

LAW ON PREVENTION OF CORRUPTION

CONSOLIDATED TEXT [1](#)Law on Prevention of Corruption ("Official Gazette of the Republic of Macedonia" no. 28/2002; 46/2004; 126/2006; 10/2008; 161/2008 and 145/2010). Decisions of the Constitutional Court of the Republic of Macedonia U.no. 190/2002 of 30 April 2003, published in the "Official Gazette of the Republic of Macedonia" no. 33/2003; U.no. 44/2005 of 21 September 2005, published in the "Official Gazette of the Republic of Macedonia" no. 89/2005 and U.no. 160/2006 of 10 January 2007, published in the "Official Gazette of the Republic of Macedonia" no. 7/2007.

Chapter One

GENERAL PROVISIONS

Purpose of the Law

Article 1

(1) This Law shall regulate the measures and activities for prevention of corruption in the exercise of power, public authorizations, official duty and politics, measures and activities for prevention of conflict of interests, measures and activities for prevention of corruption in undertaking activities of public interest by legal entities related to execution of public authorizations, as well as measures and activities for prevention of corruption in trade companies.

(2) State Commission for Prevention of Corruption (hereinafter: State Commission) shall be established for the purpose of implementing the measures and activities referred to in paragraph 1 of this Article.

Definition of corruption

Article 1-a

Corruption, in terms of this Law, shall mean misuse of office, public authorization, official duty and position for the purpose of gaining any benefit for oneself or others.

Principle of legality

Article 2

(1) Everyone shall be obliged to act in compliance with the Constitution and the laws while exercising the office, public authorizations, official duty and position.

(2) No one must use the office, public authorization, official duty and position to commit or omit an action which, by law, must not, that is, must be performed, nor to subject the execution of a legal action to one's own personal interest or other person's interest.

(3) No one can be held liable for corruption except in the cases and under the conditions stipulated by this Law, the Criminal Code and other law, and in a procedure set forth by law.

Principle of trust

Article 3

(1) Everyone shall be obliged to act conscientiously, professionally, responsibly, efficiently and impartially in the exercise of the office, public authorization, official duty and position.

(2) No one must use the exercise of the office, public authorizations, official duties and position, as well as the activities of public interest for accomplishment of personal interests.

Principle of equality

Article 4

(1) Everyone shall have the right to equal access to performance of activities of public interest and to equal treatment by holders of power, persons exercising public authorizations, official duties and position.

(2) Everyone shall have the right to free access to the market and to free competition without fearing that he/she might be a victim of monopolistic or discriminatory behavior.

(3) Everyone, without suffering any consequences, shall have the right to prevent or to report an action which represents a misuse of office, public authorizations, official duty and position and serves for achievement of personal benefits or causes damage to others.

Principle of publicity

Article 5

(1) The exercise of power, public authorizations, official duties and position, as well as works of public interest shall be public and subject to public control.

(2) No one can invoke the application of a law or other regulation which limits or excludes the public in order to conceal the misuse of the office, public authorizations, official duty and position for the purpose of gaining benefit, convenience or advantage for himself/herself or others.

Principle of liability

Article 5-a

(1) Everyone being damaged by an act of corruption shall have the right to require compensation for the damage, actual damage and lost profit, according to the principles of joint and several liability by the person that has committed the corruption, as well as by the legal entity where the committer of the corruption has been holding an office or has been performing a duty at the time of committing the act.

(2) The right referred to in paragraph (1) of this Article can be exercised when the act of corruption has been ascertained by a legally valid court decision.

Article 6

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Meaning of the terms used in this Law

Article 7

(1) The provisions of the Criminal Code referring to the meaning of the terms shall be applied for the purposes of defining the meaning of the terms elected or appointed functionary, as well as other official, legal entity, responsible person in a legal entity and person undertaking activities of public interest.

(2) The term benefit shall mean gaining any type of benefit, convenience or advantage for oneself or others.

(3) The term family shall mean the spouse, children, parents, brothers and sisters, foster parent or adopted child the person referred to in paragraph 1 of this Article is living with in a family community.

Chapter Two

PREVENTION OF CORRUPTION IN POLITICS

Financing of political parties, trade unions and citizens' associations and foundations

Article 8

(1) The financing of the work and the activities of a political party, trade union or citizens' association and foundation shall be public and shall be carried out in accordance with law.

(2) The financing of the work and activities of the foreign and international non-governmental organizations in the Republic of Macedonia shall be public.

Article 9

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Prohibition against using budget funds

Article 10

No payments from the Budget of the Republic of Macedonia, budgets of the local self-government units, public funds or funds of public enterprises, public institution or other legal entities which dispose of state capital can be made for the purposes of financing the activity of a political party, trade union or citizens' association, except when the payments are made on the basis of a law.

Prohibition against new investments and extraordinary payments

Article 11

(1) Funds from the Budget of the Republic of Macedonia, funds from the budgets of the municipalities and the City of Skopje, public funds and funds of public enterprises and public institutions or legal entities which dispose of state capital can not be used as from the day of reaching the decision on scheduling the elections until the day of ending the elections for a president of the Republic of Macedonia, for representatives in the Assembly of the Republic of Macedonia, as well as for the election of a mayor or members of the council of the municipalities and the City of Skopje, unless otherwise stipulated by a law regulating the financing of political parties' election campaigns.

(2) Construction of new infrastructure facilities, such as roads, waterworks, long-distance transmission lines, sewerage and other facilities, or facilities for public activities – schools, kindergartens and other facilities, financed by budget funds or by public funds, or by funds from public enterprises or other legal entities which dispose of state capital, can not begin as from the day of reaching the decision on scheduling the elections until the day of ending the elections for a president of the Republic of Macedonia, representatives in the Assembly of the Republic of Macedonia and the election of the Government of the Republic of Macedonia in accordance with the results from the elections, as well as from the day of reaching the decision on scheduling the elections until the day of ending the elections for a mayor or members of the council, that is until the day of constituting the council of the municipalities and the City of Skopje, unless budget funds are previously provided for that purpose, that is when such constructions mean implementation of a program adopted on the basis of a law in the current year.

