

LAW ON PROTECTION OF COMPETITION

Part One GENERAL PROVISIONS

Subject of the Law

Article 1

This Law shall regulate prohibited forms of prevention, restriction or distortion of competition, protection of competition, measures and procedures regarding restrictions of competition.

Purpose of the Law

Article 2

The purpose of this Law shall be to ensure free competition on the domestic market in order to stimulate economic efficiency and consumers' welfare.

Scope of Application

Article 3

(1) This Law shall apply to all forms of prevention, restriction or distortion of competition that produce effect on the territory of the Republic of Macedonia, even when they result from acts and actions carried out or undertaken outside of the territory of the Republic of Macedonia.

(2) This Law shall apply to:

- undertakings, associations of undertakings, related undertakings and state authority;
- legal entities the founders, or stockholders or shareholders of which are the Republic of Macedonia, the municipalities, municipalities of the City of Skopje and the City of Skopje and
- legal entities and natural persons entrusted, pursuant to the law and other legal acts, with performing services of general economic interest or granted with special and exclusive rights or concessions, except in cases when the application of the provisions of this Law would prevent the performance of competencies stipulated by the law or for the purpose of which those entities are established.

(3) In the assessment of various forms of prevention, restriction or distortion of competition, that may affect the trading between the Republic of Macedonia and the European Communities, in accordance with Article 69 of the Stabilization and Association Agreement, concluded between the Republic of Macedonia and the European Communities and their Member States, the criteria arising from the proper application of the rules regulating competition in the European Communities shall be accordingly applied.

Legal Relations Exempt from Application of the Law

Article 4

This Law shall not apply to the relations regulated with collective agreements between employers and trade unions as far as they are not discriminatory with respect to other entities.

Definitions

Article 5

Certain terms used in this Law shall have the following meaning:

- "*Undertaking*" shall mean any type of business venture, regardless of the manner of organisation or the form of management (company, sole proprietor, public undertaking, cooperative undertaking, association of undertakings, etc.), freelance professions (lawyers, doctors, architects, accountants, notaries public, etc.), as well as any other natural or legal person or state authority performing economic activities, regardless of whether they are considered as traders or not;
- "*Association of undertakings*" shall mean association of two or more undertakings that does not perform economic activity directly, but which has or may have an influence on the market conduct of the undertakings;
- "*Related undertakings*" shall mean controlling or controlled undertakings, according to the law;
- "*State authority*" shall mean the Government of the Republic of Macedonia, bodies of the state administration, bodies of the municipalities, municipalities of the City of Skopje and the City of Skopje, undertakings, organizations and other legal entities and natural persons having public authorizations;

-*“Economic activity”* shall mean trade of goods and/or services on the market with the purpose of making profit;

- *“Market”* shall mean a meeting point of supply and demand of goods and services attained by the sellers and buyers;

-*“Relevant market”* shall mean relevant product market and relevant geographical market;

-*“Relevant market of goods”* shall mean market of all those goods and/or services, which are regarded as interchangeable or substitutable by the consumer, by reason of their characteristics, their prices and their intended use;

-*“Relevant geographic market”* shall mean market on the area in which the undertakings concerned are involved in the supply and demand of goods or services, in which the conditions of competition are sufficiently homogenous, and which can be distinguished from neighboring areas, according to the conditions of competition which are appreciable different in those areas;

- *“Agreements and decisions”* shall mean legal acts that regulate the issues related to the working conditions as far as those conditions are directed towards prevention, restriction or distortion of competition. This relates also to the specific provisions of the agreements or decisions which can be explicit or tacit;

- *“Concerted practices”* shall mean a condition where there is no need for existence of a prior legally binding agreement or decision in a written form, but tacit conclusion is sufficient;

-*“Horizontal agreement”* shall mean an agreement between undertakings, decisions or recommendations of associations of undertakings, or concerted practices among those entities operating at the same level of production or distribution on the market;

-*“Vertical agreement”* shall mean an agreement or concerted practice between undertakings operating at different level of production or distribution on the market;

- *“Franchise Agreement”* shall mean an agreement by which the beneficiary of the franchise assumes the obligation to permanently, in its own name and for its own account, sell goods and/or services, produced or developed by the issuer of the franchise, and consequently, to use the exclusive rights to use the know-how, trademark and services that are conveyed to the issuer of the franchise for certain remuneration.

Competent body

Article 6

The Commission for protection of competition (hereinafter: the Commission) shall be competent to perform the authorizations stipulated in this Law.

Part Two

RESTRICTIONS OF COMPETITION

Chapter One

AGREEMENTS AND DECISIONS THAT RESTRICT COMPETITION

Prohibited Agreements, Decisions and Concerted Practice

Article 7

(1) Agreements concluded between undertakings, decisions by associations of undertakings and concerted practice which have the prevention, restriction or distortion of competition as their objective or effect shall be prohibited, and in particular, those which:

- 1) directly or indirectly fix purchase or selling prices or any other trading conditions;
- 2) limit or control production, market, technical development or investments;
- 3) share markets or sources of supply;
- 4) apply dissimilar conditions to equivalent or similar legal transactions with other trading parties, thereby placing them in a position of competitive disadvantage;
- 5) make the conclusion of agreements subject to acceptance by the other parties of supplementary obligations, which, by their nature or according to commercial usage, have no connection with the subject of such agreements.

(2) Any agreement and decision or separate provisions thereof prohibited pursuant to paragraph (1) of this Article shall be considered null and void.

(3) Provisions of paragraph (1) of this Article shall not apply to agreements, decisions of associations of undertakings and concerted practice that contribute to improving the production or distribution of goods and services or to promoting technical or economic development, while allowing consumers a fair share of the resulting benefit, and which do not:

- 1) impose on the undertakings concerned restrictions, which are not indispensable to the attainment of these objectives and
- 2) afford such undertakings the possibility of eliminating competition in respect of a substantial part of the products in question.

Block Exemptions Article 8

(1) The provisions pertaining to Article 7 paragraph (3) of this Law shall particularly refer to the following types of agreements:

- 1) vertical agreements for exclusive right of distribution, selective right of distribution, exclusive right of purchasing and franchising;
- 2) horizontal agreements for research and development or specialization;
- 3) agreements on transfer of technology, license or know-how;
- 4) agreements on distribution and repairing motor vehicles and
- 5) insurance agreements.

(2) The Government of the Republic of Macedonia, upon a proposal of the Commission, shall determine the conditions for granting block exemptions to agreements referred to in paragraph (1) of this Article by adopting by-laws.

(3) The by-laws referred to in paragraph (2) of this Article shall determine the following:

- 1) the conditions that the agreement must contain;
- 2) the limitations or conditions that such agreements are not allowed to contain and
- 3) the other conditions that have to be met.

Agreements of Minor Importance Article 9

(1) The provisions referred to in Article 7 paragraph (1) of this Law shall not apply to the agreements of minor importance.

