



КОМИСИЈА ЗА ХАРТИИ ОД ВРЕДНОСТ
НА РЕПУБЛИКА СЕВЕРНА МАКЕДОНИЈА
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I REPUBLIKËS SË MAQEDONISË SË VERIUT
SECURITIES AND EXCHANGE COMMISSION
OF THE REPUBLIC OF NORTH MACEDONIA

GLOSSARY of Stock Market Terms



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Ladies and Gentlemen,

The Securities and Exchange Commission of the Republic of North Macedonia daily advocates through its work to contribute to the success and development of the securities market while creating equal conditions and opportunities for all stakeholders on the market, a positive picture of the same and a favorable investment environment.

In order to contribute to the expansion of knowledge among all those who show interest in the securities market, the Commission decided to issue this Glossary of stock market terms.

The glossary is a collection of terms that are often used on the securities market, which we believe may not always be familiar to the users of the services offered by the securities market. Each term is explained in a detailed and understandable way in Macedonian, Albanian and English.

With the issue of this Glossary we hope that we contributed to an easier, honest and open communication and understanding of the securities market and that we created a healthier background for cooperation and building business relations with mutual trust.

With respect,

**Securities and Exchange Commission
Republic of North Macedonia**

President

Ms. Vora Niti



A (A)

Share (Акција) - certificates or book entries representing ownership in a corporation or similar entity.

Joint stock company (Акционерско друштво со посебни обврски за известување) - a form of business organization that falls between a corporation and a partnership. The company sells stock, and its shareholders are free to sell their stock, but shareholders are liable for all debts of the company.

B (B)

Exchange (Берза) - a marketplace in which shares, options and futures on stocks, bonds, commodities, and indexes are traded. There is one stock exchange in Republic of North Macedonia: Macedonian Stock Exchange JSC Skopje.

Treasury bills (Благајнички запис) - treasury bills are sold at a discount from face value and do not pay interest before maturity. The interest is the difference between the purchase price of the bill and the amount that is paid to you either at maturity (this amount is the face value) or when you sell the bill prior to maturity.

V (B)

Cross transaction (Вкрстена трансакција) - securities transaction in which the same broker acts as agent for both sides of the trade; a legal practice only if the broker first offers the securities publicly at a price higher than the bid.

Insider information (Внатрешна информација - material information about a company that has not yet been made public. It is illegal for holders of this information to make trades based on it, however received.

D (Д)

Tax on capital gain (Данок на капитална добивка) - is a tax paid by individuals and legal entities to the profits by selling securities.

Business secret (Деловна тајна) - is a data, document or information that the authorized participant in the securities market receives for a legal or natural person during the operation and which should keep it secret and adequately protect it.

Dividend (Дивиденда) - a portion of a company's profit paid to common and preferred shareholders.

Dematerialized securities (Дематеријализирани хартии од вредност) - are securities that are kept as an electronic record.

Good reputation (Добра репутација) – is honesty, competence, hard work and possession of characteristics ensuring that the person's way of work will not affect in such way as to endanger the stability and safety of the investment fund and the interests of the investors in the fund.

Long-term debt security (Долгорочна хартија од вредност) - securities with a long current maturity.

Maturity (Достасување) - for a bond, the date on which the principal is required to be repaid. In an interest rate swap, the date that the swap stops accruing interest.

Government records (Државен запис) - are short-term debt securities issued by the Republic of North Macedonia.

Investment Fund Management Company (Друштво за управување со инвестициски фондови) - is a joint stock company with head office in the Republic of North Macedonia, with a permission from the Securities and Exchange Commission to perform activities concerning foundation and investment fund management.

I (И)

Investment fund (Инвестициски фонд) - is a company whose business consists of selling, buying and keeping securities.

Insider (Инсајдерство) - is the purchase or sale of shares on the basis of still unpublished information from the issuer of the stock, which information may affect the price of the share.

Institutional investors (Институционални инвеститори) - are institutions such as pension funds, investment funds and insurance companies.

J (Ј)

Public offering (Јавна понуда) - used in the context of general equities. Offering to the investment public, after compliance with registration requirements of the SEC, usually by an investment banker or a syndicate made up of several investment bankers, at a price agreed upon between the issuer and the investment bankers. Antithesis of private placement. See: Primary distribution and secondary distribution.

K (K)

Capitalization (Капитализација) - is the total market value of the issued shares of one company.

Securities and Exchange Commission (Комисија за хартии од вредност) - is the main regulator of the securities market. The Commission regulates the operations with the turnover of securities, adopts the conditions for establishment and operation, and the rules of the stock exchange, the participants in the stock exchange (brokerage houses and banks), the Central Securities Depository, the investment funds.

Listing (Котација) - is when a security is listed on the official stock market.

A listed company (Котирано друштво) - is a company listed on the stock exchange official market; its shares are listed on the stock exchanges and the public can freely trade them and it must comply with the listing rules of the Stock exchange.