(3) No extraordinary payment of salaries, pensions, state benefit or other payments from budget funds or public funds, nor alienation of state capital and signing of collective agreements can be made as from the day of reaching the decision on scheduling the elections until the day of ending the elections for a president of the Republic of Macedonia, representatives in the Assembly of the Republic of Macedonia and the election of the Government of the Republic of Macedonia in accordance with the results from the elections, as well as from the day of reaching the decision on scheduling the elections until the day of ending the elections for a mayor or members of the council, that is until the day of constituting the council of the municipalities and the City of Skopje.

Determination of abuse of budget funds and public funds

Article 12

(1) When there are grounded suspicions that budget funds or public funds, or funds of public enterprises and public institutions or of other legal entities which dispose of state capital have been, directly or indirectly, through investment activities or otherwise, used for election campaign or, in general, for financing of election or other political activity, the State Commission shall undertake measures to confirm these suspicions.

(2) If the State Commission establishes that the suspicions referred to in paragraph (1) of this Article are grounded, it shall notify the competent bodies and shall ask them to undertake activities within the framework of their competencies.

(3) The State Commission shall submit a special report on the possible abuse of budget funds, public funds and funds from public enterprises and other legal entities which dispose of state capital to the Assembly of the Republic of Macedonia within a period of three months from the day of ending the elections at the latest. The report shall be published in the public media.

(4) Twenty representatives of the Assembly of the Republic of Macedonia can also raise the question about abuse of budget funds or public funds, that is state capital. In such a case, the Assembly shall form a Commission of Inquiry that shall act in the manner determined in Article 17 of this Law.

Prohibition against using funds from illegal or anonymous sources of financing

Article 13

(1) A political party or a candidate in elections must not raise and use illegal and anonymous sources of financing.

(2) If there is a suspicion that a political party or a candidate in the elections have used illegal or anonymous sources of financing, the State Commission shall ask the competent bodies to check the inflow and the usage of the funds.

(3) The check of the inflow of the funds or other payments made through a bank, upon request of the State Commission, shall not represent violation of the banking secrecy.

Bribing of voters

Article 14

(1) Giving or promising a gift or any other personal benefit or benefit for others to a voter during elections or referendum, in order to vote or not to vote, or to vote for a certain candidate or a certain decision, shall be deemed as bribe during election and voting.

(2) If the State Commission finds out or has grounded suspicions about activities referred to in paragraph (1) of this Article, it shall notify the competent public prosecutor thereof in writing.

(3) The public prosecutor shall notify the State Commission about the undertaken measures and activities within its competencies in a period of 30 days from the day of receipt of the notification referred to in paragraph (2) of this Article.

Privilege or discrimination after elections

Article 15

(1) The State Commission can inspect all agreements, public procurements and other deals resulting in gaining profit which are concluded, that is executed after the end of the elections for a president of the Republic, elections for representatives in the Assembly of the Republic of Macedonia or local elections, between state bodies, local self-government bodies, public enterprises and other legal entities disposing of state capital and domestic or foreign legal entities, as well as all licenses, concessions and other decisions acknowledging rights or privileges defined by law or renouncing or limiting such rights or privileges.

(2) If the State Commission ascertains privileges or discrimination regarding the agreements, public procurements and other deals referred to in paragraph (1) of this Article, it shall ask the competent bodies to undertake measures and activities within the framework of their competencies.

(3) The State Commission shall submit a report to the Assembly of the Republic of Macedonia on the inspection performed within a period of 30 days. The report shall be published in the public media.

Influencing election to, appointment at, and dismissal of, managerial positions

Article 16

(1) A political party or a person acting on behalf of a political party must not exert pressure during election or appointment at, or dismissal of a person from an official, managerial or other socially important function or duty, except in the cases where the law sets forth the competence of the President of the Republic, the Assembly and the Government of the Republic of Macedonia, or the bodies of local self-government units to make selection, appointment, or to give opinion or consent.

(2) A person dismissed contrary to law under pressure of a political party, as well as a candidate for election or appointment who is adversely affected by the election or appointment made under such pressure, can bring a lawsuit in the competent court for annulment of the decision on election, appointment or dismissal.

(3) The lawsuit referred to in paragraph 2 of this Article shall be brought within a period of 30 days from the day of adoption of the decision on election, appointment or dismissal, that is from the moment of finding out that it is made under pressure of a political party, contrary to law, but not after a year from the day of adoption of the decision. The procedure shall be urgent and it shall be conducted in accordance with the provisions of the Law on Litigation Procedure.

Article 16-a

(1) A political party or a person acting on behalf of a political party must not exert pressure on an official during employment, assignment and termination of employment.

(2) The decision on employment, assignment and termination of employment must be explained and grounded on criteria established by law.

(3) The State Commission can require from the competent body to re-examine or annul the decision reached contrary to paragraphs (1) and (2) of this Article.

(4) The body that has reached the decision referred to in paragraph (2) of this Article shall be obliged to act in accordance with the request of the State Commission within a period of 30 days from the day of receipt of the request.

Commission of Inquiry

Article 17

(1) Twenty representatives in the Assembly of the Republic of Macedonia can raise the issue of determining the liability for corruption in which elected or appointed functionaries, officials, responsible persons in public enterprises and in other legal entities which dispose of state capital are involved.

(2) The President of the Assembly of the Republic of Macedonia shall be obliged to put the issue on the agenda of the first forthcoming session of the Assembly of the Republic of Macedonia when, following a debate, the representatives in the Assembly that have raised the issue shall elaborate the breaches of this Law or of the provisions of the Criminal Code and a Commission of Inquiry shall be established (hereinafter referred to as: Commission).

(3) The Commission shall be authorized to demand submission of all necessary documents and other materials relevant for resolution of the case from any body, public enterprise, public institution or other legal entity disposing of state capital or a political party represented by a member, that is members in the Assembly of the Republic of Macedonia and to call for a hearing any elected or appointed functionary, official, responsible person in a public enterprise, public institution or in other legal entity or a responsible person in a political party.

(4) Decisions related to undertaking of specific actions for the purpose of investigating the case shall be adopted by majority of votes.