(2) Agreement of minor importance shall be considered any agreement in which common market share of the parties of the agreement and undertakings under their control on the market does not exceed the threshold of 10%, where agreement is made between undertakings operating within same level of production or trade (horizontal) or the threshold of 15% where agreement is made between undertakings operating within different level of production or trade (vertical). In case where it is difficult to classify the agreement as either horizontal or vertical, the 10% threshold shall apply.

(3) Provisions pertaining to paragraph (1) of this Article shall also apply if the market share of undertakings did not increase by more than 2% in the last two consecutive business years.

(4) The Government of the Republic of Macedonia, upon the proposal of the Commission, shall adopt a by-law, determining thereof the conditions that have to be met by the agreements of minor importance, as well as the limitations and the provisions that such agreements are not allowed to contain.

Decision on Prohibited Agreements, Decisions and Concerted Practice Article 10

(1) In the cases referred to in Articles 7, 8 and 9 of this Law, the Commission shall, by a decision:

- 1) determine that the agreement, decision or separate provisions thereof and concerted practice are prohibited;
- 2) prohibit further application of the agreement, decision or separate provisions thereof and concerted practice in terms;
- 3) determine terms and measures for elimination of harmful consequences from application of such agreement, decision or separate provisions thereof and concerted practice;

4) determine other adequate measures and terms for their execution for the purpose of establishing competition between undertakings on the relevant market.

Individual exemptions Article 11

- (1) Upon a request of the parties of the agreement, the Commission may, with a decision, determine individual exemption from the application of Article 7 paragraph 1 of this Law, if the agreement meets the conditions referred to in Article 7 paragraph 3 of this Law.
- (2) The Commission grants the exemption referred to in paragraph 1 of this Article by decision, provided that the term of exemption does not exceed 3 years.
- (3) The Commission will take the decision referred to in paragraph 2 of this Article within 30 days from the day of receipt of the appropriate and completed request.
- (4) Upon a request by the parties of the agreement, the time period stipulated in paragraph 3 of this Article may be extended for 3 year, provided that the parties of the agreement prove that the agreement is in compliance with the conditions stipulated in Article 7 paragraph 3 of this Law.
- (5) The parties of the agreement must submit the request for extension of the time period of the exemption to the Commission not later than six months before the expiration of the time period of the exemption.
- (6) The Commission may determine, with a decision, the measures and conditions necessary for granting the individual exemption, as well the terms for their fulfillment.
- (7) The individual exemption shall enter into force on the day of conclusion of the agreement, and in case it contains measures and conditions, on the day of reaching the decision or on the day of fulfillment of the conditions and enforcement of the measures.

Nullity, Abolition and Modification of the Decision on Individual Exemptions Article 12

- (1) The Commission may, ex officio or upon a request by a party, annul the decision on exemption of an agreement in terms of provisions of this Law, when the decision has been made on the basis of incorrect or misleading data, which were key in the decision-making.
- (2) The Commission may ex officio or upon a request by a party, revoke the decision on exemption of an agreement provided that:
 - 1) the market conditions and circumstances, which have been of significant influence for the decision-making, have changed, thus the conditions for individual exemption stipulated in Article 7 paragraph 3 of this Law are not longer met or;
 - 2) the parties of the agreement do not fulfill some of the conditions or do not enforce the measures determined with the Commission's decision.
- (3) The Commission may ex officio or upon a request by a party amend the decision on exemption of an agreement in case of the following:
 - 1) change of the market conditions and circumstances, which do not depend on the will of the parties of the agreement and which, according to their nature, do not entail revocation of the decision or
 - 2) impossibility for the parties of the agreement to fulfil certain condition or to enforce measures determined in the Commission's decision, due to circumstances being beyond their will.

Chapter Two DOMINANT POSITION ON THE MARKET

Dominant Position Article 13

- (1) An undertaking shall be considered as having dominant position on the relevant market, if as a potential seller or purchaser of certain type of goods and/or services:
 - 1) has no competitors on the relevant market;
 - 2) compared to its competitors, the undertaking shall be considered as having a leading position on the relevant market, especially in relation to the following:
 - market share and position

- financial power
 - access to sources of supply or the market
 - connection with other undertakings
 - legal or factual barriers to entry for other undertakings on the market
 - capability to dictate the market conditions, taking into consideration its supply or demand,
- and
- capability to exclude other competitors from the market by turning toward other undertaking.
- (2) Two or more undertakings shall be considered as having dominant position on the relevant market, if there is no significant competition in relation to certain products and/or services between those undertakings, in general or only on specific markets, and when those undertakings jointly meet the conditions stipulated in paragraph (1) of this Article.
- (3) It shall be presumed that an undertaking has a dominant position, if it participates on the relevant market with more than 40%, unless the undertaking proves the opposite.
- (4) It shall be presumed that two or more undertakings have dominant position on the market if they have a joint participation on the relevant market of more than 60%.

Abuse of Dominant Position Article 14

- (1) Any abuse by one or more undertakings of a dominant position on the relevant market or in a substantial part of it shall be prohibited.
- (2) The abuse, within the meaning of paragraph (1) of this Article, shall, in particular, consist in:
- 1) directly or indirectly imposing unfair purchase or selling prices or other unfair trading conditions;
 - 2) limiting production, markets or technical development to the prejudice of consumers;
 - 3) applying dissimilar conditions to equivalent or similar legal transactions with other trading partners, thereby placing them at a competitive disadvantage;
 - 4) making the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts;
 - 5) refusal to deal or encouraging and requesting from other undertakings or association of undertakings not to purchase or sell goods or services to certain undertaking, with an intention to harm that undertaking in a dishonest manner;
 - 6) refusal to allow another undertaking access to its own networks or other infrastructure facilities, for adequate remuneration, provided that without such concurrent use the other undertaking is unable for legal or factual reasons, to operate as a competitor of the dominant undertaking.
- (3) The provision pertaining to paragraph (2) item 6) of this Article shall not apply if the dominant undertaking proves that such concurrent usage of its network or its infrastructure facilities is not possible due to certain operational or other reasons, or that it may not be allowed due to certain justified grounds.

Decision on Abuse of Dominant Position Article 15

- The Commission, according to Articles 13 and 14 of this Law shall with a decision:
- 1) determine the dominant position and the behavior of the undertaking which constitutes abuse of such position, i.e. which prevents, restricts or distorts competition, as well the duration of such behavior;
 - 2) prohibit any further behavior of the undertaking referred to paragraph (1) item 1) of this Article;
 - 3) determine terms and measures for removal of harmful consequences from such behavior and
 - 4) determine other adequate measures and terms for their execution that shall contribute to the establishment of competition between undertakings on the relevant market.

