In paragraph 4 the words “conduct out the Inventory” are replaced with the words “carry out inventory (itemization)”.

#### **Article 108**

In Article 539 seven new titles and seven new articles 539-a, 539-b, 539-c, 539-d, 539-e, 539-f and 539-g are added and read:

##### **“Depreciation Article 539-a**

(1) Depreciation rates shall be established independently by the trade entity provided that Depreciation Nomenclature annual rates be applied to annual accounts.

(2) The Government of the Republic of Macedonia shall prescribe the Nomenclature of Assets of Depreciation with the annual depreciation rates, the method of calculation of depreciation and the depreciation of tangible and intangible assets.

Methods of Calculation of Depreciation  
Article 539-b

(1) Pursuant to a general regulation and in compliance with the provisions of this Law, the trade entity may write-off assets following one of the depreciation methods and the principles of the accountancy policy.

(2) The total depreciation established by any method of write-off may not be lower than 50% of the annual depreciation calculated in accordance with the prescribed rates, but the total value of depreciation should be provided within in the prescribed period of utilization.

(3) Notwithstanding the provisions of paragraph 2 of this Article, the annual rate of write-off of the communal infrastructure, calculated for the first five years of utilization, may not be lower than one quarter of the prescribed rates.

(4) Notwithstanding the provisions of paragraph 2 of this Article, the annual rate of write-off of the infrastructure and the plants set in operation in phases, calculated for the duration of such process but for no longer than five years, may not be lower than one quarter of the prescribed rates.

(5) Should a trade entity apply rates of accelerated depreciation, such rates shall not exceed 25% of the prescribed rates.”

Evaluation of Land and Forests  
Article 539-c

(1) The trade entity shall evaluate land using market prices and when such prices are not available the evaluation shall be done as follows:

1. for construction land - amount equal to the value corresponding to the amount of the allowance set forth in the regulations governing expropriation; and
2. for agricultural and other land – amount of the tax base for the sale of this category of land determined in conformity with the regulations governing tax on land sale.

(2) The value of forests shall be evaluated based on data established by inventory or by evaluation of the quantity of wood mass obtained from different types of trees, the thickness structure and the quality of wood, calculated in accordance with the market prices at the nearest sale site (truck road, rail road station, watercrafts and such like).



(3) The criteria for the establishment of the quantity of wooden pulp, its structure and other elements of importance in the determination of the value of forests shall be prescribed by the Minister of Agriculture, Forestry and Water Economy.

**Revaluation  
Article 539-d**

(1) When preparing periodical and annual accounts, a trade entity shall revalue the tangible and intangible assets including their depreciation, taking into consideration the price increases of the industrial goods producers.

(2) Notwithstanding the provisions of paragraph 1 of this Article, the revaluation of land and forests in the annual account, pursuant to the provisions of Article 539-c of this Law, shall be the difference between the appraised value of these natural resources at the end of the accounting period and their bookkeeping value.

(3) Notwithstanding the provisions of paragraph 1 of this Article, the revaluation of the basic animal stock shall represent the difference between the value of the basic animal stock at the end of the accounting period according to the market prices and the values expressed in the accountancy following the determination of the total revenue based on the animal stock growth.

**Compensation of Specific Expenditures  
Article 539-e**

(1) A trade entity shall compensate expenditures incurred as interest rates, negative exchange rate differences and similar expenditures pertinent to the fixed assets liabilities shown in the income statement, in the debit of the revaluation reserve, up to the amount of the revaluation of the tangible and intangible assets referred to in Article 539-d of this Law.

(2) A trade entity may decide not to apply, fully or partially, the provision of paragraph 1 of this Article if the increase in the prices of the producers of industrial products recorded in the last month of the accounting period compared to the same month of the previous year does not exceed 10%.

**Revaluation of Sales, Claims and Liabilities  
Article 539-f**

(1) Sales, claims and liabilities shall be revaluated when so stipulated by agreement or contract and up to the rate of the price increase realized by the producers of industrial products.

(2) Revaluation referred to in paragraph 1 of this Article and the exchange rate differences shall be shown as part of the expenditures and the revenues.

