

REPUBLIC OF BULGARIA
COUNCIL OF MINISTERS

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O R D E R № 2

of 9th of March 2018

**FOR THE ESTABLISHMENT AND PAYMENT TO THE STATE
DEDUCTIONS FROM THE PROFIT BY STATE ENTERPRISES AND
COMPANIES WITH STATE PARTICIPATION IN THE CAPITAL**

Pursuant to Art.2, Art. 11, item 4 and Art. 12, item 14 of the Regulations on the Procedure for Exercising the Rights of the State in Companies with State Participation in the Capital, adopted by Decree No 112 of the Council of Ministers of 2003 (promulgated, SG, No. 51 of 2003; and amended and supplemented No. 59 of 2003, Ruling No. 8260 of the Supreme Administrative Court of 2005 - No. 79 of 2005, amended and supplemented, No. 54 of 2006; 15 of 2007; 103 of 2008; 39 and 93 of 2009; 22, 29 and 72 of 2010; 68 of 2011; 49 of 2013; 40 and 70 of 2015; 64 of 2017)

T H E C O U N C I L O F M I N I S T E R S
O R D E R E D :

1. Bodies exercising the rights of the state in single owner companies with state participation in the capital, with the exception of hospital healthcare institutions and companies of the Water Supply and Sewerage sector shall allocate their profits after tax in the annual financial statement for 2017 financial year and adopt a decision as follows:

(a) for deduction of part of the profit after tax in the annual financial statements for 2017 financial year, less uncovered losses from previous years - 50 per cent for limited liability companies;

(b) for distribution of dividend - 50 per cent of the profit by joint-stock companies, subject to the requirements of Art. 247a of the Commerce Act, after deducting deductions for the Reserve Fund, where this fund has not been filled in accordance with Art. 89 of the 2018 State Budget of the Republic of Bulgaria Act;

(c) for distribution of dividends not exceeding an amount equal to 50 percent of the profit in the 2017 consolidated financial statements by joint stock companies which prepare an annual financial report under Art. 31, paragraph 1 of the Accountancy Act, subject to the requirements of Art. 247a of the Commerce Act, after deducting the deductions for the Reserve Fund, when this fund has not been filled in accordance with Art. 89 of the 2018 State Budget of the Republic of Bulgaria Act.

2. Unless otherwise provided for by law, management bodies of state-owned enterprises formed in accordance with the procedure under Art. 62, paragraph 3 of the Commerce Act, shall decide to allocate to the state a portion of the profit in the annual financial statement

after tax for the 2017 financial year less uncovered losses from previous years and funds, which the enterprise is obliged to form by law - 50 per cent.

3. The representatives of the state in the general meetings of companies with state participation in the capital, with the exception of hospital healthcare institutions and companies of the Water Supply and Sewerage sector, when allocating profits for 2017 to propose and vote deduction of a part of the profit, dividend respectively for the shareholders, under conditions and amounts not less than those specified in item 1. For the distribution of the profits of Danube Bridge Vidin - Calafat AD - Vidin the Agreement between the Government of the Republic of Bulgaria and the Government of Romania to establish a joint marketing structure - operator of the new combined (road and rail) bridge between the two sides of the Danube river between Vidin (Bulgaria) and Calafat (Romania) shall apply.

4. State-owned enterprises and companies with state participation in the capital holding stock or shares in other companies shall authorise their representatives in the general meetings of these companies, when allocating profits for 2017 to propose and vote deduction of a part of the profit, dividend respectively for the shareholders, under conditions and amounts not less than those specified in item 1.

5. State-owned enterprises and companies under item 1-3 shall pay the amounts from distributed profit, dividend respectively, by 31st of May 2018 and those preparing an annual financial report in accordance with Art. 31, paragraph 1 of the Accountancy Act - until 15th of July 2018, subject to the provisions of Art. 59, paragraph 1 of Decree No. 332 of the Council of Ministers of 2017 on the implementation of the state budget of the Republic of Bulgaria for 2018 (SG No. 103 of 2017).

PRIME MINISTER: /signature/ Boyko Borisov

SECRETARY GENERAL OF

THE COUNCIL OF MINISTERS: /signature / Veselin Dakov