

Currency Law

(Adopted by the 38th National Assembly on 8 September 1999; published in the Darjaven Vestnik, issue 83 of 21 September 1999; in force as of 1 January 2000; amended; issue 45 of 2002, issue 60 of 2003, issue 36 of 2004, issue 105 of 2005; issues 43, 54 and 59 of 2006, in force on the date of entry into force of the Treaty of Accession of the Republic of Bulgaria to the European Union; amended, issue 24 of 2009, effective as of 31 March 2009)

Subject

Article 1. This Law shall regulate:

1. transactions and payments between residents and non-residents;
2. cross-border transfers and payments;
3. foreign exchange transactions in the line of business;
4. (amended; Darjaven Vestnik, issue 60 of 2003) transactions in precious metals and precious stones, and articles made with or of them in the line of business, as well as their import, export and processing;
5. import and export of levs and foreign currency in cash;
6. (amended; Darjaven Vestnik, issue 60 of 2003) collection, maintenance and reporting of statistical information on the balance of payments of the country;
7. exercising of foreign exchange control.

Freedom to Conduct Transactions and Operations and to Make Payments

Article 2. (1) Unless otherwise provided in this Law, all operations, transactions and payments referred to in Article 1, items 1 through 5 shall be effected freely.

(2) The extraction of precious metals and precious stones from deposits, which are public state property, shall be made in compliance with the requirements set forth in the legislation currently in force.

Conducting Transactions as an Exchange Bureau (title amended; issue 24 of 2009, effective as of 31 March 2009)

Article 3. (amended; Darjaven Vestnik, issue 60 of 2003) (1) (amended; Darjaven Vestnik, issue 43 of 2006) Transactions in currency in cash in the line of business shall be performed by any person, registered under the Commercial Law, and a person registered as a dealer under the legislation of an EU Member State or of a country participating in the European Economic Area, which has been entered into a Public Register of persons performing as exchange bureaux.

(2) Natural persons – merchants and members of managing and supervisory bodies and the general partners in the legal entities as provided for in paragraph 1 should not have been convicted for a premeditated crime of a public character and should not have been members of a managing or supervisory body or general partners in a company wound up by insolvency, if any unsatisfied creditors have remained.

(3) A Public Register of persons performing as exchange bureaux shall be kept and maintained at the Ministry of Finance. Registration in the Register shall be done within 14 days from the date of filing of all documents required by the Ordinance referred to in paragraph 5.

(4) Fees fixed in a Tariff of Fees to be approved by the Council of Ministers shall be payable for making entries into the Register referred to in paragraph 3.

(5) The Minister of Finance shall issue an ordinance providing for the terms and procedure for making entries in the Register under paragraph 3, as well as on the requirements for the activities of the exchange bureaux.

(6) (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

(7) (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

(8) (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

Registration with the Bulgarian National Bank

Article 4. (repealed; Darjaven Vestnik, issue 60 of 2003).

Making and Refusal to Make Registration

Article 5. (Repealed; Darjaven Vestnik, issue 60 of 2003).

Transfers and Payments from Bulgaria to Other Countries

Article 6. (1) (amended; Darjaven Vestnik, issue 60 of 2003) Commercial banks and the BNB shall effect transfers and payments to other countries after the ground for the transfer has been stated before them.

(2) (amended; Darjaven Vestnik, issue 60 of 2003) Any person effecting a currency transfer or a payment the amount of which exceeds BGN 25,000 from Bulgaria to other countries shall submit to the bank information and documents, as provided for in a BNB ordinance.

(3) (repealed; Darjaven Vestnik, issue 60 of 2003).

Collection of Information for the Purposes of the Balance of Payments Statistics

Article 7. (amended; Darjaven Vestnik, issue 60 of 2003) (1) For the needs of the balance of payments statistics, registers shall be kept of each transaction and payment

between a resident and a non-resident, as well as of each cross-border transfer and payment amounting to a sum as specified by an ordinance of the BNB, but not less than BGN 5000 as follows:

1. by commercial banks and the BNB;
2. by ministries and government agencies;
3. by the Central Depository and issuers of registered securities at the capital market, with regard to which the existing legislation does not provide for registration with the Central Depository;
4. by investment intermediaries, insurers and pension funds;
5. (amended; Darjaven Vestnik, issue 36 of 2004, in force as of 31 July 2004) by notaries, registration offices, respectively.

