

LAW ON FINANCIAL STABILITY (*)

I. General provisions

Article 1

This Law sets forth the objectives, status, tasks and operations of the Financial Stability Committee, as well as the instruments and manner of implementing macroprudential policy of the Republic of North Macedonia.

Article 2 Definitions

For the purpose of this Law, the terms given below shall denote the following:

1) **Strategy for implementing macroprudential policy** (hereinafter: macroprudential strategy) - is a strategy that includes indicators for systemic risk identification and monitoring, instruments and activities to prevent, reduce or eliminate systemic risks in one or more financial system segments, in order to preserve the overall financial system stability;

2) **Macroprudential policy** - is a set of activities that contribute to the achievement and maintenance of financial stability;

3) **Macroprudential instruments** - are instruments that can be used to prevent, reduce or eliminate systemic risks in any financial system segment;

4) **Macroprudential measures** - are measures taken in relation to the size of macroprudential instruments and other measures for prevention, reduction or elimination of systemic risks in any financial system segment or in the overall financial system;

5) **Competent authorities** - include the National Bank of the Republic of North Macedonia (hereinafter: the National Bank), the Ministry of Finance (hereinafter: the Ministry), the Securities and Exchange Commission of the Republic of North Macedonia (hereinafter: SEC), the Insurance Supervision Agency (hereinafter: ISA) and the Agency for Supervision of Fully Funded Pension Insurance (hereinafter: MAPAS);

6) **Recommendation** - is a written document identifying the need for designing, undertaking, modifying or abolishing macroprudential measures and/or instruments that are under jurisdiction of certain competent authority, in order to prevent or reduce any identified systemic risk. Recommendation can also be given when there is a need for amendments to regulations;

7) **Financial system segments** - include the banking system, the insurance system, pension funds, investment funds, pension funds management companies, investment fund management companies, brokerage houses, financial companies, providers of financial leasing and financial markets which also include the financial institutions that comprise the market infrastructure;

8) **Sectoral laws** - include laws that regulate the operations of the National Bank, the banking system, the insurance system, the pension system, the financial markets and instruments, the investment funds, the investment fund management companies, the financial companies and the providers of financial leasing and other laws that regulate operations and jurisdiction of the competent authorities and the Deposit Insurance Fund;

(*)This Law is compliant with the Regulation (EU) No. 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board (CELEX No. 32010R1092).

9) **Systemic risk** - is a risk of financial system disruptions that tends to trigger serious negative consequences for the financial system and the overall economy;

10) **Systemically important financial institution** - is a financial institution whose problematic operating or failure may cause systemic risk, and which is identified as systemically important in accordance with law which regulates the operations of the individual financial institutions;

11) **Systemically important payment systems** - are payment systems that qualify for systemically important payment systems in accordance with the criteria for classification of payment systems according to their importance in the payment system of the country set in the Decision on criteria and standards for payment systems operations;

12) **Indication** - is a written document that assesses the need for close monitoring of certain activities or movements in the financial system, in each financial segment or in one or more financial institutions as they may represent a potential source of systemic risk;

13) Financial institution is a legal entity in the Republic of North Macedonia, which is a bank, savings house, investment fund management company, brokerage house, insurance company, reinsurance company, pension fund management company, provider of financial leasing, financial corporation and any other entity subject to supervision by the competent authorities in accordance with law;

14) "Financial crisis" is a condition where disturbances in one or more financial system segments or other conditions in the economy severely jeopardize or may jeopardize the stability of the financial system and its everyday activities;

15) "Financial system" is a system consisting of all financial institutions, financial markets, financial products and services and financial market infrastructure, and

16) "Financial stability" is a state in which all financial segments operate uninterruptedly and are robust enough to withstand potential shocks.

Article 3 Independence

The provisions of this Law do not affect the independence of authorities and regulate their operations, unless otherwise regulated by the sectoral laws.

