

LAW ON TECHNOLOGICAL INDUSTRIAL DEVELOPMENT ZONES

CONSOLIDATED TEXT [1](#)

PART ONE

GENERAL PROVISIONS

Subject of the Law

Article 1

(1) This Law shall regulate the incentives for investing in technological industrial development zones, the conditions, manner and procedure for the establishment, development and operation of the technological industrial development zones, the business activities performed in the technological industrial development zones and the specific requirements for their performance, the acquisition of facilities, the procedure for issuance of a construction approval, the procedure for leasing a land in the technological industrial development zone to a land lessee which is to built a facility for the needs of a user, the procedure for leasing a construction land in the zones to public service providers, as well as the procedure for verification of facilities that are built, that is, whose building have started and whose legal status in the zones is not established the application of the customs regulations in the technological industrial development zones, as well as the termination of operation of the technological industrial development zones and of the user of the technological industrial development zones.

(2) This Law shall represent an aid scheme in accordance with the state aid regulations.

Purpose of the Law

Article 2

The purpose of this Law shall be to accelerate the economic development by attracting foreign and domestic capital intended for development of new technologies and their application in the national economy, to increase the competitiveness, and to increase the employment level.

Public interest

Article 3

The construction and the performance of the activities related to establishment and operation of the technological industrial development zones shall be of public interest.

Meaning of the used terms

Article 4

(1) The terms used in this Law shall have the following meaning:

1. "Taxpayer" means any person who is defined as such in accordance with the Law on Tax Procedure;
2. "Tax authority" means any state administration body which performs the administrative and other expert duties as defined in the Law on the Public Revenue Office;

3. "Domestic goods" mean goods:

- fully obtained in the customs area of the Republic of Macedonia in accordance with Article 22 of the Law on Customs, that do not incorporate goods imported from other countries. The goods obtained by goods placed under suspension procedure shall not be considered to have the status of domestic goods,

- imported from other countries and released into free circulation, and

- obtained or produced in the customs area of the Republic of Macedonia, whether by the goods referred to only in line 2 or by the goods referred to in lines 1 and 2 of this point;

4. "State aid" means any aid granted by the state aid provider, in any form, giving preferences to certain enterprises, production of certain goods or provision of certain services;

5. "Aid intensity" means the aid amount expressed in percentage of the justified investment costs or in percentage of the calculated salary costs for all jobs created by the investment project;

6. "State aid provider" means the Government of the Republic of Macedonia and the state administration bodies;

7. "User of the technological industrial development zone" means any domestic or foreign natural person or legal entity registered for performing a business activity in accordance with the Law on Trade Companies and which, for the purpose of using the technological industrial development zone, has concluded a contract on performance of a business activity with the founder of the technological industrial development zone, and which has been issued a decision on operation commencement;

8. "Small-sized enterprise" means an enterprise with less than 50 employees and an annual turnover not exceeding Euro 7 million in Denar counter value or balance sheet total not exceeding Euro 5 million in Denar counter value and is not owned by 25% or more in capital or voting rights by one enterprise, or jointly by several enterprises that are not covered by the definition of small- and medium-sized enterprises;

9. "Founder of a technological industrial development zone" means the Government of the Republic of Macedonia or a domestic or foreign legal entity. A legal entity which performs the activity of a founder in accordance with the public-private partnership contracts can also be a founder of a technological industrial development zone.

10. "Productive initial investment" means investment in tangible and/or intangible assets in relation to the:

- establishment of a new enterprise,

- expansion of the production capacity of the existing enterprise,

- diversification of the production of the enterprise by introducing new, additional products, or

- fundamental change in the overall production process of the existing enterprise.

11. "Tangible assets" mean assets in relation to land, buildings and plants/machinery. In the case of takeover of an enterprise, only the costs of buying the assets from third parties should be taken into consideration, provided that the transaction has been conducted in accordance with the market conditions;

12. "Intangible assets" mean assets included by the transfer of technology through the takeover of patent rights, licenses, know-how or unpatented technical knowledge. With regard to small- and middle-sized enterprises, the full costs of the investments in intangible assets by the transfer of technology through the takeover of patent rights, licenses, know-how or unpatented technical knowledge can always be taken into consideration. With regard to large enterprises, such costs shall be justified only up to a limit of 50% of the total justified investment costs of the project;
13. "Enterprise with difficulty" means any enterprise with increasing losses, diminishing turnover, growing stocks, excess capacity, declining cash flow, mounting debt, rising interest rates, and falling or nil net asset value, and, in the case of an enterprise where at least some of the members have unlimited liabilities regarding the enterprise debt, where more than half of the capital has disappeared from the enterprise accounts and more than one quarter of that capital has been lost in the previous twelve months, as well as in every other cases where the conditions for initiation of a bankruptcy procedure are met under the bankruptcy regulations. In any case, an enterprise shall be considered as enterprise with difficulty when it is clear that it cannot recover through its own resources or with the funds it obtains from its owners/stockholders or from market sources;
14. "Regional aid" means aid that corresponds to the regional political goals of the Republic of Macedonia, supporting an initial investment or job creation related to an investment;
15. "Job creation" means a net increase in the number of employees directly employed in an enterprise compared with the average over the previous 12 months. Any job lost during that 12 month period has to be deducted from the number of jobs created during the same period. The amount of aid cannot exceed a certain percentage of the salary costs of the person employed, calculated over a period of two years. The percentage is equal to the intensity allowed under the conditions and procedures regulated by law for granting employment aid;
16. "Medium-sized enterprise" means an enterprise with less than 250 employees and an annual turnover not exceeding Euro 40 million in Denar counter value or balance sheet total not exceeding Euro 27 million in Denar counter value, and is not owned by 25% or more in capital or voting rights by one enterprise, or jointly by several enterprises that are not covered by the definition of small- and medium-sized enterprises;
17. "Presenting the goods for inspection to the customs authority" means a notification to the customs authority in the prescribed manner, about the arrival of goods at the customs authority or any other place designated or approved by the customs authority;
18. "Foreign goods" mean goods different from the one referred to in point 3 of this paragraph. Domestic goods taken out of the customs area shall obtain the status of foreign goods as well;
19. "Technological industrial development zone" (hereinafter: the zone) means a part of the territory of the Republic of Macedonia as a part of the customs area, separated from the remaining part of the customs area, separately fenced and marked area representing a functional entity in which activities are performed under terms and conditions prescribed by this Law and another law and wherein the customs and tax incentives determined by this Law and another law apply. The technological industrial development zone shall be established with the intention of developing highly propulsive and modern technologies by introducing economically profitable production and efficient utilization of the resources

by application of the highest environmental standards. The technological industrial development zone shall be a free zone from the aspect of the customs and tax laws;

20. "Salary costs" mean the total amount to be paid by the state aid beneficiary in relation to the relevant employments, comprising the gross salary, tax, and the mandatory social insurance contributions;

21. "Customs permitted treatment or use of goods" means:

- a) placing of goods under a customs procedure,
- b) entry of goods in a zone or a free warehouse,
- c) re-export of goods from the customs area,
- d) destruction of goods, and
- e) renouncing of goods for the benefit of the state;

22. "Customs debt" means any obligation of a person to pay the amount of the import duties (customs debt on import) or export duties (customs debt on export), prescribed for certain goods under the regulations of the Republic of Macedonia;

23. "Customs control" means performance of specific activities such as: examination of goods; verification of the existence, authenticity and accuracy of the documents; examination of accounting books and other records; examination and search of means of transportation; examination and search of personal baggage and other goods that persons carry with or on themselves; implementation of official procedures and other similar activities in respect of observing customs regulations, and when necessary, other regulations applicable to goods subject to customs supervision;

24. "Customs supervision" means general measures undertaken by the customs authority for the purpose of ensuring the application of the customs regulations, and when necessary, of other regulations applicable to goods subject to customs supervision;

25. "Customs authority" means any organizational unit of the Customs Administration determined by law, competent for the application of the customs or other regulations, where all or some of the prescribed formalities can be carried out;

26. "Customs procedures" mean:

- releasing of goods into free circulation,
- transit,
- customs warehousing,
- inward processing,
- processing under customs control,
- temporary import,
- outward processing, and
- export; and

27. "Customs regulations" mean the Law on Customs and the bylaws adopted on the basis of this Law.

28. Facilities in terms of this Law mean buildings, separate parts of buildings, industrial and other facilities in the area which is under a procedure for adoption of an appropriate planning documentation for the purpose of establishing a technological industrial development zone or an industrial and green

zone established by the Government of the Republic of Macedonia, as well as buildings, separate parts of buildings, industrial and other facilities in the area of an already established technological industrial development zone or an industrial and green zone established by the Government of the Republic of Macedonia.

29. Investor in terms of this Law means the owners of the land, the lessees of a land, and the lessees of a facility in the technological industrial development zones that are building the facilities in the technological industrial development zones established by the Government of the Republic of Macedonia and by the legal entities (except the infrastructure facilities in the zone that are built by the entities - public service providers in charge of construction of electrical energy, water supply, sewage, gas and telecommunication infrastructure).

30. "fundamental change" means diversification of the final production in products that have not been produced before by the enterprise." [2](#)

31. "independent investor" means an investor which is not related in any way to the seller

32. "Land lessee" in the technological industrial development zones means a domestic or foreign natural person or legal entity which:

- concludes a contract for lease of a land in the technological industrial development zones on which a facility is to be built for the purpose of performing a business activity in accordance with this Law and
- concludes a contract for lease of a land in the technological industrial development zones on which a facility is to be built for the needs of a user which performs a business activity in accordance with this Law;

33. "Lessee of a facility" in the technological industrial development zones means a domestic or foreign natural person or legal entity which concludes a contract for lease of a facility in the technological industrial development zones for the purpose of performing a business activity in accordance with this Law; [3](#)

(2) The terms used in the description of the procedure for issuance of a construction approval in accordance with this Law, unless described in this Law, shall have the same meaning as the meaning in the Law on Construction.

(3) In this Law, the use of singular shall also include plural, and plural may also refer to singular, except when the words "only" or "except" exclude the plural or singular.

Scope of state aid

Article 4-a

(1) The users of the zones shall be granted state aid in the form of regional aid, under the conditions determined by this Law. The regional aid can be granted for initial investment in tangible and intangible assets.

(2) The regional aid, in terms of this Law, cannot be granted to an enterprise with difficulty.

(3) The contribution of the aid beneficiary should be at least 25% of the justified investment costs, but it should not be a product of the state aid. [4](#)

- (4) The maximum intensity of the regional aid shall amount up to 50% of the justified investment costs or of the salary costs for the newly created jobs in the period of two years.
- (5) The maximum intensity of the regional aid shall amount up to 70% for small-sized enterprises and up to 60% for medium-sized enterprises of the justified investment costs or of the salary costs for the newly created jobs in the period of two years.
- (6) The Commission for Protection of Competition shall be notified of each initial investment project with justified investment costs of above Euro 50 million in Denar counter value individually.
- (7) The aid intensity regarding the investment projects referred to in paragraph (6) of this Law, may amount to:
- 100% of the maximum intensity of the regional aid – with regard to the part of the justified investment costs up to Euro 50 million in Denar counter value;
 - 50% of the maximum intensity of the regional aid – with regard to the part of the justified investment costs between Euro 50 - 100 million in Denar counter value, and
 - 34% of the maximum intensity of the regional aid – with regard to the part of the justified investment costs exceeding Euro 100 million in Denar counter value.
- (8) The provisions referred to in paragraph (7) of this Article shall apply to projects the productive initial investment of which is made in a period of three years by one or more companies and consists of tangible assets joined together in an economically indivisible way. [5](#)
- (9) The regional aid shall consist of the incentives described in Article 5 paragraph (1) points 1 and 2 3) and 4) and Articles 6, 7 and 8 of this Law. The cumulation of the aid anticipated in Article 5 paragraph (1) points 1 and 2 3) and 4) and Articles 6, 7 and 8 of this Law cannot exceed the aid intensity anticipated in this Article.
- (10) The enterprises in the technological industrial development zones that are granted state aid, cannot be granted any other type of regional aid in respect of the same justified investment costs.
- (11) The Agency for Foreign Investments and Export Promotion of the Republic of Macedonia, the Directorate for Technological Industrial Development Zones or any of the ministers without portfolio in charge of attraction of foreign investments, depending on who has established the initial contact with the investor shall, on behalf of the Government of the Republic of Macedonia, as a state aid provider, conclude a contract determining the state aid granted to the user of the zone, in accordance with this Law, upon a prior consent of the Government of the Republic of Macedonia.
- (12) As an exception to paragraph 11 of this Article, in all other cases, provided that there is an independent investor, the contract for awarding state aid shall be signed by the Agency for Foreign Investments and Export Promotion of the Republic of Macedonia.
- (13) The state aid providers shall be obliged, in accordance with this Law, every year until 28 February, to submit information regarding the state aid granted during the previous year to the Agency for Foreign Investments and Export Promotion of the Republic of Macedonia. The Agency for Foreign Investments of the Republic of Macedonia shall submit complete information about the granted state aid for the previous year to the Assembly of the Republic of Macedonia and the Directorate for Technological Industrial Development Zones.

(14) Each of the signatories of the contract determining the state aid granted to the user of the zone set out in paragraph 11 of this Article shall keep records of the state aid granted for which they have signed a contract and, on behalf of the state aid provider, shall submit an annual report to the Commission for Protection of Competition once a year, not later than 31 March of the current year for the previous year. [6](#)

PART TWO

INCENTIVES FOR INVESTING IN THE TECHNOLOGICAL INDUSTRIAL DEVELOPMENT ZONE

Tax exemptions and reliefs and procedures

Article 5

(1) Under the conditions and within the limits determined in Article 4-a of this Law, the taxpayer, user of the zone, shall be eligible for exemptions and reliefs from payment of:

1) profit tax for a period of ten years as of the day of starting the performance of the business activity in the zone within two years the latest after the year in which the decision on operation commencement has been granted, under the conditions determined by this Law; and

profit tax for a period of ten years as of the day of receipt of: [7](#)

- the decision on operation commencement regarding expansion of the capacity of the existing enterprise or;

- the decision on operation commencement in the case of diversification of the production of the enterprise by introduction of new, additional products or;

- the decision on operation commencement in the case of fundamental change in the overall production process of the existing enterprise;

3) personal income tax on employees' salaries, for a period of ten years from the day of starting the performance of the business activity in the zone, that is, as of the first month in which the user starts to pay the salary, regardless of the number of employees with the user, under the conditions determined by this Law.

4) personal income tax on salaries of the newly employed persons, for a period of ten years as of the day of receipt of:

- the decision on operation commencement regarding expansion of the capacity of the existing enterprise or;

- the decision on operation commencement in the case of diversification of the production of the enterprise by introduction of new, additional products or;

- the decision on operation commencement in the case of fundamental change in the overall production process of the existing enterprise;

provided that there is no reduction of the number of employees in the existing capacity of the user of the zone before and after the adoption of the decision.

Article 5-a

(1) The supply of goods and services in the technological industrial development zones, except the supply intended for end consumption, shall not be subject of taxation with value added tax.

(2) The import of goods in the technological industrial development zones shall be exempted from value added tax, provided that they are not released in free circulation, that is, they are not intended for end consumption.

(3) The imposition of the value added tax on the supply of goods and services that are transported or sent from the other part of the customs area in the technological industrial development zones, as well as the supply of goods having the status of domestic goods in accordance with the customs law that are transported or sent from the technological industrial development zones in the other part of the customs area in the Republic of Macedonia, shall be made in accordance with the provisions of the Law on Value Added Tax.

(4) The user of the zone may use the tax reliefs referred to in paragraphs (1), (2) and (3) of this Article upon the receipt of the decision on operation commencement.

Customs exemptions and reliefs

Article 6

(1) Under the conditions and within the limits determined in Article 4-a of this Law, the user of the zone shall be eligible for customs exemptions and reliefs in accordance with the provisions of the Law on Customs, unless otherwise regulated by this Law.

(2) The user of the zone carrying out production activity and information technology activities (software development, hardware assembly, digital recording, computer chips, and alike), scientific and research activity and production based on new technologies with high environmental standards shall be exempted from the obligation of submitting a guarantee as a security instrument for the customs debt incurring or that may incur after the determination of the customs permitted treatment or use of the goods.

(3) The exemptions or reliefs referred to in paragraph 1 of this Article shall not apply to alcohol and alcoholic beverages, as well as to tobacco and tobacco products.

(4) The user of the zone can use an incentive for import of equipment in accordance with Article 42 of this Law.

Aid for training and improvement

Article 6-a

(1) The user of the zone providing new jobs can be granted aid for the justified investment costs for education in the form of special or general development of workers:

1) the special development referred to in paragraph (1) of this Article is intended for acquisition of theoretical and practical knowledge applicable at the present or future job positions at the enterprise which is a state aid beneficiary, and

2) the general development referred to in paragraph (1) of this Article is intended for acquisition of general knowledge applicable at the present or future job position at the enterprise, which is a state aid beneficiary, but also at other enterprises or in other activities which significantly increases the employment opportunities for the worker.

