

Law on Amending and Revising the Law on Securities
(Official Gazette of the Republic of Macedonia No. 34/2001)

Article 1

In the Law on Securities (“Official Gazette of the Republic of Macedonia” 63/2000) in the title of Article 6, the words “the value” are replaced with the word “value”¹

Article 2

In Article 19 paragraph (1) after item 4 new item 5 is added and reads:

“5. Number of shares;”

Items 5 and 6 now become 6 and 7.

Article 3

In Article 23 paragraph (2) the item 5 is amended and reads:

“5. Manner of bonds issuance and subscribing into the register;”

Article 4

In Article 37 paragraph (2) item 6 the words “treasury notes and” are deleted.

Article 5

In Article 46 paragraph (2), the words: “at least seven” are deleted and the words: “and shall have it announced in Macedonian and in English on the Stock Exchange web-page, fourteen” are added.

After paragraph (4) new item (5) is added and reads:

“ (5) The content of data referred to in paragraph (2) of this Article which are to be announced in the Stock Exchange web-page shall be prescribed by the Commission.”

Paragraph (5) becomes paragraph (6).

Article 6

After Article 46 new Article 46-a is added and reads:

¹ The definite article was used in the Macedonian original.

“Article 46-a

The known buyer referred to in Article 44 of this Law shall be considered to be the natural and legal person stated in the document on issuing securities as buyer of the emission.

Should a change of the buyer of the emission occur during the realization of the emission, and instead of the person stated in the document another person appear as the buyer of the securities, or the emission is redirected for the broader public, it shall become necessary that prior consent of the Commission be obtained.

When the emission is intended for a new known buyer the application for such consent shall be accompanied by the changed act on issuing security to the new buyer of the securities.

When the emission is intended for broader public, the request for approval shall be accompanied by a public announcement for subscription and purchase of securities.

Should the issuer of the securities fail to request approval from the Commission for the change of the person to place the emission (known buyer) or for redirection towards public offer, the Commission shall render decision for the annulment of the securities emission.”

Article 7

In Article 48 paragraph (2) the words:” The individuals of paragraph 1 of this Article shall also be held liable” are replaced with the words: “The issuer’s person in charge shall be held liable”.

Article 8

The title of Article 69 and Article 69 are deleted.

Article 9

In Article 72 paragraph (1) is amended and reads:

“(1) An Exchange may be established by domestic and foreign legal and natural persons.”

Paragraph (2) is deleted.

Article 10

In Article 79 paragraph (1) after the item 5 two new items 6 and 7 are added and read:

“ - rules on the establishment of the amount of the fee for the realization of Exchange transactions;

- various forms of Exchange linking and merging.”

Items 6 and 7 become items 8 and 9.

Article 11

In Article 80, after paragraph (1) three new paragraphs (2), (3) and (4) are added and read:

“(2) The request for consent on the appointment of the Exchange director shall be accompanied by the following documents:

- a short CV of the candidate proposed for director;
- the decision on the appointment of the candidate proposed for director issued by the body in charge;
- certificate confirming that the candidate has not been convicted for financial crimes and that he/she is not under investigation;
- professional qualifications certificate; and
- two-year Exchange operation and development program.

(3) The Commission shall provide explanation for its refusal to grant consent to the appointment of the candidate proposed for the office of Exchange director.

(4) The manner and the procedure of granting consent to the appointment of the Exchange director shall be prescribed by the Commission.”

Article 12

In Article 82 paragraph (2) is amended and reads:

“(2) The founding member of the Exchange may sell his/her shares to any legal or natural person.”

Paragraphs (3) and (4) are deleted.

Article 13

Article 83 is amended and reads:

“(1) The share of any individual founding member in the basic capital of the Exchange shall not exceed 10% of the amount of the shares with managing right.

(2) The founding members of the Exchange shall accept the Exchange Founding Act and Charter.”

Article 14

In Article 104 paragraph (2) the words “-founders and members of the Exchange” are deleted.

Article 15

In Article 110 three new paragraphs (2), (3) and (4) are added and read:

“(2) The request for consent on the appointment of the Brokerage House director shall be accompanied by the following documents:

- a short CV of the candidate proposed for the position of Brokerage House director;
- the decision on the appointment of the proposed candidate issued by the body in charge;
- certificate confirming that the candidate has not been convicted for financial crimes and that he/she is not under investigation;
- professional qualifications certificate; and
- two-year Brokerage House operation and development program.