(3) Calculation of interest rates related to periods shorter than the period for which the interest rate has been projected shall be carried out according to the conformity method, should the increase in the retail prices of the last month of the accounting period in relation to the same month of the previous year exceed 10%, that is should the agreed price exceed 10%.

**Prescribing the Revaluation Procedure  
Article 539-g**

The Minister of Finance shall prescribe the procedure for revaluation referred to in Articles 539-d to 539-f of this Law.

**Article 109**

The title of Article 540 is amended and reads: Keeping of Trade Books”.

**Article 110**

After Article 546 nine new titles and nine new articles 546-a, 546-b, 546-c, 546-d, 546-e, 546-f, 546-g, 546-h and 546-i are added and read:

**Registered accountant - accountant - auditor  
Article 546-a**

(1) A person performing services in the sphere of public practice as a professional accountant shall, in conformity with the definitions of IFAC, possess a registered accountant - accountant - auditor certificate.

(2) A registered accountant - accountant - auditor shall meet the following requirements:

1. possess a university degree – B.A in economics
2. have a registered accountant - accountant - auditor certificate
3. give a statement declaring that s/he undertakes the obligation to apply the rules of the Code of Ethics of professional accountants.

(3) The applicant taking the registered accountant - accountant - auditor certificate examination shall have not less than 5 years of working experience in accounting or financial activities or 3 years working experience in audit or control.

**Attainment of the Title Registered Accountant - accountant - auditor  
Article 546-b**

(1) The registered accountant - accountant - auditor examination shall be taken before the examination panel formed by the Registered Accountants - Accountant - auditors Council, which acts independently within the Union of accountants, financial technicians and accountant - accountant - auditors of the Republic of Macedonia (hereinafter: the Council).

(2) The examination panel for the registered accountant - accountant - auditors exam shall be made up of professionals – registered accountants – appointed by the Council.

- (3) The registered accountant - accountant - auditors exam shall be taken in compliance with the programme adopted by the Council, following prior approval by the Minister of Finances.
- (4) A person having passed the examination referred to in paragraph 1 of this Article shall receive a registered accountant - accountant - auditor certificate from the Council.
- (5) The form and the contents of the certificate form and the registered accountant - accountant - auditor examination procedure shall be prescribe by the Minister of Finance, following a proposal by the Council.
- (6) Registered accountant - accountant - auditor examination expenses shall be born by the person taking the examination.
- (7) Persons having attained their registered accountant - accountant - auditor certificate abroad must meet the requirements listed in Article 546-a of this Law and shall have their certificates verified by the Ministry of Finance in the manner and following the procedure prescribed by the Minister of Finance.

#### Council Membership Article 546-c

- (1) In consequence of the attainment of title, the registered accountant - accountant - auditor shall become a member of the Council, for the purposes of ensuring protection of the public, the good name of the profession and a professional level of performance of his/her registered accountant - accountant - auditor activities.
- (2) The Council members shall choose a Council president form their ranks.

#### Revocation of the Registered Accountant - auditor Certificate Article 546-d

- (1) The Council shall revoke the registered accountant - auditor certificate and the verified title of registered accountant - auditor of the person failing to observe the rules of the Code of Ethics of professional accountants and of the person found guilty of a crime that makes such person inadequate for the registered accountant - auditor profession.
- (2) The decision referred to in paragraph 1 of this Article may be appealed with the Minister of Finance.
- (3) The Minister of Finance's decision may be appealed with the Supreme Court of the Republic of Macedonia.

#### Continuing Education Article 546-e

(1) The holder of the title of registered accountant - auditor shall continue to expend knowledge needed so as to maintain high level of professional competence in compliance with the Education Programme passed by the Council pursuant to the Code of Ethics of professional accountants.

Protection of the Profession of Registered Accountant - auditors  
Article 546-f

The Council shall see that the registered accountancy and auditing profession are being developed and promoted, with the aim of providing services of consistently high quality, in the interest of the general public.

Code of Ethics of professional accountants  
Article 546-g

(1) The Code of Ethics of professional accountants shall be adopted by the Union of accountants, financial technicians and accountant - auditors of the Republic of Macedonia (hereinafter: the Union).