(2) The persons making the payment or the transfer concerned shall submit a statistical form in accordance with a model to be approved by the BNB to the persons referred to in paragraph 1, item 1.

(3) The persons referred to in paragraph 1, item 1 shall refuse to make the payment or the transfer in question if the statistical form specified in paragraph 2 has not been submitted to them.

(4) Upon receiving funds from other countries, the residents – recipients of funds shall complete the statistical forms referred to in paragraph 2 within 30 days from the date of notification of the transfer made by the persons referred to in paragraph 1, item 1.

(5) Each transaction concluded in relation to initial direct investments abroad effected by resident legal entities or sole proprietors, including extending financial credits between resident legal entities or sole proprietors and non-residents, shall be subject to declaration before the BNB for the purposes of the balance of payments statistics within 15 days from its conclusion.

(6) Where a resident legal entity or a sole proprietor instructs a local bank to effect a transfer of funds in relation to a financial credit already granted by or to any non-resident, the local bank shall carry out the transfer instruction after verifying that the financial credit has been declared by the resident or the sole proprietor in accordance with the provisions of paragraph 5.

(7) The declaration referred to in Article 5 shall be made once only, and each subsequent transfer shall be certified before the servicing domestic bank by the declaration already certified by the BNB.

(8) The information collected under paragraphs 1 and 4 shall be submitted to the BNB in accordance with a procedure set forth in the ordinance referred to in Article 11.

(9) The bodies and institutions provided for in paragraph 1 may not present to other persons and institutions the information collected by them, which constitutes trade or bank secret, unless provided for in any other law.

(10) The Bulgarian National Bank may publish and provide to any other persons and institutions only aggregated data.

(11) The Bulgarian National Bank shall issue an ordinance on the implementation of this Article.

Providing Information to the Bulgarian National Bank

Article 8. (amended; Darjaven Vestnik, issue 60 of 2003) (1) The Bulgarian National Bank may require from any person information, which may be relevant to the country's balance of payments.

(2) Each person shall be obligated to provide to the BNB the information required for the statistics of the balance of payments subject to the requirements to its content.

Registers of Direct Investments and Investments in Real Estate

Article 9. (repealed; Darjaven Vestnik, Issue 60 of 2003).

Reporting of Receivables and Liabilities

Article 10. (1) (amended; Darjaven Vestnik, issue 60 of 2003) Resident legal entities and sole proprietors shall be obligated to report on a quarterly basis by statistical forms to the BNB their receivables from, and their liabilities to non-residents, including their direct investments abroad.

(2) Resident natural persons shall report by statistical forms to the BNB on annual basis by 31 March each year their receivables from and their liabilities to non-residents under financial credit if the sum of such receivables or liabilities exceeds the level equivalent of BGN 50,000 as of 31 December of the preceding calendar year.

(3) The Bulgarian National Bank shall lay down the procedure for the implementation of this Article in the ordinance referred to in Article 7, paragraph 11.

Customs Register

Article 10a. (new; Darjaven Vestnik, issue 60 of 2003) (1) (amended; Darjaven Vestnik, issue 54 of 2006) The customs authorities shall keep registers of commercial credits for exports and imports including financial leasing between residents and non-residents, as well as of exports and imports of levs, foreign currency in cash and bearer payment instruments subject to declaration in accordance with Article 11.

(2) In case of commercial credits for import and export or financial leasing between residents and non-residents, a declaration in accordance with a model to be approved by the Minister of Finance shall be submitted to the customs authorities.