(5) The sessions of the Commission shall be public. The Commission shall be obliged to submit a report to the Assembly of the Republic of Macedonia within a period of 60 days from its establishment the latest. If no harmonized views are arrived at, the report shall contain all views of the Commission members.

(6) The President of the Assembly of the Republic of Macedonia shall be obliged to put the report of the Commission for review at the first session of the Assembly of the Republic of Macedonia after the day of its submission. The report shall be reviewed at a public session of the Assembly.

(7) The issue about the liability in the same case of the same person, body, public enterprise or other legal entity or a political party can not be, once again, put on the agenda of the Assembly of the Republic of Macedonia before the expiry of a period of six months from the end of the debate on the previously raised question. The representatives in the Assembly that raised the question of liability and have not confirm their allegations by submitting truthful facts or sufficient reasons to believe in their existence, can not raise the question of liability again before the expiry of a period of six months from the day the previous question has been raised.

Relief of the obligation to keep classified information

Article 18

A person that is obliged to keep classified information can be relieved of such duty upon a request of the State Commission due to conducting of a criminal or other procedure for an act of corruption in accordance with law.

Protection of collaborators to justice and witnesses

Article 19

(1) A person that has discovered data that suggest existence of corruption can not be criminally prosecuted or held liable in any manner.

(2) A person that has given a statement or testimony in a procedure for an act of corruption shall be given protection in accordance with law. The person shall have the right to compensation of damage he/she or other member of his/her family may suffer due to the given statement or testimony.

(3) The request for compensation of damage referred to in paragraph (2) of this Article shall be filed with the competent body.

(4) The compensation referred to in paragraph 2 of this Article shall be paid from the Budget of the Republic of Macedonia.

(5) *Abolished 4*

Protection of persons working on repression of corruption

Article 20

(1) Persons working in the bodies for discovery and repression of corruption shall be given full protection and independence for the purpose of efficient execution of their authorizations and duties and they must not be subjected to any pressure concerning their work or undertaking concrete actions.

(2) The persons referred to in paragraph (1) of this Article shall notify the State Commission about the exerted pressure over their work or undertaking concrete actions.

(3) The State Commission shall notify the Assembly of the Republic of Macedonia about the exerted pressure on the members of the State Commission concerning their work or undertaking concrete actions.

Chapter Three

PREVENTION OF CORRUPTION IN PERFORMANCE OF PUBLIC AUTHORIZATIONS

Prohibition against performance of other activities

Article 21

(1) An elected or appointed functionary can not perform any other function, duty or activity incompatible with his/her function during his/her term of office.

(2) An official can not perform any other activity resulting in earning profit which is incompatible with his/her official duty. The official can perform other works and activities only upon prior approval by the functionary heading the body.

(3) A responsible person in a public enterprise or other legal entity disposing of state capital can not perform any other activity that causes damage to the state capital.

(4) An elected or appointed functionary or an official can not concurrently perform a function of a responsible person or a member of a governing body in a public enterprise, public institution or other legal entity disposing of state capital. In the case of election or appointment, or acquiring a status of an official, his/her previous function shall terminate.

(5) An elected or appointed functionary, official and responsible person in a public enterprise or other legal entity disposing of state capital can not perform a function of a member of a governing board or other governing body in a trade company or other legal entity engaged in an activity resulting in earning profits.

Restriction on cooperation with legal entities

Article 22

An elected or appointed functionary, as well as other official or responsible person in a public enterprise, public institution or other legal entity disposing of state capital can not, during the performance of his/her function, that is service, establish business relationships with a legal entity founded by him/her or by a member of his/her family, or in which a member of his/her family is the responsible person, and if such business relationships have been established earlier, he/she shall be obliged to exclude himself/herself from any decision-making and to notify the State Commission thereof.

Utilization of state loans

Article 23

If a legal entity founded by an elected or appointed person, official or responsible person in a public enterprise, public institution or other legal entity disposing of state capital, or by a member of his/her family, or in which a member of his/her family is the responsible person, becomes a beneficiary of loans given by the state as a creditor, of credits guaranteed by the state, credits from the primary emission or from other state deposits and funds, the elected or appointed official and the responsible person shall be obliged to notify the State Commission thereof without any delay and within ten days from the receipt of the loan/credit the latest.

Disposing of state capital

Article 24

An elected or appointed functionary, as well as other official or responsible person in a public enterprise, public institution and other legal entity disposing of state capital shall be obliged to report to the State Commission any transaction involving state capital which implies entering into a legal relationship with a legal entity founded by him/her or a member of his/her family or in which a member of his/her family is the responsible person within a period of 15 days from the day of election, appointment, employment or taking the office.

Economical use of state assets

Article 25

An elected or appointed functionary, official or responsible person in a public enterprise, public institution and other legal entity disposing of state capital shall be obliged to take care of the state assets entrusted to him/her and to dispose of them in the most economical manner and for predefined purposes. It shall be forbidden to use the assets for private purposes or to give them to others for use.

Notification on the use of foreign aid

Article 26

When state bodies, municipalities, the City of Skopje, public enterprises, public institutions and other legal entities disposing of state capital are beneficiaries of donations and other foreign aid, they shall be obliged to notify the State Commission on the manner of their utilization and to submit to it a final report on the use of the funds.

Performance of activity upon termination of office

Article 27

An elected or appointed functionary, as well as other official or responsible person in a public enterprise, public institution or other legal entity disposing of state capital that shall found a trade company within three years upon termination of the office, that is duty, or shall start an activity resulting in earning profit in the field in which he/she has been working, shall be obliged to inform the State Commission thereof within a period of 30 days.

Prohibition against obtaining shareholder's rights

Article 28

(1) An elected or appointed functionary, official or responsible person in a public enterprise, public institution or other legal entity disposing of state capital can not, during his/her term of office, that is duty and within three years after leaving the office, on any grounds and in any form, obtain shareholder's rights in a legal entity which is supervised or has been supervised by him/her or the body in which he/she is working or has been working, unless these rights are obtained by heritage.

(2) The person referred to in paragraph 1 of this Article shall be obliged to report the acquisition of shareholder's rights during his/her term of office, that is service to the State Commission within 30 days after their acquisition.