(2) The aid referred to in this Article can be granted in the amount of up to 50% of the justified investment costs in the case of general development and of up to 25 % of the justified investment costs in the case of special development.

(3) The aid intensity referred to in paragraph (2) of this Article can be increased by:

- 10 percentage points of the justified investment costs regarding the special development and by 20 percentage points of the justified investment costs regarding the general improvement in small- and medium-sized enterprises;
- 10 percentage points of the justified investment costs in the territory of Republic of Macedonia; and
- 10 percentage points of the justified costs, provided that the professional development is to be undertaken by persons who have difficulties in finding jobs.

(4) The state aid intensity referred to in paragraph (3) of this Article can be cumulated.

(5) The justified investment costs incurred for the purpose of development, in accordance with paragraph (1) of this Article, shall be:

- the costs of the lecturer,
- the travel expenses of the lecturer and the persons included in the development,
- other recurring costs,
- the costs related to the depreciation of the machines and equipment in accordance with the scope of their use, for the purpose of professional development,
- the costs of consulting regarding the development project, and
- the costs of participants in the professional development project up to the amount of all justified costs referred to in this paragraph.

Article 7

Under the conditions and within the limits determined in Article 4-a of this Law, the user of the zone shall exercise the right to exemptions and reliefs determined in Articles 5, 5-a and 6 of this Law regarding the performance of:

- 1) production activities,
- 2) scientific and research activities and production based on new technologies with high environmental standards, and
- 3) services directly related to the import of goods which enter the zone, provided that the goods are not intended for end use.

Other incentives

Article 8

(1) Under the conditions and within the limits referred to in Article 4-a of this Law, the following incentives shall be provided in the technological industrial development zones:

1) the user of the zone lessees and the owners of the land in the technological industrial development zones shall be exempted from paying the land development fee, in accordance with the provisions of the Law on Construction Land;

2) *deleted* [8](#)

3) the Government of the Republic of Macedonian may participate in the costs for construction of a facility for the user within the zone in the amount of Euro 500.000 in Denar counter value, under the

following criteria:

- Euro 100.000 in Denar counter value – for productive investments in the amount of Euro 1 to 2 million in Denar counter value, or 20 new jobs;
- Euro 200.000 in Denar counter value – for productive investments in the amount of Euro 2 to 5 million in Denar counter value, or 40 new jobs;
- Euro 300.000 in Denar counter value – for productive investments in the amount of Euro 5 to 10 million in Denar counter value, or 60 new jobs;
- Euro 400.000 in Denar counter value – for productive investments in the amount of Euro 10 to 15 million in Denar counter value, or 80 new jobs, and
- Euro 500.000 in Denar counter value – for productive investments in the amount of more than Euro 15 million in Denar counter value, or over 100 new jobs.

On a proposal of the Agency for Foreign Investments and Export Promotion of the Republic of Macedonia or to the Directorate for Technological Industrial Development Zones or the ministers without portfolio in charge of attraction of foreign investments., the Government of the Republic of Macedonia shall decide on the fulfillment of the conditions referred to in point 3 of this paragraph, in the procedure determined in Article 8-a of this Law.[9](#)

(2) In accordance with the provisions of the Law on Construction Land, the founder of the zone shall be exempted from paying the land development fee.

(3) The land for establishment of the zone shall be given under lease to the founder of the zone for a period of up to 99 years by the Directorate for Technological Industrial Development Zones.

(4) Upon a prior consent of the Government of the Republic of Macedonia, the Directorate for Technological Industrial Development Zones shall conclude a contract for management of technological industrial development zone with the founder of the zone for the purpose of giving the land under lease in accordance with paragraph (3) of this Law.

(5) The land in the zone may be given under lease by the founder of the zone for a period of up to 99 years.

(6) The lease period for the land and the amount of the lease for the land for the founders of the zone, as well as for the land lessees referred to in Article 4 paragraph (1) point 32 of this Law when the Government of the Republic of Macedonia is the founder, shall be determined by the Government of the Republic of Macedonia for each individual case.

(7) The facilities within the zone that are owned by the Republic of Macedonia shall be sold by the Directorate for Technological Industrial Development Zones by a direct agreement, on the basis of a previously adopted decision by the Government of the Republic of Macedonia which determines the direct buyer and the value of the intangible asset which cannot be lower than its appraised market value.

(8) The facilities within the zone that are owned by the Republic of Macedonia shall be given under lease for a period of up to 99 years by the Directorate for Technological Industrial Development Zones on the basis of a previously adopted decision by the Government of the Republic of Macedonia which determines the lease period and the lease amount.

(9) Any natural person or a legal entity, domestic or foreign, that may acquire the status of a user of the zone may be a direct buyer, that is, a lessee referred to in paragraph (7) and (8) of this Law.

(10) The land lessee shall be obliged to start building on the land granted under lease within a period of nine months from the day of conclusion of the lease contract. The lessee which concludes a contract for lease of a land in the technological industrial development zone on which a facility is to be built for the purpose of performing a business activity in accordance with this Law shall be obliged, within a period of 30 months as of the day of conclusion of the land lease contract at the latest, to finish the building and to start the production, that is, to start the performance of the business activities referred to in Article 11-a paragraph (2) and Article 35 paragraph (1) of this Law. The lessee which concludes a contract for lease of a land in the technological industrial development zone on which a facility is to be built for the needs of a user which performs a business activity in accordance with this Law shall be obliged, within a period of 30 months as of the day of conclusion of the land lease contract at the latest, to finish the building and to give the facility to the user for whose needs it builds the facility in order for the user to start the production, that is, to start the performance of the business activities referred to in Article 11-a paragraph (2) and Article 35 paragraph (1) of this Law.

(11) The contract for lease of the land shall be unilaterally terminated, provided that:

- the lessee of the land does not start the building within a period of nine months as of the day of conclusion of the lease contract,
- the lessee which concludes a contract for lease of a land in the technological industrial development zone on which a facility is to be built for the purpose of performing a business activity in accordance with this Law, within a period of 30 months as of the day of conclusion of the land lease contract at the latest, does not start the production, that is, start the performance of the business activities referred to in Article 11-a paragraph (2) and Article 35 paragraph (1) of this Law, and
- the lessee which concludes a contract for lease of a land in the technological industrial development zone on which a facility is to be built for the needs of a user which performs a business activity in accordance with this Law, within a period of 30 months as of the day of conclusion of the land lease contract at the latest, does not give the facility to the user for whose needs it builds the facility in order for the user to start the production, that is, to start the performance of the business activities referred to in Article 11-a paragraph (2) and Article 35 paragraph (1) of this Law.

(12) In the case of cancellation of the lease contract in accordance with paragraph (11) of this Article, the lessor shall transfer to the lessee without any compensation and the lessee shall accept all built or partially built facilities on the construction land in the condition in which they are at that moment.

(13) The cancellation of the contract for lease of a land in accordance with paragraphs 11 and 12 of this Article shall be a ground for unilateral cancellation of the contract for awarding state aid by the state aid provider as well.

Procedure for granting state aid

Article 8-a

(1) A contract for granting state aid can be concluded only if the enterprise to be granted state aid submits a letter of intention, an enterprise registration in the Republic of Macedonia, and a business plan to the Agency for Foreign Investments and Export Promotion of the Republic of Macedonia or to

the Directorate for Technological Industrial Development Zones or to the ministers without portfolio in charge of attraction of foreign investments.

(2) The business plan referred to in paragraph (1) of this Article shall consist of the following elements:

- description of the company, consolidated financial reports for the last three years, and overview of business activities planned to be carried out in the technological industrial development zones,
- location and area of the required land parcel,
- period for commencement and completion of the construction and period for commencement of production,
- total amount of the productive investments,
- total number of new jobs, qualifications of the employees, employment dynamics for a period of 10 years,
- projection of revenues and profits for a period of 10 years,
- plan for future expansion, and
- market location.

(3) The Agency for Foreign Investments and Export Promotion of the Republic of Macedonia or the Directorate for Technological Industrial Development Zones or the ministers without portfolio in charge of attraction of foreign investments shall be obliged to submit the business plan referred to in paragraph (2) of this Article, within a time period of ten days from day of submission of the business plan by the enterprise to the Government of the Republic of Macedonia, with a proposal for granting state aid. [10](#)

(4) The Government of the Republic of Macedonia shall decide on granting of state aid to the enterprise within 30 days from the day of submission of the proposal of the Agency for Foreign Investments and Export Promotion of the Republic of Macedonia or the Directorate for Technological Industrial Development Zones or the ministers without portfolio in charge of attraction of foreign investments. referred to in paragraph (3) of this Article. [11](#)

(5) The enterprise shall conclude a special agreement on awarding a state aid for each productive initial investment under the conditions and in the manner foreseen by paragraphs (1), (2), (3) and (4) of this Article.

(6) If the user of the technological industrial development zone has concluded several agreements on awarding state aid for productive initial investments, the Agency for Foreign Investments and Export Promotion of the Republic of Macedonia or the Directorate for Technological Industrial Development Zones or the ministers without portfolio in charge of attraction of foreign investments shall adopt a decision where the percentage of the participation of the justified investment costs for each productive initial investment in the total amount of the justified investment costs for all productive initial investments shall be determined and they shall submit the decision to the user of the technological industrial development zone within a period not longer than 30 days as of the receipt of the notification regarding the spent justified investment costs by the user of the technological industrial development zone.

Requirements and procedure for exercising tax exemptions and reliefs

Article 9

(1) The user of the zone carrying out productive investments shall exercise the tax exemptions and reliefs if it:

- 1) performs a new business activity, but does not transfer the activity from another area of the Republic of Macedonia into the zone;
- 2) does not have tax or customs arrears, and
- 3) is not under a bankruptcy procedure.

(2) For the purpose of exercising the tax exemptions and reliefs referred to in Article 5 of this Law, the user of the zone shall submit a tax request to the competent tax body through the Directorate for Technological Industrial Development Zones until 31 March of the following year.

(3) In accordance with paragraph (2) of this Article, the user of the zone shall be obliged to attach the following to the tax request:

- 1) a contract on performance of a business activity with the founder of the zone;
- 2) a decision referred to in Article 33 paragraph (3) and paragraph (5) of this Law;
- 3) a certificate by the founder of the zone that it does not have due, but unsettled liabilities in accordance with the tariff for fees for rendered services of the founder and the tariff for fees for rendered services of the user
- 4) the annual account and tax balance sheet for the previous year, in addition to the form SRA - Structure of Revenues by Activities;
- 5) proof from the Central Register on its current solvency, not older than 6 months;
- 6) certificate issued by a competent body that the user of the zone has no outstanding tax and customs liabilities, and
- 7) certificate issued by a competent court and the Central Register that the user of the zone is not under a bankruptcy or liquidation procedure.
- 8) a decision issued by the the Agency for Foreign Investments and Export Promotion of the Republic of Macedonia or the Directorate for Technological Industrial Development Zones or the ministers without portfolio in charge of attraction of foreign investments.." in accordance with Article 8-a paragraph 6 of this Law. [12](#)

(4) On the basis of the decision on compatibility of the granted state aid by the Commission for Protection of Competition, in accordance with this Law, the tax authority shall adopt a decision on tax relief on the basis of the decision referred to in Article 8-a paragraph 6 submitted by the Agency for Foreign Investments and Export Promotion of the Republic of Macedonia or the Directorate for Technological Industrial Development Zones or the ministers without portfolio in charge of attraction of foreign investments. where it is determined: the percentage of the participation of the justified investment costs for each productive initial investment in the total amount of the justified investment costs for all productive initial investments, the period spent using state aid in a form of exemption from the obligation for paying the determined profit tax, as well as the percentage of used state aid for each productive initial investment. [13](#)

The decision referred to in paragraph 4 of this Article shall be submitted to the tax authority until 31 March in the current year at the latest. [14](#)

(5) The evidence referred to in paragraph (3) points 1, 2 and 5 of this Article shall be submitted within a period of 15 days upon receipt of the decision on commencement of operation by the Directorate for Technological Industrial Development Zones, that is, the decision on commencement of operation on

the expansion of the capacity of the existing enterprise or as of the day of receipt of the decision on commencement of operation in the case of diversification of the production of the enterprise by introduction of new, additional products or as of the day of receipt of the decision on commencement of operation in the case of fundamental change in the overall production process of the existing enterprise.

(6) The evidence referred to in paragraph (3) points 3, 4, 6 and 7 of this Article shall be submitted each year of operation in the zone, not later than 31 March of the current year.

(7) If the requirements referred to in this Article are met, the tax authority shall implement the decision of the Commission for Protection of Competition and issue to the user a decision on appropriate tax exemption and relief within a time period of 30 days as of the day the request has been submitted. It shall also submit the decision to the Directorate for Technological Industrial Development Zones within a time period of eight days of its adoption.

(8) The user of the zone shall be subject to tax exemptions and reliefs referred to in Article 5 of this Law after the receipt of the decision on operation commencement by the Directorate for Technological Industrial Development Zones, that is, the decision on commencement of operation on the expansion of the capacity of the existing enterprise or as of the day of receipt of the decision on commencement of operation in the case of diversification of the production of the enterprise by introduction of new, additional products or as of the day of receipt of the decision on commencement of operation in the case of fundamental change in the overall production process of the existing enterprise.

(9) The user of the technological industrial development zone shall be subject to exemption from the obligation for paying the determined profit tax as a form of state aid only in the percentage of the profit tax as determined in the decision of the Agency for Foreign Investments and Export Promotion of the Republic of Macedonia or the Directorate for Technological Industrial Development Zones or the ministers without portfolio in charge of attraction of foreign investments, taking into consideration the deadlines set in Article 5 paragraph 1 points 1 and 2 of this Law and under the conditions and within the limits determined in Article 4a of this Law

PART THREE

REQUIREMENTS AND MANNER OF ESTABLISHING A TECHNOLOGICAL INDUSTRIAL DEVELOPMENT ZONE

General requirements for establishment of a technological industrial development zone

Article 10

(1) The zone shall be established if:

- 1) spatial, energy, technical and other conditions for performing an activity in the zone are provided,
- 2) manufacturing and technological processes, and production and storage of goods, that is, rendering services that are harmful to the environment and to the nature are not carried out, and
- 3) the founder of the zone provides funds for establishing the zone.

(2) The conditions for establishment of the zone referred to in paragraph (1) point 1 of this Article up to the borders of the zone shall be provided by the Directorate for Technological Industrial Development Zones on behalf of the Government of the Republic of Macedonia.

(3) The founder of the zone shall provide funds for establishment and commencement of operation of the zone, as well as appropriate spatial, infrastructural, environmental, energy, technical and other conditions for performance of an activity in the zone, and shall adopt the articles of association of the zone.

(4) The founder of the zone, except when the founder is the Government of the Republic of Macedonia, shall register a trade company performing economic, technical, administrative and other activities related to the performance of the activities in the zone.

Spatial requirements for establishment of a technological industrial development zone

Article 11

(1) The zone shall be established on an area having an appropriate an appropriate planning documentation in accordance with the law, on a land owned by the Republic of Macedonia. [15](#)

(2) The zone may be also established if two or more separate appropriate planning documentations are adopted

(3) The zone can consist of several separate parts on the territory of the Republic of Macedonia, which constitute an economic and functional entity and each need to be fenced and marked.

PART THREE-A

CONDITIONS AND MANNER OF CARRYING OUT ACTIVITIES IN THE FIELD OF INFORMATION AND COMMUNICATION TECHNOLOGY

General conditions regarding the activities in the field of information and communication technology

Article 11-a

(1) The activities in the field of information and communication technology may be carried out if the entity that carries out the activity does not transfer the activity from another area in the Republic of Macedonia to the zone and if it creates at least 30 jobs.

(2) Activities that may be carried out in the zones in the field of information and communication technology shall be:

- programming, that is, writing, modifying, testing and supporting software applications,
- issuance of software packages (standard software that is not adjusted to anyone's specific needs), including also a translation or adaptation of finished software for a particular market,
- planning, design and implementation of computer systems that integrate hardware, software and communication technologies,
- management and work with computer systems of users and/or equipment for processing data, processing of data and support-related services,
- services related to information technology and computers, which include hosting, disaster recovery, services in the field of information security, information forensics,
- production and assemblage of computer hardware and network equipment components,
- research and experimental development in the field of information and communication technologies, and
- advanced vocational education in the field of information and communication technology.

(3) The Activities that shall not be within the scope of this Law shall be:

- the activities where the computer is used as a means. These activities shall not be considered information and communication activities and shall be classified according to the nature of the services provided and
- call centers.

Spatial conditions regarding the activities in the field of information and communication technology

Article 11-b

A special parcel may be formed on the area of the zone for which an appropriate planning documentation is adopted for the purpose of carrying out activities in the field of information and communication technology.