(2) The Code referred to in paragraph (1) of this Article shall specify the ethical requirements (detailed rules, orientations, standards of conduct) to be met by the professional accountants and shall set forth the basic principles to be observed also by the registered accountant - auditors, with the purpose of providing highest possible quality of their successful operation and confirmation of the public trust in the profession.

Administration of a Registry  
Article 546-h

(1) Registered accountant - auditors providing professional services as professional accountants shall be recorded in a registry.

(2) The registry referred in paragraph 1 of this Article shall be administered by the Council.

Approval Procedure  
Article 546-i

For the purposes of ensuring high quality services in the interest of the general public, the provisions of the Union Charter referring to the Council shall be approved by the Minister of Finance.

**Article 111**

Before the title of Article 547 the words "Subsection Four" are added.

The title of Article 547 is amended and reads: "Annual Account".

#### **Article 112**

In Article 547, after paragraph 3 two new paragraphs 4 and 5 are added and read:

“(4) Small trade entities shall not make annual reports”

(5) The Ministry of Finance shall specify the particular data needed for the system of state records and shall prescribe the form and the contents of the state records system form.”

#### **Article 113**

In Article 549 after paragraph 2 a new paragraph 2 is added and reads:

“(2) As an exception to paragraph 1 of this Article, the annual accounts submitted to audit in compliance with this Law shall be signed by registered accountant - auditors.”

#### **Article 114**

In Article 550 paragraph 2 at the end of the sentence the full stop is replaced with a coma and the words “and the content of particular accounts in the accounting plan are added”.

#### **Article 115**

The titles of Subsection Two and Article 552 are replaced with the title “Preparation and Submission of Annual Balance Sheets”

#### **Article 116**

In Article 552 paragraph 1 the word “make” is replaced with the word “prepare”.

After paragraph 2 a new paragraph 3 is added and reads:

“(3) As an exception to the provisions of paragraphs 1 and 2 of this Article a trade entity performing activities of seasonal character may prepare annual balance sheets for the fiscal year which is not the calendar year, as per the decision issued by the Minister of Finance on a special request submitted by the trade entity.”

In paragraph 3 which becomes paragraph 4 the word “make” is replaced with the word “prepare”.

Paragraph 4 which becomes paragraph 5 is amended and reads:

“(5) All annual balance sheets shall be submitted to the Public Revenue Office and the Registry of Annual Balance Sheets at the Central Registry not later than on the last day of February the following year, or within 60 days from the date of initiation of the regular winding up or bankruptcy procedure, or the occurrence of a status change, whereas accounts covering shorter periods referred to in paragraphs 1 and 3 of this Article shall be submitted by the end of the month following the last month of the period covered by the accounting period.”

### **Article 117**

After Article 555 three new titles and three new articles 555-a, 555-b and 555-c are added and read:

#### **“Accounting Standards Article 555-a**

(1) The accounting standards applied in the Republic of Macedonia are the generally recognized International Accounting Standards established by the International Accounting Standards Committee (IASC) and the accounting standards established by the Macedonian Accounting Standards Board.

(2) For the purposes of monitoring, harmonization and explanation of the application of the accounting standards referred to in paragraph 1 of this Article a Macedonian Accounting Standards Board (hereinafter: Accounting Standards Board) shall be established.

(3) The Accounting Standards Board shall be the only body authorized to accept, establish and publish the accounting standards referred to in paragraph 1 of this Article.

#### **Accounting Standards Board Article 555-b**

(1) Accounting Standards Board is an independent expert body having the character of a legal entity consisting of nineteen members.

(2) President and two vice presidents shall be elected among of the Board's membership.

(3) The Accounting Standards Board shall be composed of representatives of the Council, experts – members of the Union, representatives of relevant ministries, the Securities Committee, the National Bank of the Republic of Macedonia and leading experts in the pertinent profession and science.

#### **Functions of the Accounting Standards Board Article 555-c**

(1) The Accounting Standards Board shall perform the following functions:

1) to develop the accounting profession in the Republic of Macedonia in line with the entrepreneurial and market freedom.