Prohibition against influencing employment of close relatives

Article 29

(1) An elected or appointed functionary must not influence the employment or promotion of a member of his/her family in the body in which he/she is elected or appointed or in other state body or public enterprise, public institution or other legal entity disposing of state capital supervised by the body in which the functionary is elected or appointed.

(2) An elected or appointed functionary, official or responsible person in a public enterprise or other legal entity disposing of state capital shall be obliged to notify the State Commission of each election, appointment, or employment or promotion of a member of his/her family in a state body, local self-government body, public enterprise or other legal entity disposing of state capital within ten days after the election, appointment, promotion or employment.

Prohibition against receiving gifts

Article 30

An elected or appointed functionary, official and responsible person in a public enterprise or other legal entity disposing of state capital must not receive personal gifts or promises of gifts, except occasional gifts such as books, souvenirs and alike having value determined by law.

Abuse of official data

Article 31

(1) An elected or appointed functionary, official or responsible person in a public enterprise must not use information that is at his/her disposal for the purposes of obtaining benefits for himself/herself or others.

(2) The obligation referred to in paragraph 1 of this Article shall be valid for a period of three years from the day of termination of the office, that is, duty, unless otherwise defined by law.

(3) The person referred to in paragraph 1 of this Article must not keep in secrecy data that, pursuant to this Law or other law, must be disclosed or require access to data he/she is aware that is not authorized to receive, or behave negligently regarding keeping the data which represent a secret.

Abuse of public procurement

Article 32

(1) An elected or appointed functionary, official or responsible person in a public enterprise, public institution or other legal entity disposing of state capital must not exert any influence on the body or legal entity deciding about offers received on the basis of publicly announced competition, announcement or bidding for public procurement or other public orders and works.

(2) The provision referred to in paragraph (1) of this Article shall be also applied when deciding on granting approvals, concessions, contingents or permits for performance of a business activity or other profitable activity on the basis of a public competition, announcement or bidding.

Obligation to declare assets

Article 33

(1) An elected or appointed functionary, responsible person in a public enterprise, public institution or other legal entity disposing of state capital, upon election or appointment and within a period of 30 days from the day of election or appointment the latest, shall fill in an asset declaration containing detailed description of the immovable property, movable property of higher value, securities, and claims and debts, as well as other property in his/her ownership or in ownership of members of his/her family, stating the grounds the reported assets have been acquired on, and shall deposit a statement, certified by a notary, renouncing the protection of banking secrecy with regard to all domestic and foreign bank accounts.

(2) The person referred to in paragraph (1) of this Article shall be obliged to fill in an asset declaration in a period of 30 days from the day of termination of the office.

(3) The person referred to in paragraph (1) of this Article who, within a period of 30 days upon termination of the office, is elected to, or appointed at the same or other office shall be obliged to notify the State Commission for the new election or appointment, and the asset declaration referred to in paragraph (2) of this Article shall be considered an asset declaration submitted within a period referred to in paragraph (1) of this Article.

(4) The person referred to in paragraph (1) of this Article shall submit the asset declaration referred to in paragraphs (1) and (2) of this Article and the statement referred to in paragraph (1) of this Article to the State Commission and the Public Revenue Office.

Article 33-a

(1) An official shall fill in the asset declaration at employment in state bodies, municipality administration and administration of the City of Skopje within a period of 30 days from the day of employment giving a detailed description of the immovable property, movable property of higher value, securities, claims and debts, as well as other property in his/her ownership or in ownership of a member of his/her family, stating the grounds the reported assets have been acquired on.

(2) The person referred to in paragraph (1) of this Article shall be obliged to fill in an asset declaration within a period of 30 days from the day of termination of the employment in the bodies referred to in paragraph (1) of this Article.

(3) The filled in asset declaration referred to in paragraph (2) of this Article of the official referred to in paragraph (1) of this Article being employed in another body without publishing a public announcement shall be considered as an asset declaration submitted within a period referred to in paragraph (1) of this Article.

(4) The official referred to in paragraph (1) of this Article shall submit the asset declaration referred to in paragraphs (1) and (2) of this Article to the body he/she is employed at.

(5) The body where the official is employed at shall be obliged to submit the asset declaration to the State Commission upon its request.

(6) The Minister of Justice shall adopt a decision on the manner of treatment of the asset declaration referred to in this Article.

Article 33-b

The content and the form of the asset declaration shall be prescribed by the State Commission.

Reporting changes in assets

Article 34

(1) An elected or appointed functionary, official or responsible person in a public enterprise or other legal entity disposing of state capital shall be obliged, within a period of 30 days, to report any increase of his/her assets, that is the assets of a member of his/her family, such as construction of a house or other facilities, purchase of immovable property, securities, a car or other movable property having value in excess of twenty average salaries paid in the economy in the previous three-month period.

(2) An agreement or other document on the basis of which the assets are put at disposal, as well as a document on the manner of effectuated payment shall be attached to the report submitted to the State Commission and the Public Revenue Office.

Publicity of the asset declaration

Article 35

- (1) The data contained in the asset declaration shall be information of public character, except the data protected by law.
- (2) The data contained in the asset declaration, except the data protected by law with regard to the persons referred to in Articles 33 paragraph (1) of this Law shall be published at the web page of the State Commission.

Procedure for examination of assets

Article 36

- (1) A procedure for examination of assets can be brought against an elected or appointed functionary, as well as against other official and responsible person in a public enterprise, public institution or other legal entity disposing of state capital if the person failed to submit the asset declaration, or in the asset declaration referred to in Article 33 of this Law:
- has not given data;
 - has given incorrect or incomplete data;
 - or if he/she has not reported any change in assets, that is gave incorrect and incomplete data in the report referred to in Article 34 of this Law.
- (2) A procedure shall be brought against the person referred to in paragraph (1) of this Article if it is established that his/her assets or the assets of a member of his/her family have been increased in disproportion to his/her regular revenues in the form of salaries, dividends or other income derived from performance of an activity or property during his/her term of office, that is execution of duty or during the employment.
- (3) The Public Revenue Office shall initiate the procedure referred to in paragraph 1 of this Article.
- (4) The State Commission can also file a motion to initiate the procedure.
- (5) Concurrently with the initiation of the procedure, the Public Revenue Office shall submit a proposal to the competent first instance court for temporary measure prohibiting the disposal of the assets.
- (6) The person, in the procedure referred to in paragraph 1 of this Article, shall be obliged to produce evidence so as to prove the financial sources the property has been acquired with and the funds the person and the members of his/her family dispose of.
- (7) The state bodies, the bodies of the local self-government units, the institutions executing payment operations, and other natural persons and legal entities, on request of the Public Revenue Office and within a period that it shall determine, shall be obliged to produce all the information necessary for ascertaining the actual situation and that are essential for examination of the assets and the asset status.