Chapter Three
CONTROL OF CONCENTRATIONS

Obligation for Notification of Concentration
Article 16

(1) The participants in the concentration (hereinafter: participants) shall be obliged to notify a concentration to the Commission, if:

1) the aggregate turnover of all undertakings participants, generated by sale of goods and/or services on the world market, amounts to at least 5 million euros in denar equivalent, realized during the business year preceding the concentration and provided that one of the participants realizes sales on the domestic market and

2) the aggregate turnover of each of at least two undertakings, generated by sales of goods and/or services on the territory of the Republic of Macedonia, amounts to at least 2.5 million euros in denar equivalent realized during the business year preceding the concentration or if their joint participation on the market is more than 40%.

(2) The participants referred to in paragraph (1) of this Article shall be the following:

1) the undertakings being participants in the concentration pursuant to Article 18 paragraph (1) item 1) of this Law;

2) persons or undertakings that acquire control pursuant to Article 18 paragraph (1) item 2) of this Law and

3) in all other cases, persons or undertakings which acquire control of whole or parts of one or more undertakings.

(3) The participants are obliged to notify the Commission prior to the implementation of concentration and following the conclusion of the merger agreement, or the announcement of the public bid on the purchase or the acquisition of the controlling interest in the charter capital of the undertaking.

Appraisal of the Concentration
Article 17

(1) Concentrations shall be appraised with a view to establishing whether or not they are compliant with this Law.

(2) In performing appraisal of concentration, the Commission especially takes into account:

1) the market structure, the existing and potential future competitors on the market, supply and potential supply sources on the market, costs, risks, technological, economic and legal requirements for entry and exit from the market, possible implications of the concentration for the competition on the market,

2) market share and position, economic and financial power, activities of the undertakings on the market, internal and external advantages of the participants with respect to competitors, as well as the possible changes in the participants' market activities following the performed concentration and

3) implications from the concentration upon other undertakings, in particular regarding the consumer benefits, as well as other objectives and effects of the concentration, such as: price reductions of goods and services, more efficient distribution, reduction of costs for transportation, distribution and other costs, specialization of production, as well as other benefits resulting from the concentration .

(3) A concentration, which would not significantly prevent, restrict or distort efficient competition on the market or its significant part, in particular as a result of the creation or strengthening of a dominant position of the participants is compliant with the provisions of this Law.

(4) A concentration, which would significantly prevent, restrict or distort efficient competition on the market or its significant part, in particular as a result of the creation or strengthening of a dominant position of the participants is non-compliant with the provisions of this Law.

(5) Creation of joint venture in terms of Article 18 paragraph (1) of this Law, having objective or effect of coordination of competitive behavior of the undertakings remaining independent, shall not be considered as a concentration, and it shall be appraised in accordance with Article 7 paragraph (1) and (3) of this Law.

(6) While performing appraisal referred to in paragraph (5) of this Article, the Commission, in particular, takes into account:

1) whether two or more undertakings, parties in a joint venture, retain, to a significant extent, activities in the same market as the joint venture or in a market which is down stream or upstream from that of the joint venture or in a neighboring market closely related to this market and

2) the coordination which is the direct consequence of the creation of the joint venture affords the undertakings concerned the possibility of eliminating competition in respect of substantial part of the goods or services in question.

(7) Upon a proposal by the Commission, the Government of the Republic of Macedonia shall, determines the detailed criteria for appraisal of concentrations from this article as well as the form and the content of the notification for concentration from Article 16 of this Law.

Arise of Concentration Article 18

(1) A concentration shall be deemed to arise where a change of control on a lasting basis results from:

1) the merger of two or more previously independent undertakings or parts of undertakings or
2) the acquisition, by one or more persons already controlling at least one undertaking, or by one or more undertakings, whether by purchase of securities or assets, by contract or by any other means prescribed by law, of direct or indirect control of the whole or parts of one or more other undertakings.

(2) The control shall be constituted of rights, contracts or any other means, which either separately or in combination, and having regard to the actual or legal condition, confer the possibility of exercising decisive influence on an undertaking, in particular by:

1) ownership or the right to use all or part of the assets of an undertaking or
2) rights or contracts which confer decisive influence on the composition, voting or decisions of the bodies of the undertaking.

(3) Control is acquired by persons or undertakings which:

1) are holders of the rights or entitled to exercise the rights under the contracts concerned or
2) while not being holders of such rights or entitled to rights under such contracts, have the power to exercise the rights deriving there-from.

(4) Creation of joint venture, performing on a lasting basis all the functions of an autonomous entity shall constitute a concentration within the meaning of paragraph (1) of this Article.

(5) A concentration of undertakings shall not be deemed to arise where:

1) banks, savings houses and other financial institutions or insurance companies, the regular activities of which include legal transactions and dealing in securities, hold securities on temporary basis with a view to reselling them within a period of one year from the date of acquisition, and provided that they do not exercise voting rights in respect to those securities with a view to influence the competitive behavior of that undertaking on the market. The Commission may, upon a special request, extend the period of one year, if the acquirer can prove that the sale of the securities was not executed due to justified reasons. The Commission shall bring a decision for extending the period, against which a particular appeal shall not be allowed.

2) control is acquired by an authorized person in a procedure related to bankruptcy or a liquidation of an undertaking and

3) investment funds acquire capital interest in undertakings, provided that they exercise the acquired rights only with a view to maintain the full value of those investments and provided that they do not influence the competitive behavior of the undertakings on the market.

Calculation of Aggregate Turnover Article 19

(1) Calculation of the aggregate turnover, shall comprise the revenues generated from sales, loaning or leasing of typical products of the undertaking produced within its regular operations, as well as the revenues generated from typical services that the undertaking provides within its regular operations, after deduction of the sales rebates and of value added tax and other taxes directly related to turnover.

(2) If one of the participants is related undertaking, within the meaning of the provisions of the Company Law, all undertakings related in such manner shall be regarded as one undertaking, when calculating the aggregate turnover.

(3) When calculating the aggregate turnover of the related undertakings, referred to in Article 16 paragraph (1) of this Law the revenues generated from the sales of goods or/and provide of services between them shall not be taken into consideration.

(4) In cases when a concentration referred to in Article 18 paragraph (1) of this Law is related to acquisition of a part or parts of the asset of one or several undertakings, irrelevant whether those parts are established as legal entities, when calculating the revenues generated by the undertaking selling this asset, only this asset shall be taken into consideration.

(5) Two or more transactions in terms of paragraph (4) of this Article performed during the period of two years between same persons or undertakings shall be considered as one and same concentration performed on the day of the last transaction.

(6) The aggregate turnover pertaining to Article 16 paragraph (1) of this Law for the banks, saving houses and other financial institutions, shall be determined according to the aggregate revenues realized from the regular operations during the business year preceding the concentration.

(7) The aggregate turnover pertaining to Article 16 paragraph (1) of this Law for the insurance companies shall be determined according to the value of the gross calculated premiums of the participants for the financial year preceding the concentration.

(8) The revenues realized in foreign currency shall be expressed in denar according to the average exchange rate of the National Bank of the Republic of Macedonia.