(3) (amended; Darjaven Vestnik, issue 54 of 2006) In cases of exports and imports

of levs and foreign currency in cash and bearer payment instruments in amounts, subject to declaration in accordance with Article 11, the natural persons shall submit to the customs authorities a declaration in accordance with a model to be approved by the Minister of Finance.

(4) The Minister of Finance shall issue an ordinance on the implementation of this Article.

Import and Export of Levs and Foreign Currency in Cash

Article 11. (amended; Darjaven Vestnik, issue 60 of 2003) (1) (amended; Darjaven Vestnik, issue 54 of 2006) Resident and non-resident natural persons may import and export an unlimited amount of levs, foreign currency in cash and bearer payment instruments in compliance with the requirements set forth in this Law.

(2) The amount of the currency subject to declaration before the customs authorities in case of import and export of sums in excess of BGN 5000 or their equivalent in foreign currency in cash shall be set forth in the ordinance referred to in Article 6.

(3) (amended; Darjaven Vestnik, issue 105 of 2005: effective as of 1 January 2006; Darjaven Vestnik; issue 54 of 2006) In case of exports of sums exceeding BGN 25,000 or their equivalent in foreign currency in cash, the resident and non-resident natural persons shall declare before the customs authorities the amount and the sources of the funds concerned, including bearer payment instruments, and shall also submit a certificate from the relevant territorial directorate of the National Revenue Agency, certifying that they have no tax arrears.

(4) (amended; Darjaven Vestnik, issue 54 of 2006) Except for the cases referred to in paragraph 3, in the case of sums exceeding BGN 25,000 or their equivalent in foreign currency in cash, non-resident natural persons shall declare before the customs authorities only the amount and the type of the exported funds, including bearer payment instruments, where their value is not in excess of the value of the imported and declared currency.

(5) The export and import of levs and foreign currency in cash through post parcels shall be prohibited, with the exception of parcels with declared value. This prohibition shall not apply to the Bulgarian National Bank and the commercial banks.

(6) The Minister of Finance shall issue an ordinance on the implementation of this Article, in co-ordination with the BNB.

Exchange Rates of Foreign Currencies against the Bulgarian Lev

Article 12. (1) The Bulgarian National Bank shall quote daily the exchange rates of selected foreign currencies against the Bulgarian lev, which are used for statistical and accounting purposes.

(2) Upon proposal by the Ministry of Finance the Bulgarian National Bank shall determine exchange rates related to payment agreements.

(3) (amended; Darjaven Vestnik, issue 60 of 2003) The lev equivalent of foreign currencies for the needs of the declarations under Article 11 shall be set in accordance with the customs legislation.

Extraction, Processing and Transactions in Precious Metals and Precious Stones and Articles Made Therewith and Thereof in the Line of Business

Article 13. (amended; Darjaven Vestnik, issue 60 of 2003) (1) Persons who deal with extracting, processing and transactions in precious metals and precious stones and articles made therewith and thereof in the line of business shall be obligated to register themselves at the Ministry of Finance within a 14-day period before engaging in the activity concerned.

(2) A public register of persons engaged in extracting, processing and transactions in precious metals and precious stones and articles made therewith and thereof in the line of business shall be kept and maintained at the Ministry of Finance. Fees in accordance with a tariff approved by the Council of Ministers shall be collected for entries made in the register.

(3) The Council of Ministers shall adopt an ordinance providing for the terms and procedure for entering in the register referred to in paragraph 2, as well as the requirements to the activities of the persons provided for in paragraph 1.

(4) The gold and silver articles made in this country or imported from other countries, intended for trade shall be subject to inspection for determining the content of pure gold and silver (assay) and to marking according to a procedure provided for in the ordinance referred to in paragraph 3. The gold articles shall be traded only in commercial outlets situated in buildings or other stationary constructions, except for the arts and crafts articles sold by manufacturers thereof.

Import and Export of Precious Metals and Precious Stones and Articles Made Therewith and Thereof

(Title amended; Darjaven Vestnik, issue 60 of 2003)

Article 14. (amended; Darjaven Vestnik, issue 60 of 2003) (1) Resident and non-resident natural persons may import and export precious metals and precious stones and articles made therewith and thereof, after declaring these before the customs authorities in accordance with the rules specified by the Minister of Finance.