Article 36-a

- (1) If in the course of the procedure for examination of the assets and the asset status it has not been proven that the assets have been acquired or increased as a result of regular revenues that are reported and taxed, the Public Revenue Office shall adopt a decision on taxation by imposing the personal income tax. The base for calculating the tax shall be the difference between the value of the property at the time of acquiring and the proved amount of funds for its acquiring. The tax on unreported revenues shall be calculated by a rate of 70%.
- (2) An interest pursuant to the Law on Tax Procedure shall be calculated and charged on the amount of the calculated (but not paid) tax, calculated as of the day of adopting the decision on taxation.
- (3) A legal remedy in accordance with the Law on Tax Procedure can be filed against the decision but it shall not defer the payment of the tax.
- (4) The payment of the tax on the basis of the decision referred to in paragraph (1) of this Article shall be effectuated in accordance with the provisions of the Law on Tax Procedure.
- (5) If it is established that the property has been increased in great amount, the Public Revenue Office shall file criminal charges against the person with the competent public prosecutor's office.
- (6) The Public Revenue Office shall notify the State Commission about the undertaken activities referred to in paragraphs (1) and (5) of this Article.

Article 36-c

(1) An administrative dispute with the competent court determined by law can be initiated against the final decision on taxation referred to in Article 36-a of this Law. The procedure in the court shall be urgent.

Chapter Four

PREVENTION OF CONFLICT OF INTEREST

General obligations in performance of service

Article 37

Out of force [5](#)

Conflict of private and public interest

Article 38

Out of force

Exemption

Article 39

Out of force

Unlawful requests of the superior

Article 40

(1) An official that is requested by his/her superior or an elected or appointed functionary to act contrary to the Constitution, a law or other regulation while performing his/her service shall be obliged to point that out to the person issuing the order.

(2) Provided that the direct superior, even upon the oral notification, repeats the order referred to in paragraph (1) of this Article, the official shall immediately notify in writing the directly higher superior than the one that has issued the order and the State Commission. After the written notification, the official shall be relieved of the obligation to perform the illegal action and can not be held liable thereof.

Omission to report criminal action

Article 41

An elected or appointed functionary, as well as other official or responsible person in a public enterprise, public institution or other legal entity disposing of state capital shall be obliged to report any criminal action related to corruption, as well as any breach of the provisions of this Law that he/she has become aware of in the performance of his/her duty.

Prohibition against exerting influence over others

Article 42

(1) An elected or appointed functionary, as well as other official or responsible person in a public enterprise, public institution or other legal entity disposing of state capital must not use his/her position to exert influence over an individual in a state body, public enterprise, public institution or other legal entity with a view to adopting or not to adopting a certain decision, to do something, to omit or suffer something in order to gain benefit, convenience or advantage for himself/herself or others.

(2) The person referred to in paragraph 1 of this Article can not participate in commercial or other deals between legal entities or citizens as an intermediary or representative.

(3) Each citizen shall be obliged to notify the State Commission of the violation of the provisions of paragraphs 1 and 2 of this Article.

Exercise of discretionary authorizations

Article 43

(1) When exercising discretionary authorizations, any elected or appointed functionary, or official shall be obliged to reach the decisions in a conscientious manner, taking into account all facts and circumstances of the actual case and the principles of legality and fairness.

(2) A citizen or legal entity that is not satisfied with the decision reached on the basis of a discretionary authorization and considers that such a decision has been reached due to corruption, can file a complaint with the State Commission.

(3) The State Commission shall be obliged to consider the complaint and to notify the natural person or legal entity of the actions taken upon the complaint within a period of 30 days from the day of its receipt.

Offer for bribery

Article 44

An elected or appointed functionary, as well as other official or responsible person in a public enterprise, public institution or other legal entity disposing of state capital that has been offered a bribe shall be obliged to undertake measures for identification of the briber and to report him/her to the competent body.

Procedure in case of charges of corruption

Article 45

(1) The person charged with corruption shall notify the body in which he/she is elected or appointed at, that is his/her superior and the State Commission without any delay.

Annulment of legal documents and compensation of damage

Article 46

(1) Legal documents that are result of corruption shall be null and void. Everyone having a legal interest can request their annulment by submission of a proof – a legally valid court decision establishing the existence of corruption.

(2) Everyone suffering damage due to an act of corruption can claim compensation of damage (actual damage and lost profit) in accordance with the principles of joint and several liability against the person who committed the act, qualified as an act of corruption by a legally valid court decision, as well as against the body or public enterprise and other legal entity disposing of state capital in which that person performed his/her function or duty at the time of committing the act.

Chapter Five

STATE COMMISSION FOR PREVENTION OF CORRUPTION

Status and composition

Article 47

(1) The State Commission shall be independent and autonomous in performance of the works defined by law and shall have a capacity of a legal entity.

(2) The State Commission shall be composed of seven members.

Appointment of State Commission members

Article 48

(1) The members of the State Commission shall be appointed by the Assembly of the Republic of Macedonia for a term of office of four years, with the right to one more re-appointment.

(2) The State Commission shall elect a president from among the members appointed in accordance with paragraph 1 of this Article for a term of office of a year, with the right to one more re-appointment.

Article 48-a

A person fulfilling the following requirements can be appointed a member of the State Commission:

- to be a citizen of the Republic of Macedonia and to have a permanent place of residence in the Republic of Macedonia, and
- to have a university education in the field of legal and financial activities and anti corruption, to enjoy a reputation for performing the function and at least eight years of work experience.