PART FOUR

DIRECTORATE FOR TECHNOLOGICAL INDUSTRIAL DEVELOPMENT ZONES

Competences of the Directorate for Technological Industrial Development Zones

Article 12

(1) The activities related to the establishment, development and monitoring of the zones shall be carried out by the Directorate for Technological Industrial Development Zones (hereinafter: the Directorate).

(2) The Directorate shall perform the following activities:

- 1) planning and development of the zones and provision of conditions for utilization of the area;
- 2) analysis of the location and provide conditions for its planning;
- 3) provision of the complete appropriate planning documentation in accordance with the law, necessary for establishment of the zone;
- 4) provision of the complete appropriate project-technical documentation in accordance with the law, for the purpose of building and functioning of the zone;
- 5) promotion and advertising of the zones and public relations;
- 6) attraction of founders and users of the zone;
- 7) keeping records of the activities in the area of the zone;
- 8) adoption of a decision on operation commencement a decision on commencement of operation on expansion of the capacity of the existing enterprise, a decision on commencement of operation in the case of diversification of the production of the enterprise by introduction of new, additional products, a decision on commencement of operation in the case of fundamental change in the overall production process of the existing enterprise of the user of the zone,
- 9) adoption of a decision on abolishment of the decision on operation commencement a decision on commencement of operation on expansion of the capacity of the existing enterprise, a decision on commencement of operation in the case of diversification of the production of the enterprise by introduction of new, additional products, a decision on commencement of operation in the case of fundamental change in the overall production process of the existing enterprise. of the user of the zone; [16](#)
- 10) adoption of a decision on operation commencement, in case when the zone is not founded by the Government of the Republic of Macedonia;

- 11) adoption of an act on abolishment of the decision on operation commencement, in case the zone is not founded by the Government of the Republic of Macedonia;
- 12) adoption of a tariff for services provided by the founder and a tariff for services provided by the user, upon consent of the Government of the Republic of Macedonia;
- 13) cooperation with the state administration bodies, public enterprises and trade companies related to the zone and thereby ensures:
 - consents, approvals, permits, that is, certificates determined by special laws necessary for the establishment, commencement of operation and operation of the zone;
 - supervision over the functioning of the infrastructure in the zone;
 - protection of public safety and safety of the persons and property in the area of the zone, and
 - protection against prohibited trade.
- 14) provision of funds and payment in regard with the conducted expropriation procedure, appraisal of plants, crops, fences and improvement of the parcels next to and in the zone, for the needs of the zone, in accordance with the provisions of the Law on Expropriation and in accordance with the approved provision of appropriate planning documentation in accordance with the law, infrastructure project and other appropriate appropriate project-technical documentation in accordance with the law, [17](#)
- 15) provision of the necessary documentation for establishment of the zone and building necessary infrastructure and other objects to and in the zone, in accordance with law;
- 16) delivery of the complete appropriate project-technical documentation to the founder of the zone;
- 17) building infrastructure and other facilities to and in the zone;
- 18) can manage the land and the facilities build for the needs of the zone, next to and in the zone, in ownership of the Republic of Macedonia;
- 19) approval of the act referred to in Article 34 of this Law;
- 20) monitoring of the operation of the zone and when necessary, giving proposals for measures to the Government of the Republic of Macedonia;
- 21) approval of all lease and sublease contracts between the founder and the users, provided by the founder of the zone;
- 22) performance of all activities, other than those that require a prior permit, consent or approval by a competent body in accordance with law to be issued to the founder and/or the user;
- 23) keeping records of the state aid granted, and on behalf of the state aid provider, that is, providers, preparation and submission of an annual report to the Commission for Protection of Competition once a year, not later than 31 March in the current year for the previous year;
- 24) notification of the tax authority about the decision of the Commission for Protection of Competition on the compatibility and the amount of the granted state aid in the form of tax relief, as well as about the report confirming that the investments and the newly created jobs are sustainable upon expiry of each year within a period of ten consecutive years determined in Article 5 paragraphs (1) and (2) of this Law, no later than 31 March of the current year for the previous year;
- 25) conclusion of a contract for management of the technological industrial development zone with the founder of the zone referred to in Article 8 paragraph (4) of this Law;
- 26) control over the work of the founders, the land lessees, the facility lessees, and the users in the zones;
- 27) issuance of an approval for construction and an approval for use of the facilities that are built by the owners and the lessees of the land in the technological industrial development zones, except the infrastructure facilities within the zone that are built by the entities - public service providers in charge

of construction of electrical energy, water supply, sewage, gas and telecommunication infrastructure;
28) issuance of an approval for construction and an approval for use of the facilities that are built by investors on the land in the industrial, free health zone and green zone, where the founder is the Government of the Republic of Macedonia, except the facilities in the industrial, free health zones and green zones for which a public private partnership has been concluded and the infrastructure facilities within the zones that are build by the entities - public service providers in charge of construction of electrical energy, water supply, sewage, gas and telecommunication infrastructure.

29) Conclusion of contracts for awarding state aid for which the Government of the Republic of Macedonia gives a prior consent and terminate contracts for awarding state aid that are concluded by the Directorate for Technological Industrial Development Zones upon a prior consent of the Government of the Republic of Macedonia.

30) Conducting procedures for establishing the real easement right in the technological industrial development zones in accordance with the Law on Construction Land.

31) Conclusion of long-term and short-term lease of construction land for infrastructure facilities in the zone, which are constructed by the entities - public service providers in charge of construction of electrical energy, water supply, sewage, gas and telecommunication infrastructure upon a submitted request and project documentation by the entity - public service provider.

32) Participation in procedures for public bidding during sale of facilities in enforcement procedure upon a previously adopted decision on giving consent by the Government of the Republic of Macedonia.

33) Carrying out activities of an operator of industrial zones, in cases where the founder of the zone is the Government of the Republic of Macedonia.

34) provision of customer-care services for the users of the technological industrial development zones;

35) performance of other activities related to the functioning of the zone.

(3) The Directorate shall have the capacity of a legal entity.

(4) In the case where the Government of the Republic of Macedonia is the founder of the zone, the Directorate shall perform the activities within the competences of the founder of the zone, in accordance with the provisions of the approved planning documentation, infrastructure project and other appropriate technical documentation on behalf of the founder, and shall also:

- conclude contracts for lease of the land and the facilities in the zone with the land lessees and the facility lessees and shall terminate contracts for lease of the land and the facilities in the zone with land lessees and facility lessees, upon prior consent of the Government of the Republic of Macedonia,

- conclude contracts with the users of the zone for performing activities,

- conclude direct agreements on sale and/or lease of facilities within the zones that are owned by the Republic of Macedonia, for which the Government of the Republic of Macedonia gives a prior consent. [18](#)

- conclude and terminate public private partnership agreements for which the Government of the Republic of Macedonia gives a prior consent.

- provide the necessary documentation for construction of infrastructure and other facilities necessary for the operation of the zone, in accordance with law,

- install public utilities on the construction land and construct infrastructure and other facilities next to and in the zone, in accordance with the provisions of the approved planning documentation, the infrastructure project and other appropriate technical documentation,

- manage the land and facilities next to and in the zone, owned by the Republic of Macedonia, and

- adopt rules and tariff of the founder regarding the services rendered to the users in the zone in accordance with Article 34 paragraph (1) of this Law, upon consent of the Government of the Republic of Macedonia.

(5) In the case of concluded public private partnership agreements, the Government of the Republic of Macedonia, through the Ministry of Economy, shall give consent for:

- the agreements on lease of land and facilities with users of the zone that are concluded by the private partner.
- the rules regarding the conditions for use of the technological industrial development zone and the tariff for rendered services of users in the zone adopted by the private partner.

(6) The enterprise shall have the right to appeal the decisions referred to in paragraph (2) points 8 and 9 of this Article with the State Commission for Decision-making in Administrative Procedure and Labor Relation Procedure in Second Instance.

Article 13

(1) For the purpose of executing the activities within its competence, the Directorate shall adopt an annual program with financial plan and three year investment program for which the Government of the Republic of Macedonia shall give its consent.

(2) The Directorate shall submit the annual program with the financial plan referred to in paragraph (1) of this Article to the Government of the Republic of Macedonia by 31 December of the current year at the latest for the following year.

(3) The three year investment program referred to in paragraph (1) of this Article shall be submitted to the Government of the Republic Macedonia by the Directorate, three months before the expiry of the validity of the preceding, at the latest.

(4) The Directorate shall prepare a report on the operation of the zone for the previous year by the end of May of the current year and shall submit it to the Government of the Republic of Macedonia for adoption.

Director of the Directorate

Article 14

(1) The Directorate shall be managed by a director who shall be appointed and dismissed by the Government of the Republic of Macedonia.

(2) The director shall have a deputy, who shall be appointed and dismissed by the Government of the Republic of Macedonia.

(3) The deputy director shall replace the director in the cases of his/her absence or prevention from executing his/her duties, having all his/her management authorities and responsibilities.

(4) A public announcement for appointment of a director and a deputy director shall be published in three daily newspapers that are printed on the whole territory of the Republic of Macedonia one of which is a newspaper printed in a language spoken by at least 20% of the citizens who speak an official language other than the Macedonian.

(5) A person who meets the following requirements may be appointed a director and a deputy director:

- 1) to be a citizen of the Republic of Macedonia;
- 2) at the moment of appointment, not to be issued a punishment or misdemeanor sanction by an effective court ruling banning him/her from exercising a profession, business or office;
- 3) to have at least 240 credits under ECTS or completed VII/1 degree;
- 4) to have at least five years of work experience;
- 5) to have at least three years of work experience at a managerial position;
- 6) to have experience for cooperation with international organizations and institutions;
- 7) to hold one of the following internationally recognized certificates for knowledge of the English Language which is not older than five years:
 - TOEFL IBT - at least 74 points,
 - IELTS - at least 6 points,
 - ILEC (Cambridge English: Legal) - at least B2 level,
 - FCE (Cambridge English: First) - passed,
 - BULATS - at least 60 points, or
 - APTIS - at least B2 level.

(6) The director and deputy director shall be appointed for a term of office of four years.

Article 15

The director of the Directorate shall perform the following activities:

- present and represent the Directorate,
- organize the operation and manage the professional services of the Directorate,
- implement the decisions of the Governing Board;
- ensure compliance with law regarding the competences determined in Article 12 of this Law,
- harmonize the business activities of the Directorate,
- prepare the annual program with the financial plan of the Directorate,
- prepare the three year investment program,
- prepare a report regarding the operation of the zone in the previous year,
- adopt acts on organization and systematization of jobs in the Directorate and other acts of the Directorate that refer to the employment of administrative servants, adopt annual plans for employment of administrative servants, as well as decide on the rights under employment of the administrative servants in the Directorate,
- adopt separate acts for the employees in the field of labor relations, and
- decide on other issues determined by this Law and the statute of the Directorate.

Article 16

(1) The director of the Directorate shall be obliged, every six months, to submit a report on the operation of the Directorate to the Government of the Republic of Macedonia.

(2) The director shall be obliged, in the report referred to in paragraph 1 of this Article, in particular, to provide data about the type and scope of the activities undertaken while performing the activities of the Directorate.

(2) If deficiencies and/or losses in the financial operations of the Directorate are established on the basis of the report of the operation of the Directorate, the director shall be obliged to eliminate them in the following six months.

Article 17

The director and the deputy director of the Directorate shall be dismissed before the expiry of the mandate in the following cases:

- upon his/her request;
- if he/she fails to work and act in accordance with the law, the statute and the acts of the Directorate or unjustifiably fails to implement the decisions of the Governing Board or acts contrary to them;
- if, by negligent or irregular operation, causes disturbances in the performance of the activities of the Directorate and causes damage;
- if he/she neglects or fails to perform the duties, thereby causing disturbances in the performance of the activities of public interest of the Directorate;
- if he/she fails to submit a report in accordance with Article 16 paragraph (1) of this Law, and
- if after the expiry of the period determined in Article 16 paragraph (3) of this Law, he/she fails to eliminate the deficiencies or/and during that period there is a re-occurrence of deficiencies and/or losses in the financial operations.

Article 18

For the purpose of carrying out of its activities, the Directorate can use services of specialized legal entities and natural persons from the country and abroad in accordance with law.

Governing Board

Article 19

(1) The Directorate shall be governed by a Governing Board, composed of seven members, each proposed by: the minister responsible for the issues in the field of economy, the minister responsible for the issues in the field of finance, the vice-president of the Government of the Republic of Macedonia responsible for economic issues and coordination of the economy-related portfolios, the minister responsible for the issues in the field of transport and communications and three members proposed by users of the technological industrial development zones.

(2) The members of the Governing Board shall be appointed by the Government of the Republic of Macedonia.

(3) The Governing Board shall be chaired by a president.

(4) The members of the Governing Board shall elect president of the Governing Board, on its first session.

(5) The president and the members of the Governing Board proposed by the minister responsible for the issues in the field of economy, the minister responsible for the issues in the field of finance, the vice-president of the Government of the Republic of Macedonia responsible for economic issues and coordination of the economy-related portfolios, the minister responsible for the issues in the field of transport and communications shall be appointed for a period of four years.

(6) The members of the Governing Board proposed by the users of the technological industrial development zones shall be appointed for a period of two years.

(7) The members of the Governing Board proposed by the users of the technological industrial development zones shall be elected in the same order as they have acquired the status of users of the zone.

Article 20

(1) The Governing Board of the Directorate shall have the following competencies:

- adopt the statute of the Directorate,
- adopt the annual program with the financial plan,
- adopt a three year investment program,
- inform the Government of the Republic of Macedonia on existing administrative and legal obstacles for investments and propose measures for their elimination,
- assist the director of the Directorate by giving opinions and proposals for implementation of the work program,
- adopt the regulations and other acts of the Directorate in accordance with the authorizations under this Law,
- review and approve the activity reports of the Directorate, and
- perform other activities in accordance with this Law and the statute of the Directorate.

Status of the employees in the Directorate

Article 20-a

(1) The employees in the Directorate for Technological Industrial Development Zones shall have the status of administrative servants and the provisions of the Law on Public Sector Employees and the Law on Administrative Servants shall apply to them.

(2) The employees in the Directorate for Technological Industrial Development Zones performing duties and authorizations being of specific nature regarding the working duties connected with management, economy and maintenance of the technological industrial development zones, as well as the employees performing auxiliary and technical duties shall not be administrative servants, and the Law on Labor Relations, the general and special regulations in the field of health, pension and disability insurance shall apply.

Statute of the Directorate

Article 21

(1) The statute of the Directorate shall regulate the operation and organization of the Directorate; the competences of the Governing Board and the director of the Directorate, the mutual relationships between the director and the Governing Board, as well as other issues of importance for the operation of the Directorate.

(2) The statute of the Directorate shall be adopted by the governing board of the Directorate.

(3) The Government of the Republic of Macedonia shall give consent for the statute of the Directorate.

Funds for operation of the Directorate

Article 22

The funds for operation of the Directorate shall be provided from the Budget of the Republic of Macedonia and from own revenues generated by fees for rendered services in accordance with Articles 12 and 34 of this Law.

Sale and lease of facilities by public bidding.

Article 22-a

The facilities owned by the Republic of Macedonia and used by the Directorate may be sold or given under lease by electronic public bidding, in accordance with the provisions of this Law.

Article 22-b

- (1) The facilities referred to in Article 22-a of this Law shall be sold on the basis of a decision of the Government of the Republic of Macedonia on a proposal of the Directorate.
- (2) On the basis of the decision referred to in paragraph (1) of this Article, the Government of the Republic of Macedonia shall authorize the Directorate to conduct the procedure for public bidding and to conclude a contract for sale of the facilities.
- (3) The facilities shall be leased on the basis of a decision adopted by the Governing Board of the Directorate, by public bidding.
- (4) The lease of the facilities shall be established for a period of up to five years as of the day of conclusion of the lease contract.
- (5) Upon the expiry of the deadline of five years, as of the day of conclusion of the contract for lease of the facility, the Directorate shall offer the facility for sale by public bidding.
- (6) The lessee of the facility shall have the right to submit a request for buying the facility before the expiry of the deadline of five years as of the day of conclusion of the contract for lease of the facility.
- (7) The facilities shall be sold and leased according to the market value of the facilities which is determined in accordance with the Methodology for Appraisal of the Market Value of the Facility in accordance with the Law on Appraisal. The appraisal should not be older than one year as of the day of sale or lease of the facility. The appraised market value shall be the initial price for the public bidding.
- (8) As an exception to paragraph (7) of this Article, the sale referred to in Article 22-i of this Law shall be made at a price set during the procedure for giving under lease.
- (9) The market value of the facilities shall be appraised by authorized appraisers of immovable property.

Article 22-c

- (1) The facility shall be sold and leased by electronic public bidding (hereinafter: public bidding).

(2) The Directorate shall carry out the public bidding referred to in paragraph (1) of this Article through the electronic system for public bidding of the Ministry of Transport and Communications. The Directorate shall charge a fee for using the electronic system for public bidding.

