BUDGET LAW

Editorially revised text [1]

I. GENERAL PROVISIONS

Article 1

Content of the Law

This law regulates the procedure for the preparation, adoption, execution of the Budget of the Republic of North Macedonia (hereinafter referred to as: the state) and the budgets of the units of local self-government and the City of Skopje (hereinafter referred to as: the municipalities) and reporting on their execution. The law also regulates fiscal rules, the establishment and competencies of the Fiscal Council, medium-term budget planning, the management of state and municipal funds and the monitoring of the financial results of public enterprises and commercial companies established by the state and municipalities and commercial companies established by them, as well as fiscal responsibility and the foundations of an integrated information system for managing public finances.

The provisions of this law do not apply to the National Bank of the Republic of Macedonia. North Macedonia, except for Article 4 of this law.

Article 2

Definitions

The individual terms used in this law have the following meaning: 1. **"Budget"** is an act of the central government (the State Budget) and the local government (the Municipal Budget) by which the annual revenues and other inflows are planned and the annual expenditures and other outflows of the state or the municipality are approved. The state budget also includes the budgets of the funds;

2. **"Amendment and supplement to the budget"** is an act of the state or the municipality to change the last adopted budget in the current year;

3. **"Adopted budget"** is a budget or amended and supplemented budget adopted by The Assembly of the Republic of North Macedonia or the Municipal Council;

4. **"Current budget"** is the budget adopted in the current year, which includes all changes made during its execution in accordance with this law and the Law on Execution of the Budget of the Republic of North Macedonia or the Decision on Execution of the Budget of the Municipality; 5. **"Citizens' budget"** is a presentation of the budget in a simple manner, in order to inform citizens how the allocated funds are created and spent;

[1] The editorially revised text of the Law on Budgets includes: the basic text of the Law, published in the “Official Gazette of the Republic of Macedonia” No. 203/22, the Authentic Interpretation of Article 66, paragraph (3) of the Law on Budgets “Official Gazette of the Republic of Macedonia” No. 203/22, published in the “Official Gazette of the Republic of Macedonia” No. 59/23, the Decision of the Constitutional Court of the Republic of Macedonia, U.br. 192/2023 and 193/2023, published in the “Official Gazette of the Republic of Macedonia” No. 39/24, the Law on Amendments to the Law on Budgets, published in the “Official Gazette of the Republic of Macedonia” No. 76/24 and the Law on Amendments to the Law on Budgets, published in the “Official Gazette of the Republic of Macedonia” No. 272/24, in which indicate the time of their entry into force and application.

6. **"Final Account in the Form of an Annual Budget Execution Report"** is an act of the state or municipality (hereinafter referred to as: Final Account of the Budget) presenting the collected (realized) revenues and incurred expenditures on all accounts of the state or municipality Budget, compared with the projections of revenues and approved expenditures; 7. **"Financial Plan"** is a plan of inflows and outflows of the budget user for

a specific budget year;

8. **"Finance lease"** is a leasing agreement whereby ownership may, but does not must be transferred from the lessor to the lessee;

9. **The "quota"** is the total amount of funds that the budget user can allocate. spends within a certain period of time within a budget year;

10. **"Budget appropriation"** (hereinafter: appropriation) is the annual amount of the budget user's right to spend for the determined purpose; 11. **"Spending right"** is the right of the budget user to assume and pay obligations

up to the level determined by appropriation; 12. **"Liability"** is an estimated obligation, an assumed obligation, an incurred obligation for payment and a due but unpaid obligation; 13.

"Estimated obligation" is an intention to assume an obligation that is

registers in the treasury general ledger system;

14. **"Undertaken obligation"** is an obligation arising from a legal document, a concluded contract, an order or other binding document, as well as from a law, a by-law or a final judicial or administrative decision that results in future payment obligations;

15. **"Accrued payment obligation"** is an obligation arising from previous actions, the settlement of which is expected to result in an outflow of approved funds. The payment obligation arises when the terms of the contract or other document are fulfilled, i.e. the goods are delivered or the services are performed; 16. **"Due but unpaid obligation"** is an obligation that has not been paid by the date of its maturity. A due but unpaid obligation based

on the refund of public duties is an obligation arising when the refund of public duties is not made within the legally established deadline;

17. Outflows include expenditures and other outflows; 18. **“Expenditures”**

are payments from the budget recorded on a cash basis in the Statement of Revenue and Expenditure; 19. **“Other outflows”** are outflows from the budget recorded

on a cash basis in the Statement of Financial Assets and Liabilities or in the Statement of Borrowing and Debt Repayment; 20. Inflows include revenues and other inflows; 21. **“Revenues”** are inflows to the budget recorded on a cash basis in the Statement

of Revenue and Expenditure; 22. **“Other inflows”** are inflows to the budget

recorded on a cash basis in the Statement of Financial Assets and Liabilities or in the Statement of Borrowing and Debt Repayment; 23. **"Public entities"** within the

meaning of this law are budget users, public enterprises and commercial companies with dominant or full ownership of the state or municipalities, non-profit institutions, controlled and financed by the state or municipalities and the National Bank of the Republic of North

Macedonia;

24. **"General government entities"** within the meaning of this law are the institutions classified in the Government Sector (S.13), in accordance with the National Classification of Institutional Sectors of the State Statistical Office;

25. **"Non-profit institutions"** are legal entities established for the purpose of producing goods or services which, by their nature, are not permitted to be a source of income, profit or other financial receipts for the institutions that established, controlled or financed them;

26. **"Budget users"** are all legal entities established by the state or municipalities, social funds, municipalities, except for the National Bank of the Republic of North Macedonia, public enterprises and trade companies, non-profit institutions established by the state or municipalities.

27. **"Main budget user"** is a budget user that is hierarchically superior to all budget users and other public entities under its jurisdiction, except for the Assembly of the Republic of North Macedonia, which is a main budget user that is not hierarchically superior to other budget users and other public entities;

28. **"Section"** is a single budget user or a set of related budget users; 29. **"Policy"** is an area of action and represents a group of programs with common general medium-term or long-term goals;

30. **A "programme"** is a narrower area within a policy framework, which pursues common specific medium-term objectives. A programme may have one or more sub-programmes;

31. **"Sub-programme"** is a more detailed part of a programme with short- to medium-term objectives and consists of projects and/or activities; 32. **"Project"** is a set of interrelated tasks with clearly defined objectives to be carried out within a certain period and within the framework of planned expenditures and other outflows; a public investment project is the planning, definition, budgeting, contracting, monitoring and completion of investments in public economic and social infrastructure which, during investment or operational use, is financed or co-financed by public revenues and other inflows, own revenues of public entities, funds received from the budget of the European Union or other development partners, including borrowings or for which the issuance of a guarantee will be required in accordance with the law governing public debt; 33. **"Public economic infrastructure"** is infrastructure that promotes economic activity such as roads, motorways, railways, airports, energy production and supply systems, telecommunications, water supply and sanitation;

34. **“Public social infrastructure”** means physical facilities and spaces where the community can access social and other community services, including health care (health homes, clinics and hospitals), education and training (schools and universities), social housing, public safety and justice (police, courts and prisons), as well as artistic, cultural and recreational facilities and centres;

35. **"Activity"** is a set of interrelated tasks with clearly defined objectives and cannot be defined as a project; 36. **"Budget balance"** is the difference between all budget revenues and expenditures;

37. **"Budget surplus"** is a positive budget balance, i.e. a positive difference between all budget revenues and expenditures;

38. **"Budget deficit"** is a negative budget balance, i.e. a negative difference between all budget revenues and expenditures;

39. **"Primary deficit"** is a negative budget balance reduced by interest payments; 40. **"Single Treasury Account"** (hereinafter: ETS) is an account in the National Bank of the Republic of North Macedonia opened by the Ministry of Finance and managed by the Treasury, through which all transactions are carried out and the collection of all budget inflows and the execution of all budget outflows are recorded;

41. **"Single Treasury Account System"** (hereinafter: ETS system) is a single system of accounts managed by the Ministry of Finance, which provides a consolidated overview of financial operations and cash balances, provides a platform for sound and efficient cash management and through which budget users and other public entities conduct transactions and register all their inflows and outflows, transfers and other cash transactions;

42. **"Treasury General Ledger System"** is a system of recording the adopted budget and the amendments and supplements to the budget, all transactions and balances in all phases of the budget execution process, cash and debt management and all other financial operations of budget users, as well as the cash transactions and balances of other public entities participating in the system in accordance with this or other laws;

43. **"Liquidity"** is the ability to pay obligations on time in the agreed deadline;

44. **"Borrowing"** is the procedure of issuing debt securities and withdrawing funds from loans or other borrowing instruments in a manner prescribed by law;

45. **"Liquidity borrowing"** means the withdrawal of funds from short-term loans, issuance of short-term securities or other instruments to finance temporary cash shortages as a result of uncoordinated movements of inflows and outflows in the budget during the fiscal year;

46. **"Consolidation"** is the presentation of financial information of several public entities as if they belonged to a single entity; in this respect, transfer flows, assets and liabilities between individual public entities are mutually eliminated; 47. **"Tax expenditures"** are indirect expenditures made through the tax and customs system, based on legal provisions that lead to a reduction or postponement of inflows to achieve a specific economic or social goal; 48. **"Claim holder"** is a public entity that has claims on other legal or natural persons on various grounds; 49. **"General government debt"** consists of consolidated financial liabilities created on the basis of borrowing by general government entities;

50. **“Gender responsive budgeting”** is the assessment of budgets from a gender perspective, including a gender perspective at all levels of the budget processes, planning and restructuring of revenues and expenditures with the aim of achieving gender equality;

51. **"Gender-responsive budget statement"** is a document for the inclusion of gender equality in the area covered by the selected program that is the subject of analysis; 52. **"Gender indicators"** are tools for monitoring gender differences, gender-related changes characterized according to different time periods and measuring progress towards achieving gender-responsive goals.

Article 3

Budgetary objectives and principles

(1) The main objective in preparing and executing the budget is macroeconomic stability and sustainable and stable national economic development.

(2) The principles on which the planning and execution of the Budget are based are: 1. the principle of fiscal responsibility implies that the State and Municipal Budgets shall be planned and executed in accordance with medium-term fiscal objectives, based on a realistic projection of macroeconomic indicators, undertaken obligations and existing legal obligations, and public funds managed in a manner that ensures medium-term and long-term fiscal sustainability;

2. The principle of economy, efficiency and effectiveness implies that the state and municipal budgets should be planned and executed in a manner that ensures effective and efficient use of public funds to achieve the set goals;

3. The principle of budget comprehensiveness implies that all revenues and other inflows and all expenditures and other outflows of all budget users are entered into the State and Municipal Budgets in full without any adjustments between them, except for transfers between them;

4. the principle of universality implies that all revenues and other inflows are used to cover all expenditures and other outflows of the State or Municipal Budget, unless otherwise determined by this or another law; 5. the principle of specificity implies that budget users may undertake obligations and make payments only for the purposes and in amounts determined by the budget, in accordance with the budget classifications; 6. the principle of cash basis implies that budgets or financial plans of budget users are prepared and executed on a cash basis; 7. the principle of one year implies that the budget is carried for a period of one year, which coincides with the calendar year;

8. The principle of a balanced budget (budget equilibrium) implies that revenues and expenditures in the State and Municipal Budgets are balanced;

9. The principle of transparency means that the State and Municipal Budget, as well as its amendments and supplements, execution and budget documentation will be published in the "Official Gazette of the Republic of North Macedonia", i.e. in an official gazette or on the website of the Ministry of Finance and the municipalities, and the financial reports of other public entities will be published on their websites;

10. The principle of sound financial management means the execution of the budget in accordance with effective and efficient internal control as a process that applies at all levels of financial management and

11. The principle of gender equality implies gender-responsive budgeting, i.e. preserving gender equality in the planning and execution of budget inflows and outflows.

Article 4

Register of public entities

(1) The Ministry of Finance shall establish, keep and maintain a Register of public entities which is publicly available. (2)
The Register of Public Entities is updated on an ongoing basis. (3)
Every new legal entity established directly or indirectly by the state or municipalities must be registered in the Register of Public Entities. (4) For the establishment and maintenance of the Register of Public Entities, the Ministry
of Finance shall obtain the necessary data free of charge from the Central Registry of the Republic of North Macedonia and other competent institutions. (5) The form, content, establishment and manner of maintenance of the

The Register of Public Entities is prescribed by the Minister of Finance.

Article 5

Budget classifications

(1) Budget classifications are used to identify the specific purposes and sources of budget funds and to present and systematically monitor revenues and other inflows and expenditures and other outflows by competent authority, economic purpose, function, program and source of financing.

(2) Budget classifications are: 1. an
organizational classification that classifies budget users in a hierarchical organizational structure of related and mutually coordinated entities (main budget user, division and budget user) in order to determine the responsibilities of the entities for planning and managing public funds and employees in order to achieve the set goals;

2. economic classification classifies revenues and other inflows according to their nature and expenditures and other outflows according to their economic purpose into classes, groups, subgroups, sections and basic accounts;
3. functional classification classifies the expenditures and other outflows of the Budget according to their functional general and specific purposes for which they are intended, in accordance with the accepted international classification prescribed by the United Nations; 4. program classification encompasses the division of the budget into policies,
programs, sub-programs and projects or activities defined by the planning documents, while grouping together all public services and activities with a common goal and outcome through an organizational structure;

5. The classification by sources of financing classifies revenues and other inflows into groups in relation to the specific types and purposes of expenditures and other outflows.

(3) The Minister of Finance shall prescribe in more detail the budget classifications referred to in paragraph (2), items 1, 2, 4 and 5 of this Article.

Article 6

Organizational units for financial matters at budget users

(1) Budget users shall establish organizational units for financial matters that perform activities related to the preparation and execution of the budget and other activities related to the management of funds for which they are responsible. These activities may be performed by a budget user for other budget users. (2) The Minister of Finance shall prescribe general guidelines for organizational units for financial matters. The activities and responsibilities of the organizational unit for financial matters must be clearly identified and delimited, as well as in conditions where one budget user performs activities for another budget user.

(3) The provisions set out in paragraphs (1) and (2) of this Article shall apply equally to the state and municipal levels. (4) Employees in the organizational units for financial matters of budget users who carry out activities for the preparation and execution of the budget and other activities arising from this Law shall have the right to continuous professional and expert development and training on topics related to this Law. (5) The training referred to in paragraph (4) of this Article shall be organized and implemented by the Ministry of Finance through trainers with over five years of relevant work experience in the field. (6) Trainers referred to in paragraph (5) of this Article shall have the right to a financial compensation, the amount of which shall be determined depending on the duration in hours, the complexity and the need to prepare materials for the implementation of the training. The amount of the financial compensation for trainers shall be determined by an act of the Minister of Finance.

Article 7

Funds from the European Union

(1) The Ministry of Finance is responsible for managing the funds received from the Budget of the European Union, in accordance with the provisions and rules of the European Union (hereinafter: EU) for financing and concluding contracts and with this or other law.

(2) The EU funds, as well as national co-financing, are presented in the budget in appropriate programs or subprograms.

(3) The Republic of North Macedonia, as a beneficiary of European Union funds, shall establish a system for the protection of the financial interests of the EU.

(4) The Government of the Republic of North Macedonia, upon the proposal of the Minister of Finance, shall establish the structure of the system for the protection of the financial interests of the EU by means of a Decree.

II. FISCAL DISCIPLINE

Article 8

Fiscal and other implications when proposing regulations and acts

(1) The drafter of the proposals for laws and other acts proposed by the Government of the Republic of North Macedonia and the proposer of other regulations adopted by the Government shall mandatorily submit to the Government of the Republic of North Macedonia a completed form for the assessment of medium-term fiscal implications for the state, municipalities and other public entities. The assessment of medium-term fiscal implications shall contain at least:

1. anticipated changes in the inflows and outflows of the State Budget, the budget of municipalities and other public entities for the current and at least the next five years; 2. analysis on which the assessment of fiscal implications is
based; 3. proposal for sources of financing. (2) Based on the form set out in paragraph (1) of
this Article, the Ministry of Finance shall submit to
the Government of the Republic of North Macedonia an opinion on the medium-term fiscal implications.

(3) If budget users propose new regulations, acts or obligations that cause fiscal implications in the following budget years, when preparing the fiscal strategy and the budget, they should be included in new financing initiatives.