II. Financial Stability Committee

Article 4 Purpose and status of the Committee

(1) The Financial Stability Committee (hereinafter: the Committee) is established as an inter-institutional body responsible for monitoring the implementation of macroprudential policy in the Republic of North Macedonia and for coordinating activities when identifying and monitoring systemic risks in certain segments of the financial system, when taking macroprudential measures and when preparing for and managing financial crises.

(2) The Committee aims to contribute to achieving and maintaining financial stability in the country.

Article 5 Tasks of the Committee

For this purpose, the Committee:

- 1) adopts the macroprudential strategy referred to in Article 15 of this Law, including its amendments, and ensures its implementation;
- 2) monitors and assesses the situation in the financial system;
- 3) issues warnings and recommendations to prevent or reduce systemic risks and maintain financial stability and monitors their implementation;
- 4) examines the macroprudential measures taken by other relevant authorities and evaluates their effects;
- 5) provides guidelines for the work of the Subcommittees referred to in Article 10 of this Law and examines analyses, reports, proposals and minutes submitted by the Subcommittees;
- 6) assesses the need for improving relevant laws and by-laws;
- 7) assesses the preparedness of the competent authorities and the Deposit Insurance Fund to deal with financial crises;
- 8) coordinates the cooperation among competent authorities when there is no financial crisis;
- 9) decides on the existence and termination of financial crisis;
- 10) coordinates the cooperation among the competent authorities and the Deposit Insurance Fund in times of potential or actual financial crisis for the purposes of proper financial crisis management;
- 11) cooperates with relevant bodies or other foreign macroprudential policy bodies and with international financial organizations, and
- 12) performs other activities to achieve objectives and perform tasks from this law.

Article 6 Structure of the Committee

- (1) The Committee shall consist of 13 members.
- (2) Committee members shall be the National Bank Governor, the Minister of Finance, the President of the SEC, the President of the ISA Council of Experts, the President of the MAPAS Council of Experts, five representatives from the National Bank appointed by the Governor of the National Bank and three representatives from the Ministry appointed by the Minister of Finance.
- (3) Committee members with the right to vote are the Governor of the National Bank, the Minister of Finance, the President of the SEC, the President of the ISA Council of Experts and the President of the MAPAS Council of Experts.
- (4) The Committee members without the right to vote shall have knowledge, skills and work experience of at least five years in the field of finance.

Article 7 Work of the Committee

- (1) The Committee shall work in closed meetings.
- (2) The Committee meetings shall be chaired by the National Bank Governor, or in times of financial crisis, by the Finance Minister, if the National Bank Governor and the Finance Minister so decide.

(3) The Governor of the National Bank i.e. the Minister of Finance in instances under paragraph (2) of this Article shall represent the Committee to the public.

(4) The Committee shall meet at least twice a year.

(5) The Committee meetings shall be convened by the Governor of the National Bank i.e. the Minister of Finance in instances under paragraph (2) of this Article on own initiative or at the request of at least one Committee member with the right to vote.

(6) The Committee meetings shall be held if the majority of members with the right to vote are present, including the Governor of the National Bank and the Minister of Finance.

(7) The Committee meetings held in instances under Articles 20 and 21 of this Law shall be attended by the Governor of the National Bank, the Minister of Finance and the member of the competent authority for supervision of the financial system segment identified to suffer serious problems.

(8) The Committee decides with a majority vote of the members with voting right and makes conclusions and provides warnings and recommendations in written form.

(9) By way of derogation from paragraph (8) of this Article, the decisions in the Committee meetings held in instances under Articles 20 and 21 of this Law shall be passed by consensus of the Governor of the National Bank and the Minister of Finance.

(10) The papers, information, conclusions, recommendations, indications and reports of the Committee meetings shall be confidential.

(11) The Committee shall adopt rules of procedure regulating in more detail its work.

(12) If necessary, the Committee meetings may be convened by the Director of the Deposit Insurance Fund or other entities who are experts in the meeting's subject matter.

Article 8 Public relations

(1) The Committee shall inform the public about the meetings held, unless assessed that it may severely affect the public confidence in the financial system or the financial stability.