(3) The procedure for public bidding shall be conducted by a three-member Commission for conducting procedures for public bidding and their deputies (hereinafter: the Commission), established by the Directorate, with representatives from the Directorate for Technological Industrial Development Zones, the Ministry of Transport and Communications, and the Ministry of Finance with a previously given notice in the electronic system for public bidding and in two daily newspapers that are printed in the Macedonian language and are issued at least three months before the day of publication of the notice and in one daily newspaper which is printed in a language which is spoken by at least 20% of the citizens that speak an official language different from the Macedonian language in the municipalities, the municipalities in the city of Skopje and the City of Skopje on the area of which the facility which is the subject matter of the notice is located, and is issued at least three months before the day of publication of the notice.

(4) The notice for sale and lease of the facilities shall mandatorily contain the following data on:

- the facility which is the subject matter of the sale or lease (area and number of cadastre parcel where it is located),
- the total initial price for the facility which is the subject matter of the sale, that is, the total initial price for annual rent for the facility which is given under lease,
- the deadline for giving the facilities under lease,
- the deadline for submission and the manner of submitting the requests for participation in the public bidding,
- the starting time and the duration of the public bidding,
- the requirements for participation in the public bidding for foreign natural persons and legal entities,
- the bank guarantee for seriousness of the tender in the amount of 25% of the appraised value of the facility,
- the obligation of the most favorable tenderer to pay the funds within a period of 15 days as of the day of receipt of the written notification of selection, or a contract is not to be concluded and the bank guarantee for seriousness of the tender is to be called and the tenderer is to be imposed a ban on participation in the public bidding procedures for alienation or lease of immovable property within a period of one year as of the day of imposition of the ban,
- the manner and the procedure for conducting the bidding (manner of identifying the participants in the public bidding, the minimum rate of increase of the value of the facility per square meter, the definition of the beginning and the end of the public bidding, the deadline for payment of the most favorable tender, the deadline for return of the bank guarantee, the obligations for payment of the trade tax, the obligation for costs for solemnization of the contract, and the right to complaint), and
- the Internet page where the public bidding is to be carried out.

(5) The amount of the total initial price for the public bidding for sale of the facility cannot be lower than the determined market value of the facility, and the amount of the total initial price for the rent shall amount 0,5% of the appraised total value of the monthly rent for the facility.

Article 22-d

(1) All interested domestic and foreign natural persons and legal entities which may acquire ownership or have immovable property under lease on the territory of the Republic of Macedonia in accordance with the law and which meet the requirements given in the notice may apply for participation in the public bidding for the facility which is the subject matter of the notice.

(2) The Commission shall be obliged to set a deadline in the notice for submission of requests for participation in the public bidding.

(3) The deadline referred to in paragraph (2) of this Article cannot be shorter than ten calendar days nor longer than 30 days as of the day of publication of the notice until the day of submission of the requests.

(4) The request for participation in the public bidding shall be submitted electronically and should contain all data and proofs that are set out in the notice for public bidding. The Commission, upon the receipt of the requests, shall establish whether they are submitted within the set deadline and whether they are complete in accordance with the requirements in the notice, and shall afterwards inform the entities that submit the request electronically. The Commission, within a period of three days as of the day of submission of the tenders, shall submit to the entities that submit complete requests a user name and a code for participation in the public bidding, and shall submit a notification to the entities that submit incomplete documentation containing an explanation that they are not to participate in the public bidding.

(5) The entities that submit complete requests for participation in the public bidding in accordance with the notice, on the day of conducting the public bidding, shall register on the internet page stated in the notice with the user name and the code for participation in the public bidding, after which they shall have the right to participate in the public bidding.

(6) The public bidding shall be held if the participants meet the requirements given in the notice. The public bidding shall be held even if only one participant which meets the requirements given in the notice has applied and it bids the initial price.

(7) The bank guarantee for seriousness of the tender for participation in the public bidding shall be returned to the entity that submits the request within a period of 15 days as of the day of holding the public bidding, and the bank guarantee of the most favorable tenderer shall be returned within a period of 15 days as of the day of payment of the total price reached at the public bidding.

Article 22-e

(1) The public bidding shall commence by announcing the total initial price for the facility and shall be conducted in the manner that the participants make their bids.

(2) The participants may accept, that is, increase the price of the facility in the first five minutes of the public bidding. The public bidding shall be considered closed at the moment of expiry of the time determined in the notice, and if the participants make an offer in the last two minutes of the determined duration of the public bidding, the final time for closing the public bidding shall be extended for two more minutes, and it shall end if no offer is made in the following two minutes.

(3) The public bidding shall continue indefinitely as long as there is an offer in a time interval of two minutes.

(4) If the offer is not accepted, that is, no higher offer is given in the first five minutes of the public bidding, the total initial price for the facility shall be decreased by 2% and the participants in the public bidding shall, again, have the possibility to accept, that is, increase the price for the facility. If the offer is accepted, that is, higher offer is given in the last two minutes of the second five minutes of the public bidding by the participants, the final deadline for ending the public bidding shall be extended for additional two minutes, and shall end when no new offer is given in the following two minutes. If there is no offer in duration of five minutes, the value of the facility shall be again decreased by 2% of the total initial price for the facility.

(5) The decrease of the total initial price for the facility during the bidding, in the case of a first time notice, may amount 30% of the determined market value of the facility, that is, the appraised total value of the monthly rent for the facility at the most no matter how many tenderers have come to the public bidding.

(6) The decrease of the total initial price for the facility during the bidding, in the case of a second time notice, may amount 30%, provided that only one interested participant has come, and provided that two or more participants have come, the decrease may amount 50% of the determined market value of the facility, that is, the appraised total value of the monthly rent for the facility at the most.

Article 22-f

(1) Most favorable bidder shall be considered the participant in the public bidding who has offered the last price which is the highest price for sale, that is, lease of the facility.

(2) Upon completion of the public bidding, the Commission shall prepare minutes of the conducted public bidding and shall submit it to all participants in the public bidding.

(3) The most favorable bidder, within a period of 15 days as of the day of completion of the public bidding procedure, shall be obliged to pay the funds referred to in paragraph (1) of this Article, and if it does not pay them within this deadline, no contract shall be concluded, the bank guarantee shall be called and the tenderer shall be imposed a ban on participation in the public bidding procedures for sale or lease of immovable property for a period of one year as of the day of imposing the ban.

(4) Upon completion of the public bidding procedure, the Directorate shall conclude a contract for sale of the facility with the most favorable tenderer within a period of five working days as of the day of payment of the price for the facility.

(5) The participants in the public bidding shall have the right, within a period of three days as of the day of holding the public bidding, to complaint only about the public bidding procedure to the Commission which shall decide on the complaint by a decision within a period of five days as of the receipt of the complaint.

(6) An appeal against the decision referred to in paragraph (5) of this Article may be filed with the State Commission for Decision-making in Administrative Procedure and Labor Relation Procedure in Second Instance.

Article 22-g

(1) The sale contract and the lease contract for the facility shall be concluded in a written form and shall contain in particular the parties to the contract, the subject matter of the contract, that is, the specific data on the facility, the duration of the lease, regarding the buyer the obligation for payment of the trade tax and notary costs, and regarding the lessee the obligation for payment of notary costs.

(2) The contract which does not contain the elements referred to in paragraph (1) of this Article shall be null and void.

(3) Upon the conclusion of the contract, the buyer, that is, the lessee shall submit it to the notary for solemnization within a period of 30 days.

Article 22-h

(1) The lessee shall pay the amount of the rent at the account of the Directorate.

(2) The funds from the completed sale of the facilities shall be paid at the account of the Budget of the Republic of Macedonia.

Sale with the right to priority buying

Article 22-i

(1) The lessee of the facility shall have the right to priority buying of the facility before the expiry of five years as of the day of conclusion of the lease contract for the facility by submitting a written request.

(2) Before starting the procedure for sale of the facility by public bidding 30 days before the expiry of the deadline of five years, the Directorate shall offer the facility which is the subject of the sale to the lessee of an immovable property.

(3) The lessee may submit the statement for exercising the right to priority buying to the Directorate within a period of 15 days as of the day of receipt of the notification and to give its statement about the right to priority buying of the facility.

(4) If the lessee uses the right to priority buying of the facility which is the subject of the lease, the sale shall be made based on a contract which is given a positive opinion by the State Attorney Office of the Republic of Macedonia, and upon a previously obtained decision by the Government of the Republic of Macedonia which determines the direct buyer and the value of the facility.

(5) If the facility is sold in accordance with paragraph (4) of this Article, the facility shall be sold at a price which is determined by the initial appraisal in the procedure for giving under lease.

(6) If the offer is accepted, the holder of the right to priority buying shall be obliged to pay the funds within a period of eight days as of the day of conclusion of the contract.

(7) In the case where the holder of the right to priority buying has not given its statement about acceptance of the offer before the expiry of the deadline referred to in paragraph (3) of this Article, that is, has not paid the funds within the deadline referred to in paragraph (6) of this Article, the facility shall be sold at a public bidding at a price which is not lower than the initial price for a public bidding.

(8) If the facility is not sold at the public bidding, the procedure for selling the facility at the public bidding shall be repeated.

(9) If the facility is sold in accordance with paragraph (7) of this Article, the lessee shall have the right to remove the movable properties, as well as the properties that do not disrupt the function of the facility as a whole and do not affect its statics.

PART FIVE

PROCEDURE FOR ESTABLISHMENT OF A TECHNOLOGICAL INDUSTRIAL DEVELOPMENT ZONE

Founder of the technological industrial development zone

Article 23

(1) Zone can be established by one or more domestic or foreign legal entities (hereinafter: the founder of the zone).

(2) Zone can be established by the Government of the Republic of Macedonia as well.

(3) The founders referred to in paragraphs (1) and (2) of this Article shall adopt an articles of association.

(4) The activities related to the establishment, management and development of the zones on behalf of the Government of the Republic of Macedonia shall be carried out by the Directorate.

(5) The Government of the Republic of Macedonia, upon a proposal of the Directorate for Technological Industrial Development Zones shall adopt the detailed criteria and the procedure for establishment of the zone referred to in paragraph (1) of this Article.

(6) When the zone is established by several founders, they shall conclude a mutual agreement on establishment of a zone.

(7) The founder of the zone, except when the founder is the Government of the Republic of Macedonia, can in the same time be a user of the zone.

(8) The founder of the zone referred to in paragraphs (1) and (5) of this Article should have:

- 1) an obtained written evidence about the financial position establishing that the founder has the required funds on a bank account, as well as a report from an authorized audit firm, and
- 2) a proof of previous work experience in the trade activity or in a zone.

(9) The founder of the zone referred to in paragraphs (1) and (6) of this Article shall be obliged to commence the construction within a time period of six months as of the day of the legal validity of the construction approval at the latest and shall have to finish the construction within a time period of three years.

Article of association, that is, agreement on establishment of a technological industrial development zone

Article 24

The article of association, that is, the agreement on establishment of a zone referred to in Article 23 paragraphs (3) and (5) of this Law shall contain:

- 1) the name of the founder, that is, the founders of the zone,
- 2) the name of the zone,

- 3) the area of the zone,
- 4) the activities performed in the zone, and
- 5) the period for which the zone is to be established.

Request for establishment of a technological industrial development zone

Article 25

(1) For the purpose of establishing a zone, except in the cases when the Government of the Republic of Macedonia is the founder, the founder shall submit a written request to the Directorate.

(2) The request referred to in paragraph (1) of this Article should contain data about:

- 1) the name, headquarters, that is, the address of the submitter of the request;
- 2) the activities performed in the zone;
- 3) the period for which the zone is to be established;
- 4) the conditions for construction of the zone with an excerpt copy from the spatial or urban plan, issued by the competent body of the state administration;
- 5) the organization and the manner of operation of the zone;
- 6) technical and technological and other conditions for operating in the zone, and
- 7) the manner of providing working conditions for the Directorate, the customs and the tax authority in the zone.

(3) The founder of the zone shall be obliged, in addition to the evidence referred to in Article 23 paragraph (7) of this Law, to attach the following to the request:

- 1) articles of association, that is, agreement on establishment of the zone;
- 2) feasibility study or business plan, and
- 3) consent of the state administration body competent for issues in the field of environment and physical planning that the requirements provided for in the regulations regarding the environment are fulfilled.

(4) The form of the request referred to in paragraph (2) of this Article shall be prescribed by the Directorate.

Consent for establishment of a technological industrial development zone

Article 26

(1) The Directorate shall issue an approval for establishment of a zone on the basis of the data contained in the request and the evidence referred to in Article 25 paragraphs (2) and (3) of this Law (hereinafter: approval).

(2) The approval referred to in paragraph (1) of this Article shall be issued, if the requirements prescribed by this and another law for establishment of a zone are met.

(3) The Directorate shall submit the approval, together with the request and the evidence referred to in Article 25 paragraphs (2) and (3) of this Law, to the Government of the Republic of Macedonia.

(4) The Government of Republic of Macedonia, on the basis of the approval by the Directorate, shall give consent for establishment of a zone, provided that the requirements prescribed by this and another law are met and provided that there is a general economic interest for the establishment of a zone.

(5) The consent given to the founder, upon a proposal of the Directorate, can be revoked at any time, provided that:

- 1) an effective court decision banning the founder from performing the activity is adopted;
- 2) the founder of the zone submitted unauthentic data or documents in its request;
- 3) does not implement the submitted feasibility study or the business plan referred to in Article 25 paragraph (3) point 2 of this Lawfully or in the time period anticipated in the business plan;
- 4) the construction works in the zone do not start within six months from the day of the effective construction approval, and do not finish within a time period of three years;
- 5) within a time period of six months as of issuance, does not conclude the contract for management with the technological industrial development zone with the Directorate, in accordance with Article 8 paragraph (4) of this Law, that is, does not fully met or acts contrary to the provisions of the contract;
- 6) the founder of the zone does not ensure commencement of operations in the zone; and
- 7) the founder acts contrary to the provisions of this Law.

(6) By revoking the consent referred to in paragraph (4) of this Article, the validity of the approval referred to in paragraph (1) of this Article shall terminate.

(7) An appeal shall not be allowed against the decision for revocation of the consent referred to in paragraph (5) of this Article, but an administrative dispute can be initiated.

Changes of the technological industrial development zone

Article 27

(1) Any change of the zone shall be carried out in the manner and procedure for establishment of a zone.

(2) The following shall be considered as change in terms of paragraph (1) of this Article:

- 1) territorial change of the already approved zone;
- 2) change of the location of the zone;
- 3) any change on the part of the founder (admission of a new founder, change in the capital ownership structure, takeover of the zone by another founder, status change and buyout) and
- 4) change of the period for which the zone is established.

(3) On the basis of a decision adopted by the Government of the Republic of Macedonia, a technological industrial development zone may be changed in another type of a zone, provided that there are no users in the zone and no public private partnership agreement is concluded for the zone, and an appropriate planning documentation is previously adopted, in a manner and procedure in accordance with the valid legislation in the Republic of Macedonia.

(4) With regard to the change, in terms of paragraph (1) of this Article, the founder shall be obliged to initiate the procedure within a time period of 30 days from the moment the change occurred.

Separation and arrangement of the area of the technological industrial development zone

Article 28

(1) The founder of the zone shall be obliged to fence, arrange and mark the area of the zone.

(2) The founder of the zone shall be obliged to provide facilities required for the operation of the customs authority, the Directorate and the provider of the railway transport operations free of charge.

(3) As an exception to paragraphs (1) and (2) of this Article, the owner of the land, with regard to the whole area of the zone, shall be obliged to fence, arrange and mark the area of the zone and to provide facilities required for the operation of the customs authority and the Directorate free of charge.

(4) The zone should be arranged in a manner that would make the entry and exit of persons, means of transportation and goods to and from the zone possible only through specially determined entrances, that is, exits which are subject to customs supervision.

(5) The fence, the entrances and the exits of the zone should be properly arranged, secured and illuminated.

(6) The criteria and the manner of arranging the zone referred to in this Article shall be in detail prescribed by the minister heading the state administration body competent for issues in the field of finance.

Procedure for fulfilling the requirements for conducting customs supervision

Article 29

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Amendments to the decision

Article 30

Deleted [20](#)

Commencement of operations in a technological industrial development zone

Article 31

(1) The zone shall commence its operations after the Directorate adopts a decision on operation commencement of the zone, within a time period of 12 months at the latest as of the day of adoption of the decision.

(2) The Directorate shall adopt the decision on commencement of operations of the zone upon previously obtained consents, approvals, that is, permits prescribed by this and another law, including the previously obtained approval on the manner and form of keeping records from the Customs Administration and the Public Revenue Office in accordance with Article 41 of this Law.

(3) Provided that the zone does not commence operation in the period referred to in paragraph (1) of this Article, the Directorate, on the basis of an act, shall abolish the decision on commencement of operations of the zone.

Report on operation of the technological industrial development zone

Article 32

(1) The founder of the zone shall be obliged to submit to the Directorate a report on the operation of the zone for the previous year until 15 April at latest in the current year (hereinafter: annual report).