(4) The fiscal implications of new regulations, acts or obligations that have not been adopted by the Government, but which have been adopted on the basis of laws and other by-laws and on which a prior opinion has been obtained from the Ministry of Finance, must be in accordance with those laws and other by-laws.

(5) By way of exception to paragraph (4) of this Article, if the fiscal implications of new regulations, acts or obligations that have not been adopted by the Government of the Republic of North Macedonia exceed the fiscal implications of the laws and other acts on the basis of which they were adopted and which have been reviewed by the Ministry of Finance, those acts and appropriate forms for assessing their medium-term fiscal implications must be submitted to the Ministry of Finance. The Ministry of Finance shall submit an opinion on the medium-term fiscal implications to the Government of the Republic of North Macedonia. (6) In the event that the proposed regulations or acts have implications that are aimed at promoting gender equality, a gender-responsive budget statement shall be submitted in addition to them, on which the Ministry of Social
Policy, Demography and Youth shall provide an opinion. (7) The Minister of Finance shall prescribe in more detail the form and content of the Form for Assessment of Medium-Term Fiscal Implications, and the Minister of Social Policy, Demography and Youth, in agreement with the Minister of Finance, shall prescribe the form and content of the gender-responsive budget statement.

(8) The Ministry of Finance may request the proposer to assess the long-term fiscal implications in the case of a regulation with a long-term impact or for a long-term project.

(9) The mayor of the municipality shall submit the fiscal and other implications when proposing regulations and acts to the Municipal Council.

Article 9

Fiscal principles

In addition to acting in accordance with the budgetary principles set out in Article 3 of this Law, the Government should achieve its policy objectives in accordance with the following general principles of responsible fiscal management (fiscal principles): 1. The principle of sustainability of public finances is to maintain the budget deficit

and general government debt at a prudent and sustainable level, which does not impose an excessive burden on the economy, supports economic growth in the long term and does not endanger solvency in relation to the commitments undertaken and the payment of expenditures;

2. principle of a stable tax system, implies that spending and taxation are in accordance with a reasonable degree of stability and predictability of the level of the tax burden;

3. principle of prudent management of fiscal risks arising from: macroeconomic shocks, guarantees provided by the state and municipalities, ownership of public enterprises and other public corporations established by the state and municipalities or in which the state or municipality is the dominant owner, public-private partnerships, and others;

4. Intergenerational responsibility implies that fiscal policy management is implemented in a manner that takes into account the impact on the well-being of current and future generations.

Article 10

Fiscal rules

(1) The budget and fiscal strategy should be in accordance with the fiscal rules relating to the deficit and total debt of the general government.
power.

(2) The general government deficit for the relevant year may not exceed 3% of nominal gross domestic product (GDP). (3) The total general government debt may not exceed

60% of nominal GDP, and the guaranteed public debt may not exceed 15% of nominal GDP.

(4) If the level of general government debt is higher than that set out in paragraph (3) of this Article, the Government of the Republic of North Macedonia shall prepare and adopt a strategy with specific measures and activities that will lead to a reduction of the debt below the level prescribed by this Law within a period of maximum five years. The general government deficit shall be consistent with the movement of general government debt.

(5) For nominal gross domestic product (GDP) in paragraphs (2) and (3) of this Article, the latest data on actual nominal GDP published by the State Statistical Office shall be used. In cases where these data have not yet been published for the relevant year, estimates, i.e. projections of the Ministry of Finance from the latest budget or fiscal strategy shall be used.

(6) The Government may deviate from the established fiscal rules in the event of any of the following exceptional circumstances: 1. natural disasters and external shocks that
threaten national security or human life and health;

2. a state of emergency and/or crisis; 3.
severe financial or economic shocks, which will result in negative or very low annual real GDP growth close to zero, overcoming which requires significant support from fiscal policy.

(7) Derogations from fiscal rules are permitted for the implementation of investment projects with a positive impact on GDP. Deviations should not exceed 0.5% of GDP annually and cumulatively over a period of five years.

(8) For any deviation in accordance with paragraphs (6) and (7) of this Article, the Government of the Republic of North Macedonia shall be obliged to clearly explain to the Assembly of the Republic of North Macedonia, when submitting the first subsequent budget or budget amendment, i.e. the first subsequent fiscal strategy: 1. the reasons for the deviation from the fiscal rules; 2. the corrective measures it has taken and plans to take, in order to re-
observe the fiscal rules, within a period not longer than five years from
the deviation.

(9) The measures and activities referred to in paragraphs (4) and (8) of this Article shall be in accordance with the following principles:
1. Corrective measures and activities should be measurable, distributed according to years and begin to take effect no later than the next budget year;
2. Corrective measures should be proportional to the size of the the deviations.

Article 11

Fiscal Council

(1) The Fiscal Council is an independent body that carries out activities within its scope and competence, as determined by this Law, and is accountable for its work to the Assembly of the Republic of North Macedonia. (2) The Fiscal Council shall, on an independent,
objective and professional basis,
prepares analyses and opinions on:
1. the macroeconomic and fiscal assumptions used for the preparation of the State Budget and the fiscal strategy; 2. the fiscal strategy, the State Budget, the
Amendment and Supplement to the State Budget, the Semi-Annual Budget Implementation Report, the Final Budget Account and other documentation submitted to the Parliament of the Republic of North Macedonia or published in accordance with this Law;

3. fiscal risks and the likelihood of fulfilling the State Budget and fiscal strategy;

4. the fulfillment of the fiscal rules of this law, as well as the risks for deviation from fiscal rules;

5. the occurrence of exceptional circumstances leading to a temporary derogation from the application of fiscal rules in accordance with Article 10 paragraph (6) of this Law, as well as the conditions for temporary derogation for investments in accordance with Article 10 paragraph (7) of this Law; 6. the implementation of corrective measures referred to in Article 10 paragraphs (4) and (8) of this Law. (3) The Fiscal Council may, on its own initiative, i.e. at the request of the Government of the Republic of North Macedonia or the Assembly of the Republic of North Macedonia, also prepare analyses and opinions on the fiscal effects of individual draft laws, as well as on other issues in the area of fiscal policy and public finance management.

(4) The analyses and opinions of the Fiscal Council referred to in paragraph (2) of this Article shall be an integral part of the relevant documents when submitted to the Government of the Republic of North Macedonia or the Assembly of the Republic of North Macedonia for consideration and adoption. If there are any remarks in the analyses and opinions of the Fiscal Council, the Government of the Republic of North Macedonia, through the Ministry of Finance, shall be obliged to prepare a response explaining the reasons for the deviations from the analyses and opinions of the Fiscal Council, which shall also be an integral part of the relevant document.

(5) All analyses and opinions of the Fiscal Council shall be published on its website. website, as soon as possible.

(6) The Fiscal Council shall consist of three members, one member each proposed by the Macedonian Academy of Sciences and Arts (MANU), the State Audit Office and the National Bank of the Republic of North Macedonia, and appointed by the Assembly of the Republic of North Macedonia. The term of office of the members of the Fiscal Council shall be six years, without the right to re-election.

(7) The institutions referred to in paragraph (6) of this Article may announce a public announcement for the application of interested persons who meet the requirements provided for by this Law for members of the Fiscal Council. (8) The members of the Fiscal Council shall act independently, impartially and impartially in their work in accordance with the highest professional and ethical standards. The views expressed by the members in the work of the Fiscal Council or in public appearances related to the activities of the Fiscal Council shall not represent the views of the institutions that proposed them or the institutions with which they are affiliated. (9) A person, a citizen of the Republic of North Macedonia, who has an appropriate reputation, at least a higher education and at least ten years of appropriate professional or academic experience in the field of economics, public finance, accounting and auditing or another related field may be a member of the Fiscal Council. (10) A person may not be a member of the Fiscal Council: 1. who has been sentenced by a final court judgment to a fine or misdemeanor sanction, a ban on performing a profession, activity or duty; 2. who is a member of the Parliament of the Republic of North Macedonia, a member of the Government of the Republic of North Macedonia, an employee of a budget user or other public entity at the state or local level;

3. who is a member of a political party body or has held a public office function in the previous five years;

4. As an exception to point 2 of this paragraph, a member of the Fiscal Council may be a university professor or an employee, i.e. engaged in a scientific research institution or temporarily engaged in an international financial institution. (11) The function of president or member of the Fiscal Council shall cease upon

the following
conditions: 1. upon expiration of
the mandate; 2. in the
event of death; 3. in the event of resignation, submitted with prior written notification to the Assembly of the Republic of North Macedonia within a period of no less than one month from the date of notification;

4. in the event of dismissal. (12) The
President or a member of the Fiscal Council shall be dismissed if: 1. he or she ceases to meet
any of the criteria for appointment as a member of the
The Fiscal Council established in paragraph (9) of this Article;
2. is unable to perform the duties due to physical or mental incapacity lasting more than three months; 3. does not perform the duties of the Fiscal Council for a
consecutive period
of at least two months and 4.
has lost his/her legal capacity. (13) A decision
to dismiss a member of the Fiscal Council shall be adopted by the Assembly of the Republic of North Macedonia, upon the proposal of 20 Members of Parliament, and upon prior written notification of the reasons for dismissal, submitted to the Assembly of the Republic of North Macedonia by the relevant institution referred to in paragraph (6) of this Article.
member.

(14) A vacant position in the Fiscal Council shall be filled within 60 days at the latest by appointing a new member of the Council with a mandate of six years, upon the proposal of the relevant institution referred to in paragraph (6) of this Article.

(15) The Fiscal Council shall adopt a work program and make decisions by a majority of its members. (16) The members of the Fiscal Council shall elect a
President of the Fiscal Council. The President of the Fiscal Council shall represent, manage and organize the work of the Fiscal Council. (17) The members of the Fiscal Council shall perform their activities in the Council without establishing an employment relationship. For their activity in
the Fiscal Council, they shall be paid a monthly remuneration on a net basis in the amount of two net average salaries paid in the Republic of North Macedonia during the previous year.

(18) The work related to the professional and administrative-technical activities for the needs of the Fiscal Council shall be carried out by the Professional Service of the Fiscal Council. The Professional Service of the Fiscal Council shall have the status of a legal entity with its registered office in Skopje. The work of the Professional Service shall be managed by the Head of the Service, who shall represent and advocate for it. The Head of the Service shall be elected from among the employees of the Service by the members of the Fiscal Council and shall be accountable to them for his/her work.

(19) The Fiscal Council's expert service shall consist of four analysts for expert and two employees for administrative and technical support of the work of the Fiscal Council. The internal organization and job descriptions shall be determined by a Rulebook adopted by the Fiscal Council.

(20) The funds for the functioning, including material costs, of the Fiscal Council shall be provided from the Budget of the Republic of North Macedonia upon the proposal of the Fiscal Council, and the latter shall independently decide on the use of the provided funds. (21) At the beginning of the establishment of the Fiscal Council, the Government shall

be obliged to provide spatial and technical conditions for the uninterrupted performance of the tasks within the scope of activities of the Fiscal Council for at least one year.

(22) For the purpose of preparing analyses and opinions within the framework of its mandate, the Fiscal Council shall have the right to access all relevant information and data from budget users and other public entities at the state and local level. All public entities shall be obliged to provide the requested information and data within 15 days of receipt of the request from the Fiscal Council. The Fiscal Council shall have the right to publicly announce public entities that do not comply with these provisions.

(23) The Fiscal Council and each of its members shall be accountable to the Assembly of the Republic of North Macedonia for the accomplishment of the tasks prescribed by this Law.
law.

(24) The Fiscal Council shall submit to the Assembly of the Republic of North Macedonia a report on its work at least once a year by the end of May of the current year for the previous year. The report, which shall also include a report on the management of the funds referred to in paragraph (20) of this Article, shall be published on the website of the Fiscal Council.

Article 11-a

(1) The salaries of the employees of the Professional Service of the Fiscal Council, i.e. the head and analysts, are regulated based on the following coefficients: 1) The Head of the Professional Service of the Fiscal Council, coefficient
3.40

and

2) Analysts of the Fiscal Council's Expert Service, coefficient 3.10. (2) The value of the base is determined by the Fiscal Council within the framework of
the established budget of the Fiscal Council's Expert Service.

(3) The payment of salaries to administrative officials who do not perform professional work related to the work of the Fiscal Council shall be made in accordance with the Law on Administrative Officials.

III. MEDIUM-TERM BUDGET PLANNING

Article 12

Fiscal Policy Statement

(1) The Government of the Republic of North Macedonia shall submit a Fiscal Policy Statement to the Parliament within 100 days of its election. The Statement shall be published on the website of the Ministry of Finance and the Government of the Republic of North Macedonia. The Fiscal Policy Statement shall contain the guidelines for the fiscal strategy during the term of office of the Government of the Republic of North Macedonia.

North Macedonia. The Ministry of Finance is responsible for technical support to the Government of the Republic of North Macedonia in preparing the statement. (2) The fiscal policy statement for a period of five years should contain at least: 1. a projection of the state budget balance; 2. a projection of the general government budget balance; 3. a projection of the general government debt;
4. an announcement of the tax policy that the Government will pursue during its term of office; 5. a projection of GDP growth, foreign trade and the labor market.

Article 13

Strategic planning

(1) The Government shall determine the strategic priorities for at least the next five years no later than 15 January of the current year, taking into account the statement on fiscal policy, fiscal principles and rules, the Government Work Programme, the analysis of the achieved results from the implementation of the Government's strategic priorities from the previous year, the development strategic planning documents, sectoral and multi-sectoral strategies and the assessment of the current socio-economic and social conditions in the country. (2) The Government, based on the analysis carried out, may determine a new priority, redefine an already determined priority and omit a previously determined priority, in the event of significant changes in the conditions and circumstances or a state of emergency. (3) The main budget users shall prepare a strategic plan for the activities and projects within the framework of their competences, aligned with the strategic priorities and objectives of the Government of the Republic of North Macedonia, the National Development Strategy, the Work Programme of the Government of the Republic of North Macedonia, the National Programme for the Adoption of the Acquis of the European Union, the sectoral and multi-sectoral strategies. The Assembly of the Republic of North Macedonia shall develop a strategic plan for the activities and projects within its competence in accordance with the Law on the Assembly of the Republic of Macedonia.

(4) The necessary costs for the implementation of the activities contained in the programs, sub-programs, projects and measures included in the strategic plan should be within the maximum amounts of expenditures (expenditure limits) determined in the Fiscal Strategy. The Strategic Plan shall be harmonized and determined in accordance with the revised fiscal strategy and the adopted budget.

(5) The organizational unit within the General Secretariat of the Government of the Republic of North Macedonia responsible for coordinating the strategic planning process of the main budget users in cooperation with the Ministry of Finance, shall submit detailed instructions and guidelines for the preparation of the strategic plan, sectoral and multi-sectoral strategies.

(6) The strategic priorities of the Government of the Republic of North Macedonia and the strategic plans of the budget users should be aligned with the sectoral and multi-sectoral strategies, as well as with the National Development Strategy, whose priorities and indicators should be the basis for the preparation of these strategic documents.

Article 14

Macroeconomic projections

(1) Macroeconomic projections shall be prepared by the Ministry of Finance. (2) The fiscal strategy shall be prepared on
the basis of realistic macroeconomic and fiscal projections, following the latest available statistical and other relevant data. (3) Macroeconomic projections shall be prepared at least for the current and

the next five years.
(4) The fiscal strategy and macroeconomic projections shall be published on the website of the Ministry of Finance.

Article 15

Income plan and other inflows

(1) The planned revenues and other inflows shall constitute the basis for determining budget appropriations. (2) The Ministry of Finance shall
provide guidance regarding the planning of inflows and the monitoring of execution. (3) The projections of revenues and other inflows as the basis for the fiscal

The strategy and the state budget are prepared by the Ministry of Finance.
(4) The Minister of Finance shall prescribe, by means of instructions, the manner of preparation of macroeconomic and fiscal projections and the process of coordination between organizational units and institutions related to macroeconomic and fiscal projection.

Article 16

Fiscal strategy

(1) The Fiscal Strategy is a document of the Government of the Republic of North Macedonia submitted to the Assembly of the Republic of North Macedonia, which presents the assumptions for the macroeconomic projections and the fiscal policy guidelines for the current and the next five years. The revised Fiscal Strategy is part of the budget documentation. (2) The last approved Fiscal Strategy is the basis for the preparation of other fiscal policy documents, including documents submitted to the EU
institutions.