(2) (amended; Darjaven Vestnik, issue 60 of 2003) The import and export by post parcels of precious metals and precious stones and articles made therewith and thereof shall be prohibited, except for parcels with declared value.

(3) (amended; Darjaven Vestnik, issue 60 of 2003) The prohibition provided for in paragraph 2 shall not apply to the Bulgarian National Bank and the commercial banks.

Foreign Exchange Control

Article 15. (1) The Minister of Finance, the Bulgarian National Bank and the postal authorities shall exercise the necessary control on the compliance with this Law and the legislative acts adopted in view of its implementation.

(2) The Minister of Finance through its specialized bodies shall conduct inspections on the compliance with this Law.

Powers of the Foreign Exchange Control Authorities

Article 16. (1) (amended; Darjaven Vestnik, issue 60 of 2003) The customs authorities shall monitor the compliance with this Law in case of export and import of Bulgarian levs and foreign currency in cash, as well as of precious metals, and precious stones and articles made therewith and thereof.

(2) (amended; Darjaven Vestnik, issue 60 of 2003, issue 105 of 2005: effective as of 1 January 2006) The bodies of the National Revenue Agency shall inspect the activities of the exchange bureaux and persons under Article 13, paragraph 1, which are not commercial banks, and while conducting the inspections, they shall have the right to:

1. access freely the premises of the persons under inspection;
2. require documents, information and written statements;
3. (amended; Darjaven Vestnik, issue 60 of 2003) check the availability of levs and foreign currency in cash, as well as the availability and quality of precious metals and precious stones and articles made therewith and thereof;
4. conduct counter inspections of clients of the persons inspected;
5. make use of the assistance of experts;
6. (new; Darjaven Vestnik, issue 60 of 2003, issue 105 of 2005: effective as of 1 January 2006) enforce measures to provide evidence under the procedure set in the Tax Insurance Procedure Code.

(3) (amended; Darjaven Vestnik, issue 60 of 2003) The BNB authorities shall:

1. exercise control over commercial banks for compliance with the requirements of this Law and the legislative acts related to the implementation thereof;

2. (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

3. (amended; Darjaven Vestnik, issue 60 of 2003) exercise control for compliance with the requirements under Articles 6, 7, 8 and 10 and the legislative acts related to the implementation thereof;

4. (amended; Darjaven Vestnik, issue 60 of 2003) may verify the validity of the information, collected under the procedure provided for in Articles 7, 8, and 10.

(4) (amended; Darjaven Vestnik, issue 60 of 2003, repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

(5) (amended; Darjaven Vestnik, issue 60 of 2003; issue 59 of 2006, repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

(6) (amended; Darjaven Vestnik, issue 60 of 2003, amended; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009) The persons who depending on the circumstances may be considered to conduct transactions in foreign currency in violation of Article 3, paragraph 1 shall be obligated upon request to submit to the inspecting authorities of the Ministry of Finance and the Bulgarian National Bank written explanations and documents, and to ensure the performance of on-site inspections. While conducting the inspections, the inspecting authorities of the Ministry of Finance and the Bulgarian National Bank shall have the powers specified in paragraphs 2 and 3.

(7) (repealed; Darjaven Vestnik, issue 60 of 2003).

(8) (amended; Darjaven Vestnik, issue 60 of 2003) The postal authorities shall exercise control on the compliance with the requirements referred to in Article 11, paragraph 5 and Article 14, paragraph 2 and shall inform the customs authorities of the violations established by them.

(9) (amended; Darjaven Vestnik, issue 60 of 2003) The state institutions and officials shall be obligated to provide assistance to the authorities referred to in Article 15 and this Article when exercising their powers.