Examination of the Notification and Initiation of Procedure Article 20

(1) The Commission shall examine the notification of concentration as of the day when it is received, pursuant to Article 33 paragraph (2) of this Law and if:

1) it determines that the concentration notified does not fall under the provisions of this Law, the Commission shall make a decision thereof.

2) finds that the concentration notified, although falling under the provisions of this Law, does not significantly prevent, restrict or distort the efficient competition on the market or its significant part, in particular as a result of creation or strengthening of a dominant position of the participants, it shall make a decision declaring that the concentration is compliant with the provisions of this Law.

The decision of the Commission declaring that the concentration is in accordance with the provisions of this Law, shall be considered as comprising restrictions directly related and necessary for implementing the concentration and

3) finds that the concentration notified, falls under the provisions of this Law, and as an implication it may significantly prevent, restrict or distort efficient competition on the market or its significant part, in particular as a result of creation or strengthening of a dominant position of the participants, it shall make a decision on initiating procedure. In the procedure referred to in this paragraph, the Commission may make decisions in terms of Article 22 paragraphs (1), (2), (3) and (4) of this Law, except when the participants prove they gave up the concentration.

(2) When the Commission finds that after the performed changes by the participants the concentration notified, which do not result with an implication to significantly prevent, restrict or distort the efficient competition on the market or its significant part, in particular as a result of creation or strengthening of a dominant position of the participants, it shall make a decision in terms of paragraph (1) item (2) of this Article. The Commission may determine in its decision conditions and obligations which ensure that the participant act in accordance with the obligations undertaken before the Commission, aiming to achieve the compliance of the concentration with the provisions of this Law.

(3) The Commission may revoke the decision made pursuant to paragraph (1) item 1) or 2) of this Article if:

1) the decision is based on incorrect or misleading information on responsibility of one of the participants or they are provided by deceit or

2) the participants did not comply with some of the obligations imposed by a decision.

(4) In cases referred to in paragraph (3) of this Article, the Commission may make a decision pursuant to paragraph (1) of this Article, without being bound by the time limits referred to in Article 23 paragraph (1) of this Law.

(5) The Commission without any delay shall notify the participants for its decision.

Suspension of Concentrations

Article 21

(1) The concentration shall not be performed either before its notification referred to in Article 16 of this Law or until decision is made according to Article 20 paragraph (3), Article 22 paragraph (1) or (2) or presumption of Article 23 paragraph (4) of this Law.

(2) The provision of paragraph (1) of this Article shall not prevent the implementation of a public bid on purchase of securities or of serial of security transactions, enclosing those convertible into other securities purposed to trade on the market, according to the law, if:

1) without any delay notify the Commission, according to the provisions of the Law on Take-Over of Joint Stock Companies and

2) the acquirer of securities does not exercise voting rights attached to the securities in question, or does so only to the extent which is necessary to maintain the full value of its investments and based on decision for exemption of the Commission according to the paragraph (3) of this Article.

(3) The Commission may upon request for exemption, with decision, to allow exemption of duties in accordance with paragraphs (1) and (2) of this Article. The request must be justified. While deciding upon request, the Commission inter alia shall take into account the effects from the suspension over one or several undertakings participants or over a third party, as well a threat over the competition caused by a concentration. This exemption regards to the conditions and duties due to provide conditions for efficient competition. The exemption may be allowed at any time, in other words, prior the notification or following the transaction.

(4) The importance of each transaction shall depend on a decision referred to in Article 20 paragraph (3) and Article 22 paragraphs (1), (2) or (3) or on the presumption referred to in Article 23 paragraph (4) of this Law.

(5) The provisions of this Article shall not cause legal effect on the transactions with securities, including those convertible into other type of securities, purposed to trade on the market, except in case if the buyer and the seller knew or could have known that the transaction is performed contrary to paragraph (1) of this Article.

Types of Decisions

Article 22

(1) When the Commission finds that the notified concentration meets the criteria stipulated in Article 17 paragraph (3), according to Article 7 paragraph (3), and relates to the cases determined with Article 17 paragraph (5) of this Law, it shall make a decision declaring the concentration compliant with the provisions of this Law.

The Commission's decision on declaring the concentration compliant with the provisions of this Law, shall be considered to comprise the restrictions directly related and necessary for implementing the concentration.

(2) When the Commission finds that after the performed changes by the participants, the concentration notified meets the criteria stipulated in Article 17 paragraph (3) and criteria stipulated in Article 7 paragraph (3), and related to the cases determined under Article 17 paragraph (5) of this Law, it shall make a decision declaring the concentration compliant with the provisions of this Law.

The Commission may by the decision impose conditions and obligations intended to provide that the participants act according to obligations undertaken before the Commission with an aim to achieve the concentration to be compliant with the provisions of this Law.

A decision of the Commission declaring the concentration compliant with the provisions of this Law shall be considered to comprise the restrictions directly related and necessary to implement the concentration.

(3) When the Commission finds the concentration meets the criteria stipulated in Article 17 paragraph (4) of this Law or does not meet the criteria stipulated in Article 7 paragraph (3), related to cases determined in Article 17 paragraph (5) of this Law, it shall make a decision declaring the concentration as non-compliant with the provisions of this Law.

(4) When the Commission finds that the concentration:

1) has been implemented and is in contravention to the provisions of this Law or

2) has been implemented in contravention to the condition stipulated according to paragraph (2) of this Article and finds that in absence of condition, the merger would meet the criteria stipulated in Article 17 paragraph (4) of this Law or do not meet the criteria stipulated in

Article 7 paragraph (3), related to the cases determined in Article 17 paragraph (5) of this Law may:

- ask the participants to annul the concentration, particularly by annulling the merger or disposal of all stocks or acquainted asset, for the purpose of achieving restitution of the previous condition existing prior to the implemented concentration and

- impose any other adequate measure for the purpose of providing that the participants will annul the concentration or will undertake any other measures for achieving restitution of the previous condition imposed by the Commission's decision.

3) The measures according to this paragraph, pertaining to item 1), may be imposed by a decision of paragraph 3 of this Article or by a separate decision.

(5) The Commission may impose interim measures with the purpose of achieving restitution of the previous condition or maintaining the conditions of efficient competition when the concentration:

1) has been performed in contravention to the Article 21 of this Law, and a decision declaring the concentration compliant with the provisions of this Law has not been taken;

2) has been performed in contravention to the conditions imposed in accordance with the Article 20 paragraph (1) item 2) of this Law or paragraph (2) of this Article and

3) has been already performed and it has been declared as not compliant with the provisions of this Law.

(6) The Commission may annul a decision made in terms of paragraph (1) or (2) of this Article in cases when:

1) a decision has been made on the basis of incorrect or misleading data on responsibility of one of the participants or these data have been provided by deceit or

2) the participants will not implement some of the obligations stipulated in a decision.