(3) The Ministry of Finance shall prepare the fiscal strategy and submit it to the Government of the Republic of North Macedonia, taking into account the strategic priorities of the Government of the Republic of North Macedonia and the proposals of the main budget users.

Article 17

Timeframe for preparing the fiscal strategy

(1) The Ministry of Finance shall publish a plan with deadlines for the preparation of the fiscal strategy on its website no later than January 15 of the current year.

(2) The Ministry of Finance shall submit a circular letter on fiscal strategy with guidelines for the preparation of the fiscal strategy to the main budget users in accordance with the timeframe referred to in paragraph (1) of this Article.
member.

(3) The main budget users of the State Budget shall prepare fiscal projections based on existing legislation and existing obligations (hereinafter referred to as: baseline scenario) and a proposal for new projects and new financial obligations (hereinafter referred to as: new initiatives) and submit them to the Ministry of Finance in accordance with the timeframe referred to in paragraph (1) of this Article. The Ministry of Finance shall submit the baseline scenario, the new initiatives and the fiscal space for new initiatives to the Government of the Republic of North Macedonia.

(4) The Government of the Republic of North Macedonia adopts the baseline scenario and new funding initiatives by April 15 of the current year.

(5) The Government shall adopt the fiscal strategy, including an annex containing the maximum amounts of approved funds (expenditure limits) per main budget user of the State Budget, no later than 30 April of the current year and submit it to the Assembly of the Republic of North Macedonia and to the Fiscal Council. Immediately after its adoption by the Government of the Republic of North Macedonia, the Ministry of Finance shall publish the fiscal strategy on its website. (6) The Assembly of the Republic of North Macedonia shall review the fiscal strategy no later than 20 June of the current fiscal year. (7) If elections or a state of emergency occur during the time period specified in paragraphs (4) and (5)

of this Article, the Ministry of Finance shall publish on its website a plan with deadlines for the preparation and adoption of the fiscal strategy.

Article 18

Content of the fiscal strategy

(1) The fiscal strategy shall at least contain a qualitative and quantitative description on:

1. realized macroeconomic developments for the previous year and for the past months of the current year, as well as macroeconomic projections for the current year and the next five years prepared by the Ministry of Finance, including at least projections for real and nominal GDP, inflation, foreign trade and the labor market;
2. realization for the previous year and for the past months of the current year, as well as a projection for the current year and for the next five years of the following parameters of the State

Budget and the budgets of the municipalities, respectively: revenues, expenditures, budget balance (total and primary) and financing, total expenditure limits, deposit balance at the beginning of the fiscal year, guarantees and general government debt;

3. comparison of the implementation of the parameters from points 1 and 2 of this paragraph with the previous Budget and Fiscal Strategy, as well as a qualitative and quantitative explanation of the main deviations;

3-a. analysis and review of the costs of implementing a specific budget policy;

4. a comparison of the projections of the parameters from points 1 and 2 of this paragraph with the previous fiscal strategy, as well as a qualitative and quantitative explanation of the main changes, including changes in policies;

5. comparison of the achieved and projected real GDP, inflation, budget balance and general government debt with other relevant domestic and international institutions, as well as a brief explanation of the main differences, where possible; 6. maximum approved funds (expenditure limits) by parent budget

beneficiaries for the next five years of the State Budget;

7. a description of each policy and program and an explanation of the fiscal implications of new funding initiatives;

8. summary of general government debt management activities, including the planned deficit financing structure, repayments and deposit balances; 9. macro-fiscal risks, including fiscal risks related to contingent liabilities and specific risks with

a quantitative and qualitative explanation of the effects on the key macroeconomic and fiscal parameters referred to in points 1 and 2 of this paragraph;

10. explanation of compliance, i.e. deviation from fiscal rules and for possible deviations from fiscal targets set in the previous fiscal strategy; 11. description of the use of EU pre-accession assistance; 12. analysis of long-term fiscal sustainability; 13. other necessary

information and data. (2) The revised fiscal strategy does not contain point 6 of

paragraph (1) of this article.

Article 19

Contents of the Fiscal Strategy Circular

(1) The Fiscal Strategy Circular contains: 1. strategic priorities

of the Government; 2. preliminary data on current

and projected macroeconomic indicators; 3. draft baseline scenario for the main budget user for the next five

fiscal years;

4. guidelines for medium-term estimates of inflows and outflows for the baseline scenario; 5. guidelines for the preparation of new financing initiatives; 6. other necessary information. (2) The

head of the main budget user is responsible

for providing guidelines for the preparation of projections for the baseline scenario and new financing initiatives for the budget users within his/her competence.

Article 20

Medium-term priorities and selection procedure for new initiatives-projects and activities

(1) New initiatives include new projects, including public investment projects and public-private partnerships and new activities, proposed by the main budget users, including municipalities on their behalf, i.e. on behalf of the public entities under their jurisdiction.

(2) The main budget users, including municipalities, shall submit new initiatives in the form of public investment projects, on their behalf or on behalf of the public entities under their jurisdiction, after a previously conducted assessment and evaluation by the Ministry of Finance, or a working group/committee formed by the Municipal Council, and a determined priority of the proposed public investment projects by an interdepartmental working group/ committee formed by the Government, or the Municipal Council.

(3) The Government of the Republic of North Macedonia, i.e. the Municipal Council, shall decide on the final priority list of proposed public investment projects.

(4) The Law on the Execution of the Budget of the Republic of North Macedonia or the Decision on the Execution of the Budget of the Municipality shall determine the activities and projects that should begin the following year.

(5) The method, content, procedure and criteria for defining, preparing, reviewing, assessing, evaluating, determining priority project proposals for public investments, as well as implementing, monitoring and reporting on the implementation and ex-post review of public investment projects shall be regulated in more detail by the Government of the Republic of North Macedonia, upon the proposal of the Ministry of Finance.

(6) Public entities that are not budget users, except for the National Bank of the Republic of North Macedonia, when preparing their work programs (investment programs), shall select public investment projects from the final priority list of public investment project proposals referred to in paragraph (3) of this Article. (7) Public entities referred to in paragraph (6) of this Article shall

submit quarterly reports to the Ministry of Finance for monitoring the implementation of public investment projects.

Article 21

Citizens' initiative

The main budget users at the state level and the municipalities at the local level shall establish a mechanism for citizen participation in the process of proposing new initiatives in the preparation of strategic plans and fiscal strategies.

IV. BUDGET CONTENT AND FINANCIAL PLANS

Article 22

Budget Content

(1) The state or municipal budget consists of a general part of the budget, a separate part of the budget and a project and multi-year part of the budget.

(2) All revenues and other inflows and all expenditures and other outflows are either part of the Income and Expenditure Statement, the Financial Assets and Liabilities Statement or the Debt Collection and Repayment Statement.

Article 23

General part of the Budget

(1) The general part of the Budget contains all inflows and outflows of the budget for the fiscal year shown in: - a review of revenues and expenditures, - a review of financial assets and liabilities, - a review of borrowing and debt repayment. (2) The review of revenues and expenditures includes: 1. Revenues: - tax revenues, - social contributions, - transfers and donations, - capital revenues, - revenues from the sale of goods and services, - other revenues. 2. Expenditures: - current expenditures, - current transfers, - capital expenditures, - capital transfers, - interest payments, - other expenditures. 3. Budget balance as the difference between revenues and expenditures. (3) The review of financial assets and liabilities includes: 1. Inflows from: - collection of loans granted, - sale of financial assets, - collected claims for guarantees granted. 2. Outflows for: - loans granted, - acquisition with financial assets, - payments under guarantees. 3. Net increase or decrease in financial assets and liabilities as the difference between inflows and outflows in the Statement of Financial Assets and Liabilities.

(4) The Statement of Debt and Repayment includes: 1. Borrowing (inflow); 2. Debt repayment (repayment of principal on loans and debt securities issued) (outflow); 3. Net borrowing or net debt repayment as the difference between

borrowing and repaying debt;

4. Borrowing plan from point 1 of this paragraph. (5) The change in the balance of the account is shown as the difference between the inflows and outflows from the Review of Revenues and Expenditures, the Review of Financial Assets and Liabilities and the Review of Borrowing and Debt Repayment. (6) The general part of the budget is shown by economic classification and by classification of sources of financing.

Article 24

Special section of the Budget

(1) The special part of the budget contains the expenditures and other outflows (from financial plans) of budget users for the fiscal year.

(2) Expenditures and other outflows shall be presented according to the organizational, programmatic, economic classification and classification of sources of financing. (3) Budget users from the same section in accordance

with the organizational classification shall be presented in aggregate, and additional information on individual budget users shall be available within the budget documentation.

Article 25

Project and multi-annual part of the budget

(1) The project and multi-annual part of the budget shall cover all projects, including public investment projects planned to be started or completed in the new budget year or to continue in the next budget year and in the following years in accordance with the program classification and the classification of financing sources. (2) The project and multi-annual part of the budget shall include: 1. duration and total value for each specified project; 2. all planned expenditures and other

outflows for the next five years for each

specified project, as well as the remaining funding until the completion of the project; 3. realized

expenditures and other outflows with an estimate for the current year. (3) All expenditures and

other outflows for projects co-financed from the budget are included in the project and multi-annual part of the budget.

Article 26

Financial plan

(1) The financial plan of the budget user shall be prepared in accordance with budget classifications.

(2) Based on the instructions in the budget circular, budget users are preparing their proposed financial plans.

(3) Financial plans shall be prepared on a cash basis.

V. PREPARATION OF BUDGET AND FINANCIAL PLANS

Article 27

Responsibility for budget preparation

(1) The Ministry of Finance is responsible for preparing the State Budget and for its submission to the Government of the Republic of North Macedonia. (2) The Mayor is responsible for preparing the municipal

budget and for its submission to the Municipal Council.

Article 28

Basis for preparing the State Budget

(1) The basis for the preparation of the Budget is: 1. a statement of fiscal policy; 2. strategic priorities of the Government; 3. draft strategic plans; 4. fiscal strategy;

5. maximum amounts of approved funds (expenditure limits) for the main budget users of the State Budget. (2) The Government, upon the proposal of the Minister of Finance, shall adopt a plan with a time frame deadlines for preparing a budget proposal and financial plan proposal.

Article 29

Budget Circular

(1) Based on the adopted documents referred to in Article 28 of this Law, the Ministry of Finance shall, no later than 1 June of the current year, submit guidelines to the main budget users in the form of a budget circular for the preparation of a draft budget request. The budget circular shall be published on the website of the Ministry of Finance. (2) The budget circular shall contain at least the following elements for the preparation on the state budget proposal:

1. information on current and projected macroeconomic indicators; 2. maximum amounts of approved funds - expenditure limits - by parent budget users for the next five years determined by the Government;

3. guidelines and instructions for the preparation of budget proposals; 4. timeline for submission of financial plan proposals and preparation of budget proposals;

5. other necessary information. (3) The Assembly of the Republic of North Macedonia, when preparing the draft budget request of the Assembly of the Republic of North Macedonia, shall act in accordance with the submitted budget circular and the Law on the Assembly of the Republic of Macedonia. (4) The head of the main budget user is responsible for the allocation of maximum amounts of approved funds - expenditure limits - to the budget users within his jurisdiction. (5) The head of the main budget user shall submit the circular together with the expenditure limits to the budget users within his jurisdiction.

Article 30

Budget circular for municipalities

(1) The Ministry of Finance shall submit a circular to the mayors of the municipalities no later than September 30 of the current year, providing guidelines for the preparation of the municipal budgets.

(2) The budget circular for municipalities shall contain the following elements: 1. strategic priorities of the Government of the Republic of North Macedonia; 2. information on current and projected macroeconomic indicators in accordance with the fiscal strategy;

3. information on the estimated revenues in the budget year and for the next five fiscal years that should be distributed between the State Budget and the municipalities; 4. specific parameters that will be used for the distribution of the approved portion from the value added tax revenues of municipalities;

5. information on earmarked, block and other grants for municipalities, determined by law, as well as estimates for these grants for the next five years; 6. other necessary information. (3) Based on the circular from paragraph (1) of this article, the mayor shall provide the budget users of the municipal budget with the main guidelines and deadlines for preparing draft financial plans.

Article 31

Proposal of financial plans of budget users

(1) Budget users shall prepare draft financial plans (budget requests) in accordance with the instructions, guidelines and expenditure limits contained in the budget circular.

(2) The draft financial plan shall contain at least the following: 1. realization of outflows for the previous year, estimate of realization of outflows for the current year, planned outflows for the next five years in accordance with the budget circular.

2. explanation of the proposed financial plan of the budget users which contains at least: a) description and responsibilities of the budget user; b) explanation of the set goals in accordance with the program classification aligned with the strategies and long-term development documents; c) legal and other bases for planned outflows; d) sources of financing; e) indicators that are the basis for calculating and assessing funds needed for the implementation of the programs; f) gender indicators and a gender-responsive budget statement when identifying

at least one gender target where possible;

g) other explanations and documents in accordance with the guidelines and instructions in the budget circular.

Article 32

Competence and responsibility of budget users

(1) The head of the budget user is responsible for preparing the financial plan and is accountable to the head of the parent budget user.

(2) The head of the main budget user is responsible for: 1. the distribution of expenditure limits among budget users within the framework of its competence; 2. coordination, preparation and submission of draft financial plans of budget users within its competence; 3. forwarding of all materials in accordance with this Law, submitted by the Ministry of Finance to budget users within its competence and 4. approval of the draft financial plan of public enterprises and trade companies established by the Republic of North Macedonia and submission thereof to the Government of the Republic of North Macedonia.

(3) The President of the Assembly of the Republic of North Macedonia is responsible for preparing the financial plan of the Assembly of the Republic of North Macedonia, in accordance with the Law on the Assembly of the Republic of Macedonia. (4) The head of the main budget user represents all budget users within his/her competence in the process of preparing the State Budget, before the Ministry of Finance and before the Government of the Republic of North Macedonia. (5) The Mayor is responsible for preparing the financial plan of the municipality and represents the budget users within his/her competence before the Municipal Council in the process of preparing the budget of the

the municipality.

Article 33

Submission of draft financial plans to budget users

(1) The heads of the main budget users of the State Budget shall submit the draft financial plans of all budget users within their competence, together with the draft strategic plan, to the Ministry of Finance no later than August 15 of the current year.

(2) The heads of the main budget users shall submit the draft strategic plan, as an integral part of the draft financial plans, to the General Secretariat of the Government of the Republic of North Macedonia no later than August 15 of the current year.

(3) If the main budget user has not attached a draft strategic plan to the proposed financial plan, the budget request will be considered incomplete and, upon notification by the Ministry of Finance, will be returned for completion with a specifically set deadline.

(4) The Assembly of the Republic of North Macedonia, in the procedure for preparing and adopting the draft financial plans and the strategic plan, shall act in accordance with the Law on the Assembly of the Republic of Macedonia.

(5) Budget users of the municipal budget shall submit draft financial plans to the mayor.

Article 33-a

Submission of draft financial plans of public enterprises and commercial companies established by the Republic of North Macedonia

(1) Public enterprises and commercial companies established by the Republic of North Macedonia and commercial companies established by them shall prepare a draft financial plan, which shall contain: - realization of inflows and outflows for the previous
year, estimate of realization of inflows and outflows for the current year, planned inflows and outflows for the next five years,

- explanation of the proposed financial plan, - description and
responsibilities of the public enterprise and the state-owned commercial company, - explanation of the set goals and
activities aligned with the strategies and
long-term development documents, - legal and
other bases for planned outflows, - sources of financing, -
monthly review of planned revenues
and expenditures for the following year, - monthly review of planned inflows and outflows for the
following year, - Balance sheet and Income statement for the following year, - monthly review of
planned filling and vacating of job positions for the following year and - other
necessary information. (2) The head of the public enterprise and the trade company established by the Republic of North Macedonia
is responsible for: - preparation and
submission of a draft financial plan to the parent company

budget user,
- submission of monthly, quarterly, annual financial reports and other financial data to the Ministry of Finance, - submission of the approved financial plan by the Government of the
Republic
North Macedonia to the Ministry of Finance and
- submission of semi-annual and annual reports on the implementation of
the financial plan to the main budget user.

(3) The head of the company established by the Republic of North Macedonia shall submit the draft financial plan to the parent budget user, together with the draft financial plans of the companies whose

founder.