(2) The National Bank Governor i.e. the Minister of Finance in instances under Article 7 paragraph (2) of this Law is responsible for the public relations and for coordination of the relevant authorities and the Deposit Insurance Fund about the public relations.

(3) In times of financial crisis, the National Bank Governor and the Finance Minister shall release joint statements.

Article 9 Reports

The Committee shall, no later than 31 March of the current year, inform the Assembly of the Republic of North Macedonia on its activities, by submitting a report on its activities in the previous year.

III. Subcommittees and Secretariat

Article 10 Subcommittees

- (1) For the purposes of performing the Committee's tasks as specified in Article 5 of this Law, two subcommittees shall be established as auxiliary bodies of the Committee:
 - 1) Subcommittee on Monitoring Systemic Risks and Proposing Macroprudential Measures and
 - 2) Subcommittee on Financial Crisis Management Preparedness.
- (2) The Subcommittees' members shall have knowledge, skills and work experience of at least five years in the field of finance.

Article 11 **Activities of the Subcommittees**

- (1) The Subcommittees shall work in closed meetings.
- (2) The Subcommittee chairperson shall be appointed by the National Bank Governor, in accordance with Article 12 paragraph (2) and Article 13 paragraph (2) of this Law.
- (3) The Subcommittee meetings shall be convened by the Subcommittee chairperson on own initiative, at the request of the Committee or at least one Subcommittee member.
- (4) The Subcommittee meetings shall be held if the majority of the members are present, including the chairperson.
- (5) The Subcommittees shall meet at least once every three months.
- (6) If necessary, other experts in the subject matter may be invited to attend the Subcommittee meetings.
- (7) Reports on the Subcommittee meeting shall be drafted and submitted to the Committee. If any Subcommittee member has a different opinion, it shall be noted in the Subcommittee's report.
- (8) The papers, information and reports arising from the Subcommittee meetings shall be confidential.
- (9) The Subcommittees shall adopt rules of procedure regulating in more detail their activities.

Article 12 **Subcommittee on Monitoring Systemic Risks and Proposing Macroprudential Measures**

- (1) The Subcommittee on Monitoring Systemic Risks and Proposing Macroprudential Measures shall consist of 12 members.
- (2) Members of the Subcommittee on Monitoring Systemic Risks and Proposing Macroprudential Measures shall be four representatives from the National Bank appointed by the Governor of the National Bank, the Chairperson included, two representatives from the Ministry appointed by the Finance Minister, two representatives from the ISA appointed by the President of the ISA Council of Experts, two representatives from the SEC appointed by the President of the SEC and two representatives from MAPAS appointed by the President of the MAPAS Council of Experts.
- (3) The Subcommittee on Monitoring Systemic Risks and Proposing Macroprudential Measures shall:
 - 1) monitor risks that may cause systemic risk, by reviewing the systemic risk indicators by the relevant authorities and the data and information referred to in Article 16 paragraph (1) item 3) and Article 22 of this Law and risk analyses in each financial system segment made by the competent authorities;
 - 2) review the results of stress testing of the resilience of the financial system segments to assumed shocks if made by the competent authorities;

- 3) analyze the macroprudential measures taken or to be taken by the competent authorities and monitor the implementation and the effects of such measures;
- 4) review the reports on systemically important payment systems drafted by the National Bank;
- 5) make proposals for recommendations or suggestions to the Committee;
- 6) review laws and bylaws that may have an impact on financial stability or proposals for amendments, and give opinions on the need for amendments;
- 7) monitor macroprudential measures taken by other countries, especially if those measures may have an impact in the country;
- 8) make proposals to the Committee for modifying and/or supplementing systemic risk indicators set by the competent authorities and the macroprudential instruments contained in the macroprudential strategy;
- 9) make proposals to the Committee for modifying and/or supplementing the macroprudential strategy; and
- 10) perform other tasks delegated by the Committee related to the achievement of the objectives and the performance of the tasks from this law.