(7) The Commission may make a decision according to paragraphs (1), (2) or (3) of this Article, without being limited by the terms stipulated in Article 23 paragraph 3 of this Law in cases when:

1) it finds that the concentration has been performed in contravention to certain condition of a decision according to the Article 20 paragraph (1) item 2) of this Law or the concentration has been performed in contravention to a certain condition of a decision according to paragraph (2) of this Article and according to Article 23 paragraph (2) of this Law, and found absence of this condition, the concentration may have as an implication significant prevention, restriction or distortion of an efficient competition on the market or its significant part, particularly as a result of creation or strengthening of a dominant position of the participants or

2) a decision has been annulled pursuant to paragraph (6) of this Article.

(8) The Commission notifies the participants of its decision without delay.

Terms for Initiating Procedure and Decision-making Article 23

(1) The decisions pertaining to Article 20 paragraph (1) of this Law shall be made within 25 working days from the day of receiving the precise notification.

This term for making the decision pursuant to Article 20 paragraph (2) of this Law may be extended to 35 working days if the participants express eagerness to fulfil the conditions and measures for the purpose of bringing the concentration compliant with the provisions of this Law.

(2) The decisions pertaining to Article 22 paragraph (1) and (2), Article 20 paragraph (1) item 3) of this Law, shall be made after the Commission determines that the concentration to which the submitted notification refers does not have in effect any prevention, restriction or distortion of effective competition on the market or its substantial part, in particular as a result of creating or strengthening the dominant position of the participants and particularly as a result of changes carried out by the participants within the term stipulated in paragraph (3) of this Article.

(3) The decisions referred to in Article 22 paragraph (1), (2) or (3) of this Law shall be made within 90 working days from the day of initiation of the procedure.

This term for making the decision pursuant to Article 22 paragraph (2) of this Law may be extended to 105 working days if the participants express eagerness to fulfil the conditions and measures for the purpose of bringing the concentration compliant with the provisions of this Law, except if the participants undertake the obligation to fulfil the conditions and

measures stipulated in Article 22 paragraph (2) of this Law for less than 55 working days from the day of initiation of the procedure.

These terms shall be extended if the participants submit a request for such extension not later than 15 working days from the day of initiation of the procedure. The participants are entitled to only one request. Likewise, at any time following the initiation of the procedure, the terms may be extended by the Commission upon an agreement of the participants. The total duration of each extension according to this paragraph shall not exceed 20 working days.

(4) If the Commission did not take any decision pursuant to Article 20 paragraph (1) item 2) and 3), Article 22 paragraph (1), (2), and (3) within the terms stipulated in paragraph (1) and (3) of this Article, the concentration shall be considered compliant with the provisions of this Law.

Part Three BODY FOR PROTECTION OF COMPETITION

Commission for Protection of Competition Article 24

- (1) The Commission shall be an independent state body with a status of a legal entity.
- (2) The Commission shall be independent in its work and in making the decisions within the scope of its competencies determined by this Law.
- (3) The budget necessary for the work of the Commission shall be provided from the Budget of the Republic of Macedonia.
- (4) The seat of the Commission shall be in Skopje.
- (5) The Commission shall be responsible for its work to the Assembly of the Republic of Macedonia and shall submit annual report for its work, no later than March 31st.

Composition, Appointment and Dismissal Article 25

- (1) The Commission shall consist of President and four members.
- (2) The President and members of the Commission shall be appointed and dismissed by the Assembly of the Republic of Macedonia, upon a proposal by the Commission for appointment and dismissal matters of the Assembly of the Republic of Macedonia, for a period of five years with the right to reappointment.
- (3) The President and at least one member of the Commission, upon a proposal by the Commission for appointment and dismissal matters of the Assembly of the Republic of Macedonia, shall be professionally engaged in the Commission's operations.
- (4) The President of the Commission shall represent, present and manage the work of the Commission.
- (5) Any citizen of the Republic of Macedonia having completed high education in legal or economic area, having working experience of over 5 (five) years in his area of speciality and having special knowledge in the field of competition, trade law, management and finances can be appointed as President and member of the Commission.
- (6) For the duration of their term of office, the President and the members of the Commission may not be members of the Assembly of the Republic of Macedonia, members of the Government of the Republic of Macedonia, persons performing duties in bodies of the political parties, members of management bodies of an undertaking, or members of any other form of association of legal and natural persons that might lead to a conflict of interest.
- (7) The President and members may not decide on undertakings with which they, their spouses, or family members of direct lineage up to the 1st degree, have entered into contractual relation, are shareholders or members in the managing bodies within the undertakings that are parties in the procedure before the Commission.
- (8) The Assembly of the Republic of Macedonia may, upon a proposal of the Commission for appointment and dismissal matters, dismiss the President or member of the Commission from his duty before expiry of his term of office, if he/she:
 - 1) requests such dismissal;
 - 2) is sentenced for a criminal act for which an effective sanction in duration of more than six months has been imposed;

3) is absent from the meetings of the Commission three consequent times without justifying his absence.

(9) The Commission shall, by a majority votes from a total number of members, determine the fulfillment of the conditions for dismissal stipulated in paragraph (8) of this Article and shall thereof submit a request for dismissal to the Assembly of the Republic of Macedonia.

(10) Failure to submit or to adopt the annual report may pose grounds for collective dismissal of the Commission.

Competencies of the Commission

Article 26

(1) The Commission shall supervise the application of the provisions of this Law, monitor and analyze the conditions on the market to the extent necessary for the development of free and efficient competition, conduct procedures and make decisions in accordance with the provisions of this Law.

(2) The Commission shall make the decisions with majority of votes of the total number of members and a member of the Commission may not refrain from voting.

(3) The Commission shall determine the methodology for market research.

(4) The Commission shall determine the rules and measures for protection of competition, the measures for elimination of the prevention, restriction or distortion of competition.

(5) The Commission shall provide opinion upon draft-laws and other acts that regulate issues pertaining to the economic activity and may influence the competition on the market, and it shall submits it in writing to the competent body. The body shall inform the Commission of the reasons for non-acceptance of the Commission's opinion.

(6) Upon a request by the Assembly, the Government of the Republic of Macedonia, other state bodies, undertakings, or ex officio, the Commission shall provide expert opinions on issues in the area of competition policy and protection of competition on the market.

(7) The Commission while performing its activities co-operates with other state bodies and institutions, for issues related to the protection of competition. The Commission and the regulatory bodies are obliged to exchange data and information necessary for performing their authorizations, which extent of exchange of information is limited to data and information appropriate and proportional for the purpose of the exchange.

(8) The Commission shall perform tasks of international co-operation related to the implementation of international obligations of the Republic of Macedonia, transferred within the competences of the Commission, participate in the implementation of projects of international bodies and the bodies of the European Union and co-operate with the bodies of other countries and institutions in the area of competition.

(9) The Commission, under general acts, shall regulate the issues of organization and work.

(10) The Commission shall perform other activities stipulated in this Law and other laws.

Department of Qualified Personnel

Article 27

(1) The investigative and other expert activities of the Commission shall be performed by the Department of qualified personnel, managed by a Secretary General, appointed and dismissed by the Commission.