(2) The annual report shall contain data in particular for:

- 1) the scope of production, that is, services rendered in the zone, both in quantity and value;
- 2) the performed foreign trade exchange, both in value and quantity per: country, products, country-product, and
- 3) the number of employments for the reporting period, per qualification structure.

(3) The data in the annual report shall be listed in total and for each of the users of the zone.

(4) The form and content of the report shall be prescribed by the Directorate.

(5) The Directorate shall be obliged to submit a warning to the founder of the zone within a time period of 15 days, at the latest, prior to the expiry of the time period for the report referred to in paragraph (1) of this Article.

User of a technological industrial development zone

Article 33

(1) The user of the zone shall perform the business activity on the basis of a contract on performance of a business activity concluded with the founder of the zone in accordance with Article 35 of this Law.

(2) When concluding a contract between the user and the founder of the zone, the users who meet the following criteria shall have priority:

- increase in employment,
- certificate for production with high environmental standards,
- production based on new technologies, and
- high level of energy efficiency.

(3) The user of the zone shall commence its operation after the Directorate adopts a decision on operation commencement.

(4) The Directorate shall issue the decision on operation commencement referred to in paragraph (3) of this Article after previously obtained approval for records by the Customs Administration in accordance with Article 41 of this Law and the concluded contract on performance of a business activity between the founder and the user of the zone.

(5) In the cases where the user of the zone expands the capacity of the existing enterprise, diversifies the production of the enterprise by introducing new, additional products, or makes fundamental change in the overall production process of the existing enterprise, the Directorate shall issue a decision on commencement of operation on expansion of the capacity of the existing enterprise, a decision on commencement of operation in the case of diversification of the production of the enterprise by introducing new, additional products, a decision on commencement of operation in the cases of fundamental change in the overall production process of the existing enterprise to the user.

(6) The decisions referred to in paragraph 5 of this Article shall be issued upon a previously submitted business plan referring to the expansion of the capacity of the existing enterprise, the diversification of the production of the enterprise by introduction of new, additional products, or fundamental change in

the overall production process of the existing enterprise, and an approval for registration of the Customs Administration in accordance with Article 41 of this Law

(7) The user of the zone shall be obliged to enable customs or other type of supervision to the customs body or to other competent body.

(8) The user of the zone shall be obliged to submit an annual report to the founder regarding the operation in the previous year, up until March 31st in the current year, at the latest.

(9) The annual report referred to in paragraph (6) of this Article shall in particular contain data on:

- 1) the scope of production, that is, services rendered in the zone, both in quantity and value;
- 2) the performed foreign trade exchange, both in value and quantity per: country, products, country-product, and
- 3) the number of employments for the reporting period, per qualification structure.

(10) The form and the content of the annual report referred to in paragraph (6) of this Article shall be prescribed by the director of the Directorate for Technological Industrial Development Zones.

(11) The Directorate shall be obliged to submit a warning to the user of the zone within a time period of 15 days, at the latest, prior to the expiry of the time period for the report referred to in paragraph (6) of this Article.

(12) The Directorate shall abolish the decision on operation commencement referred to in paragraph (3) of this Article in the following cases:

- 1) if the user does not operate in accordance with this Law;
- 2) if a legally valid court decision banning the user from performing a business activity has been adopted;
- 3) if it is determined that the user has submitted unauthentic data or documents in its request, and
- 4) if the user of the zone does not commence operation within the zone in accordance with the provisions of this Law.

(13) The Directorate shall *ex officio* communicate the decision abolishing the decision on operation commencement to the Customs Administration of the Republic of Macedonia and the competent tax authority.

(14) The dissatisfied party can initiate an administrative dispute against the decision abolishing the decision on operation commencement.

(15) The provisions of this Law shall apply with regards to the requirements for issuance of an approval for the facilities in the zones established by the Government of the Republic of Macedonia and by legal entities, which are constructed by the lessees and the owners of the land in the zones established by the Government of the Republic of Macedonia and by the legal entities (except for infrastructure facilities in the zone which are constructed by the entities - public service providers in charge of construction of electrical energy, water supply, sewage, gas and telecommunication infrastructure), and the provisions of the Law on Construction shall apply with regards to the requirements for issuance of an approval for use.

(16) Competent body for issuance of a construction approval, as well as an approval for use for the facilities referred to in paragraph (15) of this Article shall be the Directorate, and for the facilities in the

zones for which a contract for public private partnership is concluded, shall be the Ministry of Economy (hereinafter: competent bodies).

(17) The competent body shall conduct the procedure for issuance of a construction approval for the facilities referred to in paragraph (15) of this Article in accordance with this Law, and the procedure for issuance of an approval for use shall be conducted in accordance with the Law on Construction.

(18) The project documentation shall be prepared and verified in a written form in accordance with the Rulebook for the contents of the projects, the manner of verification of the project by responsible persons and the manner of using the electronic records.

(19) The area determined by the land survey report for numeric data on the construction land shall be deemed as construction parcel area in the procedures for issuance of a construction approval

Procedure for issuance of a construction approval

Article 33-a

(1) The procedure for issuance of a construction approval for the facilities that are built by the investors shall be conducted in a written form in accordance with the provisions of this Law.

(2) The provisions of the Law on Construction shall apply to the procedures for preparation of the project documentation, the audit of the project documentation, the supervision over the construction, the changes during the construction, the change of the investor, the formation and development of the construction site, the issuance of the approval for use, the entry of the immovable properties in the public book, the use of the construction facility, the reconstruction, the repurposing, the adaptation, the maintenance of the facility, the removal of the facility, the inspection, and the misdemeanor provisions for the facilities referred to in paragraph (1).

(3) The procedures referred to in paragraph (2) of this Article shall be conducted in accordance with the provisions of the Law on Construction, in a written form.

(4) The facilities referred to in paragraph (1) of this Article may be built by a legal entity holding an A license for a contractor, the project documentation may be prepared by a legal entity holding an A license for designing, the project documentation may be audited by a legal entity holding an A license for project documentation audit, and the supervision may be conducted by a legal entity holding an A license for supervision of the building.

BASIC REQUIREMENTS FOR THE FACILITY

Article 33-b

Every construction in the zones, depending on the purpose, should meet the basic requirements for the construction prescribed by the Law on Construction and the regulations in the field of construction, and should meet the requirements prescribed by the parameters of the state urban and planning documentation or the architecture and urban project.

Article 33-c

(1) The investor may start the building in the zones upon the receipt of the construction approval in accordance with this Law, which is effective in the administrative procedure.

(2) As an exception to paragraph (1) of this Article, the investor, on its own responsibility and risk, may also start the building based on a final construction approval.

(3) A construction approval for a facility in the zones may be also issued for the facilities or parts of the facilities whose building have started before the entry into force of this Law only if they fit in the urban planning documentation, that is, architecture and urban project.

Competent body for issuance of a construction approval

Article 33-d

(1) The construction approval for the facilities in the zones established by the Government of the Republic of Macedonia and by legal entities, which are constructed by the lessees and the owners of the land in the zones (except for infrastructure facilities in the zone, which are constructed by the entities - public service providers in charge of construction of electrical energy, water supply, sewage, gas and telecommunication infrastructure) shall be issued by the competent body.

(2) The construction approval for constructions in the health zones shall be issued by the competent body in accordance with this Law

(3) A copy of the effective construction approval which is adopted by the competent body shall be submitted to the local self-government unit on whose are the facility is built.

Procedure for starting the building in the zones

Article 33-e

(1) The start of the building of the facilities built by investors shall commence by pre-construction activities on the parcel, upon an obtained approval for starting the pre-construction activities

(2) On the basis of the approval for starting the pre-construction activities, the investor may organize the construction site by setting up constructions to be used in the process of building the facility. A deadline within which the investor is obliged to provide a construction approval shall be set in the approval for pre-construction activities.

(3) Pre-construction activities and facilities for carrying out pre-construction activities, in terms of this Law, shall be:

- fence for fencing off the construction site,
- asphalt base,
- separation of aggregates,
- installation for supply and drainage of water,
- facilities for accommodation of workers and for storing construction products,
- cleaning and leveling the construction parcel, and
- all types of groundwork for digging foundations.

(4) The investor shall submit a written request for obtaining an approval for starting the pre-construction activities to the competent body.

(5) The following shall be attached to the request referred to in paragraph (4) of this Article:
- a contract for a long-term lease of a construction land, that is, a contract for alienation of a

construction land,

- an excerpt from the urban planning documentation or architecture and urban project,
- a statement for the construction site safety measures taken,
- a notification of ground disposal, and
- a notification of a designated contractor and a legal entity for supervising the pre-construction activities.

(6) If the investor referred to in paragraph (1) of this Article submits an incomplete request for obtaining an approval for starting the pre-construction activities, the competent body, within a period of five working days, shall submit a notification for the purpose of completing the necessary documentation to the entity that submits the request which is obliged, within a period of ten working days as of the receipt of the notification, to complete the request with the necessary documentation.

(7) If the investor completes the documentation referred to in paragraph (6) of this Article, the competent body shall issue an approval for starting the pre-construction activities, and if it does not complete the request with the necessary documentation within the deadline set in paragraph (6) of this Article, the competent body shall adopt a decision rejecting the request.

(8) If the investor does not obtain a construction approval in the deadline set in the approval for pre-construction activities, the obtained approval for pre-construction activities shall cease to be valid and the contractor shall be obliged to immediately remove the set constructions for pre-construction activities and to appropriately arrange the land.

(9) The deadline set in the approval for pre-construction activities referred to in paragraph (8) of this Article should be within the deadline set for starting the building referred to in Article 8 paragraph (10) of this Law.

Construction approval

Article 33-f

(1) The procedure for issuance of a construction approval in the zones shall be conducted in line with the provisions of the Law on the General Administrative Procedure, unless otherwise regulated by this Law.

(2) In order to obtain a construction approval in the zones, the investor shall submit a written request to the competent body attaching the following documentation:

- an excerpt from the urban planning documentation or architecture and urban project, approved by a competent body, and if the architecture and urban project is approved electronically through the e-urbanism information system, a notary verified statement is also submitted which given under criminal and material liability and where the entity that submits the request confirms that the submitted architecture and urban project is the same with the one which is approved electronically by the competent body,
- a draft project or a basic project,
- a positive report for the audit of the basic project, provided that the request is submitted for a basic project,
- a proof of the payment made for the lease of the land, provided that the entity that submits the request for a construction approval is a lessee of the land in the zones,

- a land survey report for numeric data on the construction land,
- a notary verified statement, given under criminal and material liability, where the investor confirms that the building of the facility, that is, part of the facility is started before the entry into force of this Law, provided that the request refers to a facility or parts of a facility whose building has started.

(3) Where a draft project is submitted in the procedure for issuance of a construction approval in the zones, the investor shall be obliged to prepare the basic project with a positive report for audit and to submit it to the competent body within a period of six months as of the day of effectiveness of the construction approval. If the basic project with a positive audit is not submitted within this deadline, the competent body shall, by a conclusion, suspend all construction activities of the investor until the moment the project is submitted.

(4) In the cases referred to in paragraph (3) of this Article, the submitted basic project with a positive report for the basic project audit referred to in paragraph (3) of this Article shall be verified by official persons of the competent body.

(5) The competent body shall be obliged, within a period of five working days as of the day of receipt of the request, to review the submitted documentation and to establish whether the request is complete, whether the submitted documentation has faults, whether the basic project or the draft project is prepared in accordance with the designing regulations and the urban planning documentation, that is, the architecture and urban project, and whether the entity that submits the request is the only lessee, that is, owner of the respective construction land. If a basic project and a positive basic project audit report is attached to the request, the competent body shall be obliged to act in accordance with Article 33-g of this Law within a period of three days as of the day of receipt of the request.

(6) If, upon taking the actions referred to in paragraph (5) of this Article, it is established that the submitted documentation is complete, the requirements referred to in paragraph (5) of this Article are met, and a positive opinion, that is, consent is granted by the entities referred to in Article 33-g of this Law to which a request for inspection of the basic project is submitted, the competent body shall be obliged to issue a construction approval within a period of five working days, or it shall be obliged to adopt a conclusion for suspension of the procedure based on which it shall oblige the entity that submits the request to remove the established faults and to supplement the request within a period of 15 working days as of the receipt of the conclusion.

(7) If the entity that submits the request does not eliminate the established faults and does not supplement the request within the deadline referred to in paragraph (6) of this Article, the competent body shall be obliged to adopt a decision rejecting the request for construction approval, and if the entity that submits the request eliminates the established faults, supplements the request within the deadline referred to in paragraph (6) of this Article, and a positive opinion, that is, consent is granted by the entities referred to in Article 33-g of this Law to which a request for inspection of the basic project is submitted, the competent body shall be obliged to issue a construction approval within a period of five days as of the supplement of the request and the receipt of the positive opinion, that is, consent. If any of the entities referred to in Article 33-g has given comments to the basic project, the competent body shall be obliged, immediately after the entity that submits the request supplements the request, to submit a request for re-inspection of the basic project to the entities referred to in Article 33-g of this Law which have given comments to the basic project in order for them to establish whether it has been acted upon the previously submitted comments.

(8) Before the construction approval is issued, the draft project or the basic project is verified by official persons of the competent body which confirms that the project is prepared in accordance with the regulations on designing and the urban planning documentation, that is, architecture and urban project.

(9) The official persons of the competent body who verify the project documentation in accordance with paragraphs (4) and (8) of this Article should be graduated engineers, architects or graduated construction engineers holding an A authorization or B authorization for designing, or an A authorization or B authorization for audit of project documentation or should have a work experience of at least six months in procedures for issuance of a construction approval for first or second category constructions determined by the Law on Construction.

(10) If a request is submitted for a construction approval for a facility or parts of a facility whose construction has started before the entry into force of this Law, the competent body shall determine the actual situation in terms of whether the built facility or parts of the facility fits into the urban planning documentation, that is, architecture and urban project.

(11) The competent body shall be obliged, within a period of 15 working days as of the issuance of the construction approval, to submit to the investor a calculation for payment of the costs for entry of the facility in the public books of immovable properties. If the entity that submits the request submits a draft project in the procedure for issuance of a construction approval, in that case, the calculation for payment of the costs for entry of the facility in the public books of immovable properties shall be submitted within a period of 15 working days as of the verification of the basic project with a positive report from the basic project audit.

(12) The competent body in the procedure for issuance of a construction approval cannot require other documentation from the investor except the documentation foreseen by this Law.

(13) The entity that submits the request shall be liable for the authenticity of all documents that are attached to the request with the original documents that are issued by the competent entities.

(14) The form and the contents of the request for a construction approval and of the construction approval shall be prescribed by the functionary heading the competent body.

Article 33-g

(1) If the entity that submits the request in the procedure for obtaining a construction approval submits a basic project with a positive report for the basic project audit to the competent body, in that case, the competent body shall be obliged, within a period of three days, to submit a request for inspection of the basic project to the entities responsible for electrical energy, water and sewage infrastructure immediately upon receipt of the basic project and the positive report for the basic project audit.

(2) The entity responsible for electrical energy infrastructure shall be obliged to inspect the basic project and to submit an opinion whether the facility can be connected to the appropriate electrical energy system within a period of five days as of the receipt of the request for inspection.

(3) The entity responsible for water and sewage infrastructure, within a period of five days as of the receipt of the request for inspection, shall be obliged to inspect the basic project and to submit an opinion whether the facility can be connected to the water and sewage system.

(4) If the basic project anticipates connection of the facility to the thermal and gas pipeline infrastructure, the competent body, within the deadline set out in paragraph (1) of this Article, shall submit a request for inspection of the basic project to the entities responsible for thermal and gas pipeline infrastructure which shall be obliged, within a period of five days as of the receipt of the request, to inspect the basic project and to submit an opinion whether the facility can be connected to the thermal and gas pipeline infrastructure.

(5) In case of building constructions for storage of explosive materials, warehouses, storage or tanks for flammable liquids and gases, unloading point, gas station, oil or gas pipelines, including the storage, plant or device which is technologically connected to the oil or gas pipeline, the competent body, within the deadline set out in paragraph (1) of this Article, shall submit a request for inspection of the basic project to the state administrative body responsible for carrying out the activities in the field of internal affairs which is obliged, within a period of five days as of the receipt of the request, to inspect the basic project and to give consent or give comments if the requirements for consent are not met.

(6) In case of building constructions for which the basic project, in accordance with the Law on Construction, should consist of a study for protection against fire, explosions and hazardous materials, the competent body, within the deadline set out in paragraph (1) of this Article, shall also submit the request for inspection of the basic project to the Directorate for Protection and Rescue which is obliged, within a period of five days as of the day of receipt of the request, to inspect the basic project and to give consent for the study or to give comments if the requirements for a consent are not met.