Article 13

Subcommittee on Financial Crisis Management Preparedness

- (1) The Subcommittee on Financial Crisis Management Preparedness shall consist of ten members.
- (2) Members of the Subcommittee on Financial Crisis Management Preparedness shall be three representatives from the National Bank appointed by the Governor of the National Bank, including the Chairperson, three representatives from the Ministry appointed by the Minister of Finance, one representative from the ISA appointed by the President of the ISA Council of Experts, one representative from the SEC appointed by the President of the SEC, one representative from MAPAS appointed by the President of the MAPAS Council of Experts and one representative from the Deposit Insurance Fund appointed by the Director of the Deposit Insurance Fund.
- (3) The Subcommittee on Financial Crisis Management Preparedness shall:
 - 1) review the laws and bylaws applicable in times of financial crisis and, provide an opinion on the need for their amendments;
 - 2) design financial crisis management drills, and coordinate the activities of institutions involved in the drill;
 - 3) review procedures of competent authorities and the Deposit Insurance Fund in times of financial crisis;
 - 4) draft procedures for coordination of the activities of competent authorities and the Deposit Insurance Fund in times of financial crisis and
 - 5) perform other tasks delegated by the Committee related to the achievement of the objectives and the performance of the tasks from this law.

Article 14

Secretariat

- (1) The Secretariat shall provide administrative and logistical support to the Committee and the Subcommittees in performing tasks required by this Law and in organizing meetings.
- (2) The Secretariat shall consist of three National Bank employees, appointed by the Governor of the National Bank.
- (3) The competent authorities shall submit to the Secretariat the requested information and data related to the agenda of the Committee and the Subcommittees.

(4) The members of the Secretariat shall have knowledge, skills and work experience of at least three years in the field of finance.

IV. Macroprudential policy and implementation

Article 15

Macroprudential policy and macroprudential strategy

(1) Ultimate objective of the macroprudential policy is to contribute to achieving and maintaining financial system stability by preventing and reducing any accumulation of systemic risks, strengthening the financial system resilience and making sure that it sustainably contributes to economic growth.

(2) The ultimate objective referred to in paragraph (1) of this Article shall be achieved through the intermediate objectives of the macroprudential policy, which are an integral part of the macroprudential strategy.

(3) The intermediate objectives of the macroprudential policy are set and amended depending on the movements in the financial system and its structural changes, the financial institutions' business model, the financial system development level, the emergence of new or mitigation of the importance of certain risks, as well as changes to the respective international standards.

(4) The macroprudential strategy shall set the intermediate objectives referred to in paragraph (2) of this Article and shall link them with the matching macroprudential instruments and risk monitoring indicators in each financial system segment, in order to timely identify systemic risks.

(5) The ultimate objective of macroprudential policy shall be achieved through timely and efficient monitoring of risk monitoring indicators and macroprudential instruments, and identifying the need for introduction, change or abolition of the macroprudential measures and instruments.

Article 16

Activities of competent authorities

(1) Each competent authority shall:

- 1) participate in the work of the Committee and Subcommittees, in accordance with this Law;
- 2) contribute to the drafting and implementing of macroprudential strategy for the financial system segment under its jurisdiction;
- 3) monitor systemic risk indicators of the financial system segment under its jurisdiction;
- 4) identify risks that may arise from the financial system segment under its jurisdiction and/or cause systemic risk, and inform the Subcommittee on Monitoring Systemic Risks and Proposing Macroprudential Measures thereon;
- 5) if applicable, specify the manner of determining systemically important financial institutions for the financial system segment under its jurisdiction in accordance with the law;
- 6) dedicate macroprudential instruments, and undertake macroprudential measures for the financial system segment under its jurisdiction, in accordance with this and the sectoral laws;
- 7) make proposals to the Subcommittee on Monitoring Systemic Risks and Proposing Macroprudential Measures for modifying and/or supplementing the macroprudential strategy;
- 8) implement recommendations given by the Committee or give a written explanation of the reasons why it considers it impossible or not justified to act in accordance with the recommendation;

- 9) review and decide on the application of the indications given by the Committee;
- 10) develop regulations for acting in times of financial crisis;
- 11) prepare for financial crisis management;
- 12) cooperate and exchange data and information with other competent authorities, outside the Committee and Subcommittees meetings, on the basis of an agreement/memorandum of cooperation;
- 13) participate in coordinated financial crisis management and
- 14) other activities under this law related to the achievement of the objectives and the performance of the tasks from this law.