(2) The employees of the Department of qualified personnel shall have status of civil servants.

(3) Within the realization of the investigative and other experts activities the Department of qualified personnel shall:

1) collect data, conduct check and analysis of individual cases and following the determination of all relevant facts and circumstances for making decisions informs the Commission, which is authorized to decide upon the particular administrative matter according to the provisions of this Law;

2) prepare draft by-laws stipulated in the provisions of this Law;

3) prepare draft decisions with which the procedure before the Commission is completed;

4) prepare draft opinions with regard to draft laws and other acts that regulate the issues pertaining to economic activities and may influence the competition on the market;

5) prepare the draft methodology for market research;

- 6) collect data and information from the undertakings significant for research and determination of the market condition, independently from the procedures carried out in front of the Commission;
- 7) prepare draft annual report for the Commission's operations and
- 8) upon a request of the Commission, perform other activities for the purpose of implementation of the provisions of this Law.

Part Four
PROCEDURE BEFORE THE COMMISSION FOR
PROTECTION OF COMPETITION

Application of the Law on General Administrative Procedure
Article 28

The procedure before the Commission shall be carried out pursuant to the Law on General Administrative Procedure, unless otherwise stipulated in this Law.

Parties in the Procedure
Article 29

The following shall be parties in the procedure:

- a person upon whose request the procedure is initiated;
- a person against whom the procedure is initiated;
- a person or association of persons on which the decision of the Commission may have an influence or effect;
- a person upon whose request the Commission shall grant a status of party in the procedure.

Initiation of Procedure
Article 30

- (1) The Commission may initiate procedure ex officio or upon request of a party by issuing a decision against which a particular appeal shall not be allowed.
- (2) The decision for initiating a procedure shall particularly contain:
 - 1) number of the file to which the decision refers;
 - 2) provisions of the law on the basis of which the procedure is initiated;
 - 3) request for submission of data in terms of Article 35 of this Law.
- (3) The Commission shall initiate ex officio procedure upon its own findings, upon findings from the notification submitted by the party, regardless of whether the notification contains request or if the person submitting the notification requests protection of his identity.
- (4) The Commission shall be obliged to initiate a procedure if it determines that there is a possibility of significant prevention, restriction or distortion of competition.
- (5) If the procedure is initiated upon the request of a party and if the party cancels the request, the Commission shall continue the procedure ex officio, if it deems the conditions referred to in paragraph (4) of this Article to be met.

Request for Initiation of Procedure
Article 31

- (1) The request for initiation of procedure in front of the Commission where parties having opposite interests take part, shall contain the following:
 - 1) business name and registered office of the legal entity, or name, surname and address of a natural entity submitting the request;
 - 2) data regarding the person against whom the request is submitted and
 - 3) description of factual condition, behavior or circumstances which are the reason for submitting the request.
- (2) The person submitting the request may attach to the request the following:
 - 1) available evidences which prove the findings referred to in paragraph (1) item 3) of this Article;

- 2) data regarding the relevant market;
 - 3) data regarding the market participation and competitors' participation;
 - 4) excerpt from the trade register or other registration of the person submitting the request and
 - 5) financial statement for the preceding year.
- (3) The day when the Commission received all data and documents referred to in paragraph (1) of this Article shall be considered as the day of receipt of the request.

Supplement of the Request and Cancellation of the Request

Article 32

- (1) If the person submitting the request for initiating procedure fails to submit the data referred to in Article 31 paragraph (1) of this Law, the Commission shall require from the person that submits the request to supplement the request.
- (2) If the person submitting the request does not comply with the requirement referred to in paragraph (1) of this Article within 8 (eight) days from a day of a receipt of the request to supplement the request, it shall be considered that he has cancelled the request.

Notification on Concentration

Article 33

- (1) The following shall be attached to the notification on concentration:
- 1) original document of the legal grounds for the concentration or verified transcript;
 - 2) financial statement for the participants in the concentration for the year preceding the concentration and
 - 3) data regarding the market share of the participants, as well as the share of their competitors.
- (3) The day when the Commission received all data and documents referred to in paragraph(1) of this Article shall be considered as the day of receipt of the notification and the Commission issues a special receipt to the notifying party thereof.

Reply to the Request

Article 34

- (1) If parties with opposite interests participate in the procedure in front of the Commission, the Commission shall submit the decision and the request for initiating a procedure to the opposite party.
- (2) The party shall be entitled to give reply within 8 days following the receipt of the decision for initiating a procedure. Upon exception, the period may be extended upon a request of a party for additional 15 days maximum, due to existence of justified reasons for such extension.

Collecting Evidences

Article 35

- (1) For the purpose of performing its authorizations stipulated in this Law, the Commission may request from the undertakings or associations of undertakings to submit data related to their economic and financial situation and their business relations and connections, as well as data in regard to their statutes and decisions and the number and identity of the members affected by such decisions.
- (2) The Commission shall collect the necessary data by passing a decision, against which an appeal shall not be allowed. The decision must specify the legal ground, the subject and the purpose of the request, the time limit for acting upon the decision, and the indication of the offence referred to in this Law for non-compliance with the decision. The person requested to submit data shall be obliged to submit the requested data, and the data must be correct, complete and true and submitted within the specified time limit.
- (3) The authorized persons of the Commission and, when needed, the accompanying persons may conduct any necessary inspections in the undertakings or association of undertakings and may:
- 1) enter any business premises, land and means of transport of the undertaking or association of undertakings;

- 2) examine the books and other records related to the business, irrespective of the medium on which they are performed and stored;
 - 3) take or obtain in any form copies or extracts from such books or records;
 - 4) seal any business premises and books or records for the period and to the extent necessary to perform the inspection, but no longer than 7 days and
 - 5) ask any representative or member of staff of the undertaking or association of undertakings for explanations on facts or documents relating to the subject-matter and purpose of the inspection and to record the answers.
- (4) The undertakings or associations of undertakings shall be obliged to submit to inspection, on the basis of the decision of the Commission against which a particular appeal shall not be allowed. The decision shall specify the subject matter and purpose of the inspection, the day of commencing the inspection, as well as the liability for a misdemeanor pursuant to this Law, in case the access to required books or other records related to the business is denied or incomplete or where the answers to the questions asked are incorrect or misleading, that is an infringement according to this Law.
- (5) The authorized persons, in the course of performing their authorization referred to in this Article, must possess an official identity card issued by the Commission, which shall state their official status, and they shall be obliged to present it upon request of a party.
- (6) The Commission shall determine the form and the content of the official identity card and the manner of its issuance and revoking.