Administrative Enforcement Measures

(Title amended; Darjaven Vestnik issue 60 of 2003)

Article 17. In case of violations of this Law and the legislative acts related to the implementation thereof:

1. the Minister of Finance or a person authorized by him may:

(a) (amended; Darjaven Vestnik, issue 60 of 2003) issue written instructions for removing the violations within a time limit fixed by him;

(b) (amended; Darjaven Vestnik, issue 60 of 2003) apply an administrative enforcement measure of closing the commercial outlet of the of persons referred to in Article 3, paragraph 1 and the persons referred to in Article 13, paragraph 1, which are not commercial banks;

(c) (amended; Darjaven Vestnik, issue 60 of 2003) withdraw the registration certificate of a person, which operates as an exchange bureau;

2. The Bulgarian National Bank may:

(a) (repealed; Darjaven Vestnik, issue 60 of 2003);

(b) (amended; Darjaven Vestnik, issue 60 of 2003) issue a written instruction for removing incompleteness in the registers referred to in Article 7, paragraph 1, in the declaration referred to in Article 7, paragraph 5, in the information referred to in

Article 8, or in the statistical forms set forth in Article 10, paragraphs 1 and 2, where the requirements under Articles 7, 8, and 10 and the legislative acts related to their implementation have not been observed;

- (c) (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)
- (d) (repealed; Darjaven Vestnik, issue 60 of 2003);
- 3. (repealed; Darjaven Vestnik, issue 60 of 2003);
- 4. (repealed; Darjaven Vestnik, issue 60 of 2003).

Administrative Penalty Liability

Article 18. (amended; Darjaven Vestnik, issue 60 of 2003) (1) Whoever commits or admits the commitment of a violation under Article 11, paragraphs 1, 2, 3, 4, or 5 Article 14, paragraphs 1 and 2 and Article 16, paragraph 6, and the legislative acts related to the implementation thereof, shall be fined in the amount of BGN 1000 up to BGN 3000 unless the act does not constitute a criminal offence. If the offender is a legal entity or a sole proprietor, a property penalty amounting from BGN 2000 to BGN 6000 shall be imposed.

(2) Any person engaging in exchange of currency in violation of Article 3, paragraph 1 shall be imposed a fine in the amount of BGN 1000 to BGN 3000 if he/she is a natural person, or a property penalty in the amount of BGN 5000 to BGN 15,000, where it is a legal entity or a sole proprietor.

(3) Any person entered in the register referred to in Article 3, paragraph 3, which commits a violation in relation to its activities referred to in this Law or the ordinance referred to in Article 3, paragraph 5, shall be imposed by a property sanction in the amount of BGN 2000 up to BGN 6000.

(4) Any person referred to in Article 13, paragraph 1 which commits a violation of Article 13, paragraph 1 of this Law or a legislative act related to the implementation thereof shall be imposed a fine in the amount of BGN 1000 to BGN 3000; if the offender is a legal entity or a sole proprietor, a property sanction in the amount of BGN 2000 up to BGN 6000 shall be imposed.

(5) In case of repeated violation referred to in paragraphs 1 to 4 the offender shall be imposed a fine or a property sanction twice the amount of the initially imposed one.

(6) In case of a violation referred to in paragraphs 2, 3, or 4, notwithstanding the fine imposed, the property sanction imposed respectively, the penalizing authority may deprive the offender of the right to perform the respective activity for a term of one to six months, and in case of a repeated violation – for a term of two months to one year.

(7) In the cases of imposing an administrative penalty under paragraph 6 an administrative enforcement measure of closing a commercial outlet shall be imposed by a penalty decree.

(8) The enforcement of the administrative penalty referred to in paragraph 6 and the administrative enforcement measure referred to in paragraph 7 shall be terminated by the authority enforcing them upon an application by the person subject to the administrative penalty, after the same has proven that the property sanction or fine imposed has been paid in full.

(9) The deprivation of the right to perform the respective activity referred to in paragraph 6 and the administrative enforcement measure referred to in paragraph 7 shall be subject to preliminary execution unless the court has otherwise ruled.