(4) The Government of the Republic of North Macedonia shall approve the financial plan referred to in paragraph (1) of this Article, upon the proposal of the head of the main budget user, unless otherwise provided for by another law. (5) The deadlines for preparation, submission and approval of the
financial plan referred to in paragraph (1) of this Article shall be determined in the time-bound plan referred to in Article 28 paragraph (2) of this Law.

Article 34

Proposed financial plans in the budget proposal

(1) The Ministry of Finance shall verify the compliance of the draft financial plans with the guidelines and instructions in the circular and with the approved expenditure limits. The Ministry of Finance may provide guidance on necessary corrections to the draft financial plans so that they are part of the draft budget.

(2) In the event that no agreement is reached between the main budget user and the Ministry of Finance, the Ministry of Finance shall submit the budget proposal to the Government, which shall indicate the requested amount and the amount proposed by the Ministry of Finance.

(3) The Mayor shall coordinate the proposed financial plans of the budget users of the municipal budget and their inclusion in the proposed budget of the municipality.

VI. BUDGET DOCUMENTATION AND BUDGET ADOPTION

Article 35

Budget proposal and budget documentation

(1) The draft state budget is accompanied by a draft law on implementation.
the State Budget and appropriate budget documentation.

(2) The budget documentation shall also
include: 1. a revised fiscal strategy; 2.
an explanation of the budget proposal, which shall include at least: the previous year's performance, the estimated budget performance for the current year, the budget proposal and projections for the next five years, as well as the elements defined in Article 31, paragraph (2), item 2 of this Law; 3. a proposal
for an annual program for the sale of non-financial assets determined with Article 75 of this law;
4. proposed annual program for the sale of financial assets determined by Article 85 of this law;
5. summary review of gender-responsive budget statements of budget users. (3) The municipal
budget proposal is accompanied by a Decision on the implementation of the municipal budget and appropriate budget documentation.

Article 36

Contents of the Law on the Execution of the State Budget/Decision on the Execution of Municipal Budgets

(1) The Law on the Execution of the State Budget shall contain, in particular, provisions
on: 1. maximum approved expenditures of the State Budget; 2.
rules for the reallocation of the budget in accordance with Article 47 of this Law; 3.
percentage of approved liabilities for which future payments will be required in
in accordance with Article 52 of this Law;
4. payment deadlines for all budget users in accordance with Article 64 of this Law; 5. maximum
amount of borrowing of the State Budget, maximum aggregate amount of borrowing of all municipal budgets and limitation of borrowing of other public entities in accordance with Article 88 of this Law;
6. the total amount of newly issued guarantees by the state in accordance with the article 88 of this law;

7. specific authorizations of the Government and the Ministry of Finance for execution of the State Budget for each year;

8. other provisions that enable the smooth execution of the State Budget. (2) The decision on the execution of the municipal budget shall contain, in particular, provisions for:

1. maximum approved expenditures of the municipal budget; 2. provision according to which the repurposing of the municipal budget will be in compliance with the provisions of the Law on Execution of the State Budget;

3. the maximum amount of borrowing of the municipal budget in accordance with the law; 4. the total amount of newly issued guarantees for public entities that are established by the municipality;

5. specific authorizations of the mayor for budget execution; 6. other provisions that enable the smooth execution of the budget of the municipality.

Article 37

Adoption of the State and Municipal Budgets

(1) The Minister of Finance, the ministries and the mayors shall present the draft state budget, i.e. the draft budgets of the municipalities, to the public.

(2) The Government shall submit the draft state budget, together with the draft law on budget execution and the accompanying documents referred to in Article 35, paragraph (2) of this Law, to the Assembly of the Republic of North Macedonia no later than 15 October of the current year. (3) After submitting the draft budget to the Assembly of the Republic of North Macedonia, the Government of the Republic of North Macedonia shall submit a copy of all documents referred to in paragraph (2) of this Article to the Fiscal Council.

(4) A session of the Assembly of the Republic of North Macedonia shall be held after the expiration of at least 20 days from the date of submission of the draft state budget to the Assembly of the Republic of North Macedonia.

(5) The Minister of Finance shall present the draft state budget to the Parliament of the Republic of North Macedonia. At the request of the Minister of Finance or at least five Members of Parliament, the head of the main budget user of the Government of the Republic of North Macedonia shall present the draft budget of the main budget user to the Parliament of the Republic of North Macedonia together with the Minister of Finance.
(6) The Parliament of the Republic of North Macedonia shall adopt the Budget of the state for the following year no later than December 25 of the current year.

(7) After the adoption of the State Budget by the Parliament of the Republic of North Macedonia, the Ministry of Finance shall publish it on its website with all accompanying documents.

(8) The Mayor of the municipality shall submit the draft budget to the Council for adoption no later than November 15 of the current year. The Municipal Council shall adopt the budget for the following year no later than December 25 of the current year and it shall be published on the municipality's website.

Article 38

Restrictions on the adoption of the Budget

(1) During the procedure for adopting the Budget, any increase in a proposed budget appropriation shall be accompanied by a corresponding decrease in other proposed appropriations within the same source of financing. (2) Reserves, funds planned for debt servicing in the draft budget or funds for which obligations have already been

undertaken in previous years in accordance with this or any other law may not be reduced.

Article 39

Temporary financing

(1) If a budget is not adopted before the year to which it refers, the financing of the state and municipalities and the execution of their competencies and other legal obligations (hereinafter referred to as: temporary financing) starting from 1 January of the new budget year, shall be temporarily carried out on the basis of the budget of the previous year and shall be applied for the same purposes and programs/projects and activities as in the previous year.

(2) During the temporary financing, the funds may be used up to a level of 90% of the funds spent during the same month of the previous year, except for repayment of the principal, interest, other obligations arising from borrowing and unexpected exceptional events that threaten the security of the country or the lives of citizens. (3) During the temporary financing, budget users may not increase the number of employees compared to the situation on 31 December of the previous year.

(4) Notwithstanding paragraphs (2) and (3) of this Article, projects and activities financed by donors shall continue in accordance with the agreements with the donors and the funds provided.

(5) After the expiration of the temporary financing, the liabilities paid during this period are calculated in the adopted state or municipal budget.

(6) The decision on temporary funding at the state level shall be adopted by the Government of the Republic of North Macedonia, which shall notify the Parliament of the Republic of North Macedonia.

(7) The decision on temporary financing at the local level shall be adopted by the Council. the municipality.

VII. BUDGET EXECUTION

VII.1. General provisions

Article 40

Responsibility for budget execution (1) The

Government of the Republic of North Macedonia is responsible to the Parliament of the Republic of North Macedonia. Republic of North Macedonia for the execution of the State Budget.

(2) Mayors are responsible to the Municipal Council for the execution of the municipal budgets. (3) Reporting on the execution of the budget to the

Assembly of the Republic of North Macedonia and/or the Municipal Council shall be carried out in accordance with Articles 91, 92, 93, 94, 95 and 96 of this Law.

(4) The Ministry of Finance shall be obliged to regularly monitor the execution of the budget and, if necessary, to inform the Government of the Republic of North Macedonia of any deviations in the execution of the revenue and expenditure plan. (5) The organizational unit for financial affairs in the municipalities shall be obliged to

regularly monitor the execution of the budget and, if necessary, to inform the mayor accordingly.

Article 41

Responsibility of the head of the budget user for the execution of the financial plan

(1) The head of the budget user is responsible for the execution of the approved financial plan of the budget user.

(2) The head referred to in paragraph (1) of this Article may authorize persons who will perform activities for the collection of revenues and other inflows, execution of expenditures and other outflows that are within the competence of the budget user. Collection and execution also include the reservation of funds, assumption and confirmation of obligations, issuance of payment orders, determination and collection of receivables and other activities that will ensure financial management and control. The authorizations shall be delegated in writing.

(3) The persons referred to in paragraph (2) of this Article shall carry out the activities of this Article in accordance with this or other law. (4) The authorized persons

referred to in paragraph (2) of this Article shall also be responsible for the execution of the approved financial plan of the budget user in accordance with the given authorizations. (5) An exception to paragraph (2) of this Article

are budget users that have a regulatory function (regulatory bodies) and other budget users that are not under the jurisdiction of the Government of the Republic of North Macedonia and that have autonomy in the execution of their approved financial plans in accordance with the rules and procedures regulated by this Law.

Article 42

Commitments from previous years and initial adjustments to the adopted budget

(1) Budget users shall provide funds to cover liabilities carried over from the previous year that are not foreseen in the adopted budget for the current year, within the framework of their own financial plan and in accordance with Article 47 of this Law.

(2) Budget users shall adjust their financial plans within 30 days from the start of budget implementation in order to settle the financial obligations from the previous year. (3) The Government of the Republic of North Macedonia shall inform the Assembly of the Republic of North Macedonia, i.e. the Mayor shall inform the Municipal Council, of the adjustments referred to in paragraph (2) of this Article, no later than forty-five (45) days from the start of budget implementation.

Article 43

Harmonization and adoption of financial plans

(1) In the event that the section has more than one budget user, the financial plans of these budget users shall be harmonized with the adopted funds within thirty (30) days from the start of the implementation of the budget. (2) The main budget user shall be responsible for harmonizing and approving the financial plans referred to in paragraph (1) of this Article. The main budget user shall submit the approved financial plan to the Ministry of Finance.

(3) The main budget user may designate a budget user in within the framework of its competence for the activities referred to in paragraph (1) of this Article.

(4) The main budget user and the budget users who do not comply with them the provisions of paragraph (1) of this article may not use the funds.

(5) At the local level, the organizational unit for financial matters in the municipality is responsible for the coordination, and the mayor for the approval of the financial plans of the budget users in the municipality.

VII.2. Budget inflows, outflows and liquidity planning

Article 44

Collection of revenues and other inflows

(1) The collection of revenues and other inflows shall be carried out in accordance with the law, regardless of the planned amount in the budget. (2) Budget users who are authorized by law to collect revenues and other inflows from the budget, as well as budget users who generate revenues from operations within their jurisdiction, are responsible for their full and timely collection. (3) The main budget user shall monitor the collection of revenues and other inflows as well as the collected revenues and other inflows on the accounts of budget users within their jurisdiction. (4) Revenues and other inflows of the State Budget and the budgets of municipalities

are paid to ETS.

Article 45

Outflows and allocations by quarter for liquidity purpose

(1) After the start of budget implementation, the Ministry of Finance, in cooperation with the main budget user, shall determine quotas by quarter or other period for the use of funds.

(2) The Government of the Republic of North Macedonia shall adopt the quotas at the level of the main budget users by decision upon a proposal from the Ministry of Finance. (3) The main budget user shall distribute the

quotas referred to in paragraph (2) of this Article to the budget users within its jurisdiction. Budget users may pay only up to the amount determined by the quota.

(4) The increase in the quota of a main budget user may be approved by the Ministry of Finance, if the quota is reduced by the same amount for another main budget user or if the collected budget revenues are higher than initially estimated. (5) As an exception to paragraph (4) of this Article, the Government of the Republic of North Macedonia may, by decision, change the

quota referred to in paragraph (1) of this Article, upon a proposal from the Ministry of Finance.

(6) The Mayor is responsible for determining and managing the quotas within the budget of the municipality. (7) The Government of the Republic of

North Macedonia shall adopt the quotas for the Assembly of the Republic of North Macedonia by decision upon the proposal of the Assembly of the Republic of North Macedonia. The President of the Assembly of the Republic of North Macedonia or the authorized persons in accordance with Article 41 paragraph (2) of this Law shall be responsible for determining and managing the quotas within the budget of the Assembly.

Article 46

Budget liquidity planning

(1) The Ministry of Finance shall plan the liquidity of the budget by forecasting the budget cash flow based on the projected budget revenues and other inflows and the submitted monthly budget execution plans of the main budget users. (2) The monthly budget execution plan of the main budget user shall consist of the planned aggregate expenditures and other outflows and revenues and other

inflows of all budget users under its jurisdiction for a certain month. The monthly budget execution plans shall be submitted at least seven days before the beginning of the month.

(3) The maximum amount of planned monthly expenditures and other outflows shall be determined by the Ministry of Finance in accordance with the available budget liquidity no later than the last day of the current month for the following month.

(4) The organizational unit for financial matters at the municipality is responsible for planning the liquidity of the municipal budget by forecasting the cash flow based on the estimated revenues and other inflows and the planned expenditures and other outflows of the municipal budget users for the upcoming period.

(5) The Minister of Finance shall prescribe in more detail the method of planning the liquidity of the budget.

VII.3. Redistribution of funds

Article 47

Budget flexibility

(1) Budget appropriations may not be reallocated except under the conditions and in the manner provided for by this Law, the Law on Budget Execution of the Republic of North Macedonia and the Decision on Budget Execution of the Municipality.

(2) As an exception to paragraph (1) of this Article, no reallocation of budget funds between the Revenue and Expenditure Review, the Financial Assets and Liabilities Review and the Debt Debt Repayment Review is permitted. (3) In circumstances where the provisions of paragraphs (1) and (2) of this Article cannot be complied with, the procedures for balancing the budget under Article 60 or for amending and supplementing the budget under Article 61 of this Article shall be applied.

law.

(4) As an exception to paragraph (3) of this Article, any formal decision of the Municipal Council for reallocation of appropriations in accordance with this or any other law shall, by its nature, be considered a decision to amend the budget in accordance with this Law.

Article 48

Redistribution of funds for repayment of principal, interest and guarantees

(1) Obligations and other debts relating to the repayment of the debt of the state or municipalities arising from concluded loan agreements, concluded guarantee agreements, issued debt securities and other borrowing instruments in a manner prescribed by law, shall be performed regardless of the appropriations approved for this purpose in the State Budget or the

the municipality.

(2) By way of derogation from Article 47 paragraph (2) of this Law, the Government of the Republic of North Macedonia or the Municipal Council may reallocate the funds for the fulfillment of the obligations referred to in paragraph (1) of the Revenue and Expenditure Review. (3) The Government of the Republic of North Macedonia shall notify the Assembly of the Republic of North Macedonia of the reallocation of the funds referred to in paragraph (2) of this Article within 30 days from the date of the reallocation.

Article 49

Reallocation of funds for payment of court decisions

(1) Obligations relating to final court decisions and agreements shall be carried out from the budget funds at the level of the relevant main budget user, regardless of the funds planned for this purpose. (2) The Government may redistribute the funds between the main budget users or the Municipal Council between the budget users for the fulfillment of the obligations referred to in paragraph (1) of this Article from the Revenue and Expenditure Review.

(3) In the event that the provisions of Article 47 paragraph (1) of this Law cannot be complied with, the procedures for balancing the budget shall be initiated in accordance with Article 60 of this Law or amending and supplementing the budget in accordance with Article 61 of this Law. (4) The Minister of Finance shall prescribe the manner of budget
execution and
redistribution of funds in the event of court decisions and settlements.

VII.4. Undertaking of obligations

Article 50

Making commitments in the budget for the current year

(1) The budget user undertakes an obligation by concluding a contract, by signing or issuing a document with the character of a contract or by adopting an individual legal act.

(2) An obligation that gives rise to expenditures and/or other outflows from the budget and is based on a law, a by-law or a final judicial or administrative decision shall also be considered an assumed obligation.

(3) Before undertaking a new obligation in accordance with paragraph (1) of this Article, the budget user shall check whether there are available funds within the relevant budget appropriation of the applicable budget and/or other available funds in accordance with this or another law. (4) The budget user may not undertake an obligation in excess of the allocated funds.

appropriations and the appropriate available funds.
(5) The budget user must conclude an agreement, sign or issue
another document that has the character of a contract for the procurement of goods and services.
(6) By way of derogation from paragraph (5) of this Article, the budget user may conclude an agreement, sign or issue another document for co-financing a project or programme co-financed by the EU or donor funds even after the start of the implementation of the project or programme. (7) In the case where several budget users provide funds for a particular project or activity, only one multilateral
agreement may be concluded. Unless otherwise provided for in the agreement, the first signatory shall coordinate the matters and shall check whether there are available funds within the relevant budget appropriation of the applicable budget of all signatories.

(8) The budget user shall record the liabilities in the treasury system.
general ledger within five working days from the date of undertaking the obligation.
(9) The Minister of Finance shall prescribe in more detail the manner of taking over
obligations in accordance with this article.