Inspection of Residences, Business Premises and Seizure of Objects

Article 36

- (1) If a reasonable suspicion exists that the undertaking or the association of undertakings or third party possesses records or other objects which may be relevant to prove the violation of the provisions of this Law, the Commission may, with a decision, order from the competent court issuance of a written order for inspection of a person, residence or business premise, as well as seizure of objects and other documentation of an undertaking, association of undertakings or a third party.
- (2) The Commission shall request from the competent court issuance of a written order referred to in paragraph (1) of this Article as well for the cases when the undertakings or associations of undertakings shall not proceed upon the decision referred to in Article 35 paragraphs (2) and (4) of this Law.

Hearing

Article 37

- (1) Holding a hearing shall be compulsory in any case where in the procedure parties with opposite interest are participating. As a general rule, the hearing shall be public.
- (2) The Commission may also decide to hold a hearing in each case when it shall consider it to be useful.
- (3) Notwithstanding paragraph (1) of this Article, following the receipt of the written reply of the opposite party and if the Commission finds, based on the evidences attached, that the factual condition between the parties is indisputable and there are no other obstacles for decision-making, or if it is in the public interest, it may make a decision without scheduling a hearing.
- (4) If any of the invited parties or their proxy fails to attend the first hearing, the Commission shall, as a general rule, postpone the hearing and shall schedule a new hearing.
- (5) If any of the parties invited fails to attend the following hearing scheduled in accordance with paragraph (4) of this Article, the Commission, in general, shall not schedule a new hearing, but it shall make decision in the procedure upon its own findings, enclosed data and documents.

Interim Measures

Article 38

- (1) The Commission may make a decision for interim measures when it shall assess that separate acts and actions preventing, restricting or distorting the competition in accordance

with the provisions of this Law, shall cause direct harmful implication for the undertakings, or for certain economic sectors or consumers' interests.

(2) With a decision referred to in paragraph (1) of this Article, the Commission shall order termination of all actions, fulfilment of certain conditions and other measures necessary to eliminate harmful implications of prevention, restriction or distortion of the competition, as well as the duration of the measures which in general can not be longer than three months.

Deadlines for Decision -Making Article 39

(1) The Commission shall make the decisions pursuant to the provisions of this Law within four months as of the day of the determination of facts in the procedure, unless otherwise stipulated in this Law.

(2) The Commission shall extend the deadline for the decision-making referred to in paragraph (1) of this Article for the next three months if it considers that an additional expertise and analysis is necessary in order to determine the factual condition and to assess the evidence, or when a specific sector or market is at stake, and shall inform, in writing, the parties in the procedure before the expiration of the deadline referred to in paragraph (1) of this Article.

Initiation of an Administrative Dispute Article 40

(1) The participant in the procedure is entitled to file an appeal against the Commission's decision.

(2) The appeal suspends the enforcement of the decision.

(3) The appeal shall be filed through the Commission within 15 days from the day of receiving the decision. The Commission for Appeals in the field of Competition shall be authorised to decide upon the appeal.

(4) The Commission as referred to in paragraph (3) of this Article shall be comprised of 3 members and their deputies. The members and the President, who is one of the members, shall be appointed and dismissed by the Assembly of the Republic of Macedonia, upon a proposal by the Committee on Election and Appointment Issues.

(5) Any person having completed higher education in legal or economic area, having working experience of over 10 (ten) years in this area and having advanced knowledge in the field of competition, trade law, management and finance may be appointed as a member of the Commission as referred to in paragraph (3) of this Article.

(6) The members of the Commission as referred to in paragraph (3) of this Article shall be appointed for term of 5 (five) years.

(7) The provision referred to in Article 25 paragraph (7) of this Law shall apply to the members of the Commission as referred to in paragraph (3) of this Article.

(8) The Commission as referred to in paragraph (3) of this Article shall make the decisions with majority votes of the total number of members, within 60 days from the day of receiving the appeal.

(9) Against the final decisions of the Commission as referred to in paragraph (3) of this Article, a complaint for initiation of an administrative dispute may be filed before the competent court.

(10) The Law on Administrative Dispute shall apply to the administrative disputes initiated in accordance with the paragraph (9) of this Article.

(11) Procedures on administrative disputes shall be urgent and the complaints shall be processed immediately following their submission to the competent court.

Use of Data and Inspection of Records Article 41

(1) Data collected during the procedure before the Commission may be used only for the purpose for which they were acquired.

(2) The parties in the procedure in front of the Commission shall be entitled to inspect the records of the file and to make, at their own expense, a transcription or copy of certain documents.

(3) The request for inspecting the records shall be submitted in written form, and shall be approved by the President of the Commission.

(4) All evidences and acts obtained in original from a party in the procedure, shall be kept by the Commission until the final completion of the procedure, and in case when a complaint for initiating an administrative dispute has been filed until completion of the procedure upon the complaint.

Professional Secrecy Article 42

(1) The President, the members of the Commission and the employees shall be obliged to keep the professional secrecy, regardless of the manner in which they have discovered it, and the obligation to keep the professional secrecy shall continue to apply after the termination of the employment with the Commission.

(2) The persons referred to in paragraph (1) of this Article shall not give statements in the public which may undermine the reputation of the legal or natural entity, regarding the measures undertaken by them or the procedures initiated in the course of performing their competencies, until their final closing, except in the case of publishing general information or information regarding the undertaking.

(3) Professional secrecy, in terms of paragraph (1) of this Article, shall mean especially such matter as:

1) determined by law or other legal act as a professional secrecy;

2) determined by a general or other acts of an undertaking as a professional or business secrecy and

3) determined as a business or professional secrecy by the undertaking or by the person from which documentation has been taken.

(4) Any data and documents that have been accessible, in any manner, to the public, or that have been officially published on the basis of any other act or decision of the managing bodies of the undertaking, shall not be considered as a professional secrecy.

Compensation for Damages Article 43

In case damage is caused by any action prohibited by the provisions of this Law, the person that suffered the damage may request compensation according to the law.

Part Five PUBLICATIONS

Decisions and Data Subject to Publication in the "Official Gazette of the Republic of Macedonia" and on the web-site of the Commission Article 44

(1) The decisions of the Commission made pursuant to Article 10, Article 15 and Article 22 of this Law, shall be published in the "Official Gazette of the Republic of Macedonia".

(2) The rulings or decisions of the court delivered upon complaint against the decisions of the Commission referred to in paragraph (1) of this Article shall be published in the "Official Gazette of the Republic of Macedonia".

(3) Decisions of the Commission, judgments or decisions of the court, as well the other acts of the Commission shall be published on the web site of the Commission.

(4) The published text must contain the names of the parties and the main content of the decision.

(5) On the website of the Commission, the notification on the concentration falling under the provisions of this Law, by stating the names of the participants, country of origin, form of the concentration and relevant market of goods, also is published.

(6) All data regarded as a professional secrecy, within the meaning of Article 42 of this Law, shall not be published.

Part Six
PENALTY PROVISIONS

Request for Initiating an Misdemeanor Procedure
Article 45

The Commission shall, upon a decision declaring violation of the provisions of this Law, submit to the competent court a request for initiating a misdemeanor procedure against the legal entity, the responsible person in the legal entity as well as against a natural person.