Purchase and sale price (Куповна и продажна цена) - is the highest price that a dealer is willing to pay for a security at a certain point, that is, the lowest selling price you would accept at the same moment.

Z (Z)

Admissions (Запишување) - is the purchase of newly issued shares.

N (H)

Non-trade transfer (Нетрговски пренос) - is the transfer of the ownership of securities that arises on the basis of gift, inheritance, court decision and realization of a pledge contract, in accordance with the law.

Nominal value (Номинална вредност) - is the value at which the security is issued. The nominal value has the character of a historical category.

O (O)

Bond (Обврзница) - is a security with which the issuer is obliged to pay the amount of the nominal value and the interest on the specified day to the bond holder, that is, the person indicated on the bond one time or in installments or annuities. Interest payments may vary during the life of the bond. Publishers are the state, municipalities and companies. Bonds with maturity less than one year are called short-term, and over one year long-term.

Ordinary shares (Обични акции) - is the most common type of stock. Holders of ordinary shares are joint owners of the company.

An authorized participant (Овластен учесник на пазарот на хартии од вредност) - is any natural or legal person on the securities market involved in the securities market operations, which has received the appropriate license from the Securities and Exchange Commission, including depositaries, stock exchanges, banks, brokerage houses, brokers and investment advisers.

Basic capital (Основен капитал) - is the capital of the company in the form of issued shares, together with reserves and retained earnings.

P (П)

Market capitalization (Пазарна капитализација) - (a) the total value of the securities of an enterprise at current prices, i.e. the total number of issued shares multiplied by the market price of the same. (b) The total value of all securities quoted on a stock exchange or the total value of a particular type of securities at current prices.

Settlement (Порамнување) - is a process of fulfilling the obligations of the authorized participants on the securities market arising from the concluded trade transaction on the secondary market, i.e. the execution of the payment by the buyer and the transfer of the ownership of the securities by the seller.

Portfolio Manager (Портфолио менаџер) - a person who, in accordance with the Securities Law, has been granted a license for operation as an investment adviser by the Securities and Exchange Commission.

Takeover (Превземање) - is the acquisition of a controlling stake in a company by way of redemption of its shares.

Private offer (Приватна понуда) - is an offer for subscription and payment of securities:

- Which is addressed to no more than 20 persons individually named in the act for issuing securities that are not shareholders in the joint stock company and which are not related to the shareholders in the joint stock company, unless otherwise regulated by law or if the obligation for the shareholder to increase the participation in the basic capital is at the request of a body or institution competent for supervising or supervising the operations of joint stock companies on the basis of the securities or another law
- Which is addressed only to institutional investors,
- In the case of increase of the basic capital from the assets of the company
- In case of a conditional increase in the principal and
- In the case of a loan that is transformed into an investment in the company in a procedure of increasing the equity of the company when the loan is given by the sole shareholder of the company.

Income (Принос) - is the return on investment in one investment, taking into account annual income and its current capital value, expressed in percentages, annually usually. There are several different types of yields and different methods for calculating each of them.

Primary market (Примарен пазар) - is a market for placement of new securities, such as domestic and foreign shares and bonds, to investors by an organized group of entities that manage the issue. Revenues from the sale of securities go to the publisher. All further purchases of the same securities are carried out on the secondary market.

R (P)

Regulated Securities Market in the Republic of North Macedonia (Регулиран пазар на хартии од вредност во Република Северна Македонија) - exchange and over-the-counter market organized by the National Bank of the Republic of North Macedonia in accordance with the Securities Law.

S (C)

A self-regulatory organization (Саморегулирачка организација) - is a legal entity whose members and / or shareholders are authorized participants on the securities market and which adopts rules and procedures for applying the rules for organization and regulations in the securities field in the Republic of North Macedonia through examination, case of violation and determination of disciplinary and other measures.

Secondary market (Секундарен пазар) - is any purchase or sale of previously issued securities.

Serial securities (Сериски хартии од вредност) - are securities issued at the same time, by the same issuer and giving the same rights and obligations to all owners.

T (T)

Trade transactions (Трговски трансакции) - have changed the ownership of the securities on the secondary market as a result of their purchase or sale.

H (X)

Securities (Хартии од вредност) - according to the Macedonian legislation, securities means shares in companies, bonds, money market instruments, shares and stakes in investment funds operating under the Law on Investment Funds, derivative financial instruments, certificates for foreign securities and other financial instruments which, according to the Commission, are considered securities.

C (Ц)

Price of offer (Цена на понуда) - price at which the security is offered for sale. Market participants offer buying and selling prices.

Price of the issue (Цена на емитирање) - is the price at which the securities are sold during the issue. This can be at face value, discount or premium.

Central Depository of Securities (Централен депозитар за хартии од вредност) - is an organization through which the obligations on the basis of securities transactions are maintained and keeping a register of securities in the Republic of North Macedonia (shareholder book).