(2) When carrying out the activities referred to in paragraph (1) of this Article, the competent authorities shall act within their competencies laid down in this and the sectoral laws.

(3) The competent authorities shall contribute to the implementation of the macroprudential strategy by collecting and monitoring data and information on financial institutions from the financial system segment under their jurisdiction, taking supervisory measures in accordance with the sectoral laws, and taking macroprudential measures in accordance with this Law and/or the sectoral laws.

(4) In addition to the activities referred to in paragraph (1) of this Article, for the purposes of contributing to the achievement and maintenance of financial stability in the Republic of North Macedonia in accordance with law, the National Bank shall:

1) design the macroprudential strategy referred to in Article 15 of this Law and its amendments and propose it to the Committee;

2) identify risks that may impair financial stability, including the monitoring of systemic risks to the banking system and to other financial system segments, monitoring of the connection between individual segments of the financial system and submit information to the Subcommittee on Monitoring Systemic Risks and Proposing Macroprudential Measures;

3) draft an annual Financial Stability Report in accordance with Article 62 of the Law on the National Bank of the Republic of Macedonia and

4) cooperate and request data and information from financial institutions, competent authorities, state administration bodies, public enterprises, public institutions and trading companies founded by the state or in which the state is the dominant owner and other institutions, companies, funds, agencies, associations.

(5) The entities referred to in paragraph (4) item 4) of this Article shall act upon the National Bank request and submit complete and accurate data and information to the National Bank within the deadline specified in the request. If an entity fails to provide the data and information within the deadline specified in the request, the National Bank may set a new deadline for data submission.

(6) The data referred to in paragraph (4) item 4) of this Article shall be submitted free of charge.

Article 17

Macroprudential measures

(1) The competent authorities, within their competences, shall take macroprudential measures related to the macroprudential instruments that may refer to:

- 1) capital buffers;
- 2) exposure limits;
- 3) risk management;
- 4) debt;
- 5) systemically important financial institutions

6) exposure concentration risk and

7) other instruments for increasing the resilience to financial shocks and preventing disturbances in the financial system segments.

(2) The measures contained in the sectoral laws that can be taken against one or more financial institutions, can be used to achieve macroprudential policy objectives, in accordance with this Law.

(3) For the purpose of applying macroprudential instruments and/or acting upon the Committee's recommendations, competent authorities may lay down more closely the methodology, type, content, duration and manner of implementation of the macroprudential instruments and measures in the financial system segments under their jurisdiction in accordance with the law.

(4) The competent authority may inform the Subcommittee on Monitoring Systemic Risks and Proposing Macroprudential Measures about the intention to take, modify or repeal a macroprudential measure, and the Subcommittee shall submit to the Committee information with an opinion thereon.

(5) The competent authority is required, within five days after the introduction, modification or abolition of the macroprudential measure, to inform the Subcommittee on Monitoring Systemic Risks and Proposing Macroprudential Measures, and the Subcommittee submits information with an opinion to the Committee thereon.

Article 18

Indications and recommendations

(1) In order to prevent, mitigate or eliminate systemic risks, the Committee shall give indications and recommendations to the competent authorities, together with an explanation why the indication is given, i.e. with an explanation of the reasons why the recommendation is given with implementation deadlines.

(2) The Committee may also give indication to government institutions and authorities in the Republic of North Macedonia when the activities of such government institutions and/or the developments in the segments under their jurisdiction pose potential source of systemic risk and affect financial stability.