(7) If the entities referred to in paragraphs (2), (3), (4), (5) and (6) of this Article do not act in accordance with this Article, it shall be considered that they do not have any comments and if their failure to act causes damages in the future, the obligation for damage compensation shall be borne by the entity whose failure to act has caused the damage.

(8) The entities referred to in paragraphs (2), (3), (4), (5) and (6) of this Article which have submitted their comments to the basic project shall be obliged to inspect whether the entity that submits the request has acted upon the comments within a period of two working days as of the receipt of the request for re-inspection of the basic project submitted by the competent body.

(9) If the entities referred to in paragraphs (2), (3), (4), (5) and (6) of this Article, acting in accordance with paragraph (8) of this Article and upon the completed inspection, have other comments to the basic project, that is, give a negative opinion or do not give consent, the competent body shall adopt a decision on rejection of the request for the construction approval.

(10) If the entity that submits the request in the procedure for obtaining a construction approval submits a draft project to the competent body, in that case, it shall be acted in accordance with the provisions of this Article immediately upon the submission of the basic project with a positive report for the basic project audit.

(11) In the cases where the competent body has issued a construction approval based on a draft project and upon the submission of the basic project in accordance with Article 33-f paragraph (3), the entities referred to in paragraphs (2), (3), (4), (5) and (6) of this Article have given comments to the basic project, that is, have given a negative opinion, the competent body shall adopt a decision on suspension of the construction of the facility, and the investor shall be obliged to suspend the construction of the facility.

The suspension of the construction of the facility shall last until the removal of the comments given by the entities referred to in paragraphs (2), (3), (4), (5) and (6) of this Article, and the construction of the facility may continue upon receipt of a notification by the competent body that the construction of the facility may continue.

(12) The request for inspection of the basic project, the opinion or the consent, that is, the comments shall be delivered in a written form.

Article 33-h

(1) The competent body shall be obliged to submit a copy of the effective construction approval and a copy of the verified basic project to the competent body for keeping the public book for entry of the rights to immovable properties for the purpose of entering comments and preliminary registrations in the public book where the right to the land is entered.

(2) If the construction approval is issued on the basis of a draft project, the competent body shall submit the effective construction approval to the competent body for keeping the public book for entry of the rights to immovable properties for the purpose of entering comments and preliminary registrations in the public book where the right to the land is entered after the basic project with a positive basic project audit is submitted.

(3) Where the construction approval is issued to several investors, all the investors shall be listed in the approval in ideal or real parts, based on the legal act for regulation of the mutual rights and obligations for construction, verified by a notary.

Article 33-i

(1) If the functionary heading the competent body does not issue the construction approval, that is, does not adopt a decision rejecting the request for issuance of the construction approval within the deadline referred to in Article 33-f paragraph (6) of this Law, the entity that submits the request shall have the right, within a period of three working days, to submit a request to the filing office of the functionary heading the competent body to issue a construction approval.

(2) The form and contents of the request referred to in paragraph (1) of this Article shall be prescribed by the functionary heading the competent body. The form of the request shall be published in the "Official Gazette of the Republic of Macedonia".

(3) The entity that submits the request shall also attach a copy of the request referred to in Article 33-f paragraph (1) of this Law to the request referred to in paragraph (1) of this Article.

(4) The functionary heading the competent body shall be obliged to issue a construction approval or to adopt a decision rejecting the request for issuance of a construction approval within a period of five working days as of the day of submission of the request referred to in paragraph (1) of this Article to the filing office of the competent body.

(5) If the functionary heading the competent body does not issue a construction approval, that is, does not adopt a decision to reject the request for issuance of a construction approval within the deadline referred to in paragraph (4) of this Article, the entity that submits the request may notify the State Administrative Inspectorate within a period of five working days.

(6) The State Administrative Inspectorate shall be obliged, within a period of ten days as of the day of receipt of the notification referred to in paragraph (5) of this Article, to inspect whether the procedure in accordance with law has been conducted in the competent body and to inform the entity that submits the request about the measures taken within a period of three working days as of the day the inspection has been conducted.

(7) Upon the inspection completed in accordance with the law, the inspector of the State Administrative Inspectorate shall adopt a decision obliging the functionary heading the competent body, within a period of ten days, to decide upon the submitted request, that is, to approve or reject the request and to inform the inspector about the adopted act. A copy of the act deciding upon the submitted request shall be attached to the notification.

(8) If the functionary heading the competent body does not decide within the deadline referred to in paragraph (7) of this Article, the inspector shall file a motion for initiation of a misdemeanor procedure for a misdemeanor foreseen by the Law on Administrative Inspection and shall set an additional deadline of five working days within which the functionary heading the competent body is to decide upon the submitted request and within the same period to inform the inspector about the adopted act. A copy of the act deciding about the submitted request shall be attached to the notification. The inspector shall inform the entity that submits the request about the measures taken within a period of three working days.

(9) If the functionary heading the competent body does not decide in the additional deadline referred to paragraph (8) of this Article, the inspector, within a period of three working days, shall file a report to the competent public prosecutor and, in the same period, shall inform the entity that submits the request about the measures taken.

(10) If the inspector does not act based on the notification referred to in paragraph (5) of this Article, the entity that submits the request shall have the right to file a complaint to the filing office of the director of the State Administrative Inspectorate within five working days. If the director does not have a filing office, the request shall be submitted to the filing office in the head office of the State Administrative Inspectorate.

(11) The director of the State Administrative Inspectorate shall be obliged to examine the complaint referred to in paragraph (10) of this Article within three working days and, if he/she establishes that the inspector has not acted based on the notification of the entity that submits the request referred to in paragraph (5) of this Article and/or has not filed a report in accordance with paragraph (9) of this Article, the director of the State Administrative Inspectorate shall file a motion for initiation of a misdemeanor procedure against the inspector for a misdemeanor foreseen by the Law on Administrative Inspection and shall set an additional deadline of five working days within which the inspector shall inspect whether the procedure in accordance with law has been carried out in the competent body and shall notify the entity that submits the request about the measures taken within three working days as of the day the inspection has been conducted.

(12) If the inspector does not act in the additional deadline referred to in paragraph (11) of this Article, the director of the State Administrative Inspectorate shall file a report to the competent public prosecutor against the inspector and shall notify the entity that submits the request about the measures taken within three working days.

(13) In the case referred to in paragraph (12) of this Article, the director of the State Administrative Inspectorate shall immediately, or within one working day at the latest, authorize another inspector to conduct the inspection immediately.

(14) In the case referred to in paragraph (13) of this Article, the director of the State Administrative Inspectorate shall notify the entity that submits the request about the measures taken within three working days.

(15) If the director of the State Administrative Inspectorate does not act in accordance with paragraph (11) of this Article, the entity that submits the request may file a report to the competent public prosecutor within eight working days.

(16) If the functionary heading the competent body does not adopt a decision within the deadline referred to in paragraph (8) of this Article, the entity that submits the request may initiate an administrative dispute with the Administrative Court.

(17) The procedure with the Administrative Court shall be urgent.

(18) The Ministry of Economy shall be obliged to inform the Directorate about every submitted request for issuance of a construction approval and about every issued construction approval in a written form within a period of seven days as of the day of receipt of the request, that is, the day of issuance of the approval.

Article 33-j

An appeal against the administrative acts issued in the procedure for obtaining an approval for starting pre-construction activities and in the procedure for obtaining a construction approval may be filed with the State Commission for Decision-making in Administrative Procedure and Labor Relation Procedure in Second Instance within a period of 15 days as of the day of their receipt.

Article 33-k

(1) The construction approval that is issued contrary to the provisions of this Law shall be null and void. The competent body shall borne the costs for returning the space in a condition it has been before the issuance of the construction approval which is declared as null and void, and the investor shall have the right to damage compensation and compensation for lost profit by the competent body.

(2) In the cases where the construction approval is declared as null and void in accordance with Article 33-n paragraph (2) of this Law, the competent body shall not borne the costs for returning the space in a condition it has been before the issuance of the construction approval and the investor shall not have the right to damage compensation and lost profit compensation by the competent body.

Article 33-l

In the case of extension and superstructure of a facility, the same procedure for obtaining an approval for starting pre-construction activities and a construction approval prescribed by this Law shall apply.

Article 33-m

(1) Where for the purpose of constructing, it is necessary the investor to remove an already built facility or parts of it, and they are located within the boundaries of the construction area, it shall be obliged to

do that upon the effectiveness of the construction approval, on the basis of a special study on the manner of removal of the existing construction, which shall include solutions for the treatment of the construction waste made by removing the previously built construction.

(2) If the facilities referred to in paragraph (1) of this Article are out of the construction area, but within the boundaries of the construction parcel, the constructor shall be obliged to remove them until the issuance of the approval for use at the latest.

Article 33-n

(1) The construction approval shall cease to be valid if the lessee, that is, the owner of the land does not commence the construction process within the deadline set in the construction approval in accordance with Article 8 paragraph (10) of the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" nos. 14/2007, 103/2008, 130/2008, 139/2009, 156/2010, 127/2012, 41/2014, 160/2014 and 72/2015).

(2) In the cases referred to in paragraph (1) of this Article, the competent body shall adopt an act for nullity of the construction approval which shall be submitted to the body responsible for keeping the public book for entry of the rights to immovable properties and it shall constitute a basis for deletion of all the comments and preliminary registrations related to the immovable property.

(3) If the building has commenced upon the expiry of the deadline referred to in paragraph (1) of this Article, it shall be considered that the building is unlawful.

Article 33-o

(1) The investor shall be obliged to report the building of the facility to the competent body, the construction inspection and the labor inspection in writing before the start of the building of the facility for which a construction approval is issued.

(2) The investor shall be obliged to state the contractor and the legal entity for conducting supervision and the supervision engineer who is designated in the notification referred to in paragraph (1) of this Article. If the contractor or the legal entity for conducting supervision, that is, the designated supervision engineer is changed during the construction, the investor shall be obliged to inform the competent body about the change.

Construction approval for part of parts of a facility.

Article 33-p

(1) The construction approval may, on request of the investor, be issued for one or several of its parts if they constitute a construction and functional whole, as a phase construction.

(2) The request for issuance of a construction approval for a part of a facility shall be submitted by the investor together with the documentation foreseen in Articles 33-e and 33-f of this Law.

(3) The part, that is, the parts of the facility to which the request refers to shall be stated in the request referred to in paragraph (2) of this Article.

Transfer of rights and obligations from a current to a future user of the zone

Article 33-q

(1) The user of the zone that have concluded a contract for lease of construction land in the zone may, upon a previous consent of the Government of the Republic of Macedonia, transfer the ownership of the facility, as well as transfer the other obligations and rights that derive from the contract for lease of the construction land in the zone, to a future user of the zone.

(2) The user of the zone shall be obliged to submit a request to the Directorate regarding the transfer of the ownership of the facility, as well as the other obligations and rights that derive from the contract for long-term and short-term lease of construction land.

(3) The Directorate shall, within a period of 15 days as of the day of receipt of the request, submit a proposal to the Government of the Republic of Macedonia for adoption of a decision on granting consent for the transfer, that is, a proposal for rejection of the request.

(4) The Government of the Republic of Macedonia shall adopt the decision on granting consent for the transfer of the ownership of the facility, as well as the other obligations and rights that derive from the contract for long-term and short-term lease of construction land within a period of 30 days as of the day of receipt of the proposal referred to in paragraph (3) of this Article and shall, at the same time, determine in the decision the period of lease of the construction land which should be at least within the limits of the remaining period of the initial contract for lease of the construction land, as well as the amount of the rent.

(5) The current user of the zone, by the transfer of the ownership of the facility, as well as the transfer of the other obligations and rights that derive from the contract for lease of the construction land, may continue to carry out the business activity it has concluded a contract for carrying out a business activity for in the facility which has been the subject of the transfer at least until the fulfillment of the obligations that derive from the contract for granting state aid.

(6) The Directorate and the future user of the zone to which the ownership of the facility and the other obligations and rights that derive from the construction land lease contract have been transferred, shall conclude an annex to the initial contract for construction land lease the consent for which shall be granted by the Government of the Republic of Macedonia.

(7) The future user of the zone shall be obliged, within a period of nine months as of the day of conclusion of the annex to the contract referred to in paragraph (6) of this Article, to start carrying out a business activity in the zone.

(8) If the future user of the zone does not start carrying out the business activity within the deadline set in paragraph (7) of this Article, the Directorate shall unilaterally cancel the construction land lease contract and the user of the lease shall have the right to alienate the facility upon a previous consent of the Directorate within a period of one year as of the day of cancellation of the contract.

(9) If the facility is not alienated within the deadline referred to in paragraph (8) of this Article, it shall remain in ownership of the Republic of Macedonia.

Conditions for utilization of a technological industrial development zone

Article 34

(1) The founder of the zone shall adopt rules (hereinafter: founder's rules) on the conditions under which the zone area is used for performing a business activity, the business activities which are to be performed in the zone, shall regulate the internal order, and shall prescribe certain measures for protection of the environment and nature, and shall adopt a tariff for services provided to the users in the zone.

(2) The founder's rules must not be contrary to the laws and other regulations of the Republic of Macedonia, nor to the international agreements ratified by the Republic of Macedonia.

(3) The founder of the zone shall be obliged to provide equal conditions for performing a business activity in the zone to each user.

(4) The founder's rules and the tariff referred to in paragraph (1) of this Article shall be published in the "Official Gazette of Republic of Macedonia". If the Government of the Republic of Macedonia is not the founder of the zone, the rules and the tariff referred to in paragraph (1) of this Article shall be subject to approval by the Directorate.

Built facilities

Article 34-a

(1) The competent body shall issue a decision on verification of the legal status of the facilities for which the legal status in the zones is not established, and they are completely built and constitute a construction and functional whole until the entry into force of this Law, except for the infrastructure facilities in the zone that are built by the entities - public service providers that are in charge of construction of electrical energy, water supply, sewage, gas and telecommunication infrastructure, to the entity that submits the request, provided that the requirements referred to in Article 34-e of this Law are met.

(2) The procedure referred to in paragraph (1) of this Article for the zones shall be conducted by the Directorate, and for the zones for which a contract for public private partnership is concluded shall be conducted by the Ministry of Economy (hereinafter: competent bodies).

Request for verification

Article 34-b

(1) A written request for verification of the legal status of the facility shall be submitted by the holder of the facility to the competent body for the purpose of verifying the facilities referred to in Article 34-a of this Law.

(2) An entity that submits a request for verification of facilities referred to in Article 34-a of this Law may be a legal entity registered in the Central Register of the Republic of Macedonia which is the holder of the facility or the Directorate, provided that it has taken a facility for which the legal status in the zones is not established.

(3) In the cases where the entity that submits the request for verification of facilities is a legal entity registered in the Central Register of the Republic of Macedonia, it shall be obliged to attach the following to the request for verification of facilities:

- an excerpt from the Central Register of the Republic of Macedonia,

- a proof of communal infrastructure connection and/or bills for public utilities (electricity, water), and if the facility has no infrastructural connections, a notary verified statement given under criminal and material liability where the entity that submits the request confirms that the facility is built before the entry into force of this Law, and
- a land survey report for establishment of the actual situation.
- a notary verified statement given under criminal and material liability by which the entity that submits the request confirms that the facility has been built within the technological industrial development zone and that it represents a construction and functional whole and that it may be used.

(4) If the facility for which a request for verification is submitted is built on a land in ownership of the Republic of Macedonia for which the entity that submits the request has not concluded a lease contract, the entity that submits the request shall be obliged to submit a written request in accordance with Article 34-h of this Law for the purpose of giving the land on which the facility is built under lease and to immediately submit a proof thereof.

(5) If the Directorate is the entity that submits the request for verification of a facility for which the legal status in the zones is not established, the Directorate shall issue a decision on verification of the legal status of the facility only based on a land survey report for establishment of the actual situation.

(6) If the request for verification of the legal status refers to a facility for which the state urban planning documentation for the zones foresees special requirements for which consents from particular competent institutions are necessary, the competent body shall provide them *ex officio*.

(7) The form and the contents of the request referred to in paragraph 1 of this Article shall be prescribed by the director of the Directorate. The form of the request shall be published in the "Official Gazette of the Republic of Macedonia".

Inspection on the spot

Article 34-c

(1) Upon the receipt of the request for verification of the facility the legal status of which in the zones is not established, the commission formed by the competent body shall establish the actual situation on the spot and shall prepare minutes of the completed inspection on the spot containing photographs of the facility.

(2) The minutes referred to in paragraph (1) of this Article shall contain data on the facility and shall contain a statement whether the facility constitutes a construction and functional whole.

(3) The commission referred to in paragraph (1) of this Article shall be composed of three members and their deputies.

(4) The form and the contents of the minutes of the completed inspection on the spot referred to in paragraph (1) of this Article shall be prescribed by the director of the Directorate, that is, the minister of economy.

Article 34-d

(1) If any of the necessary proofs is not submitted together with the request for verification of the facility the legal status of which in the zones is not established, the competent body shall adopt a

conclusion for suspension of the procedure and shall submit a notification to the entity that submits the request for the purpose of supplementing the request within a period of ten working days as of the day of receipt of the request.