(10) The records establishing violations referred to in paragraphs 1 through 6 shall be drawn up by officials authorized by the Minister of Finance, and the penalty decrees shall be issued by the Minister of Finance, or officials, authorized by him.

Article 19 (amended; Darjaven Vestnik, issue 60 of 2003) (1) Whoever commits, or admits the commitment of a violation referred to in Articles 7, 8, and Article 10, paragraph 2 shall be imposed a fine in the amount of BGN 200 up to BGN 1000 if the act does not constitute a criminal offence.

(2) In the case of a violation referred to in Articles 7, 8, and Article 10, paragraph 1 legal entities and sole proprietors shall be imposed a property sanction in the amount of BGN 2000 up to BGN 10,000.

(3) (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

(4) (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)

(5) A commercial bank, which violates the provisions of this Law and the legislative acts related to implementation thereof while conducting transactions and activities in foreign currency, or in precious metals, shall be imposed a property sanction in the amount of BGN 5000 up to BGN 25,000.

(6) An official at a commercial bank, who violates, or admits a violation of the provisions of this Law, and the legislative acts related to its implementation, shall be imposed a fine in the amount of BGN 500 to BGN 2,500, if the act does not constitute a crime.

(7) In case of repeated violation, the guilty person shall be imposed a fine, property sanction respectively in the following amounts:

1. under paragraph 1 – from BGN 500 to BGN 2,500;
2. under paragraph 2 – from BGN 4000 to BGN 20,000;
3. (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)
4. (repealed; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009)
5. under paragraph 5 – from BGN 10,000 to BGN 50,000;
6. under paragraph 6 – from BGN 1000 to BGN 5000.

(8) The records establishing the violations referred to in items 1–7 shall be drawn up by officials authorised by the BNB Governor, and the penalty decrees shall be issued by the BNB Governor, or officials authorised by him.

Article. 20 (new; Darjaven Vestnik, issue 60 of 2003) (1) The object of violation

shall be seized in favour of the state, including in the event the offender cannot be detected.

Article. 21 (new; Darjaven Vestnik, issue 60 of 2003) Drawing up of records, issuance, appeal against, and implementation of the penalty decrees shall be done according to the procedure under the Administrative Violations and Penalties Law.

Additional Provision

§ 1. For the purposes of this Law:

1. ‘precious metals’ shall be gold, silver and platinum in a processed and unprocessed form;

2. a ‘resident’ shall be:

(a) (amended; Darjaven Vestnik, issue 60 of 2003) a natural person having a permanent residence in the country;

(b) a legal entity having its seat in the country;

(c) a legal entity having its seat outside the country – for its activities in the country, through a registered branch;

(d) (amended; Darjaven Vestnik, issue 60 of 2003) the Bulgarian diplomatic, consular, commercial and other representations, the members of such representations and the staff and the Bulgarian citizens working for them, who are staying abroad by an appointment of the Bulgarian State, regular servicemen on long-term commission abroad and civil persons from the Ministry of Defence employed in missions, headquarters and bodies of international organisations, as well as the members of their families;

(e) (new; Darjaven Vestnik, issue 60 of 2003) Bulgarian citizens staying abroad for educational purposes, irrespective of the duration of their stay;

(f) (new; Darjaven Vestnik, issue 60 of 2003) Bulgarian citizens staying abroad for medical treatment irrespective of the duration of their stay;

3. (amended; Darjaven Vestnik, issue 60 of 2003) a ‘non-resident’ shall be any natural person or legal entity not meeting the requirements under item 2, including foreign diplomatic, consular, commercial and other representations, international organisations, members of such representations and organisations and their staff and foreign nationals working for them, and the members of their families, as well as those staying in the Republic of Bulgaria for educational or medical treatment purposes, irrespective of the duration of their stay;

3a. (new; Darjaven Vestnik, issue 60 of 2003) ‘permanent residence’ in the Republic of Bulgaria shall mean residence for indefinite period allowed. The natural persons under items 2 and 3 shall establish presence or absence of permanent residence in this country within the meaning of this Law by a declaration;