(3) In giving recommendation, the Committee may also include specific measures and instruments for its implementation.

(4) The Committee shall follow the implementation of the given recommendation. In giving recommendations, the Committee may also specify timeframes within which the competent authority shall inform it about the implementation and the effects of the recommendation.

(5) The Committee shall give indications and recommendations on own assessment or on proposal of the Subcommittee on Monitoring Systemic Risks and Proposing Macroprudential Measures.

(6) The Committee may decide to inform the public about a recommendation, in accordance with Article 7 paragraph (8) of this law, unless it considers that such notification can seriously undermine public confidence in the financial system or financial stability.

Article 19

Competent authorities

(1) The competent authority shall, within 15 working days from the receipt of the recommendation, inform the Committee on the manner of applying the recommendation or give a written explanation of the reasons why it considers it impossible or unjustified to apply the recommendation.

(2) If the recommendation is not implemented within the deadline set by the Committee or if the Committee decides that the explanation referred to in paragraph (1) of this Article does not justify the non-implementation of the recommendation, the Committee shall set an additional period for the competent authority to implement the recommendation or a deadline of seven working days to give additional explanation for non-implementation.

V. Financial crisis

Article 20 Identifying Financial Crisis

(1) When the National Bank or the Ministry assesses that there are serious problems with one or more banks or financial institutions in another financial system segment or other economic events that disturb or may cause severe disturbance of financial stability, the Governor of the National Bank and the Minister of Finance shall immediately notify each other in writing.

(2) When the Subcommittee on Monitoring Systemic Risks and Proposing Macroprudential Measures identifies serious problems with some of the financial system segments or when the competent authorities identify serious problems with one or more financial institutions under their jurisdiction that disturb or may cause severe disturbance of financial stability, it shall immediately notify the Governor of the National Bank and the Minister of Finance thereon in writing.

(3) In cases referred to in paragraphs (1) and (2) of this Article, the Governor of the National Bank shall immediately convene a meeting of the Committee in accordance with Article 7 paragraph (7) of this Law.

(4) When the Committee members in accordance with Article 7 paragraph (9) of this Law identify a financial crisis, they shall draw a conclusion for the presence of a financial crisis.

(5) The presence of a financial crisis is identified on the basis of a supervisory assessment of the competent authority of the situation in one or more financial institutions in which serious problems have been identified and on the basis of an assessment of the Ministry of the macroeconomic situation in the country, together with an assessment of the National Bank of the possible spillover of the risks on the other segments of the financial system, the financial system as a whole and/or the economy.

(6) The Minister of Finance shall immediately inform the Government of the Republic of North Macedonia about the conclusion referred to in paragraph (4) of this Article.

Article 21 Activities in times of financial crisis

(1) After reaching a conclusion on the presence of a financial crisis, the Committee shall provide and review:

1) information and analyses about the situation in one or more financial institutions where serious problems have been identified related to solvency, assets quality, liquidity, funding structure and/or cash flow forecast;

2) Ministry assessment of the macroeconomic situation in the country;

3) assessment of the need and possibility to use budget funds to deal with the financial crisis;

4) Deposit Insurance Fund assessment of the payment of insured deposits, when the financial institution referred to in item 1) of this paragraph is a bank;

5) information submitted by the Subcommittees and

6) other information and analysis.

(2) Based on the assessments, information and analyses referred to in paragraph (1) of this Article, the Committee shall decide on the measures and activities to be taken in order to manage the financial crisis.

(3) Budget funds referred to in paragraph (1) item 3) of this Article may be used as a last resort when the financial solutions originating from the private sector are exhausted and when it is assessed that the public interest justifies fiscal support.

(4) When a need for budget funds is identified, the Minister of Finance shall inform the Government of the Republic of North Macedonia thereon. The funds from the Budget of the Republic of North Macedonia for dealing with the financial crisis are provided on the basis of a special law on providing budget funds for dealing with the financial crisis.