(2) In the case referred to in paragraph (1) of this Article, the procedure for verification of the facility shall continue upon the supplement of the request.

Requirements for issuance of a decision on verification of a facility the legal status of which in the zones is not established

Article 34-e

(1) A decision on verification of a facility the legal status of which in the zones is not established shall be issued if the following requirements are met:

- the complete documentation referred to in Article 34-b of this Law is submitted,
- the minutes of the completed inspection on the spot in accordance with Article 34-c of this Law where it is established that the facility constitutes a construction and functional whole is prepared,
- the facility is built before the entry into force of this Law,
- the facility is built on a land in the zone for which the entity that submit the request has the right to lease or ownership, and if the facility is built on a land in ownership of the Republic of Macedonia for which the entity that submits the request has not concluded a lease contract, a proof is delivered of a submitted request for a written request in accordance with Article 34-h of this Law for the purpose of giving the land on which the facility is built under lease,
- the necessary consents in accordance with Article 34-b paragraph (6) of this Law are obtained, provided that they are prescribed by the state urban planning documentation for the zones, and
- the purpose of the facility is classified under C - Public Institutions and/or D - Production, Distribution and Service.

Procedure for issuance of a decision on verification of a facility the legal status of which in the zones is not established

Article 34-f

(1) Upon meeting the requirements referred to in Article 34-e of this Law, the competent body shall prepare a calculation for payment of the fee for issuance of the decision on verification of a facility the legal status of which in the zones is not established within a period of five working days. The fee shall amount Denar 61,00 per m² of a built-up area of a facility where the area is determined by the land survey report for establishment of the actual situation.

(2) The funds from the fee referred to in paragraph (1) of this Article in the amount of 30% shall be revenue of the Budget of the Republic of Macedonia, and in the amount of 70% shall be revenue of the budget of the competent body. The entity that submits the request shall be obliged to pay the fee referred to in paragraph (1) of this Article within a period of twenty working days as of the day of receipt of the calculation.

(3) If the requirements referred to in Article 34-e of this Law are met and the fee referred to in paragraph (1) of this Article is paid, the competent body shall adopt a decision on verification of a facility

the legal status of which in the zones is not established confirming that the facility meets the requirements for entry in the public books for entry of the rights of immovable properties.

(4) The decision on verification of the legal status of the facilities in the zones shall constitute a basis for entry of the right of ownership of the facility in the public book for entry of the right of immovable properties.

(5) In the course of entering the right of ownership of the facility in the public book for entry of the rights of immovable properties, comments shall be entered that the facility has acquired the legal status by a decision on verification of the legal status in accordance with the provisions of the Law on Technological Industrial Development Zones.

(6) The form and the contents of the decision referred to in paragraph (1) of this Article shall be prescribed by the director of the Directorate or the minister of economy.

Treatment of facilities that are not going to establish the legal status in the zones by this Law

Article 34-g

(1) A facility the legal status of which in the zones is not established, and for which no request is to be submitted and/or it is not going to meet the requirements for issuance of a decision on verification of that facility, shall be removed in a procedure in accordance with the Law on Construction.

(2) If it is established that, upon the submission of a request for verification of a facility the legal status of which in the zones is not established, extensions and superstructures are made on the facility for which the request is submitted, a decision rejecting the request for verification of the facility shall be adopted regardless whether the facility meets the requirements for verification of a facility the legal status of which in the zones is not established.

Regulation of the lease of the land where a facility is built the legal status of which in the zones is not regulated

Article 34-h

(1) The Directorate shall conclude a lease contract for the land with the entity that submits the request referred to in Article 34-b paragraph (4) of this Law, upon a previously submitted written request, within a period of six months as of the issuance of the decision on verification of the facility the legal status of which in the zones is not established, upon a previous consent by the Government of the Republic of Macedonia.

(2) The lease period and the amount of the rent in the case referred to in paragraph (1) of this Article shall be determined by the Government of the Republic of Macedonia.

(3) The form and the contents of the request referred to in paragraph (1) of this Article and the necessary documentation shall be prescribed by the director of the Directorate.

Article 34-i

The facilities for which a decision on verification of the legal status is adopted and which are not included in the urban planning documentation, shall be included within a period of three years as of the day of adoption of the decision on verification of the legal status of the facility.

Article 34-j

An appeal against the administrative acts issued in the procedure for verification of a facility the legal status of which in the zones is not verified may be filed to the State Commission for Decision-making in Administrative Procedure and Labor Relation Procedure in Second Instance within a period of 15 days as of the day of their receipt.

Part 6 [21](#)

PROCEDURE FOR ALIENATION OF LAND IN THE ZONE

Article 34-a

Deleted [22](#)

Article 34-b

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Article 34-c

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Article 34-d

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Article 34-e

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Article 34-f

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Article 34-g

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Article 34-h

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Article 34-i

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Article 34-j

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Article 34-k

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Article 34-l

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Article 34-m

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PART SIX

BUSINESS ACTIVITIES THAT CAN BE PERFORMED IN A TECHNOLOGICAL INDUSTRIAL DEVELOPMENT ZONE AND SPECIAL CONDITIONS FOR THEIR PERFORMANCE

Activities performed in a technological industrial development zone

Article 35

(1) Production and rendering services, scientific and research activities, warehousing, banking and other financial activities, insurance and reinsurance of property and persons, and other activities related exclusively to the operation of the zones shall be carried out in the zone.

(2) The business activities in the zone shall be carried out under the following conditions:

- 1) the business undertaking to be in accordance with the submitted feasibility study or the business plan referred to in Article 25 paragraph (3) point 2 of this Law;
- 2) the origin and the quality of the raw materials, the semi-products and the finished products can be determined and controlled;
- 3) the work not to endanger the public safety, the living environment and the human health in the zone, and
- 4) the user of the zone to insure the capital asset and the employees against risks resulting from the operation.

(3) An activity related to the following cannot be conducted in the zone:

- 1) trade of decayed, spoiled goods with an expired date or infected goods, waste materials that pollute the living environment or that are not for human and animal consumption;
- 2) radio-active materials, except those that are needed for the industrial, medicinal, scientific and research purposes approved by the competent bodies of the Republic of Macedonia;
- 3) drugs, chemical and organic materials, chemical and biochemical derivatives with the exception of those that are used in industrial, processing, medicinal and pharmaceutical purposes, in accordance with certificates issued by the Ministry of Health;
- 4) weapons, ammunition and explosives, except for commercial explosives;
- 5) production and services that originate from countries or companies that are subject to embargoes and blockades imposed by national and international bodies and authorities;
- 6) production and services that endanger the public moral, public safety and defense, and
- 7) production and services that are not in accordance with the laws of the Republic of Macedonia and international agreements ratified in the Republic of Macedonia relating to the protection of intellectual and industrial property.

Article 36

(1) The user of the zone can warehouse goods for its needs in the zone.

(2) If the capacities of the warehouses of the users in the zone are not fully used, in agreement with the Customs Administration, the domestic goods that are not intended for export can be warehoused in the zone, but separately from the goods of the users of the zone.

(3) The Customs Administration shall not allow warehousing of the goods referred to in paragraph (2) of this Article in case it impedes the control over the operations conducted in the zone.

(4) The domestic goods that are in the area of the zone on the basis of the agreement referred to in paragraph (2) of this Article shall be recorded in accordance with the provisions of Article 41 of this Law.

(5) The tax exemptions and reliefs referred to in this Law shall not apply to the goods referred to in paragraph (2) of this Article.

Standards, norms, quality norms and prices

Article 37

(1) The standards, technical norms and quality norms shall not apply to goods that are entered into the zone for the purpose of warehousing or processing and that are not released in free circulation in the zone, except for those determined by the environment and nature protection, public safety and human health regulations.

(2) During the process of production of goods to be exported from the zone, the user can apply the standards, technical norms and quality norms in force in the country for which the goods are designated instead of the Macedonian ones.

(3) Laws and other regulations relating to the prices in the Republic of Macedonia shall not apply to the prices of the goods and trade services in the zone.

Application of laws, agreement on overcoming differences and labor relations

Article 38

(1) Disputes among the users of the zone, the users and the founder of the zone, and the founder of the zone and the state bodies shall be settled in accordance with the laws of the Republic of Macedonia.

(2) The labor relations between the employers and the employees in the zone shall be regulated in accordance with the Law on Labor Relations and the collective agreement.

Procedure for giving a construction land in the zones under a long-term and short-term lease to public service providers

Article 38-a

(1) The procedure for giving a construction land under a long-term and short-term lease to public service providers that are in charge of construction of electrical energy, water supply, sewage, gas and telecommunication infrastructure, and where the land is planned for construction of technological industrial development zones in accordance with the urban plan or the urban planning documentation, shall be conducted by the Directorate.

(2) On the basis of a submitted written request by the public service providers to which an excerpt from the plan for the respective zone and a land survey report for numerical data is attached, the Directorate shall conclude a contract for giving a construction land in the zone under a long-term and short-term lease.

(3) The concluded contract for establishment of the right to lease shall constitute a basis for entry of comments in the public book for entry of immovable properties.

(4) The amount of the fee for the leased land shall be calculated in accordance with the amount under the tariff of the founder, determined in Article 34 paragraph (1) of this Law.

Procedure for leasing a land in a technological industrial development zone to a land lessee which is to built a facility for the needs of a user

Article 38-b

(1) The procedure for giving a construction land under a long-term lease within the zone to a land lessee referred to in Article 4 paragraph (2) point 32 line 2 of this Law shall be conducted by the Directorate.

(2) In order to start the procedure referred to in paragraph (1) of this Article, the future user which is to perform a business activity in the facility to be built by the land lessee should submit to the Directorate the following:

- a letter of intent stating the business activity it wishes to perform, as well as the parcel where it is to perform the business activity,
- a business plan, and
- a pre-contract concluded with the selected land lessee referred to in Article 4 paragraph (1) point 32 line 2 of this Law.

(3) On the basis of the submitted documentation referred to in paragraph (2) of this Article and if the requirements for performing a business activity in accordance with this Law are fulfilled, the founder of the zone, that is, the private partner in the case of concluded contract for a public private partnership, shall conclude a contract for a long-term lease of a construction land with the land lessee referred to in Article 4 paragraph (1) point 32 line 2 of this Law which is to built a facility for the needs of a user upon a previous consent of the Government of the Republic of Macedonia.

(4) The land lease period and the amount of the land lease for the land lessee which is to built a facility for the needs of a future user shall be determined by the Government of the Republic of Macedonia for each individual case.

(5) In case of cancellation of the land lease contract in accordance with the provisions of this Law, the land lessee which is to built a facility for the needs of a future user shall transfer to the founder without any compensation and the founder shall accept all built or partially built facilities on the construction land in that moment in the existing condition.

(6) The Directorate shall conclude a contract for performance of a business activity with the future user based on the contract for a long-term lease of a construction land concluded with the land lessee referred to in Article 4 paragraph (1) point 32 line 2 of this Law.

Change of the lessee which builds a facility for the needs of a user which is to perform a business activity

Article 38-c

(1) If the user of the zone cancels the contract on performance of a business activity and the decision on a user is revoked in the first eight years as of the conclusion of the land lease contract, the land lessee referred to in Article 4 paragraph (1) point 32 line 2 of this Law shall have a deadline until the end of the tenth year calculated as of the signing of the contract for land lease to transfer the right of ownership of the facility or to find a new user of the zone which is to perform a business activity. The new owner of the facility shall take over the rights and obligations under the land lease contract until the expiry of the rest of the period of the land lease contract.

(2) If the user of the zone cancels the contract on performance of a business activity and the decision on a user is revoked after the eight year of the land lease contract, the land lessee referred to in Article 4 paragraph (1) point 32 line 2 of this Law shall have a deadline of two years to transfer the right of ownership of the facility or to find a new user which is to perform a business activity. The new owner of the facility shall take over the rights and obligations under the land lease contract until the expiry of the rest of the period of the land lease contract.

(3) Upon expiry of the deadline referred to in paragraphs (1) and (2) of this Article, provided that the land lessee referred to in Article 4 paragraph (1) point 32 line 2 of this Law does not find a new user which is to perform a business activity in the facility, that is, does not transfer the right of ownership of the facility, the ownership of the facility shall be transferred to the Republic of Macedonia and the lease contract shall cease to be valid.

(4) If the right of ownership of a facility is transferred in accordance with paragraphs (1) and (2) of this Article, the new owner of the facility shall take over the obligations and the deadlines for finding a new user which is to perform a business activity in that facility. The new owner of the facility shall take over the rights and the obligations under the land lease contract until the expiry of the rest of the period of the land lease contract.

Transfer of the ownership of the facility

Article 38-d

(1) Before the expiry of the period for which the construction land lease contract is concluded with the founder of the zone, the land lessee referred to in Article 4 paragraph (1) point 32 line 2 of this Law shall have the right to transfer the right of ownership of the facility to the user which performs a business activity in the facility.

(2) The owner of the facility referred to in paragraph (1) of this Article shall take over the rights and obligations under the land lease contract until the expiry of the deadline of the rest of the period of the land lease contract.

Article 38-e

(1) If the right of ownership of the facility is transferred to a legal entity which, in accordance with this Law, cannot perform a business activity in the zone, the new owner shall be obliged to transfer the right

of ownership of the facility or to give it under lease to a new user which is to perform a business activity in the facility in accordance with this Law within a period of two years.

(2) Upon expiry of the deadline referred to in paragraph (1) of this Article, if the new owner of the facility does not find a user or does not give the facility under lease in accordance with this Law, the ownership of the facility shall be transferred to the Republic of Macedonia.

PART SEVEN

APPLICATION OF CUSTOMS REGULATIONS

Article 39

The provisions of the Law on Customs referring to the free zones and free warehouses shall apply accordingly to the technological industrial development zones.

Records and movement in the technological industrial development zone

Article 40

(1) Entry and exit of means of transportation within the area of the zone, as well as entry and exit of goods from the zone, shall be recorded by the founder of the zone in accordance with this Law.

(2) Entry and exit of natural persons and means of transportation within the area of the zone, as well as entry and exit of goods from the zone, shall be carried out in accordance with the customs regulations and shall be subject to customs supervision conducted by the customs authority.

(3) The customs authority may make customs control on persons, goods and means of transportation that enter, exit or remain in the zone or the free warehouse.

Article 41

(1) The provisions of the Law on Customs shall apply accordingly to the movement and treatment of goods that are imported, that is, entered into the zone or exported, that is, exited from the zone, after the customs permitted treatment or use has been determined for the goods entered into or exited from the customs area of the Republic of Macedonia. If goods are temporary exited from the zone in the territory of the Republic of Macedonia for the purpose of refining or examining, testing, advertising and other temporary use, it shall be made in the manner and under the conditions referred to in the customs regulations.

(2) The founder, that is, the user of the zone shall be obliged to keep records of the goods in a form approved by the Customs Administration as a customs supervision measure. The form of the records kept by the founder of the zone shall be approved also by the Public Revenue Office.

(3) In order to allow carrying out of customs supervision, the founder, that is, the user of the zone shall be obliged to submit to the customs authority a note of the records of the goods for each individual entry or exit of foreign goods in or from the zone, as well as for the goods for which import duties have not been paid in accordance with Article 42 of this Law. In the case of supply of goods that are transported or sent from the other parts of the customs area in the technological industrial development zones and from the technological industrial development zones to the other parts of the customs area, the founder shall be obliged to issue a note of the records, and the user of the zone shall

be obliged to submit to the supplier of goods a note of the records for the goods at each entry or exit of the goods in and out of the zone.

(4) The Ministry of Finance shall adopt detailed regulations on the mandatory data that need to be included in the records and the note of the records and shall prescribe the form of the note of the record. The founder, that is, the user of the zone may also use other forms, provided that they contain the mandatory data.

(5) As an exception to second sentence of paragraph (3) of this Article, the note of the records of goods for each entry shall not be submitted in the cases of supply of goods that are transported or sent from the other parts of the customs area in the technological industrial development zones, provided that the total amount of the consideration for the completed supply without the value added tax is equal or less than Denar 60.000, as well as in the cases of supply of domestic goods intended for end consumption, in accordance with the Law on Value Added Tax.

Customs goods used as equipment in a technological industrial development zone

Article 42

(1) The equipment determined in Chapters 84, 85, 86, 87, 88, 89 and 90 of the Customs Tariffs and the spare parts thereof, which represents a foreign goods and which, as part of the investments of the user of the zone, is intended for performance of a business activity in the zone, shall not be subject to payment of import duties prescribed by the Law on Customs Tariffs.

(2) The user of the zone shall enter the equipment referred to in paragraph (1) of this Article in its business books as equipment in accordance with the international accounting standards.

(3) Import duties shall be paid at the amount determined on the basis of the elements for determining import duties valid in the moment of exit of the equipment for which the incentive referred to in paragraph (1) of this Article is used, and which is exited in the remaining part of the customs area of the Republic of Macedonia.