4. ‘foreign currency’ shall be any currency, which is a legal tender in any foreign country, as well as the collective currencies;

5. (amended; Darjaven Vestnik, issue 60 of 2003) ‘foreign currency in cash’ shall be the banknotes and coins which are legal tender in a foreign country;

6. (new; Darjaven Vestnik, issue 54 of 2006) ‘funds’ shall be:

a) cash – banknotes and coins in circulation as a means of exchange, and

b) bearer payment instruments;

7. (new; Darjaven Vestnik, issue 54 of 2006) ‘bearer payment instruments’ shall be:

a) traveller’s cheque, cheque, promisory note, bill of exchange or any other payment instrument – either bearer’s or with a provision for endorsement in bank without limitations or one that has been issued in any other form that provides legally for a tender;

b) cheque, promisory note, bill of exchange or any other payment instrument that has been signed but does not carry the name of the payee;

8. (amended; Darjaven Vestnik, issue 60 of 2003; former item 6; issue 54 of 2006) ‘commercial credit’ shall be any credit related to the sale of goods or the provision of services extended by the seller/buyer of goods, or by the provider/recipient of the service under the relevant transaction;

9. (amended; Darjaven Vestnik, issue 60 of 2003; former item 7; issue 54 of 2006) ‘financial credit’ shall be the provision of funds, subject to an obligation of repayment, which is not a commercial credit. The term ‘financial credit’ shall include financial leasing, assumption of debt and transfer of receivables related to a financial credit;

10. (amended; Darjaven Vestnik, issue 60 of 2003; former item 8, issue 54 of 2006) ‘direct investment abroad’ shall be:

(a) acquisition of general partner’s rights or equity stake amounting to over 10% of the voting rights in the general meeting of shareholders in a non-resident company;

(b) incorporating a company abroad;

(c) extending a loan as a direct investment referred to in items (a) and (b), or relating to an agreement for participation in profit distribution;

(d) additional investment to the investment referred to in items (a) and (b);

(e) acquisition of a real estate.

11. (repealed; Darjaven Vestnik, issue 60 of 2003; former item 9, issue 54 of 2006);

12. (repealed; Darjaven Vestnik, issue 60 of 2003; former item 10; issue 54 of 2006);

13. (former item 11; issue 54 of 2006) ‘effecting foreign exchange transactions in the line of business’ shall be:

(a) conducting transactions for a period of one year on the account of more than ten persons, or

(b) (amended; Darjaven Vestnik, issue 24 of 2009, effective as of 31 March 2009) conducting transactions for a period of one year with more than 20 persons other than

banks or exchange bureaux, or

(c) (amended; Darjaven Vestnik, issue 60 of 2003) soliciting by advertisements, invitations or offers, including by posters, to effect transactions with an unlimited number of persons, including through the mass media;

14. (former item 12; issue 54 of 2006) an ‘exchange bureau’ shall be a proprietor that performs transactions in foreign currency in cash in the line of business;

15. (former item 13; issue 54 of 2006) a ‘financial house’ shall be a proprietor that performs in the line of business cash and non-cash transactions in foreign currency;

16. (new; Darjaven Vestnik, issue 60 of 2003; former item 14; issue 54 of 2006) a ‘repeated’ violation shall mean a violation committed within a period of 12 months from the entry into force of the penalty provision by which the same person has been penalised for a violation of the same kind;

17. (new; Darjaven Vestnik, issue 60 of 2003; former item 15; issue 54 of 2006) ‘a national arts and crafts article’ shall be an article made by a person entered in the register of artisans, or in the register of craftsmen under the Craftsmanship Law.

Transitional and Final Provisions

§ 2. Exchange bureaux the permits of which to conduct transactions in foreign currency have been withdrawn by the Bulgarian National Bank due to violations of the banking or currency legislation committed after 1 January 1995 shall not have the right to conduct such transactions for a 5-year period from the date of effectiveness of this Law.

§ 3. All persons operating as exchange bureaux shall be obligated to register with the Ministry of Finance in a 45-day period from the entry into force of this Law. A person who has not applied for registration in the required period of time shall lose the right to conduct transactions as an exchange bureau.