Article 48-b

(1) The Assembly of the Republic of Macedonia shall publish the announcement for appointing the members of the State Commission in the "Official Gazette of the Republic of Macedonia" and in at least two daily newspapers, one being published in Macedonian language and one published in the language spoken by at least 20% of the citizens who speak an official language different than Macedonian language.

(2) The announcement referred to in paragraph (1) of this Article shall have duration of 15 days from the day of its publication in the "Official Gazette of the Republic of Macedonia".

(3) The principle of equitable representation shall be taken into consideration when electing the members of the State Commission.

(4) The Commission on Election and Appointment Issues of the Assembly of the Republic of Macedonia shall prepare a draft list of applied candidates and shall submit it to the Assembly of the Republic of Macedonia.

(5) The labor relation of the member of the State Commission, provided that he/she is in labor relation, shall be in abeyance, as from the day of the appointment as a member of the State Commission up until the day of termination of the term of office.

Article 48-c

(1) The president of the State Commission can be dismissed upon his/her request before the expiry of his/her term of office.

(2) If the president is dismissed in accordance with paragraph (1) of this Article, the State Commission shall elect a president for the rest of the term of office of the dismissed president.

Article 48-d

(1) The members of the State Commission shall have the status of appointed functionaries.

(2) The members of the State Commission shall perform their office professionally.

(3) The amount of the salary and the other compensations of the members of the State Commission shall be determined in accordance with the law regulating the salaries of the elected and appointed persons.

Article 48-e

(1) The Assembly of the Republic of Macedonia shall dismiss the member of the State Commission before the expiry of the term of office on proposal of the Commission on Election and Appointment Issues if:

- he/she requests so himself/herself;
- he/she is convicted of a criminal offense for which an effective sanction of imprisonment in duration of more than six months is imposed, and
- he/she has permanently lost his/her ability for performance of the function.

(2) The State Commission shall determine the fulfillment of the requirements for dismissal referred to in paragraph (1) of this Article by majority of votes of the total number of members and shall submit an initiative for dismissal of a member of the State Commission to the Assembly of the Republic of Macedonia.

Article 48-f

When a member of the State Commission is dismissed in accordance with the provisions of Article 48-e of this Law, the Assembly of the Republic of Macedonia shall publish an announcement for appointment of a member of the State Commission who shall have a term of office until the expiry of the term of office of the dismissed member.

Article 48-g

The funds for performing the function of the State Commission shall be provided from the Budget of the Republic of Macedonia.

Article 48-h

(1) A Secretariat as a professional service of the State Commission shall be established for the purpose of carrying out the professional, administrative and technical works of the State Commission.

(2) A general secretary appointed and dismissed by the State Commission shall manage the Secretariat.

(3) The general secretary and the employees in the Secretariat of the State Commission shall have the status of civil servants.

Competence

Article 49

(1) The State Commission shall have the following competencies:

- adoption of a State Program for Prevention and Repression of Corruption and Action Plan for its implementation;
- adoption of annual programs and plans for work of the State Commission;
- preparation of opinions on draft-laws relevant for prevention of the corruption;
- raising initiatives with competent bodies for conducting control of the financial and material operation of political parties, the union and citizens' associations and foundations;
- raising initiatives for instituting a procedure before competent bodies for dismissal, assignment, removal or undertaking other measures of liability against elected or appointed functionaries, officials or responsible persons in public enterprises or other legal entities disposing of state capital;
- raising initiative for criminal prosecution against elected or appointed functionaries, officials or responsible persons in public enterprises, public institutions and other legal entities disposing of state capital;
- acting in cases of conflict of public and private interests, defined by law;
- registration and monitoring of the assets and the change in assets of elected and appointed functionaries and responsible persons in public enterprises and other legal entities disposing of state capital, in the manner defined by this Law;
- adoption of the Rules of Procedure;
- submission of the annual report on its operation and on the measures and activities undertaken to the Assembly of the Republic of Macedonia, and its delivery to the President of the Republic, the Government of the Republic of Macedonia and the public media;
- cooperation with other state bodies regarding the repression of corruption;
- cooperation with corresponding national bodies of other states and with international organizations in the field of repression of corruption;
- undertaking activities related to education of the bodies competent for discovering and prosecuting acts of corruption and other types of criminal;
- performance of other activities established by law; and
- adoption of documents with regard to internal organization and systematization of jobs in the Secretariat.

(2) The State Commission shall inform the public about the measures and activities undertaken and about their results.

Rights, duties and responsibilities

Article 50

(1) A member of the State Commission shall have the capacity of an appointed functionary.

(2) The members of the State Commission shall be accountable for their work to the Assembly of the Republic of Macedonia.

Article 50-a

- (1) The member of the State Commission shall submit the asset declaration and the report on the change in assets to the Commission on Election and Appointment Issues of the Assembly of the Republic of Macedonia and to the State Revenue Office.
- (2) The provisions of this Law referring to the deadlines for submission of the asset declaration, the statement and the report on the change in assets shall appropriately apply to the member of the State Commission.
- (3) A request for examination of assets of a member of the State Commission in accordance with Article 36 of this Law can be submitted to the State Revenue Office by the Commission on Election and Appointment Issues of the Assembly of the Republic of Macedonia.

Article 50-b

In case a member of the State Commission is suspected of having a conflict of interest, an opinion by the Commission on Election and Appointment Issues of the Assembly of the Republic of Macedonia shall be required.

Manner of operation

Article 51

- (1) The State Commission shall perform its competencies at a session attended by more than half of its members.
- (2) The decisions shall be taken by majority of votes of the total number of members.
- (3) The Rules of Procedure shall set forth the manner of working of the State Commission.
- (4) The State Commission can ask for an expert opinion or invite experts to attend the session of the Commission in a view to reviewing certain issues.

Inviting persons

Article 52

- (1) In order to clarify certain issues important for reaching a decision, the State Commission can invite the person against whom a procedure is conducted, as well as other persons.
- (2) If the person referred to in paragraph (1) of this Article does not accept the invitation, the State Commission shall consider the case on the basis of the other evidence at its disposal.
- (3) The procedure referred to in paragraph (1) of this Article shall be confidential.