(3) The Commission shall provide explanation for its refusal to grant consent to the appointment of the candidate proposed for the office of Brokerage House director.

(4) The manner and the procedure of granting the consent for the appointment of Brokerage House director are prescribed by the Commission.”

Article 16

In Article 117 paragraph (3) the full stop is deleted and the words: ”for the previous year” are added.

Article 17

In Article 128 the paragraph 3 is amended and reads:

“(3) The share of any individual founding member in the basic capital of the Central Securities Depository shall not exceed 15% of the total amount of the shares.”

Article 18

In Article 132 three new paragraphs (2), (3) and (4) are added and read:

“(2) The request for consent on the appointment of the Central Securities Depository Director shall be accompanied by the following documents:

- a short CV of the candidate proposed for director;
- the decision on the appointment of the candidate proposed for director issued by the body in charge;

- certificate confirming that the candidate has not been convicted for financial crimes and that he/she is not under investigation;
- professional qualifications certificate; and
- two-year Central Securities Depository operation and development program.

(3) The Commission shall provide explanation for its refusal to grant consent to the appointment of the candidate proposed for the office of Central Securities Depository Director.

(4) The manner and the procedure of granting the consent for the appointment of the Central Securities Depository director are prescribed by the Commission.”

Article 19

The title of Article 152 is amended and reads: “The Concept of Inside Information”.

Article 20

The title of Article 153 is amended and reads: “Entities Subject to the Obligation to Keep Inside Information”.

Article 21

In Article 158 after the paragraph (1) a new paragraph (2) is added and reads: “At least two members shall be professionally engaged in the work of the Commission.”

Article 22

In Article 163, paragraph (1), item 4 is amended and reads:

“4. Inspects the complete documentation of the entities-issuers of securities, undertakes measures and makes decisions on the protection of the interests of the entities appearing as owners or investors in securities and prevents fraudulent and illicit activities related to handling of securities;”

In item 7, the coma after the word “the banks”² is deleted.

After item 14, two new items, 15 and 16, are added and read:

“15. Prescribes the manner and procedure of trading in securities issued in the Republic of Macedonia which shall be used in trade carried out outside of the borders of the Republic of Macedonia.;

16. Prescribes the conditions under which the authorized participants in the Exchange can take part in the trade in foreign Exchanges.”

² In the Macedonian original.

Items 15 and 16 become items 17 and 18.

Article 23

In Article 164 paragraph (1) after item 7 three new items 8, 9 and 10 are added and read:

- “8. Fees for realized exchange transactions from which the Exchange realizes income;
- 9. Fees from brokerage houses incomes.
- 10. Fees from the Central Securities Depository income and”

Item 8 becomes item 11.

Article 24

After Article 164 new Article 164-a is added and reads:

“Article 164-a

Application of the Law on General Administrative Procedure

- (1) Unless otherwise prescribed with this Law, the procedure of rendering decision shall be governed by the Law on General Administrative Procedure.
- (2) The decision rendered by the Commission in the administrative procedure may be appealed with the Commission at the Government of the Republic of Macedonia.”

Article 25

In Article 165 two new items (3) and (4) are added and read:

- (3) The Managing body and the persons with special authorities who shall fail to transfer the shareholders books to the Central Securities Depository within the period set in Article 171 paragraph (3) shall be punished by one to three year in prison.
- (4) The managing body preventing the owners of the securities from exercising their securities related rights shall be punished by one to three years in prison.

Article 26

After Article 166 a new Article 166-a is added and reads:

“Article 166-a

The managing body preventing the securities owners from the realization of their securities related rights, thus causing large property damage, shall be levied a fine ten times the amount of the damage caused.”

Article 27

In the Article 170, the words “Articles 159 and 161” are replaced with the words: “the Article 159”.

Article 28

In Article 173, after paragraph (2) a new paragraph (3) is added and reads:

“The Exchange shall accord its organization, operation and general documents with the provisions of this Law within 45 days following the coming into force of this Law.”

Article 29

In Article 174 paragraph (1) after the words: “trade in” the words “already issued” shall be added.

Article 30

The Legislative Commission at the Assembly of the Republic of Macedonia shall determine the clarified version of the Law on Securities.

Article 31

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