§ 4. All persons operating as financial houses shall be obligated, in a 45-day period from the entry into force of this Law, to apply to the Bulgarian National Bank for renewal of their permit. A person who has not applied within the required period shall lose the right to perform as a financial house.

§ 5. This Law shall repeal the Law on Transactions in Foreign Exchange Valuables and Foreign Exchange Control (published in the Darjaven Vestnik, issue 51 of 1966; amended; issue 26 of 1968, issue 92 of 1969, issues 53 and 99 of 1989, issue 25 of 1991, issue 10 of 1993, issue 40 of 1996 – Ruling No. 6 of 1996 of the Constitutional Court; issue 95 of 1996 – Ruling No. 15 of 1996 of the Constitutional Court).

§ 6. In the Administrative Procedure Law (published in the Darjaven Vestnik, issue 90 of 1979; amended; issue 9 of 1983, issue 26 of 1988, issue 94 of 1990, issues 25 and 61 of 1991, issue 19 of 1992, issues 65 and 70 of 1995; issue 122 of 1997; issues 15 and 89 of 1998) Article 34, item 2, the wording ‘under the Law on Transactions in Foreign Exchange Valuables and Foreign Exchange Control’ shall be re-

placed by ‘under the Foreign Exchange Law.’

§ 7. Paragraph 1 of Article 10 of the Obligations and Contracts Law (published in the Darjaven Vestnik, issue 275 of 1950; amended; issue 2 of 1950, issue 69 of 1951, issue 92 of 1952, issue 85 of 1963, issue 27 of 1973, issue 16 of 1977, issue 28 of 1982, issue 30 of 1990, issues 12 and 56 of 1993, issues 83 and 104 of 1996) shall be repealed.

§ 8. Within a three-month period from the publication of this Law, the Council of Ministers, the Minister of Finance, and the Bulgarian National Bank shall adopt the ordinances on its implementation.

§ 9. The implementation of this Law is assigned to the Minister of Finance and the Bulgarian National Bank.

§ 10. The Law shall come into force on 1 January 2000.

Law on Amendment of the Currency Law

(Darjaven Vestnik; issue 60 of 2003)

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Transitional and Final Provisions

§ 21. (1) Within six months from the entry into force of this Law, all resident legal entities or sole proprietors which have extended to, or received from, non-residents financial credit existing as of the date of the entry into force of this Law, shall declare these credits before the BNB according to a procedure determined by it.

(2) The obligation referred to in paragraph 1 shall not apply to resident legal entities or sole proprietors, which have registered the financial credit with BNB in accordance with the procedure under the repealed Article 4, paragraph 2 of the Currency Law.

(3) Where a resident legal entity or a sole proprietor instructs a domestic bank to effect a funds transfer in relation to a financial credit extended by or to a non-resident prior to the entry into force of this Law, the domestic bank shall act upon the transfer instruction, having ascertained the registration of the financial credit with the BNB under the repealed Article 4, paragraph 2 of the Currency Law or the declaration provided for in paragraph 1 hereof.

§ 22. Within six months from the entry into force of this Law, all resident legal entities or sole proprietors, which have direct investments abroad as of the date of entry into force of this Law, shall declare these investments with the BNB according to a procedure determined by it.

§ 23. (1) By 1 October 2003, the Council of Ministers shall adopt, and the Minister of Finance and the Bulgarian National Bank shall issue the ordinances on the implementation of this Law.

(2) By 1 November 2003, the Council of Ministers shall adopt an ordinance on the terms and procedures on the activities of persons extending money loans against property pledged as collateral (pawn houses).

Law
on Amendment of the Currency Law

(Adopted by the 40th National Assembly on 17 May 2006; published
in the Darjaven Vestnik; issue 43 of 26 May 2006)

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Final Provision

§ 2. This Law shall enter into force on the date of entry into force of the Treaty of Accession of the Republic of Bulgaria to the European Union.