Requests for information

Article 53

- (1) The State Commission can request an elected or appointed functionary, official or responsible person in a public enterprise or other legal entity disposing of state capital to provide data and information on his/her assets or the assets of members of his/her family, data on changes in assets, on the activity performed by him/her or a member of his/her family, on the income gained or other data relevant for the application of the provisions of this Law.
- (2) The State Commission can request the data and information referred to in paragraph (1) of this Article from a competent body or legal entity.
- (3) If the State Commission requests the data referred to in paragraph (1) of this Article from a competent body or legal entity, the body or the legal entity shall be obliged, without any delay, to take actions thereupon and to submit the requested data within a period of 15 days, and to act in accordance with law regarding classified information.

Article 53-a

In case of failing to act in accordance with Article 53 paragraph (2) of this Law, the State Commission can raise an initiative for instituting a procedure with the competent body against the responsible person in the competent body, or the responsible person in the legal entity for the purpose of establishing his/her liability.

Inspection of documents of state bodies and other legal entities

Article 54

When performing the activities within its competencies defined by this Law, the State Commission can request a direct inspection of the documentation of the bodies and legal entities disposing of state capital.

Chapter Six

PREVENTION OF CORRUPTION IN PERFORMANCE OF PUBLIC INTEREST ACTIVITIES AND OTHER ACTIVITIES OF LEGAL ENTITIES

Abuse of performance of public interest activities

Article 55

(1) A person performing public interest activities must not abuse his/her position in order to obtain personal benefit.

(2) If there is grounded suspicion that the property of the person referred to in paragraph 1 of this Article or of a member of his/her family has been increased in disproportion to his/her regular revenues or the revenues of the members of his/her family during the period of performance of the public interest activities, the Public Revenue Office, upon its own initiative and on request of the State Commission, shall initiate a procedure for examination of such property. The procedure shall be conducted in accordance with Article 36 and Article 36-a of this Law.

(3) In addition to the activities defined by law as public interest activities, the activities of the political parties, trade unions and other citizens' associations and foundations shall be deemed as public interest activities.

Protection of public media

Article 56

(1) Any coercion, restraint or influence of other kind over the public media to publish or not publish information on cases of corruption shall be prohibited.

(2) The journalist shall have the right to unobstructed access to all sources of information in accordance with law. No one can exempt the public from the debate on corruption before a competent body or legal entity, except in the cases of preliminary procedure declared as confidential.

(3) No one can require from the journalist that has published information on an act of corruption to disclose the source of information, except in a procedure conducted in court.

Abuse of public media

Article 57

(1) Everyone that publishes information about other person's corruption shall be obliged to respect the presumption of innocence and the principles of truthful, objective and unbiased informing, as well as the other principles of the code of professional ethics.

(2) No one can use the public media in order to falsely accuse other person for corruption.

Financial mismanagement

Article 58

(1) Any employee of a bank, saving house, exchange office, insurance company, stock exchange or other financial organization shall be obliged to report a suspicious transaction related to corruption without any delay. The report shall be submitted to the responsible person in that legal entity and to the bodies defined by law and the State Commission.

(2) The manager of the stock exchange shall be obliged to keep records and a register of all transactions done at the stock exchange.

Prevention of corruption in trade companies

Article 59

(1) The responsible person in a trade company or other legal entity must not use his/her position, receive any reward or any other benefit or promise for such benefit, for himself/herself or for other in order to:

- create a monopoly status on the market;
- discriminate other trade companies or other legal entities;
- cause disturbance to the market; and
- cause damage to other natural person or other legal entity not resulting from fair competition at the market.

(2) A trade company or other legal entity must not establish relationships of business cooperation with a trade company or other legal entity in case of conflict of interests.

(3) Agreements and other legal documents which are a result of corruption of the responsible person, as well as the agreements which are a result of corruption, that is obtaining illegal benefit for the legal entity, shall be null and void.

(4) Occurrence of the consequences referred to in paragraph 1, 2 and 3 of this Article shall represent a ground for filing a claim by the person suffering damage for compensation of the damage (actual damage and lost profit).

(5) If there is grounded suspicion of the truthfulness of the annual final accounts submitted by the legal entity or of the other business books and financial documents, the Public Revenue Office, on request of the State Commission, shall carry out a control over the material and financial operation.

(6) If there is grounded suspicion of the truthfulness of the data on the material and financial operations of the trade company or other legal entity, the competent bodies, on request of the State Commission, shall carry out a control over the material and financial operations of that legal entity.

(7) If irregularities are ascertained after the control referred to in paragraph (6) of this Article is carried out, the Public Revenue Office shall initiate a procedure for examination of the assets of the responsible person in the trade company and the other legal entity, that is the members of the governing body in the legal entity. The procedure shall be conducted in accordance with the provisions of Article 36 and Article 36-a of this Law.

Article 59-a

(1) The person that, on request of the Public Revenue Office, does not submit the requested information necessary for determining the factual situation for the purpose of taxation within the determined deadline shall be sentenced to three months to one year imprisonment.

(2) If the act referred to in paragraph (1) of this Article is committed by an official in the state bodies, bodies of the local-self government units, the institutions executing payment operations, or the responsible person in the legal entity that performs activities of public interest and other legal entities, he/she shall be sentenced to one to three years imprisonment.

Chapter Seven

PENALTY AND MISDEMEANOR PROVISIONS

Article 60

(1) A fine in the amount of Euro 4.000 to 5.000 in Denar counter-value shall be imposed for a misdemeanor on a political party that uses funding sources contrary to the provisions referred to in Articles 10, 11, 12 and 13 of this Law.

(2) A fine in the amount of Euro 1.000 to 2.000 in Denar counter-value shall be imposed for a misdemeanor on the responsible person in the legal entity if he/she acts contrary to the provisions referred to in Articles 10, 11, 12 and 13 of this Law.

(3) If the actions referred to in paragraph (1) of this Article are taken due to cupidity or a bigger material damage has been caused, the responsible person in the legal entity and the political party shall be fined for a misdemeanor in the double amount of the amount stipulated for the sentence referred to in paragraphs (1) and (2) of this Article.

(4) The funds from illegal and anonymous sources shall be seized and confiscated.