Article 51

Making commitments in the budgets for the following years

(1) The budget user may, to the extent prescribed by the Law on Budget Execution of the Republic of North Macedonia or the Decision on Budget Execution of the Municipality, undertake obligations that would result in payment in the following years.

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(2) Before undertaking a commitment that requires payments in subsequent years, the budget user shall request a statement from the Ministry of Finance on the availability of spending rights.

(3) Changes in the dynamics of payments arising from the undertaken obligation shall be immediately reported to the Ministry of Finance. (4) Payments arising from an undertaken obligation in accordance with this Article shall be planned and transferred to the budget for the year in which they are due for payment. (5) The restrictions referred to in paragraph (1) of this Article shall not apply to obligations related to the borrowing of the state or municipality, the management of the debt of the state or municipality and to projects financed by EU funds for which co-financing is required. (6) The Minister of Finance shall prescribe in more detail the manner of undertaking multi-annual obligations or of changing any of the key elements of those already undertaken obligations in accordance with this Article.

Article 52

Prerequisites for starting public procurement

(1) Before initiating a public procurement procedure, the funds for the estimated obligation are reserved within the approved budget for the current year, and the possibilities for transferring obligations to the budgets for subsequent years are confirmed in accordance with the provisions of this Law.

(2) The Minister of Finance shall prescribe in more detail the manner of availability of spending rights in the budget before the start of a public procurement procedure.

VII.5. Inclusion of unplanned budget inflows and outflows

Article 53

Inclusion of commitments based on new legislative acts or new projects or activities in the budget

(1) After the adoption of the budget, if a new law or other by-law is adopted that is not provided for in the annual plan and that results in new obligations for the budget, the Government of the Republic of North Macedonia or the Mayor shall include the specified obligations in the budget by reallocating appropriations in accordance with Article 47 of this Law or by using the general budget reserve in accordance with Article 59 of this Law.

(2) Budgetary appropriations may not be reallocated to undertake obligations for new projects or activities in the budget for which no budgetary appropriations were foreseen, except under the conditions and in the manner prescribed by this Law or by the Law on Budget Execution or by the Decision on Budget Execution.

of the municipality.

Article 54

Dedicated budget inflows and outflows

(1) Dedicated revenues and other budget inflows include donations, subsidies, assistance, insurance compensation, revenues from budget users' own activities and inflows from dedicated loans, as well as other types of revenues and budget inflows provided for as dedicated by the Law on Budget Execution of the Republic of North Macedonia or by another law.

(2) Dedicated expenditures and other outflows mean budget expenditures and other outflows financed from dedicated revenues and other inflows. (3) Budget users shall undertake the

obligations financed from dedicated revenues and other inflows from the budget in accordance with Articles 50 and 51 of this Law. (4) Budget users shall pay dedicated expenditures and other outflows from the budget only up to the amount of the

collected dedicated revenues and other inflows. (5) If dedicated revenues are realized in a larger amount compared to the planned dynamics or new dedicated revenue is determined during the year, the Ministry of Finance,

up to the amount determined by the Law on the Execution of the Budget of the Republic of North Macedonia, i.e. the Government of the Republic of North Macedonia may decide to include it in the adopted budget with an appropriate budget appropriation above the amount determined by the Law on the Execution of the Budget of the Republic of North Macedonia and shall notify the Assembly of the Republic of North Macedonia thereof. (6) If the earmarked revenues of the regulatory budget users and budget users not under the jurisdiction of the Government are realized in a larger amount than planned or new earmarked revenues are determined during the year, they may be included in the budget with an appropriate budget appropriation and the Assembly of the Republic of North Macedonia shall be informed

thereof.

(7) The earmarked revenues and other inflows that are not used in the current year, including other revenues that are realized in a larger amount compared to the planned dynamics or are newly determined during the year, shall be transferred to the budget of the following year, unless otherwise regulated by the Law on Budget Execution of the Republic of North Macedonia. They may be used in the following year to the extent of the planned funds in the financial plans of the budget users.

(8) The earmarked inflows and outflows relating to the municipal budget, which are realized in a larger amount than planned or new earmarked income is determined during the year, may be included in the budget with an appropriate budget appropriation following a previously adopted decision by the Municipal Council, upon the proposal of the Mayor of the municipality.

(9) The Minister of Finance shall prescribe in more detail the manner of including earmarked revenues and expenditures in the budget and shall determine the purposes for using the revenues from the budget users' own activities.

Article 55

Refund of incorrectly paid funds

(1) If funds are incorrectly paid, the responsible person of the budget user shall immediately establish claims and undertake activities to return the paid funds.

(2) For collection in the same financial year, the realization of the outflows of the budget user from whose financial plan the payment was made shall be corrected. (3) The collection of funds that were incorrectly paid in previous years shall be extraordinary income.

(4) If the donation is not used in the manner and under the conditions determined by the donor, the budget user shall provide funds from its financial plan or from the financial plan of the parent budget user for the claim by the donor on this basis.

(5) If EU funds are not used in the manner and under the conditions specified in the relevant agreement and the funds are requested by the relevant EU body, the budget user shall provide funds from its financial plan or from the financial plan of the parent budget user.

Article 56

Potential liabilities from court decisions

(1) Budget users shall notify the State Attorney's Office of the Republic of North Macedonia of judicial and extrajudicial disputes that may have direct or indirect financial consequences for the budget no later than 15 days from the written notification of the dispute.

(2) The State Attorney's Office of the Republic of North Macedonia shall keep the Ministry of Finance informed of all potential liabilities referred to in paragraph (1) of this Article. (3) The Minister of Finance shall prescribe the manner of notification, the form and the content and manner of keeping records of the obligations under this article.

Article 57

Change of budget users during the fiscal year

(1) If the area of work or the competence of the budget user is changed or transferred to another budget user, the volume of budget appropriations shall be increased and decreased accordingly by a decision of the Government of the Republic of North Macedonia. (2) If after the adoption of the budget a new budget user is established, its financing is secured before it starts operating.

(3) If a new budget user takes over some of the tasks of an existing budget user, the corresponding volume of budget appropriations of the budget user shall be reallocated. (4) If a new budget user takes over the tasks of the terminated budget user, the corresponding budget allocations shall be reallocated and the remaining funds and liabilities of the terminated budget user shall be taken over.

(5) If a new budget user has a new scope of work and authorizations, an amendment to the budget shall be proposed and adopted. (6) If a budget user ceases to exist during the year and if its tasks are not taken over by another budget user, the appropriations for which no commitments have been made shall be transferred to the general budget reserve and all funds for which no commitments have been made, and which have been carried over from previous years, shall be transferred to the general budget reserve. The remaining funds and obligations of the budget user that has ceased to exist shall be taken over by another budget user that must be defined in the act of termination.

(7) If, after adopting a budget, the authority of a budget user within the municipality is established, terminated or changed, the volume of budget appropriations shall be increased and decreased accordingly, by decision of the Municipal Council.

VII.6. Budgetary reserves

Article 58

Permanent budget reserve

(1) The budget shall provide funds for a permanent budget reserve.
The permanent budget reserve is a separate account within the ETS system.

(2) The permanent budget reserve is used to eliminate the consequences of natural disasters, emergency and/or crisis situations, pandemics, epidemics and environmental disasters. (3) The funds in the permanent budget reserve account are increased/cumulated monthly by 1/12 of the budget appropriation for the permanent budget reserve. The total annual funds collected on this basis may not exceed 1% of the planned revenues from the Revenue and Expenditure Review for the current year and are planned within the financial plan of the Ministry of Finance. (4) The Government decides on the use of the permanent budget reserve of the State Budget. (5) Payments from the permanent budget reserve may be made up to the level of the available funds in the permanent budget reserve account. If the payment obligations from the permanent budget reserve exceed the level of available funds in the account, the funds will be provided from the budget appropriation for the permanent budget reserve, as an exception to paragraph (3) of this Article, within the framework of the applicable budget.

(6) At the end of the current year, all unused funds in the permanent reserve account shall be carried over to the following year.

(7) In the municipal budget, funds for a permanent budget reserve are planned and are increased/ cumulated monthly by 1/12 of the budget appropriation for a permanent budget reserve. (8) The municipal council decides on the use of the permanent budget reserve.

reserve of the Municipality's budget.

Article 59

General budget reserve

(1) The budget shall plan and separately present funds for general budget reserve.

(2) The funds from the general budget reserve shall be used for unforeseen cases for which funds are not planned in the budget or the approved funds are insufficient. The general budget reserve in the event of an emergency and/or crisis may be increased by redistributing funds among the main budget users, as decided by the Government of the Republic of North Macedonia, but the reduction may be up to 5% of the existing budget funds of the main budget users, while not disrupting their regular functioning and exercise of the established legal responsibilities.

(3) The general budget reserve may not exceed 3% of the planned revenues from the Revenue and Expenditure Review for the current year and is planned within the framework of the financial plan of the Ministry of Finance. (4) The Government of the Republic of North

Macedonia shall decide on the use of the general budget reserve on the basis of a Proposal of the main budget user, prepared on the basis of a request from the budget user. The approved funds shall be reallocated from the general budget reserve to an appropriate project or activity from the financial plan of the budget user. (5) Funds for the general budget reserve shall be planned in the municipal budget. (6) The Municipal Council shall decide on the use of the general budget reserve of the municipal

budget.

VII.7. Temporary suspension or limitation of budget execution and Amendment and supplement to the budget

Article 60

Budget balancing measures

(1) If during the year the realization of revenues deviates by 10% from the plan or expenditures increase as a result of new obligations in the budget, changes in economic trends, changes in political priorities, the Government of the Republic of North Macedonia, upon the proposal of the Ministry of Finance, may, by decision, stop or limit the execution of expenditures and other outflows (hereinafter: temporary suspension of budget execution) for a period of up to 45 days.

(2) The measures covered by the temporary suspension or restriction of budget execution also includes:

1. Stopping or limiting the assumption of obligations; 2. Obtaining prior consent from the Government of the Republic of North Macedonia, upon prior opinion from the Ministry of Finance, for the conclusion of an agreement by the budget user;

3. Suspension or limitation of the reallocation of the approved funds. (3) The measures relating to the temporary suspension or limitation of the execution of the budget shall be applied equally to all budget users for individual budget appropriations, except for the Assembly of the Republic of North Macedonia. (4) If the Government of the Republic of North Macedonia, within 30 days from the date of the temporary suspension or limitation of the execution of the budget, assesses that balancing the budget is impossible only by implementing the measures, it shall propose an Amendment to the Budget.

(5) The Government of the Republic of North Macedonia must notify the Parliament of the Republic of North Macedonia of the Decision referred to in paragraph (1) of this Article immediately after its adoption.

(6) If during the year in the Municipality's budget, the realization of revenues deviates by 10% from the plan or expenditures increase as a result of new obligations in the budget, changes in economic trends, change in political priorities, the Municipal Council, upon the proposal of the Mayor, may by decision stop or limit the execution of expenditures and other outflows (temporary financing) for a period of up to 45 days. (7) If within 30 days from the date of the temporary stop or limitation of the execution of the Municipality's budget it is assessed that balancing the Municipality's budget is impossible, an Amendment and Supplement to the Municipality's budget shall be proposed.

Article 61

Amendment and supplement to the budget

(1) If during the year the realization of revenues or expenditures significantly deviate from the plan, the Ministry of Finance shall propose amendments and supplements to the budget to the Government of the Republic of North Macedonia.

(2) The proposed amendments and supplements to the budget shall follow the structure of the approved budget. The proposed amendments and supplements to the budget shall be submitted to the Assembly of the Republic of North Macedonia with at least the following documentation: 1. an explanation of the reasons for preparing the proposed amendment and budget supplement;

2. explanation of the impact of the Amendments and Supplements to the Budget on the medium-term fiscal projections presented in the fiscal strategy;

3. The explanation of the budget amendment proposal shall include at least: a) the last approved budget for the current year; b) changes in the last approved budget for the current year/current budget;

c) a draft budget amendment; d) changes in the elements defined in Article 31 paragraph (2) item 2 of this Law from the last approved budget for the current year. (3) In the procedure for amending the Budget, the financial plan of the Assembly of the Republic of North Macedonia may not be changed without the consent of the Assembly of the Republic of North Macedonia, in accordance with the Law on the Assembly. (4) During the procedure for adopting the draft budget amendment, the Government of the Republic of North Macedonia may temporarily suspend or limit the execution of the budget as provided for in Article 60 of this Law.

(5) The Assembly of the Republic of North Macedonia or the Municipal Council shall adopt the Amendments and Supplements to the Budget upon the proposal of the Government of the Republic of North Macedonia or the Mayor no later than November 15 of the current year.

(6) If during the year the realization of revenues or expenditures significantly deviate from the plan, the Mayor shall propose amendments and supplements to the municipal budget to the Council.

Article 62

Budget implementation by the end of the year

(1) The Minister of Finance may, by means of an instruction, regulate the manner of budget execution until the end of the year, no later than November 15 of the current year, which shall contain at least: 1. deadlines by which budget users may undertake new obligations; 2. deadlines by which budget users may submit payment documentation; 3. deadlines for reallocation. (2) As an exception to the deadlines referred to in paragraph (1) of this Article, new obligations or the reallocation of budget appropriations shall be undertaken only with the prior consent of the Ministry of Finance.

(3) The mayor of the municipality may determine the manner of execution of the municipal budget by the end of the year, no later than November 15 of the current year.

VII.8. Payment of incurred liabilities and refunds to the budget

Article 63

Payment of accrued liabilities

(1) Budget users may make payments only for already procured goods, services and works performed and other obligations that have already been fulfilled.

(2) Every expenditure or outflow from the budget must be based on reliable accounting documentation, which proves the payment obligation that has arisen.

(3) The legal basis and the amount of the payment obligation arise from accounting documentation, which must be verified and confirmed before payment. (4) Payment must be in accordance with the documents from which it arises.

the payment obligation incurred.

(5) Payments in foreign currency are made according to the official exchange rate. of the National Bank of the Republic of North Macedonia on the day of payment.

(6) The payments made are recorded in the treasury main system. book.

(7) The Minister of Finance shall prescribe in more detail the manner of confirming and recording incoming invoices and other related documentation and payments from the State Budget or the municipal budget.

Article 64

Payment deadlines

(1) The obligations of budget users shall be fulfilled in accordance with the payment deadlines prescribed by law. (2) The payment period shall begin on the day of receipt of an invoice or other document. an appropriate payment document, which is the basis for the payment.

Article 65

Advance payments

(1) By way of exception to Article 63 of this Law, advance payments are permitted in the following cases:

1. contractual obligations that are a business practice and if the contract cannot be to be concluded otherwise;
2. contractual obligations for projects financed by the EU, international organizations or international financial institutions; 3. business travel expenses; 4. deposits at a public auction; 5. advances for payment for legal proceedings; 6. if so determined by the donor or creditor. (2) Advance payment is also permitted in cases provided for by the Law on Public Procurement, international contracts, agreements, memoranda and intergovernmental agreements.

VII.9. Employment and salary agreement

Article 66

Payment of salaries to employees of budget users

(1) Before submitting requests for payment of salaries, the main budget users shall submit a request for approval of funds for salaries to the Ministry of Finance, which shall contain: the number of employees, the structure by

qualifications and other necessary data. The request for approval of funds for salaries must be in accordance with the approved budget by subprogram and must be submitted to the Ministry of Finance two days before the date of payment of the

the salary.

(2) The main budget users shall prepare a collective request for approval of funds for salaries, based on the individual calculations received from the budget users under their jurisdiction, within the deadline prescribed in paragraph (1) of this Article. **Paragraphs 3 and 4 are repealed,** see: Decision of the Constitutional

Court of the Republic of Macedonia,

U.No.192/2023 and 193/2023 ("Official Gazette of the Republic of Macedonia"

No.39/24). **Article 67**

Employment consent

(1) Budget users of the State Budget may employ new workers and fill vacant positions, employ workers for a fixed term and conclude contracts for the assignment of a worker for temporary employment to perform temporary work, only on condition that funds have been provided for this in the State Budget and if they are planned in the plan for filling positions during the fiscal year, which is submitted when submitting the budget calculation. Requests for consent for employment, budget users other than public

enterprises submit them through their main budget users.