2) to monitor and explain the application of accounting standards in the Republic of Macedonia and put in conformity the Macedonian accounting system, and thus prescribe accounting regulations for the territory of the Republic of Macedonia translated into Macedonian accounting standards,

- 3) to take position with regard to the accounting standards when they are not available or concrete so as to make the financial statements of the entrepreneurs of the Republic of Macedonia acceptable to the international market of capital. The position adopted by the Accounting Standards Board shall be an integral part of the accounting standards and following prior approval of the Minister of Finance shall be published and become mandatory for all entities,
- 4) to enter membership of pertinent world and European associations and establish links with such associations from particular countries,
- 5) to adopt Rules of operation subject to approval by the Minister of Finance, and
- 6) to perform other functions related to the activities of the Accounting Standards Board.

#### **Article 118**

In Article 556 paragraph 2 the word “all” is replaced with the words “the large and medium trade entities organized as”.

After paragraph 2 a new paragraph 3 is added and reads:

“(3) As an exception to paragraph 2 of this Article, small trade entities organized as joint stock companies shall submit their annual balance sheets to audit when their securities appear on the stock market, unless otherwise provided by other law.”

In paragraph 3, which becomes paragraph 4, in item 2 the words “6,000,000 DM” are replaced with the words “3,000,000 Euro”, and in item 3 the words “1,500,000 DM” are replaced with the words “750,000 Euro”.

#### **Article 119**

After Article 559, a new title and Article 559-a are added and read:

##### **Entities to Which this Law Applies Article 559-a**

The provisions of this Law governing accountancy keeping, trade entities classification, trade books and annual accounts shall also apply to legal and natural persons seated in the Republic of Macedonia that perform business activities defined in the Law on National Classification of Business Activities, but, pursuant to this Law and other regulations are not considered trade entities, when doing business.”

#### **Article 120**

Subsection Three preceding Article 560 becomes Subsection Five.

#### **Article 121**

After Article 565 a new title and article 565-a are added and read:

##### **“Publication of Data**

Article 565-a

(1) The State Bureau of Statistics shall establish and publish in the “Official Gazette of the Republic of Macedonia”.

1). The monthly ratio of price increase in the group of industrial products producers – by the tenth day of the month for the previous month.

2). The ratio of price increase in the group of industrial products producers from the start of the year to the end of the month - by the tenth day of the month for the previous month.

3). The ratio of price increase in the group of industrial products producers for each month of the year to the end of the year - by the 10 January for the previous year.

4). The ratio of price increase in the group of industrial products producers for the same month of the previous year - by the tenth day of the month for the previous month.

5). The ratio of increase in the average living expenses in the Republic of Macedonia for the period from start of the year to the end of the month in relation to the average living expenses in the Republic of Macedonia in the previous year - by the tenth day of the month for the previous month.

(2) The National Bank of the Republic of Macedonia shall, by 10 July, publish in the “Official Gazette of Republic of Macedonia” the world market prices of precious metals taken as basis for establishing the value of precious metals and precious metal products or products containing precious metals entered into the balance sheet on 30 June, while by 10 January it shall publish the prices of 31 December of the previous year expressed in MKD, according to the average prices of three to five biggest world stock markets.”

**Article 122**

In Article 706 paragraph 1 is amended and reads:

“(1) A trade company shall be fined with 150,000 to 300,000 MKD if it:”

In Paragraph 1 after item 3 a new item 3-a is added and reads:

“3-a) Fails to carry out depreciation and revaluation following the procedure prescribed by this Law or by regulation based on it (Articles 539-a to 539-f);

In paragraph 2 the number “15,000” is replaced with the number “20,000”.

After paragraph 2 two new paragraphs 3 and 4 are added and read:

“(3) A sole proprietor shall be fined with 60,000 to 100,000 MKD for the actions listed in paragraph 1 of this Article.”



(4) Each violation arising from the actions listed in paragraph 1 of this Article shall, in addition to the fine, be subject, as a safety measure, to a ban on the performance of the trade entity business activity; a ban on the performance of the function of the person in charge in a trade company shall be imposed on the person in charge in duration of three months to one year.”