Article 61

(1) A fine in the amount of Euro 500 to 1.000 in Denar counter-value shall be imposed for a misdemeanor on a candidate in the elections that uses funds from abroad, from illegal and anonymous sources or funds prohibited to be used for an election campaign.

(2) The funds shall be seized.

Article 62

A fine in the amount of Euro 500 to 1.000 in Denar counter-value shall be imposed for a misdemeanor on the person that shall fail to comply with the prohibitions referred to in Articles 20, 21, 22 and 27 of this Law.

Article 63

A fine in the amount of Euro 500 to 1.000 in Denar counter-value shall be imposed for a misdemeanor on the person who shall fail to submit the obligatory report, that is declaration of assets, activity, employment or other data, stipulated in Articles 22, 23, 24, 26, 27, 28, 29, 32, 33 and 34 of this Law.

Article 64

A fine in the amount of Euro 500 to 1.000 in Denar counter-value shall be imposed for a misdemeanor on the person that contrary to Article 41 of this Law shall fail to report a criminal action or other violation of the provisions of this Law, except when the failure to report represents a criminal offence.

Article 65

A fine in the amount of Euro 500 to 1.000 in Denar counter-value shall be imposed for a misdemeanor on the person that exerts coercion or prohibits in any other way the publishing or not publishing of an information about a case of corruption, except if there are elements of a criminal offence, as well as the person that impedes the access to sources of information contrary to Article 56 of this Law.

Article 66

A fine in the amount of Euro 500 to 1.000 in Denar counter-value shall be imposed for a misdemeanor on the person that fails to report a suspicious transaction contrary to Article 58 of this Law.

Article 67

(1) A fine in the amount of Euro 1.000 to 2.000 in Denar counter-value shall be imposed for a misdemeanor on the responsible person in the legal entity that does not report of foreign accounts or makes payments abroad contrary to Article 59 paragraph 4 of this Law, except if there are elements of a criminal offence.

(2) A fine in the amount of Euro 4.000 to 5.000 in Denar counter-value shall be imposed for a misdemeanor referred to in paragraph (1) of this Article on the legal entity as well.

Fining of a legal entity

Article 68

(1) A legal entity shall be imposed a fine for a misdemeanor in the amount of Euro 4.000 to 5.000 in Denars counter-value if the responsible person commits a crime referred to in Articles 353, 357, 358 and 359 of the Criminal Code on behalf and for the account of the legal entity or if the action of such crime is carried out by the governing body,.

(2) The material benefit shall be confiscated.

Article 69

Abolished [6](#)

Chapter Eight

TRANSITIONAL AND FINAL PROVISIONS

Prohibition on performance of other activities

Article 70

The provisions referring to prohibition on performance of other activities, except the function of the representative in the Assembly, in terms of Article 21 of this Law, shall be applied as of the appointment of the members of the State Commission.

Appointment of members of the State Commission

Article 71

The members of the State Commission shall be appointed within a period of six months from the day of entry into force of this Law the latest.

Article 71-a

The term of office defined in Article 48 of this Law shall apply to the members of the State Commission elected upon the expiry of the term of office of the permanent members of the Commission.

Adoption of necessary regulations

Article 72

The Government of the Republic of Macedonia shall adopt the regulation on the contents and form referred to in Article 33 paragraph 4 of this Law within a period of six months from the day of entry into force of this Law the latest.

Article 72-a

The Secretariat referred to in Article 48-c of this Law shall be established within a period of 90 days from the day of entry into force of the documents referred to in Article 49 of this Law, regarding the internal organization and systematization of jobs in the Secretariat.

Article 72-b

The employees performing the works in the Ministry of Justice – Crime and Corruption Prevention Unit on the day of entering into force of this Law shall be taken over by the Secretariat of the State Commission, in accordance with the provisions of the Law on Civil Servants.

Article 73-c [7](#)

(1) The bodies, that is the legal entities referred to in Article 33 paragraph (4) of this Law, shall be obliged to provide conditions for reporting and recording of the assets of employees within a period of three months from the day of entry into force of this Law.

(2) The persons employed in the bodies and legal entities referred to in paragraph (1) of this Article on the day of entry into force of this Law shall be obliged to report their assets within a period of one month from the day of providing the conditions referred to in paragraph (1) of this Article.

Article 73-d

The members of the State Commission shall continue to exercise the right to monthly compensation for performing the function till the end of the term of office.

Entry into force of the Law

Article 73

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

PROVISIONS OF OTHER LAW

Law Amending the Law on Prevention of Corruption ("Official Gazette of the Republic of Macedonia" no. 46/2004):

Article 63

The State Commission shall adopt the regulations on internal organization and systematization of jobs of the Secretariat within a period of 30 days from the day of entry into force of this Law.

Law Amending the Law on Prevention of Corruption ("Official Gazette of the Republic of Macedonia" no. 126/2006):

Article 36

The announcement for appointment of members of the State Commission in accordance with this Law shall be published within a period of 15 days from the day of entry into force of this Law.

Article 37

The permanent members of the State Commission shall continue to perform the function of members of the State Commission until the appointment of new members of the State Commission in accordance with this Law.

Article 38

The State Commission shall prescribe the content and the form of the asset declaration within a period of six months from the day of entry into force of this Law.

The existing asset declaration shall continue to be used until the entry into force of the regulation referred to in Article 33-b of this Law.

Article 39

The existing asset declaration submitted to the day of entry into force of this Law shall be deemed submitted as in accordance with this Law.

Article 40

The Minister of Justice shall adopt the regulation referred to in Article 33-a paragraph (6) of this Law within a period of six months from the day of entry into force of this Law.

Law Amending the Law on Prevention of Corruption ("Official Gazette of the Republic of Macedonia" no. 161/2008):

Article 2

This Law shall enter into force on the day of its publication in the "Official Gazette of the Republic of Macedonia" and shall be applied as of January 1, 2009.

Law Amending the Law on Prevention of Corruption ("Official Gazette of the Republic of Macedonia" no.145/2010):

Article 5

The existing members of the State Commission shall perform their offices up until the appointment of the members of the State Commission in accordance with the provisions of this Law.

The appointment of the members of the State Commission, in accordance with this Law shall be conducted within a time period of one year as of the day this Law enters into force.