(2) Public enterprises and public legal entities established by the central government, as well as commercial companies established by the Republic of North Macedonia and commercial companies established by them, except for independent regulatory bodies with public authorizations determined by law, may employ new workers and fill vacant positions, employ workers for a fixed term and conclude contracts for the assignment of a worker for temporary employment to perform temporary work, only on condition that funds are provided for this in the financial plans for the current fiscal year.

(3) Budget users of funds from the municipal budgets may employ new workers and fill vacant positions, employ workers for a fixed term and conclude contracts for the assignment of a worker for temporary employment to perform temporary work, only on condition that funds are provided for this in the municipal budgets.

the municipalities.

(4) When employing new workers and filling vacant positions, when employing workers for a fixed term and when concluding contracts for the assignment of a worker for temporary employment to perform temporary work, from paragraphs (1), (2) and (3) of this Article, the principle of adequate and fair representation of members of the communities in the Republic of North Macedonia shall be respected.

(5) The Ministry of Finance, i.e. the mayor of the municipality, shall be obliged, within 30 days from the date of receipt of the application for employment, to notify in writing the institutions referred to in paragraphs (1), (2) and (3) of this Article of the funds provided for employment.

(6) For funds provided for the employment of administrative officials, the Ministry of Finance, i.e. the mayor of the municipality, shall provide written notification after a previously given positive opinion by the Ministry of Public Administration on the systematization acts.

(7) The Assembly of the Republic of North Macedonia shall act in accordance with the Law on the Assembly of the Republic of Macedonia for approval of provided financial resources for employment.

VII.10. Procedure for allocation of funds

Article 68

Distribution of refundable and non-refundable funds

(1) The state or the municipality may encourage and support certain programs and projects by allocating refundable funds for financing under favorable conditions and/or non-refundable funds to legal entities and individuals. (2) When budget users allocate funds, they do so through a public tender, a public call or through direct selection of

recipients in exceptional circumstances with the prior consent of the Government of the Republic of North Macedonia/Municipal Council. (3) The provisions of this Article do not apply to the procedures established by another

law or if funds are allocated directly on the basis of law.

VIII. SINGLE TREASURY ACCOUNT SYSTEM

Article 69

Single Treasury Account and Single Treasury Account System

(1) The Ministry of Finance shall open an ETS at the National Bank of the Republic of North Macedonia through which transactions will be carried out and the collection of all inflows and the execution of all outflows of the State Budget, the budgets of municipalities and budget users and other budget users will be recorded, unless otherwise prescribed by another law.

(2) In addition to the ETS, the Ministry of Finance may open other accounts, including foreign currency accounts, with the National Bank of the Republic of North Macedonia. Only in exceptional cases may the Ministry of Finance open an account with another credit institution or payment service provider for the management of separate cash assets that require separate operational execution and monitoring.

(3) Budget users and municipalities shall open accounts and may deposit funds only in the Treasury.

(4) The ETS at the National Bank of the Republic of North Macedonia and other accounts opened by the Ministry of Finance at the National Bank of the Republic of North Macedonia or with another credit institution with another payment service provider, accounts opened with the Treasury by municipalities, budget users and other public entities in accordance with law and all other accounts and sub-accounts opened with the Treasury for carrying out transactions, recording and managing public cash accounts in accordance with this or another law, shall constitute the ETS system. (5) Credit institutions and other payment service providers may not open accounts or receive deposits from funds of budget users, except from the Ministry of Finance, i.e. from
the Treasury.

(6) The Minister of Finance shall issue instructions regulating in more detail
the opening and maintenance of the accounts that make up the ETS system.
(7) For the foreign currency funds of the budget users, they shall open foreign currency accounts with the National Bank of the Republic of North Macedonia upon prior consent of the Ministry of Finance. (8) After opening the foreign currency accounts referred
to in paragraph (7) of this Article, the budget users shall open a correspondent account within the ETS. (9) The Minister of Finance shall prescribe the manner of opening foreign currency
accounts.
accounts of budget users.

Article 70

The Treasury and the ETS System

(1) The Treasury is an organizational unit within the Ministry of Finance, which manages the ETS system and the treasury general ledger system and performs other tasks prescribed by law. (2) The ETS system, together with the treasury general ledger, constitutes an organizational
and information basis for a solid, effective, efficient and transparent system for managing public finances, in accordance with uniform rules for the State Budget, municipal budgets and all budget users and other public entities participating in the ETS system in accordance with this or another law.

(3) The Treasury shall perform the following tasks:
1. Manage the ETS system, which includes the following activities: - opens, closes and
manages the treasury accounts and bank accounts opened by the Ministry of Finance, the state, municipalities, budget users and other public entities that make up the ETS system in accordance with this or another law, - performs payment services for the state, municipalities, budget users and other public entities as a payment service provider in accordance
with this law and the law regulating payment services and systems,

- allocates revenues and other inflows to the recipients' accounts in
accordance with this law,

- provides information on payments and refunds of mandatory fees and other revenues collected or collected by tax, customs and other competent authorities and reconciles data with competent authorities at the state and municipal levels, - debits treasury accounts for funds that have been incorrectly paid due to

payment service provider error,

- debits treasury accounts based on contractual authorizations and in the event of correction of an error made by the Treasury, - carries out enforcement from the accounts of budget users and other public entities with an account in the ETS based on enforcement orders issued by competent courts and tax authorities and keeps records of enforcement orders, - notifies account holders of all payment transactions and account balances and provides them with other information prescribed by law and other acts adopted by the Minister of Finance,

- provides data and information on all inflows to the State and Municipal Budgets and on outflows from these budgets, - provides data to budget users and competent authorities and organizations, necessary for statistical, tax and analytical purposes in accordance with the law and other acts prescribed by the Minister of Finance,

- manages the liquidity of funds within the ETS system, - can stop the execution of payments to budget users in case of disruption of projected liquidity,

-provides other services prescribed by law and other acts prescribed by the Minister of Finance. 2.

Manages the treasury general ledger system, among other things, including the following tasks:

- records the adopted budgets, amendments and supplements to the budgets and records all other changes related to the budgets, - keeps records of the collection of ETS inflows within the ETS system and performs distribution by users, - keeps records of budget allocations, reallocations, commitments (including contracts), verifications, payment orders and payments and other outflows from the budgets or from the ETS system,

- supports liquidity management by generating inflow and outflow projections and by preparing and coordinating quotas and monthly liquidity plans,

- keeps records of unpaid liabilities of budget users, - prepares daily and periodic reports on the collection of inflows and the execution of outflows from the State Budget and the budgets of municipalities in accordance with national and international standards and in accordance with this Law

law.

(4) The Minister of Finance shall prescribe in more detail the manner of treasury operations.

Article 71

Liquidity management of the ETS system

(1) The Ministry of Finance manages the liquidity of the ETS system. that is, its participants within and outside the ETS system.

(2) Outside the ETS system, the Ministry of Finance may place short-term deposits with the National Bank of the Republic of North Macedonia, commercial banks or savings banks headquartered in the Republic of North Macedonia that have a license to provide banking services in the country, grant short-term loans or purchase financial instruments on the money market, all in accordance with the principles of safety, liquidity and profitability.

(3) In the event of a shortage of funds in the ETS system, the Ministry of Finance shall withdraw funds from short-term loans or issue short-term securities and other financing instruments.

(4) Within the framework of the ETS system, the Ministry of Finance may receive deposits or grant short-term loans to the State Budget, the budgets of municipalities and other public entities participating in the ETS system, under conditions prescribed by law and regulations more closely prescribed by the Minister of Finance. (5) The Ministry of Finance shall keep detailed records of liquidity management activities within and outside the ETS system and shall prepare a separate financial report, which shall be an annex to the Final Account of the Budget.

(6) The Minister of Finance shall prescribe in more detail the manner of management of the liquidity of the ETS system.

IX. MANAGEMENT OF STATE AND MUNICIPAL FUNDS

IX.1. General provisions

Article 72

State and municipal funds

(1) Financial and non-financial (material) assets of the state and municipalities within the meaning of this law shall mean assets owned by the state and municipalities. (2) Financial assets shall mean cash and deposits, claims on loans granted, claims on paid guarantees, other claims, debt securities and shares, financial derivatives, shares and other ownership in legal entities. (3) Non-financial assets shall mean fixed assets, inventories, valuables and land, natural resources and other non-produced assets.

Article 73

Right to manage and dispose of assets

(1) The financial and non-financial assets of the state shall be managed by the Government of the Republic of North Macedonia or public entities owned by the state, if so prescribed by law, and shall be alienated by the Government of the Republic of North Macedonia, unless otherwise prescribed by another law.

(2) The financial and non-financial assets of the municipality shall be managed by the mayor or municipal public entities, and shall be alienated by the municipality by decision of the Municipal Council, unless otherwise prescribed by another law.

(3) Public entities shall manage the funds they use or possess. The head of the public entity shall be obliged to take care of, manage and keep records of the funds used and the funds owned by the public entity. (4) The Ministry of Finance shall keep a register with data on financial resources at the state and local level and shall manage the financial resources of the

state in accordance with this or other law. (5) The Minister of Finance shall prescribe the form and content of the register of financial resources of the state and municipalities.

Article 74

Limitation on acquisition of funds

(1) Public entities, other than public enterprises, do not own or acquire ownership of non-financial assets, unless otherwise provided by another law.

(2) Public entities may not acquire a share, equity or other capital share in other public corporations or private companies without the consent of the Government of the Republic of North Macedonia or the Council of

the municipality.

(3) If a public entity, other than a public enterprise, acquires non-financial assets on the basis of a gift, inheritance or in another manner, it must immediately initiate activities to transfer the ownership of the assets to its founder, the state or the municipality, unless otherwise determined by another law.

IX.2. Management of non-financial assets

Article 75

Annual program for the sale of non-financial assets

(1) Management of non-financial assets includes the use of assets, their maintenance, sale and lease. (2) The annual program for the sale of non-financial assets shall

be adopted by the Government of the Republic of North Macedonia upon a proposal from the Ministry of Finance, prepared in cooperation with the main budget users.

(3) The program for the sale of non-financial assets includes all non-financial assets with a depreciation period longer than five years and an estimated value exceeding 6,000,000 denars. (4) The funds from the sale and lease of non-financial assets are considered state

budget revenue, unless otherwise prescribed by a special law.

law.

(5) Within the framework of the draft final account of the Budget, the Government of the Republic of North Macedonia shall inform the Assembly of the Republic of North Macedonia about the implementation of the Annual Program for the Sale of Non-Financial Assets.

(6) The annual program for the sale of non-financial assets of the municipality It is adopted by the Council upon the proposal of the Mayor.

Article 76

Notification of contracts based on concessions and public-private partnerships

(1) The main budget user shall keep a register of all concession agreements and public-private partnerships for all budget users and other public entities within its jurisdiction. (2) The summary register of all concession agreements referred to in paragraph (1) of this Article,

is kept in the Ministry of Finance.

(3) The main budget users shall regularly submit to the Ministry of Finance all necessary data on the concession agreements within their jurisdiction. (4) The summary register of all public-private partnership agreements referred to in paragraph (1) of

this Article shall be kept in the Ministry of Energy, Mining and Mineral Resources.

(5) The Ministry of Energy, Mining and Mineral Resources shall regularly submit all necessary data on public-private partnership agreements to the Ministry of Finance. (6) The Minister of Finance shall prescribe in more detail the form and content of the

the register of concession agreements.

IX.3. Financial management

Article 77

Investing/purchasing shares, stakes and other investments in a legal entity

(1) Investment in a legal entity may be direct or indirect. (2) Direct investment is an investment by the state or municipality in a specific legal entity. (3) Indirect investment by the state or municipality is an investment when a public enterprise or other commercial company in which the state or municipality has a direct investment invests in another legal entity.

Article 78

Register of shares and units

(1) The Ministry of Finance shall maintain a register of shares, holdings and participations in capital in legal entities of the state and municipalities.

(2) For the purposes of the register, the Minister of Finance shall prescribe the manner and the deadlines for submitting information, which are provided by:

1. municipalities, other budget users and other public entities that manage the financial resources of the state or municipalities;

2. legal entities in which the state or municipalities have a direct or indirect capital investment;

3. other legal entities referred to in paragraph (3) of this Article.

(3) For the purpose of preparing and implementing regulations and ensuring periodic reporting to international financial institutions and organizations, the Ministry of Finance shall have the right to obtain the relevant information, including the right to free permanent access to data.

from:

- The Central Registry of the Republic of North Macedonia and other registries that are maintained by authorized state bodies, - the Central Securities Depository, - other public entities that have data on investments.

Article 79 has been deleted, see: Law on Amendments and Supplements to The Law on Budgets ("Official Gazette of the Republic of Macedonia" No. 272/24).

Article 80

Establishment and dissolution of public entities that are not budget users and acquisition and sale of shares and shares in legal entities

(1) The Government of the Republic of North Macedonia or the Municipal Council, upon the proposal of the competent ministry or the mayor of the municipality, shall adopt a decision on the establishment or dissolution of public entities that are not budget users, unless otherwise determined by another law.

(2) The Government of the Republic of North Macedonia or the Municipal Council, upon the proposal of the competent ministry or the mayor of the municipality, shall decide on the acquisition of shares or stakes in legal entities, if the financial plan includes funds for this purpose and if this is in the interest of national or local interests. (3) The Government of the Republic of North Macedonia or the Municipal Council, upon the proposal of the competent ministry or the Ministry of Finance or the mayor of the municipality, shall decide on the sale of shares or stakes in legal entities if national or local interests no longer exist.

(4) Before purchasing or selling shares or other participation in the capital of a legal entity, the competent ministry or the mayor shall submit a proposal for consideration to the Ministry of Finance.

(5) The Ministry of Finance shall review the proposal referred to in paragraph (4) of this Article and provide an opinion to the competent ministry, i.e. the mayor.

Article 81

Collection of claims from activated guarantee

(1) In circumstances where a guarantee from the State Budget or the municipal budgets is activated, a claim against the principal debtor is created and the procedure for collection of the claim is immediately initiated, unless otherwise provided for by the Law on Public Debt.

(2) The holder of the claim from activated guarantees is the Ministry of Finance, when the guarantee is activated from the state budget. (3) The holder of the claim from activated guarantees is the municipality, when
The guarantee is activated from the municipal budget.

Article 82

Acquisition of equity participation in legal entities with non-monetary investment

The state or municipalities may acquire equity participation in legal entities with non-monetary contributions, as follows: 1. conversion of unpaid taxes, contributions, except for contributions for mandatory social insurance, or other duties of the debtor towards the state or municipality arising from forced collection procedures or forced settlement procedures in accordance with the Bankruptcy Law;

2. conversion of claims arising from loans granted and guarantees activated; 3. contribution of real estate and movable property, except real estate used for providing public services.

Article 83

Sale or conversion of receivables

(1) The budget user - the holder of the claim, except for claims arising from unpaid contributions for mandatory social insurance, from entities that are not subjects of general government, may, through the parent budget user, propose the sale or conversion of the claim, if they are economically justified. (2) The Government of the Republic of North Macedonia or the Municipal Council shall form a commission, which shall provide a reasoned opinion on the acceptance or rejection of the proposal for the sale or conversion of the claim.

(3) The Commission shall be composed of at least one authorized representative from each of the claimant, the main budget user, the Ministry of Finance, the Ministry of Economy and Labor and the Government of the Republic of North Macedonia, when the sale or conversion of a claim to the state is proposed, and of at least one authorized representative from each of the claimant, the main budget user, the municipality and ZELS, when the sale or conversion of a claim to the municipality or several municipalities together is proposed, and may have a maximum of 15 members, with the number of members always being odd.

(4) The commission shall decide on the proposal by a majority of the total number of members, and the members shall be entitled to compensation for their work in the commission, which shall be paid from the account of the claimant. (5) The Government of the Republic of North Macedonia, upon the proposal of the Ministry
The Ministry of Finance will issue guidelines for the composition and rules of procedure of the commission.
(6) The Government of the Republic of North Macedonia decides on the sale or conversion of the state's claims, and the Municipal Council decides on the sale or conversion of the claims of the municipalities.

Article 84

Deferral and repayment of debt in installments to the state and/or municipality

(1) The Government of the Republic of North Macedonia may, at the request of the debtor, and upon the proposal of the competent minister, by decision postpone the repayment of the debt or allow repayment in installments, if such activity significantly improves the possibility of repayment of the debt of the debtor, from whom it would otherwise not be possible to collect the entire debt in an enforcement, bankruptcy or liquidation procedure.