#### **Article 123**

In Article 711 paragraph 1 item 2 is amended and reads:

“It denies any stockholder access to the book of stocks maintained in the Central Securities Depository (Article 289, paragraph 4); and”

In the same paragraph item 3 after the number “2” the words “and Article 504” are added.

#### **Article 124**

After Article 718-a the following nine new articles 718-b, 718-c, 718-d, 718-e, 718-f, 718-g, 718-h, 718-i and 718-j are added and read:

##### **“Article 718-b**

Trade entities keeping their business books in accordance with the Law on Accountancy (Official Gazette of the Republic of Macedonia no. 42/93, 48/93, 6/95, 32/98 and 39/99) and the Law on Personal Income Tax (Official Gazette of the Republic of Macedonia no.80/93, 3/94, 70/94, 71/96, 28/97 and 8/2001) and the regulations based on them, shall continue to apply the account plans, balance sheet schemes and the business books in conformity with the regulations valid in the year of 2000 until new regulations are brought pursuant to this Law, the Law on Accountancy and the Law on Personal Income Tax.

##### **Article 718-c**

Entities failing to carry out the transformation required by law prior to coming into effect of this Law shall apply the provisions of this Law governing accountancy keeping, trade entities classification, trade books and annual accounts.

##### **Article 718-d**

The provisions of Article 539-a to 539- and the provisions of Article 565-a paragraph 1 of this Law shall apply until the enactment of new regulations under this Law, the Law on Profit and the Law on Personal Income Tax.

##### **Article 718-e**

The provision contained in Article 546-a paragraph 2 item 1 of this Law on the requirement that the applicant hold B.A. in economics, shall apply until 31 December 2002.

##### **Article 718-f**

The provisions contained in Articles 546-b and 456-d of this Law shall apply until 31 December 2001.

**Article 718-g**

The applicant who, by the date of application of the provisions contained in Article 546-b of this Law, has passed the examination for the title of registered accountant - auditor pursuant to the provisions of the Audit Law shall, under this Law, simultaneously attain the title accountant - auditor.

**Article 718- h**

The provision of Article 549 paragraph 2 of this Law shall apply as of the moment of preparation of the annual balance sheet for 2002.

**Article 718-i**

The Accounting Standard Commission shall, as of the date of enactment of this Law, continue to operate under name of Accounting Standards Board.

**Article 718-j**

Prior to the establishment of a Registry of Annual Balance Sheets with the Central Securities Depository, the functions of the Registry of Annual Balance Sheets with the Central Securities Depository shall, pursuant to Article 536-b paragraphs 8 and 9 of this Law, be performed by the Payment Transactions Institution; annual balance sheets shall be submitted to Registry of Annual Balance Sheets with the Central Securities Depository, pursuant to Article 552 paragraph 5 of this Law, through the payment transactions institution with which the company has a giro account.

**Article 125**

After Article 722 two new articles 722-a and 722-b are added and read:

**Article 722-a**

(1) Provisions of this Law governing conversion of principal capital or stocks, denomination, withdrawal and annulment of stocks and decision-making procedure for such issues, shall not apply to the conversion of the value of the principal capital and the stocks or shares expressed in DM into EURO and to the denomination, withdrawal and annulment of stock certificates (printed stocks and stubs) to be carried out for the purposes of adjustment of the provisions of this Law in consequence of the conversion of DM into EURO.

(2) Companies shall make the conversion of DM into EURO, the denomination, withdrawal and annulment of stock certificates (printed stocks and stubs) to be carried out for the purposes of adjustment of the provisions of this Law, within six months from the date of effect of this Law, with a Decision on Amendment and Revision of the CCompany Agreement or Charter brought by the Manager(s), the Board of Directors or the Company Managing Board.

**Article 722-b**

(1) The provisions of this Law governing electronic issuance of stock shall apply as of the date set forth in the law governing legal validity of electronic documents.

(2) Mechanical and electronic recording into the Trade Registry shall commence not later than within six months following the enactment of the law governing legal validity of electronic documents.”

**Article 126**

This Law shall come into force on the eight day following its publication in the “Official Gazette of the Republic of Macedonia”.