(5) When the assessments, information and analyses referred to in paragraph (1) of this Article indicate that the systemic risks have mitigated and no longer disturb the financial system, and the financial stability has been preserved, the Committee, in accordance with Article 7 paragraph (9) of this law, shall make a conclusion that the financial crisis is over.

VI. Exchange of data and information, confidentiality, conflict of interest and legal protection

Article 22

Exchange of data and information with the Committee

(1) At the request of the Committee or Subcommittees, the competent authorities and the Deposit Insurance Fund shall submit all information and data necessary for the performance of the tasks under this Law.

(2) The Committee shall request from the competent authorities information in summarized or aggregate form without identifying individual financial institutions.

(3) By way of derogation from paragraph (2) of this Article, if the Committee needs information on individual financial institutions, the request to the relevant authority shall contain an explanation of the reasons why that information is systemically important and necessary under the given circumstances.

(4) For the purposes referred to in paragraph (1) of this Article, the competent authorities may submit a request for submission of data and information to the financial institutions in the financial system segment under their jurisdiction, which are required to respond to the request of the relevant authority.

(5) For the purposes referred to in paragraph (1) of this Article, the competent authorities may also cooperate and request data and information from the government administration bodies, public enterprises, public institutions and trade companies established by the government or in dominant government ownership, and other institutions, companies, funds, agencies, associations that are required to act upon the request of the competent authorities.

(6) The entities referred to in paragraphs (4) and (5) of this Article shall submit complete and accurate data and information to the competent authority within the deadline specified in the request. If an entity fails to provide the data and information within the deadline specified in the request, the competent authority may set a new deadline for data and information submission.

(7) The exchange of data and information for achieving the objectives in accordance with this law shall not violate the data and information confidentiality provisions regulated by the sectoral laws.

(8) The data referred to in paragraphs (1), (2), (3), (4), (5), (6) and (7) of this Article shall be submitted free of charge.

Article 23 **Confidentiality of data and information**

(1) Data and information gathered through participation in the work of the Committee and the Subcommittees, as well as the papers and reports on the work of the Committee and the Subcommittees shall be considered confidential.

(2) The Committee and the Subcommittees may use the confidential information referred to in paragraph (1) of this Article exclusively for the purpose for which they are requested in accordance with this Law.

(3) The Committee and Subcommittees members and all persons who participate in their work or attend the meetings of the Committee or the Subcommittees must not disclose the data and information referred to in paragraph (1) of this Article to third parties.

(4) By way of derogation from paragraphs (1) and (3) of this Article, the data and information may be communicated to:

- 1) third parties in aggregate form where individual institutions cannot be identified or
- 2) at the request of a relevant court in accordance with law.

(5) The provisions of the Law on Data Protection (*) shall apply to personal data.

(6) The provisions referred to in paragraphs (1), (2), (3), (4) and (5) of this Article do not refer to data and information published in accordance with this Law.

Article 24 **Conflict of interest and ban on misuse of confidential information**

(1) The Committee and Subcommittee members shall be aware of any conflict of interest and take measures for its avoidance.

(2) Addressing and reporting conflict of interest, ban on misuse of confidential data by Committee and Subcommittee members shall be regulated by the Law on Prevention of Corruption and Conflict of Interest.

Article 25 **Legal protection**

The Committee and Subcommittee members shall not be liable for damages to third parties that may occur due to the measures and activities for preserving financial stability undertaken on the basis of this law, if they acted within their duties and powers and did not commit any felony.

VII. Closing provisions

Article 26

(1) The by-laws stipulated by this Law shall be adopted within nine months after the enactment of this Law.

(2) The competent authorities shall appoint the Committee and Subcommittee members, and the Deposit Insurance Fund shall appoint the member of the Subcommittee on Financial Crisis Management Preparedness, and they shall inform the Secretariat of their representatives within 30 days from the day this Law enters into force.

(3) In the first constitutive Committee meeting, the composition of the Committee and the Subcommittees shall be confirmed.

Article 27

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