(4) The provisions of this Article shall apply accordingly to spare parts for the equipment referred to in paragraph (1) of this Article and for the tools and aids for that equipment.

(5) The following cannot be considered as equipment referred to in this Article:

- 1) office and other administrative premises material and equipment, and
- 2) passenger motor vehicles and other motor vehicles that are used outside the zone as well.

PART EIGHT

TERMINATION OF OPERATION OF THE TECHNOLOGICAL INDUSTRIAL DEVELOPMENT ZONE AND TERMINATION OF OPERATION OF THE USER IN THE TECHNOLOGICAL INDUSTRIAL DEVELOPMENT ZONE

Termination of the operation of the technological industrial development zone

Article 43

The zone shall terminate its operation in the following cases:

- upon a request submitted by the founder to the Directorate, the zone terminates the operation within

a period of six months as of the day the request is submitted,

- upon expiry of the lease contract for the land,
- when the founder makes changes to the zone contrary to Article 27 of this Law,
- performs or allows performance of business activities in the zone that are not listed in the articles of association, that is, the agreement on establishment of the zone referred to in Article 24 of this Law or they are not in accordance with the business activities allowed to be performed in the zones referred to in Articles 35 and 36 of this Law,
- when it is necessary to completely merge two or more separate, established zones in one new zone
- the founder fails to adopt rules in accordance with Article 34 of this Law.

Termination of the operation of the user in the technological industrial development zone

Article 44

(1) If in the course of the operation in the zone the founder of the zone or a competent court terminates the contract between the user of the zone and the founder, the user of the zone shall be obliged to notify thereof the customs, and through the Directorate, the tax authority, to submit to them all the records and calculations from the operation in the zone and to allow them to determine whether a customs, that is, tax debt calculated in accordance with customs, that is, tax regulations has incurred in regard to its operation in the zone.

(2) The Directorate shall abolish the decision referred to in Article 33 paragraphs (3) and (5). of this Law if: [35](#)

- 1) the contract between the founder and the user of the zone is terminated;
- 2) it receives a notification from the customs authority about non-fulfillment of the requirements for conducting customs supervision;
- 3) it conducts a commercial activity in the zone that is not determined in the articles of association, that is, the agreement on establishment of the zone in accordance with Article 24 of this Law;
- 4) it does not allow the customs or any other body to supervise the operation in the zone; and
- 5) it performs commercial activities in the zone that are not in accordance with Articles 35 and 36 of this Law.

Article 45

(1) A calculation of taxes, customs and other duties shall be made for the stocks in the zone on the day of termination of the operation for every founder/user of the zone, in accordance with the tax, customs and other regulations.

(2) In case of termination of the operation of the zone, the founder/users shall retain the ownership of the facilities that they have built in the zone, as well as of the rights and the capital invested in the zone, and they can continue their operations in accordance with the legislation of the Republic of Macedonia.

PART EIGHT-a

SUPERVISION

Article 45-a

(1) The Directorate shall conduct administrative supervision over the legality of the operation of the founders of a zone in case when the Government of the Republic of Macedonia is not a founder of a zone, as well as over the users of the technological industrial development zones.

(2) The supervision referred to in paragraph (1) of this Article shall be carried out by authorized persons employed in the Directorate.

(3) The authorized persons shall independently conduct the supervision activities and shall undertake measures being authorized for by this or another law.

(4) The authorized person shall prove the authorization for conducting the supervision by an appropriate document and he/she shall be obliged to present it during the supervision, and upon a request of the entity under supervision, to allow the entity to review it.

(5) The supervision shall be conducted without a prior notification, while the entity under supervision is performing its activities, independently or upon a prior notification by the users of the technological industrial development zone.

(6) The authorized persons shall effectively conduct the supervision, taking into consideration the protection of the public interest and as much as possible the protection of the interest of the entity under supervision.

(7) The persons referred to in paragraph (2) of this Article shall be authorized to:

- 1) conduct supervision in the business premises of the entity under supervision;
- 2) conduct supervision over the implementation of the provisions of the rules of the founder and tariff of the founder regarding the services rendered to the users in the zone referred to in Article 34 paragraph of this Law,
- 3) check the identification documents of persons for the purpose of determining their identity;
- 4) require from the entity under supervision or its employees written or oral explanation in respect with issues being within the scope of the supervision;
- 5) require expert opinion, when necessary for the supervision, and
- 6) require other necessary proofs.

(8) Provided that it is justified to seize or temporary keep the documents, the authorized persons can:

- 1) require from the entity under supervision or a person employed therein that has authorization, to open and provide access to any premise, and
- 2) require from any person having authorization to provide access to any file and premise.

(9) The sameness of the copy with the original documents, proofs and information shall be verified by the entity under supervision by putting a stamp and a signature or by its employee by putting his/her signature.

(10) The entity under supervision shall be obliged to cooperate and upon a request of the authorized person for supervision to enable unobstructed access to the premises, documents, electronic systems or any other device being subject to supervision, as well to submit the whole documentation necessary for conducting the supervision.

(11) The director of the Directorate for Technological Industrial Development Zones shall determine the authorized persons referred to in paragraph (2) of this Article.

PART NINE

MISDEMEANOR PROVISIONS

Article 46

(1) Fine in the amount of Euro 7.000 in Denar counter value shall be imposed on a legal entity - founder of the zone for a misdemeanor, if it:

1) enables performance, that is, performs a commercial activity in the zone contrary to the general requirements and puts the users in an unequal position referred to in Article 34 paragraph (3) of this Law;

2) does not respect the provisions arising from the rules of the founder and the tariff of the founder for the rendered services of the user in a zone referred to in Article 34 of this Law;

3) fails to submit a report on operation of the zone within the time period, form and content in accordance with Article 32 of this Law, and

4) fails to file a request for change in the zone within the time period referred to in Article 27 paragraph (3) of this Law.

(2) Fine in the amount of 30% of the determined fine for the legal entity - founder of the zone shall be also imposed on the responsible person in the legal entity for the activities referred to in paragraph 1 of this Article.

Article 46-a

(1) Fine in the amount of Euro 1.500 to 3.000 in Denar counter value shall be imposed for a misdemeanor on the responsible and official person in the Ministry of Economy if he/she does not act in accordance with Article 33-i paragraph (18).

Article 47

(1) Fine in the amount of Euro 5.000 in Denar counter value shall be imposed on the legal entity - user of the zone for a misdemeanor if:

- it does not submit a report on the operation in a form, contents and deadline in accordance with Article 33 paragraphs (6) and (8) of this Law and

- it does not report the equipment and the spare parts to the customs body when they are bring out of the territory of the Republic of Macedonia in accordance with Article 42 paragraph (3) of this Law.

(2) Fine in the amount of 30% of the determined fine for the legal entity - user of the zone shall be also imposed on the responsible person in the legal entity for the activities referred to in paragraph 1 of this Article.

(3) Fine in the amount of Euro 500 to 700 in Denar counter value shall be imposed on the natural person - user of the zone for the misdemeanor referred to in paragraph (1) of this Article.

Article 47-a

For the misdemeanors anticipated in Articles 46 and 47 of this Law, the misdemeanor procedure shall be conducted and the misdemeanor sanction shall be imposed by a competent court.

Settlement procedure

Article 47-b

With regard to the misdemeanors of Articles 46 and 47 of this Law, the persons authorized for supervision, before filing a motion for initiation of a misdemeanor procedure, shall conduct a settlement procedure by issuing a misdemeanor payment order for the purpose of collecting the fine foreseen for the misdemeanor.

If the authorized person establishes a misdemeanor, he/she shall prepare minutes where he/she shall note the essential elements of the action out of which the legal feature of the misdemeanor emerge, the time, place and manner of committing the misdemeanor, the description of the action, and shall give a proposal for settlement by issuing a misdemeanor payment order.

The minutes shall be signed by the authorized person and the perpetrator.

Upon the receipt and signing of the misdemeanor payment order, the perpetrator shall be obliged to pay the fine within a period of eight days as of the day of receipt of the misdemeanor payment order at the account indicated in the payment order.

If the perpetrator pays the fine in the period referred to in paragraph 4 of this Article, it shall pay half of the imposed fine, and it shall be instructed for that right in the legal instruction.

If the perpetrator does not pay the fine within the period referred to in paragraph 4 of this Article, the person authorized for supervision shall file a motion for initiation of a misdemeanor procedure for the misdemeanors referred to in Articles 46 and 47 of this Law to a competent court.

The authorized persons shall be obliged to keep records of the issued misdemeanor payment orders referred to in paragraph 2 of this Article and of the outcome of the initiated procedures.

The following data shall be gathered, processed and kept in the records referred to in paragraph 7 of this Article: name and surname, that is, company's name of the perpetrator, permanent, that is, temporary residence, head office, type of the misdemeanor, number of the misdemeanor payment order which is issued, and outcome of the procedure.

The personal data referred to in paragraph 7 of this Article shall be kept for five years as of the day of entry in the records.

The minister of economy shall prescribe the form and the contents of the misdemeanor payment order.

Article 47-c

With regard to the misdemeanors of Article 47 of this Law, the person authorized for supervision shall issue to the natural person an on-the-spot payment order for payment of the fine within a period of eight days as of the day of delivery of the on-the-spot payment order for the purpose of paying the fine in the determined amount.

If the natural person does not pay the fine referred to in paragraph (1) of this Article, the on-the-spot payment order shall have the force of an enforcement document and the authorized person shall deliver it to the body responsible for forced enforcement for the purpose of its enforcement.

The authorized persons shall be obliged to keep records of the issued on-the-spot payment orders referred to in paragraph 1 of this Article and of the outcome of the initiated procedures.

The following data shall be gathered, processed and kept in the records referred to in paragraph 3 of this Article: name and surname, that is, company's name of the perpetrator, permanent, that is, temporary residence, head office, type of misdemeanor, number of the misdemeanor payment order which is issued, and outcome of the procedure.

The personal data referred to in paragraph 4 of this Article shall be kept for five years as of the day of entry in the records.

The minister of economy shall prescribe the form and the contents of the on-the-spot payment order." [36](#)

Article 47-d

The amount of the fine for the legal entity shall be determined in accordance with the Law on Misdemeanors.

PART TEN

TRANSITIONAL AND FINAL PROVISIONS

Continuation of the operation of the Directorate

Article 48

(1) The Free Economic Zone Directorate established on the basis of the Law on Free Economic Zones ("Official Gazette of the Republic of Macedonia" no. 56/99, 41/2000 and 6/2002) shall continue to operate as a Directorate for Technological Industrial Development Zones having the competences determined by this Law.

(2) As of the day this Law enters into force, the director of the Free Economic Zones shall continue to perform the function of a director of the Directorate for Technological Industrial Development Zones until the expiry of the term of office for which he/she has been appointed before the entry into force of this Law.

(3) As of the day this Law enters into force, the president of the Governing Board of the Free Economic Development Zones shall continue to perform the function of the president of the Governing Board of the Technological Industrial Development Zones until the expiry of the term of office for which he/she has been appointed before the entry into force of this Law.

(4) As of the day this Law enters into force, the members of the Governing Board of the Free Economic Development Zones shall continue to perform the function of members of the Governing Board of the Technological Industrial Development Zones until the expiry of the term of office for which they have been appointed before the entry into force of this Law.

(5) As of the day this Law enters into force, the employment of the employees in the Directorate for Free Economic Zones shall continue as employment in the Directorate for Technological Industrial Development Zones.

Harmonization of the existing free zones

Article 49

The existing free zones shall continue to operate as technological industrial development zones and shall be obliged to harmonize their operation with the requirements prescribed by this Law and to get an approval in accordance with Article 26 of this Law within the period of three months from the day of entry into force of this Law.

Adoption of detailed regulations

Article 50

The bylaws, anticipated under this Law, shall be adopted within 60 days from the day of entry into force of this Law.

Law that ceases to be valid

Article 51

As of the day this Law enters into force, the Law on Free Economic Zones ("Official Gazette of the Republic of Macedonia" no. 56/1999, 41/2000 and 6/2002) shall cease to be valid.

Application of particular provisions

Article 52

(1) Article 9 paragraph (1) point 1 of this Law shall cease to be applied as of the day of accession of the Republic of Macedonia into the European Union.

(2) Article 42 paragraph (1) of this Law shall cease to be applied as of the day of accession of the Republic of Macedonia into the European Union.

Entry into force

Article 53

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

PROVISIONS OF OTHER LAWS

Law Amending the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" no. 156/2010):

Article 24

The members of the Governing Board of the Directorate for Technological Industrial Development Zones shall be appointed by the Government of the Republic of Macedonia within a time period of fifteen days as of the day this Law enters into force.

The general acts on organization and systematization of the operation of the Directorate for Technological Industrial Development Zones shall be adopted within a time period of six months, as of the day this Law enters into force.

Law Amending the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" no. 127/2012):

Article 6

This Law shall enter into force on the eighth day as of the day of its publication in the "Official Gazette of

the Republic of Macedonia", except the provisions of Article 4 of this Law that amend Article 33 of the Law on Technological Industrial Development Zones, that shall apply as of 1 January, 2013.

Law Amending the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" no. 41/2014):

Article 4

The act on systematization and organization of jobs of the Directorate shall be harmonized with the provisions of this Law within a period of six months as of the day of entry into force of the Decree on the Descriptions of the Categories and Levels of Jobs of Administrative Servants.

The statute of the Directorate shall be harmonized with the provisions of this Law within a period of three months as of the entry into force of this Law.

Article 5

The director and the deputy director of the Directorate who have been appointed before the day of application of this Law, shall continue to exercise the office until the expiry of the term of office for which they have been appointed.

Law Amending the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" no. 41/2014):

Article 6

The provisions of Article 1 of this Law shall start to apply one year as of the day of entry into force of this Law, except the requirement for knowledge of a foreign language which shall start to apply two years as of the day of entry into force of this Law.

The provisions of Article 3 of this Law shall start to apply as of the day of application of the Law on Administrative Servants ("Official Gazette of the Republic of Macedonia" no. 27/2014).

Law Amending the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" no. 160/2014):

Article 18

The term of office of the members of the Governing Board proposed by the users of the technological industrial development zones who have been appointed for a period of one year shall be extended for one year more.

Law Amending the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" no. 72/2015):

Article 6

The provisions of the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" nos. 14/2007, 103/2008, 130/2008, 139/2009, 156/2010, 127/2012, 41/2014 and 160/2014) shall apply to the concluded agreements on alienation of construction land in the technological industrial development zones.

Law Amending the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" no. 129/2015):

Article 19

(1) The provisions of Articles 33-a, 33-b, 33-c, 33-d, 33-e, 33-f, 33-g, 33-h, 33-i, 33-j, 33-k, 33-l, 33-m, 33-n, 33-o and 33-p shall start to apply as of 1 September 2015.

(2) The procedures for a change during the construction, a change of the investor, issuance of an approval for use, entry of immovable properties in a public book, for the constructions in the

technological industrial development zones established by the Government of the Republic of Macedonia and by legal entities that are built by the investors, for which a construction approval is issued or a request for a construction approval is submitted as to 1 September 2015, shall be conducted in accordance with the provisions of the Law on Construction, in electronic form.

(3) The entities that submit the request for verification of the facilities referred to in Article 34-b of this Law shall be obliged to submit it within a period of six months as of the day of entry into force of this Law.

Article 21

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

Law Amending the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" no. 173/2015):

Article 3

The provision of Article 12 paragraph (2) point 28 determined in Article 1 of this Law, in the part that refers to the issuance of an approval for construction and an approval for use of the facilities that are built by investors on the land in an industrial and green zone, where the founder is the Government of the Republic of Macedonia, for facilities in the industrial and green zones for which a public private partnership has been concluded, shall start to apply as of 1 January 2016.

Article 5

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

Law Amending the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" no. 192/2015):

Article 5

The bylaws determined by this Law shall be adopted within a period of 30 days as of the day of entry into force of this Law.

Law Amending the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" no. 217/2015):

Article 2

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

Law Amending the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" no. 30/2016):

Article 11

The rulebook referred to in Article 41 paragraph (4) shall be adopted within a period of nine months and the provisions on the records shall have postponed application, after the adoption of the rulebook.

Law Amending the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" no. 83/2018):

Article 6

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

Law Amending the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" no. 83/2018):

Article 2

The provision of Article 1 of this Law which refer to the knowledge of the English language shall not apply in the period between the day of entry into force of this Law and 1 September 2018.

Law Amending the Law on Technological Industrial Development Zones ("Official Gazette of the Republic of Macedonia" no. 83/2018):

Article 3

The director and the deputy director who are appointed in the period between the day of entry into force of this Law and 1 September 2018 shall be obliged to meet the requirement for knowledge of the English language within a period of one year as of the day of their appointment at the latest.

The term of office of the director and the deputy director who are not going to meet the requirement for knowledge of the English language within the deadline set out in paragraph 1 of this Article shall terminate.