Competence to Decide in the Misdemeanor Procedure
Article 46

For deciding in first instance upon the misdemeanors stipulated in this Law, the following courts shall be competent: The First Instance Court Skopje 1 for the area of the Appellate Court of Skopje, the First Instance Court of Bitola for the area of the Appellate Court of Bitola and the First Instance Court of Stip for the area of the Appellate Court of Stip.

Serious Violations of the Provisions of this Law
Article 47

(1) A fine amounting up to 10% of the value of the aggregate annual turnover of the undertaking, realized in the business year preceding the year when the misdemeanour has been committed, shall be imposed on a legal entity, if by premeditation or negligence:

1) it has concluded prohibited agreement or has in other manner taken part in an agreement, decision or concerted practice which prevents, restricts or distorts competition in terms of Article 7 of this Law;

2) it has abused its dominant position in terms of Article 13 paragraph (2) of this Law;

3) does not comply with the Commission's decision referred to in Articles 10, 14 and 38 of this Law;

4) it failed to submit notification on concentration, when the criteria referred to in Article 16 paragraph (1) of this Law are met;

5) it has performed concentration in contravention to Article 21 of this Law;

6) it has performed concentration for which a decision declaring it as non-compliant with the provisions of this Law has been taken, referred to in Article 22 paragraph (3) of this Law or do not implement certain measure referred to in Article 22 paragraphs (4) or (5) of this Law and

7) it failed to meet certain condition or duty referred to in Article 20 paragraph (1) item 2), Article 21 paragraph (3) or Article 22 paragraph (2) of this Law.

(2) A fine amounting from 600.000 to 1.200.000 denars shall be imposed on the natural person, who has the capacity of an undertaking according to the provisions of this Law, for committing the misdemeanour stated in paragraph (1) of this Article.

(3) A fine amounting from 100.000 to 600.000 denars shall be imposed on the person responsible in the legal entity for committing the misdemeanor stated in paragraph (1) of this Article.

(4) While determining the amount of the fine, nature, seriousness and duration of the misdemeanor shall be considered.

Other Violations of the Provisions of this Law
Article 48

(1) A fine up to 1% of the value of the aggregate annual turnover of the undertaking, realized in the business year preceding the year when the misdemeanour has been committed, shall be imposed on a legal entity, if by premeditation or negligence:

1) it shall submit incorrect or misleading data referred to in Article 19 of this Law, and in terms of Article 18 of this Law;

2) it failed to proceed upon a decision by the Commission for submitting data or submits incorrect, incomplete and misleading data in terms of Article 35 of this Law;

- 3) it shall deny inspection of trade books and other records in terms of Article 35 and Article 36 of this Law;
 - 4) it gives incorrect or misleading reply or do not proceed upon the request of the Commission for supplementing or correction of incorrect, incomplete or misleading reply, given by an employee in the undertaking, in determined time limit in terms of Article 35 paragraph (3) item 5) of this Law;
 - 5) it fails to proceed or refuse to give complete reply on the facts related to the subject and goal of the inspection, according to the decision referred to in Article 35 paragraph (4) of this Law and
 - 6) it reopens the seals stamped according to Article 35 paragraph (3) item 4) of this Law.
- (2) A fine amounting from 100.000 to 300.000 denars shall be imposed on the natural person who has the capacity of an undertaking according to the provisions of this Law, for committing the misdemeanor stated in paragraph (1) of this Article.
- (3) A fine amounting from 30.000 to 100.000 denars shall be imposed on the person responsible in the legal entity for committing the misdemeanor stated in paragraph (1) of this Article.
- (4) While determining the amount of a fine, the nature, seriousness and duration of the misdemeanor shall be considered.

Security Measures Article 49

- (1) A security measure, prohibition of performing particular activity, from six months to three years, may be imposed on a legal entity for committing a misdemeanor referred to in Article 47 paragraph (1) of this Law.
- (2) A security measure, prohibition of performing profession, activity, or duty, from three months to one year, may be imposed on the natural person that according to the provisions of this Law, is assumed as undertaking and on the person responsible in the legal entity for committing an misdemeanor referred to in Article 47 paragraph (1) of this Law.

Limitation Article 50

- (1) An misdemeanour procedure cannot be initiated nor conducted after two years from the day when the misdemeanour was committed.
- (2) The limitation of the charges raised upon a misdemeanour shall be deemed to commence as of the day when the misdemeanour was committed.
- (3) The limitation period referred to in paragraph (1) shall be interrupted by any procedural action of the competent body, undertaken for the purpose of raising charges. Following any interruption, the limitation period shall be restarted. However, the limitation period for raising charges upon misdemeanour shall at any instance arise after expiry of the double time limit referred to in paragraph (1) of this Article is requested for limitation for raising charges upon misdemeanour.
- (4) The imposed penalty and security measure may not be enforced if three years have passed from the day when the decision on the misdemeanor has become final.
- (5) The limitation period for enforcement of the penalty commences on the day when the decision on the misdemeanour has become final.
- (6) The limitation period referred shall be interrupted by any action of the competent body, undertaken for the purpose of enforcing the penalty or of other sanction pertaining to the misdemeanor. Following any interruption, the limitation period shall be restarted. However, the limitation period for enforcing the penalty and the security measure shall at any instance arise after expiry of the double time limit requested by paragraph (4) of this Article for limitation of the execution.

Part Seven
TRANSITIONAL AND FINAL PROVISIONS

Completion of the Initiated Procedures
Article 51

The procedures initiated and not finished before the day when this Law enters into force shall be continued before the Commission for Protection of Competition in accordance with the provisions being valid before the day this Law enters into force.

By-laws
Article 52

The Government of the Republic of Macedonia shall adopt the by-laws stipulated in this Law within six months from the day this Law enters into force.

Appointing the President and the Members of the Commission and Commencement of the Commission's Operations
Article 53

The President and the members of the Commission shall be appointed within thirty days following the day this Law enters into force.
The Commission shall commence its operations on the day of appointment of the President and the members of the Commission.

Validity of the Law in regard to the Employees
Article 54

Pursuant to this Law, the employees, the equipment, the office furniture and other objects, office documentation, fixed and other assets of the Monopoly Authority shall be transferred to the Commission.

Cessation of Validity of Laws
Article 55

On the day when this Law enters into force, the Law Against Limiting Competition shall cease to be valid ("Official Gazette of the Republic of Macedonia" No 80/99, No 29/2002 and No37/2004).

Limited application of the Law
Article 56

- (1) The provisions pertaining to Article 11 and Article 12 of this Law shall be applicable until December 31, 2009.
- (2) The provisions referred to in Article 47 and 48 of this Law shall be applied as of the day of entering into force of the Law on Misdemeanours.

Entry into Force and Implementation of the Law
Article 57

This Law shall enter into force 8 (eight) days after its publication in the "Official Gazette of the Republic of Macedonia" and shall be implemented as of January 1st, 2005.