(2) The Government of the Republic of North Macedonia, upon a proposal from the Ministry of Finance, shall regulate by act the type of debt, the volume and the procedure for deferring payment, repayment in installments, arising from paragraph (1) of this Article for the state and/or municipalities and between them.

(3) The value of the claims of each claimant shall be written off from the accounting records on the basis of a final court decision on the completion of a bankruptcy or liquidation procedure or other law. (4) For the purposes of this Article, debts to the state and/or municipalities arising from

mandatory social security contributions shall not be

considered debt.

(5) The Government of the Republic of North Macedonia, the competent ministry and the municipality are obliged to publicly publish data on the amount of debt and debtors for whom deferred debt repayment and repayment in installments has been approved.

Article 85

Annual program for the sale and/or conversion of financial assets

(1) The annual program for the sale and/or conversion of financial assets shall be adopted by the Government of the Republic of North Macedonia upon a proposal from the Ministry of Finance, prepared in cooperation with the main budget users who manage financial assets.

(2) The program for sale and/or conversion of financial assets shall include shares and stakes of the same type in one legal entity and/or claims from the same legal entity with an estimated value exceeding 3,000,000 denars, except for market (price) sensitive information.

(3) Within the framework of the draft final account of the Budget, the Government of the Republic of North Macedonia shall inform the Assembly of the Republic of North Macedonia about the implementation of the annual program for the sale and/or conversion of financial assets. (4) The annual program for the sale and/or conversion of financial assets

The municipal budget is adopted by the Council upon the proposal of the mayor.

IX.4. Sale of state and municipal financial and non-financial assets

Article 86

Individual sales program

Upon the proposal of the competent main budget user, as an exception to Article 75 paragraph (3) and Article 85 paragraph (2), the Government of the Republic of North Macedonia or the Municipal Council shall decide on the implementation of the procedure for the sale of assets by adopting an individual sale program.

Article 87

Method of sale of assets

The budget user who manages the funds is responsible for implementing the sale of individual financial or non-financial assets. The head of the competent budget user or the mayor appoints a commission for implementation and supervision of the asset sale procedure.

X. INDEBT AND GUARANTEES

Article 88

Public debt management, borrowing procedures and issuance of guarantees

(1) The management of public debt, the procedure and methods of borrowing, the procedure for issuing, servicing and terminating state guarantees, as well as information on public debt are regulated by the Law on Public Debt.

(2) The Ministry of Finance shall manage the general government debt on behalf of the state and shall have the right to make early repayment of the debt before the maturity date and/or early redemption or replacement of debt securities issued by the state, if this ensures: 1. reduction of the costs of servicing the state debt or 2. improvement of the maturity, currency or interest

structure of the general government debt, in order to reduce the exposure to at least one

of the following risks: - debt refinancing risk, - market risks, - macroeconomic risks. (3) In conditions of temporary financing, the Ministry of Finance on behalf of the state may borrow up to the amount necessary to refinance

the principal and interest obligations on the basis of

the general government

debt in the current fiscal year.

(4) The Ministry of Finance, on behalf of the state, in the current fiscal year, as well as during temporary financing, may additionally borrow to finance liquidity related to cash flows, whereby the balance of borrowing for liquidity on a daily basis may not exceed 5% of the total expenditures determined by the last adopted budget.

(5) For the execution of the municipal budgets in the current fiscal year, the municipality may borrow from the State Budget or by concluding a loan agreement with banks and/or issuing debt securities in the country or abroad.

(6) The municipality must obtain consent from the Ministry of Finance prior to any borrowing, in accordance with the procedure prescribed by the Law on Public Debt and the Law on Financing of Local Self-Government Units.

(7) On behalf of the state, the Government of the Republic of North Macedonia may issue a state guarantee for borrowing by public debt holders defined in the Law on Public Debt. Municipalities may issue a guarantee for borrowing by public enterprises and trade companies where they have direct or indirect influence, by adopting a decision by the Municipal Council. If a public enterprise or trade company is owned by two or more municipalities, a multilateral guarantee agreement may be concluded. Other forms of state or municipal guarantees are not permitted.

(8) Transactions concluded contrary to paragraph (7) of this Article shall be null and void. (9) All public entities, except those referred to in paragraph (6) of this Article, may not issue guarantees. (10) For the implementation of the State Budget in the current fiscal year, the Ministry of Finance may, on behalf of the State, incur debts in the country and abroad up to the sum of:

1. the amount of the deficit determined in the Statement of Revenue and Expenditure and the amount of the net decrease determined in the Statement of Financial Assets and Liabilities and
2. the amount required to refinance the principal repayment obligations in the current fiscal year and for the next two fiscal years determined by the last approved fiscal strategy. (11) The maximum amounts of borrowing referred to in paragraph (10) items 1 and 2 of this Article shall be determined in the Law on the Execution of the Budget of the Republic of North Macedonia.

Article 89

Taking on debt

(1) The Government of the Republic of North Macedonia may assume debt on the basis of loans and securities from public entities. (2) The Minister of Finance, on behalf of the Government of the Republic of North Macedonia, shall sign a Debt Assumption Agreement, upon the adoption of a separate law on debt assumption.

(3) A draft law on the basis of which the Government of the Republic of North Macedonia will assume debt on the basis of loans and securities from public entities in the next fiscal year shall be submitted to the Assembly of the Republic of North Macedonia, no later than October 1 of the current fiscal year.

(4) Budget users and municipalities may not assume debt prescribed by this Article.

Article 90

Financial leasing

(1) Upon the proposal of the main budget user or the mayor, the Ministry of Finance shall approve proposals for concluding financial leasing agreements with budget users of the State Budget.

or the municipality.

(2) The budget user may not initiate a procedure for concluding a financial leasing agreement before obtaining approval from the Ministry of Finance. (3) The Minister of Finance shall prescribe in more detail the manner of issuing
approval for proposals for concluding financial leasing agreements of the budget users of the State Budget or of the municipality.

XI. REPORTING AND TRANSPARENCY

Article 91

Budget execution report

(1) The Ministry of Finance shall, in particular, publish: 1. a monthly
report on the execution of the State Budget; 2. a summary quarterly report on
the execution of the municipal budgets; 3. a consolidated quarterly report on the execution of
the State Budget; and
the municipalities.

(2) The reports shall be published on the website of the Ministry of Finance within one month from the end of the month/quarter. (3) The Mayor shall publish a monthly report on
the execution of the municipal budget on the website of the municipality within one month from the end of the month/quarter.

Article 92

Semi-annual budget execution report

(1) The Minister of Finance or the Mayor shall submit reports to the Government of the Republic of North Macedonia or to the Municipal Council on the execution of the budget for the first half of the year no later than 31 July of the current year.

(2) The reports should contain: 1. data on
macroeconomic developments; 2. a report on the realized
inflows and outflows in accordance with the structure of the adopted budget, budget balance, borrowing and estimated realization by the end of the year;

3. data on liabilities, reallocation, changes in budget users during the year, use of budget reserves, issued and paid guarantees and collected claims from issued guarantees; 4. Explanation for major deviations from the planned in relation to

the current budget.

(3) The Government of the Republic of North Macedonia is obliged to submit the report to the Fiscal Council and the Assembly of the Republic of North Macedonia, no later than September 1 of the current year.

Article 93

Contents of the Final Account of the State or Municipal Budget

(1) The final budget account is an act of the state or municipality, which presents the implementation of the state or municipality budget for the previous budget year.

(2) The final budget account shall contain: 1. Financial report on the execution of the Budget; 2. Explanation of the general part of the final budget account; 3. Explanation of the special part of the final budget account, including the report on the achieved goals and results; 4. Explanation of the data from the balance sheet. (3) The financial report on the execution of the budget shall follow the structure and content of the budget. It shall include the planned and realized inflows and outflows of the state or municipal budget.

(4) The explanation of the general part of the Final Account of the Budget shall contain at least: 1. projected macroeconomic indicators as a starting point on which the budget is based and their realization during the year; 2. explanation of the general part of the budget; 3. explanation of the reallocations during the year; 4. changes in budget users during the year in accordance with Article 57 of this Law; 5. explanation of the adopted measures for balancing the budget in accordance with with Article 60 of this law;

6. Explanation of the changes between the adopted and the current budget in in accordance with Article 47 of this Law;

7. report on the use of the permanent budget reserve in accordance with Article 58 of this law;

8. report on the use of the general reserve in accordance with Article 59 of this Law; 9. report on the annual program for the sale of non-financial assets in accordance with Article 75 of this Law;

10. report on the annual program for the sale and/or conversion of financial assets in accordance with Article 85 of this Law; 11. report on outstanding liabilities; 12. report on borrowing on the domestic and foreign capital markets; 13. report on issued guarantees and granted loans; 14. report on the impact of tax expenditures on inflows; 15. report on the execution of the municipal budgets; 16. other necessary data. (5) The explanation of the special part of the Final Account of the Budget includes the report on the achieved goals and results, as well as gender indicators. The report includes an assessment of the success in achieving the goals and an explanation of the reasons for the deviation from the set goals. (6) The Final Account of the Budget includes the following annexes: 1. consolidated balance sheets of the state and municipalities; 2. the report from Article 71 paragraph (5) of this Law. (7) The Minister of Finance shall prescribe in more detail the manner of preparation, the form and content of the Final Account of the State Budget or the budgets of the municipalities, the consolidated annual report on the execution of the financial plans of the budget users under the jurisdiction of the main budget user, as well as the annual financial reports of the budget users.

Article 94

Preparation and adoption of the Draft-Final Account of the State or Municipal Budget

(1) The budget user shall prepare annual financial reports and provide the competent parent budget user with data for the preparation of the consolidated annual report on the execution of the financial plans of the budget users under its jurisdiction for the previous year, no later than March 1 of the current year.

(2) The main budget user shall prepare a consolidated annual report on the execution of the financial plans and provide data for the preparation of the Draft Final Account of the Budget for the past year and submit it to the Ministry of Finance and the Mayor, no later than March 15 of the current year.

(3) The Ministry of Finance shall submit the Draft Final Account of the State Budget to the State Audit Office and the Fiscal Council, no later than May 31 of the current year.

(4) When preparing a draft audit report, the State Audit Office may issue audit recommendations for the correction of irregularities. These recommendations for the correction of irregularities must be based on the provisions in force and must contain the legal basis and a reference to authentic and reliable accounting documents that enable the correction of the irregularities identified by the State Audit Office in the draft Financial Report on the execution of the State Budget.

(5) The Government of the Republic of North Macedonia shall decide and explain the activities that it will implement to correct the irregularities referred to in paragraph (4) of this Article and in what manner, shall inform the State Audit Office accordingly and shall determine the final version of the financial report on the execution of the State Budget. (6) The Government of the Republic of North Macedonia shall adopt the draft final accounts of the State Budget referred to in paragraph (2) of this Article

together with the final report of the State Audit Office and the explanation of possible rejections of individual audit recommendations for activities to correct the irregularities, and shall submit it to the Assembly of the Republic of North Macedonia no later than 1 October in the current year for adoption.

(7) When adopting the Final Account of the State Budget,
The Assembly reviews the remarks proposed by the auditor.

(8) The Mayor shall prepare the Draft Final Account of the Municipal Budget and submit it to the Municipal Council no later than March 31 of the current year.

(9) The Municipal Council adopts the Draft Final Account of the Budget of the
the municipality no later than 30 April of the current year. (10) The final account

of the municipal budget shall be submitted to the Ministry of Finance and the State Audit Office no later than 15 days from its adoption by the Municipal Council.

(11) As an exception to paragraph (10) of this Article, if the Municipal Council does not adopt the Final Account of the Municipal Budget, it shall be submitted to the Ministry of Finance and the State Audit Office no later than 60 days from the date of submission to the Municipal Council.

(12) The final budget account shall be published in the "Official Gazette of the Republic of North Macedonia", and the Financial Report on the execution of the budget shall be published on the website of the Ministry of Finance no later than one month from their adoption.

(13) The final account of the municipal budget shall be published in the official gazette of the municipality, and the Financial Report on the execution of the municipal budget on the website of the municipalities no later than one month from their adoption.

Article 95

Transparency of public entities that are not budget users

(1) All public enterprises and other public entities that are not budgetary Users shall publish the following documents on their websites: - annual financial and business plan for the current year, - annual financial report for the previous year, - quarterly and semi-annual financial reports, - quarterly report on due and unpaid liabilities, - audit report and report of the supervisory authority, if any. (2) The documents referred to in paragraph (1) of this Article shall be published within one month of their adoption by the competent authority of the entity.

Article 96

Publishing on websites

(1) Budget users shall publish on their websites at least: 1. approved financial plans; 2. quarterly performance reports; 3. annual financial reports. 4. annual gender-responsive budget statement. (2) In addition to the documents referred to in paragraph (1) of this Article, the main budget users shall publish on their websites, within one month after the expiry of the reporting period:

1. organizational structure of all budget users and other public entities within their jurisdiction, together with links to their websites; 2. registers of all concession contracts and public private partnerships from

Article 76 paragraph (1) of this law.

(3) The Ministry of Finance shall publish on its website at least: 1. the adopted State Budget with budget documentation; 2. the citizens' budget;

3. reports on the execution of the State Budget and the budgets of the municipalities; 4. semi-annual report on the execution of the State Budget; 5. audit report from the State Audit Office in accordance with Article 94 paragraph (6) of this Law.

6. Final account of the State Budget. (4) The plans, reports and other documents referred to in paragraphs (1), (2) and (3) of this Article shall be published within one month of their preparation or adoption, unless otherwise prescribed by this or another law.

XII. ACCOUNTING AND CONSOLIDATION

Article 97

Accounting system

For the purpose of keeping accounts and compiling financial reports for the budget and budget users, the regulations on accounting for budgets and budget users shall apply, unless otherwise provided for by this Law.

Article 98

Responsibility of the accounting department

The competent accounting service for budgets and budget users provides and processes data based on accounting records, resulting from business events, keeps business books, prepares payment documentation, drafts various reports, performs accounting supervision and organizes the storage of original accounting documents, unless otherwise regulated by a special law.

Article 99

Certified Public Accountant

(1) An authorized accountant is a person who performs the functions and tasks of the accounting service and is responsible for the preparation of financial reports. The authorized accountant is responsible for preparing data for the Annual Budget Execution Report. (2) The authorized accountant appoints the head of the budget user. If the budget users organize a joint accounting service, the person responsible for accounting for a particular budget user is appointed by the authorized accountant of the joint accounting service. (3) The authorized accountant acts in accordance with this Law, the Law on Accounting for Budgets and Budget Users, the Law on Execution of the Budget of the Republic of North Macedonia, i.e. the Decision on Execution of the Budget of the Municipality and other related regulations. If the authorized accountant considers that the payment is in contradiction with the above-mentioned regulations, he shall stop the payment and notify the head of the budget user in writing. The stopped payment may be made upon a written request of the head.

Article 100

Annual financial statements

(1) The annual financial statements of budget users shall be the balance sheet of revenues and expenditures and the balance sheet.

(2) Budget users shall be obliged to prepare an explanation for the annual financial statements, which shall be an integral part of the statements and shall be publicly available. available.

Article 101

Submission of annual financial reports

Budget users shall submit the annual financial reports referred to in Article 100 paragraph (1) of this Law to the Central Registry of the Republic of North Macedonia by February 28 of the current year.

Article 102

Consolidation

(1) The main budget users shall consolidate the annual financial reports of the budget users under their jurisdiction and prepare consolidated annual financial reports. (2) The main budget users shall submit consolidated annual

financial reports referred to in paragraph (1) of this Article to the Central Registry of the Republic of North Macedonia by 15 March of the current year. (3) The Central Registry of the Republic of North Macedonia shall submit the financial reports

referred to in paragraph (2) of this Article in electronic form to the Ministry of Finance by 31 March of the current year.

Article 103

Consolidated balance sheet of the state and municipalities

(1) The Ministry of Finance shall prepare the consolidated balance sheet of the state and municipalities and it shall be an integral part of the Final Account of the State Budget.

(2) The Ministry of Finance shall submit the consolidated balance sheet referred to in paragraph (1) of this Article to the Central Registry of the Republic of North Macedonia within 15 days of the adoption of the Final Account of the State Budget by the Parliament of the Republic of North Macedonia.

XIII. INTERNAL FINANCIAL CONTROL IN THE PUBLIC SECTOR

Article 104

Internal financial control

(1) The system of internal financial control in the public sector covers financial management and control, internal audit and the harmonization and coordination of activities for their establishment and development.

(2) The standards, methodology, relations, responsibilities and competencies of the Ministry of Finance and other bodies in the implementation of the system of internal financial control in the public sector are regulated by a separate law.

XIV. FINANCIAL INSPECTION IN THE PUBLIC SECTOR

Article 105

Financial inspection in the public sector

(1) The Ministry of Finance shall conduct financial inspection.
according to law.

(2) The objectives, principles, competence, organization of financial inspection in the public sector, as well as the procedure for conducting financial inspection, are regulated by a separate law.

XV. INTEGRATED PUBLIC FINANCE MANAGEMENT INFORMATION SYSTEM

Article 106

Integrated Public Finance Management Information System

(1) The Ministry of Finance shall establish an Integrated Information System
for public finance management.
(2) The basic components of the Integrated Information System for
public finance management are:
-budget planning (multi-annual, including capital planning)
projects/public investments),
- budget execution (including all ETS expenditures, revenues and operations), - record keeping for the
needs of the treasury general ledger system and
reporting, -debt
management, -establishment
and management of necessary registers and classifications, -connection with other systems
for automatic data exchange in the Government of the Republic of North Macedonia and in the country,
-data storage and reporting tools to support and monitor

decision-making,

- a web portal to provide secure access to all authorized budget users and other authorized public entities and - other necessary components to
support the implementation of the Law on Budgets and Public Finance Management.

Working Body for the Implementation of the Integrated Public Finance Management Information System

Article 107

(1) The Minister of Finance shall establish a Working Body for the Implementation of the Integrated Information System for Public Finance Management (hereinafter: the Working Body).

(2) The working body is responsible for: implementation, upgrading, optimization, execution, regulation, maintenance, control, staff education and analysis of all processes and functionalities related to the integrated public finance information system.

(3) The working body shall consist of a president, deputy, coordinators and members from among the employees of the Ministry, who are appointed by the Minister of Finance, with a mandate of five years.

(4) As an exception to paragraph (3) of this Article, the Minister may engage other persons in the Working Body to carry out implementation, upgrading, optimization, execution, regulation, maintenance, control, education and other tasks related to the integrated information system for public finances.

(5) The criteria for appointment and dismissal of the president, deputy, coordinators and members of the Working Body referred to in paragraphs (3) and (4) of this Article, their rights, duties and responsibilities shall be determined by the Minister of Finance with a separate act.

(6) The president, deputy, coordinators and members of the Working Body referred to in paragraphs (3) and (4) shall be entitled to a compensation, which shall be determined by the Minister of Finance with a special act.

(7) The manner of operation of the Working Body shall be regulated in more detail by the Rules
of Procedure. (8) The Working Body shall submit a report on its work to the Minister of finances as needed, and at least twice a year.

(9) The Minister of Finance may establish expert working groups/committees for the needs of the Working Body, for which he may determine a fee, due to the scope and complexity of the work.

(10) The funds for financing the Working Body and the expert working groups groups/commissions, are provided from the Budget of the Republic of North Macedonia.

XVI. SUPERVISION

Article 108

Supervision

Supervision over the implementation of the provisions of this Law is carried out by the Ministry of Finance through the financial inspection in the public sector, in accordance with the Law on Financial Inspection in the Public Sector.

XVII. MINOR PROVISIONS

Article 109

Offences against budget users

(1) A fine in the amount of 1,000 to 10,000 euros in denar equivalent shall be imposed for a misdemeanor on the responsible person in the legal entity budget user if: 1. when submitting the draft laws and regulations to the

Government of the Republic of North Macedonia, it fails to submit a completed form for the assessment of medium-term fiscal implications, in accordance with Article 8 paragraph (1) of this Law;

2. when submitting the fiscal form referred to in Article 8 of this Law, unrealistically presents the additional financial implications for the Budget of the Republic of North Macedonia; 3. fails to adjust the

projects and activities of the budget user in accordance with Article 42 within the deadline set out in paragraph (2) of the same Article; 4. fails to

ensure full and timely collection of revenues in the budget within its competence and for their distribution in the budget in accordance with Article 44 paragraphs (1) and (2) of this Law;

5. undertakes obligations contrary to Articles 50 and 51 of this Law; 6.

undertakes obligations or makes payments from the budget in an amount greater than the allocations of funds allocated in the budget contrary to Article 50 paragraph (4) of this Law;

7. fails to notify the State Attorney's Office of the Republic of North Macedonia or fails to notify it in a timely manner of judicial and extrajudicial disputes that may have direct or indirect financial consequences for the budget, in accordance with Article 56 paragraph (1) of this Law;

8. undertakes new obligations or reallocates budget appropriations beyond the deadline set in Article 62 paragraph (1) of this Law or without prior consent from the Ministry of Finance, contrary to Article 62 paragraph (2) of this Law; 9. makes payments contrary to Article 63 of

this Law; 10. borrows funds or issues guarantees without

fulfilling the conditions

determined in Article 88 of this Law;

11. opened an account without prior consent from the Minister of Finance (Articles 69 and 70 of this Law); 12. failed to

submit or submitted untimely to the competent budget user the data for the preparation of a consolidated annual report on the execution of the financial plans of the budget users under his/her jurisdiction in accordance with Article 94 paragraph (1) of this Law; 13. failed to publish on its website the approved

financial plans, quarterly reports or annual financial reports, in accordance with Article 96 paragraph (1) of this Law;

14. fails to submit or untimely submits financial reports to the Central Registry of the Republic of North Macedonia, in accordance with Article 101 of this Law.

Article 110

Offense provisions for main budget users

(1) A fine in the amount of 1,000 to 10,000 euros in denar equivalent shall be imposed for a misdemeanor on the responsible person in the legal entity - main budget user if:

1. fails to develop a strategic plan for the activities within the competences of his institution in accordance with Article 13 of this Law; 2. fails to submit or untimely submits to the Ministry of Finance the basic scenario and the proposal for new financing initiatives from Article 17 of this Law; 3. fails to submit or untimely submits to the Ministry of Finance the draft financial plans of all budget users within its competence, in accordance with Article 33 paragraph (1) of this Law; 4. fails to submit the approved financial plan to the Ministry of Finance, in accordance with Article 43 paragraph (2) of this Law; 5. fails to monitor the collection of revenues and other inflows and payments made to the accounts of budget users within its competence, in accordance with Article 44 paragraph (3) of this Law;

6. does not maintain a register of concessions and public-private partnerships, in accordance with Article 76 paragraph (1) of this law;
7. fails to submit or fails to submit the consolidated annual report on the execution of the financial plans of the budget users under his/her jurisdiction to the Ministry of Finance, i.e. to the Mayor, in accordance with Article 94 paragraph (2) of this Law; 8. fails to publish on his/her website the required data in accordance with Article 96 paragraphs (1) and (2) of this Law;

9. fails to submit or fails to submit the consolidated annual financial statements to the Central Registry of the Republic of North Macedonia in a timely manner, in accordance with Article 102 paragraph (2) of this Law.

Article 111

Misdemeanor provisions for a mayor of a municipality

A fine in the amount of 250 to 500 euros in denar equivalent will be imposed. for a misdemeanor of the mayor of the municipality if: 1. he/she fails to prepare a budget consisting of a general part of the budget, a special part of the budget and a project and multi-annual part of the budget, in accordance with Article 22 paragraph (1) of this Law; 2. he/she fails to prepare the special part of the budget in accordance with the organizational, program, economic classification and the classification of sources of financing in accordance with Article 24 paragraph (2) of this Law; 3. he/she fails to publish a monthly report on the execution of the municipal budget, in accordance with Article 91 paragraph (3) of this Law;

4. fails to submit or untimely submits to the Municipal Council a report on the execution of the budget for the first half of the year, in accordance with Article 92 paragraph (1) of this Law; 5. fails to act in accordance with Article 94 paragraphs
(8), (10) and (11) of this Law; 6. fails to publish the financial report and the Final Account of the municipal budget, in accordance with Article 94 paragraph (13) of this Law.

Article 112

Offense provisions for public enterprises, other public corporations, other public entities and other legal persons

A fine in the amount of 400 to 500 euros in denar equivalent shall be imposed for a misdemeanor on a responsible person in a public enterprise, other public entity or other legal entity if it fails to publish on its website the annual financial reports and statements, in accordance with Article 95 paragraph (2) of this Law.

Article 113

(1) If a misdemeanor is committed by failing to fulfill the obligation under Articles 109, 110, 111 and 112 of this Law, and the perpetrator committed the misdemeanor for the first time in the calendar year and if the perpetrator fulfilled the prescribed obligation before the decision for misdemeanor was made, a warning shall be imposed as a misdemeanor sanction. (2) The warning as a misdemeanor sanction under paragraph (1) of this Article may not be

was imposed for the misdemeanors under Article 109, items 6, 7, 9, 10 and 12 of this law.

Article 114

(1) The authorized body for submitting the request for initiating a misdemeanor procedure in relation to the misdemeanors referred to in Articles 109, 110, 111 and 112 of this Law is the financial inspection in the public sector. (2) If the financial inspector establishes a misdemeanor,
he shall draw up a report in which he shall record the important elements of the action from which the legal characteristic of the misdemeanor arises - the personal name, address and unique identification number of the citizen, and for a legal entity - the name, registered office and tax number, the time, place and manner of committing the misdemeanor, the description of the action, the legal qualification of the misdemeanor and the persons found at the scene, as well as provide a proposal for settlement by issuing a misdemeanor payment order. The report shall be signed by the financial inspector and the perpetrator.

(3) If the perpetrator does not agree to be issued a misdemeanor payment order, the same shall be noted in the minutes of the established misdemeanor, and the financial inspector shall submit a request for initiating misdemeanor proceedings before a competent court.

(4) For the committed misdemeanors referred to in Articles 109, 110, 111 and 112 of this Law, financial inspectors are obliged to propose a settlement procedure to the perpetrator of the misdemeanor, before submitting the request for misdemeanor procedure, in accordance with the Law on Misdemeanors.

(5) The Minister of Finance shall prescribe the form and content of the
the misdemeanor payment order.

Article 115

For the misdemeanors provided for in this Law, a misdemeanor procedure is conducted and misdemeanor sanctions are imposed by a competent court.

XVIII. TRANSITIONAL AND FINAL PROVISIONS

Article 116

(1) The provision of Article 2, item 24 of this Law shall have an additional adjustment period of two years from the application of this Law. (2) During the adjustment period, these entities

from paragraph (1) of this Article shall not be recorded in general government entities from Article 2, item 24 of this Law, and shall be recorded in general government debt from Article 2, item 49 of this Law.

law.

Article 117

When electing the first composition of the members of the Fiscal Council, the mandate of the member elected upon the proposal of the National Bank of the Republic of North Macedonia shall last two years, of the member elected upon the proposal of the State Audit Office shall last four years, and of the member elected upon the proposal of the Macedonian Academy of Sciences and Arts (MANU) six years. In addition, the members of the Fiscal Council whose mandate lasts two or four years shall have the right to re-election.

Article 118

The laws that prescribe the provisions relating to budget operations and financing shall be harmonized with the provisions of this law within six months from the date of entry into force of this law.

Article 119

On the day of entry into force of this law, the Law on Budgets ("Official Gazette of the Republic of Macedonia" No. 64/2005, 4/2008, 103/2008, 156/2009, 95/10, 180/11, 171/12, 192/15 and 167/16) and the Law on Reporting and Recording of Liabilities ("Official Gazette of the Republic of Macedonia" No. 64/18) shall cease to be valid.

Article 120

The by-laws provided for by this Law shall be adopted within 24 months from the date of entry into force of this law.

Article 121

The provisions of Article 7, paragraphs (3) and (4) and the provisions of Article 107 of this Law shall begin to apply on the day of entry into force of this Law.
law.

The provisions of Article 6, paragraphs (4), (5) and (6), Article 10, Article 11, Article 13, Article 14, Article 16, Article 17, Article 18, Article 19, Article 66, paragraphs (3) and (4) and Article 104 of this Law shall enter into force on 1 January 2023.

The obligations for the main budget users from Article 13 paragraphs (3) and (5), Article 16 paragraph (3), Article 17 paragraphs (2), (3) and (5), Article 18 paragraph (6), Article 19 paragraph (1) item 3 and paragraph (2) from the day of entry into force of this Law until the day of commencement of application of this Law, shall be implemented by the budget users determined in accordance with the Law on Budgets ("Official Gazette of the Republic of Macedonia" No. 64/2005, 4/2008, 103/2008, 156/2009, 95/10, 180/11, 171/12, 192/15 and 167/16).

On the day of entry into force of this Law, the provisions of Article 15, Article 15-a, Article 16, Article 17 and Article 18 of the Law on Budgets ("Official Gazette of the Republic of Macedonia" No. 64/2005, 4/2008, 103/2008, 156/2009, 95/10, 180/11, 171/12, 192/15 and 167/16) shall cease to apply.

Article 122

This Law shall enter into force on the eighth day from the date of its publication in the "Official Gazette of the Republic of North Macedonia", and shall begin to apply from 1 January 2026, except for the provisions of Article 121 of this Law.

AUTHENTIC INTERPRETATION OF ARTICLE 66 PARAGRAPH (Z) OF THE BUDGET LAW ("OFFICIAL GAZETTE OF THE REPUBLIC OF NORTH MACEDONIA" NUMBER 203/22)

The provision of Article 66 paragraph (Z) of the Law on Budgets ("Official Gazette of Republic of North Macedonia" number 20Z/22), reads:

"(I) Employees of the state administration body that performs the tasks related to the preparation and execution of the Budget of the Republic of North Macedonia receive 30% of the basic salary as a supplement to the regular salary due to specific work tasks and the special responsibility arising from the job.".

The provision of Article 66 paragraph (3) should be interpreted so that all employees of the Ministry of Finance and employees of the bodies that are part of the Ministry of Finance, i.e. employees of the bodies referred to in Article 19 paragraph (2) of the Law on Organization and Work of State Administration Bodies who have not been granted the right to an increased salary from the established base, i.e. who have not been granted the right to a supplement and/or salary supplement, by a separate law and/or collective agreement, receive 30% of the basic salary as a supplement to the regular salary.

BY DECISION of the Constitutional Court of the Republic of North Macedonia U.No.192/2023 and 193/2023 ("Official Gazette of the Republic of North Macedonia" No.39/24)

1. Article 66, paragraphs 3 and 4 of the Law on Budgets ("Official Gazette of the Republic of North Macedonia" No. 203/2022 and 59/2023) is repealed. 2. The decision to suspend the execution of individual acts and actions taken on the basis of Article 66, paragraph 3 of the Law specified in point 1 of this decision is repealed.

3. This decision will be published in the “Official Gazette of the Republic of North Macedonia”.

FINAL PROVISION OF THE LAW AMENDING AND SUPPLEMENTING THE LAW ON BUDGETS (“Official Gazette of the Republic of Macedonia” No. 76/24)

Article 3

This Law shall enter into force on the day of its publication in the "Official Gazette of the Republic of Macedonia". Republic of North Macedonia".

TRANSITIONAL AND FINAL PROVISIONS OF THE LAW ON AMENDMENTS AND SUPPLEMENTATION OF THE BUDGET LAW (“Official Gazette of the Republic of Macedonia” No. 272/24)

Article 26

The provisions of Articles 4, 8, 12, 15 and 20 of the Law on Budgets (“Official Gazette of the Republic of North Macedonia” No. 203/22, 59/23, 39/24 and 76/24) shall apply from the date of entry into force of this Law.

On the day of entry into force of this law, the provisions of Article 26 of the Law on Budgets (“Official Gazette of the Republic of Macedonia” No. 64/2005, 4/2008, 103/2008, 156/2009, 95/10, 180/11, 171/12, 192/15 and 167/16 and “Official Gazette of the Republic of North Macedonia” No. 151/21) shall cease to apply. The by-laws provided for by the Law on Budgets (“Official Gazette of the Republic of North Macedonia” No. 203/22, 59/23, 39/24 and 76/24) shall be adopted within 12 months of the entry into force of this law.

Article 27

This Law shall enter into force on the day of its publication in the "Official Gazette of the Republic of Macedonia". Republic of North Macedonia”.