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GUIDELINES

on the preparation and provision of information for the purpose of regulation and control over the registration of secondary market transactions in government securities

Section I

General Provisions

Art. 1. These Guidelines shall define the terms and procedure for preparing and providing information by subdepositories of government securities necessary for the purpose of regulating and controlling the registration of the transactions in GS in the secondary market by the Ministry of Finance (MoF) and the Bulgarian National Bank (BNB).

Art. 2. These Guidelines shall regulate the provision of information by subdepositories of GS to the MoF and the BNB in accordance with Ordinance No. 5¹ on the Terms and Procedure for Acquisition, Registration, Redemption and Trade in Government Securities and Ordinance No. 15² on the Control over Transactions in Government Securities.

Art. 3. The information referred to under Article 2 shall be provided by the subdepositories of GS, participants in the Electronic System for Registration and Servicing Trade in Government Securities (ESROT).

Section II

¹ Art. 24, para. 1 of Ordinance No. 5 of the MoF and the BNB of October 42007 on the Terms and Procedure for Acquisition, Registration, Redemption and Trade in Government Securities (Published in the Darjaven Vestnik, issue 85 of 23 October 2007; amended issue. 100 of 2013, amended issue. 56 of 2015, effective as of 24 July 2015; amended issue 29 of 2017).

² Art. 12 of Ordinance No. 15 of the MoF and the BNB of 4 October 2007 on the Control over Transactions in Government Securities (Published in the Darjaven Vestnik, issue 85 of 23 October 2007; effective as of 1 November 2007; amended, issue 29 of 2017).

Scope of the information and time limits for submission

Art. 4. The subdepositories of GS shall submit to the MoF and the BNB:

1. Statement on the government securities kept in individual customer accounts (Appendix 1);
2. Statement on the registered transactions and operations in GS by the subdepository with the ESROT participants in the (Appendix 2);
3. Statement on the registered transactions and operations in GS by the subdepository with their customers and between customers of the subdepositories (Appendix 3).

Art. 5. The statement referred to in Article 4 shall be submitted monthly and no later than the 10th day of the month following the reporting period.

Art. 6. The data in the statement under Art. 4, item 1 shall be as at the end of the reporting period. The last calendar day of the month concerned shall be considered as the end of the reporting period.

Art. 7. The statement under Art. 4, item 2 shall contain the transactions registered with the subdepository and the transactions in GS with other ESROT participants completed during the reporting month, concluded on the secondary OTC market, on a regulated market and on a multilateral trading facility.

Art. 8. The statement under Art. 4, item 3 shall contain the registered transactions and operations in GS of the subdepository with their customers and between customers of the subdepositories during the reporting month concluded on the secondary OTC market and on a regulated market.

Art. 9. The subdepositories of GS maintaining individual accounts to report the GS held by customers of ESROT participants which are not subdepositories of GS shall provide information according to the structure of Appendix 1 for these customers, indicating the name of the relevant participant.

Art. 10. No modifications, erasure or supplementation of the templates shall be permitted upon filling-in the statement.

Section III

Control over the information

Art. 11. The Ministry of Finance and the BNB shall jointly exercise regular control over the provided data and upon finding out inaccuracies, require the subdepositories of government securities to promptly remedy any inconsistencies with regard to the statements provided under these Guidelines.

Art. 12. (1) The subdepositories of GS shall be obliged to provide complete, accurate and reliable information in the reports under Art. 4, according to the terms and conditions of these Guidelines.

(2) The subdepositories of GS shall promptly inform the MoF and the BNB of any inaccuracies, omissions and/or errors in the already submitted statements and shall take the appropriate measures to resolve them.

(3) The subdepositories of GS shall prepare corrected statements in which the identified inaccuracies, omissions and/or errors under Art. 12, para. 2 are corrected for all periods to which they relate and shall provide them to the MoF and the BNB as soon as possible.

Art. 13. Upon receipt of the corrected information under Art. 11 and Art. 12, para. 3, the MoF and the BNB shall carry out additional verification of the data provided, and in case of non-compliance and/or necessity an on-site inspection may be carried out in accordance with the provisions of Ordinance No. 15.

Final Provisions

§ 1. These Guidelines are issued on the grounds of Art. 5 of the Transitional and Final Provisions of Ordinance No. 15 of the MoF and the BNB of 4 October 2007 on the Control over Transactions in Government Securities (Published in the Darjaven Vestnik, issue 85 of 23 October 2007; effective as of 1 November 2007; amended, issue 29 of 7 April 2017).

§ 2. These Guidelines have been approved by the Minister of Finance and the Governor of the BNB and shall enter into force as of 2 March 2020.

§ 3. The following Appendices shall form an integral part of these Guidelines:

1. Appendix 1 – A statement on GS kept on individual customer accounts – instructions for completion and provision;

2. Appendix 2 – A statement on the registered transactions and operations in GS by the subdepository with the ESROT participants – instructions for completion and provision;

3. Appendix 3 – A statement on the registered transactions and operations in GS by the subdepository with their customers and between customers of the subdepositories – instructions for completion and provision.

Statement on the government securities kept on individual customer accounts

ISIN	Currency	II: Banks	II: Other Investment Intermediaries	II Foreign Investment Intermediaries	PF: UPF	PF: OPF	PF: VPF (incl. VPFOS)	IC: Non-life Insurance	IC: life insurance	BDIF	Other institutional investors (investment intermediaries, common funds, etc.)	Foreign institutional investors	Other legal entities: residents	Other legal entities: non-residents	Individuals: residents	Individuals: non-residents

Instructions for completing and providing the information

1. Technical requirements:

The file name represents 18 characters of the type XXXXXXXXXXXXXXXXXXXX23 and must contain: the period/date to which the data relate, in MMY format, the date of file generation in DDMMYYYY format, the ESROT participant code, the reference number 23. All characters in the file name are written merged, with no dividing lines and/or spaces.

The statements shall be provided electronically to the MoF³ and the BNB⁴ within the period specified in Art. 5 of the Guidelines. The file shall be saved and sent in .csv format (Comma delimited).

In the absence of data for the relevant period, the subdepositories shall provide blank tables.

2. Methodological instructions:

The Issues in Appendix 1 shall be reported at nominal value in the original issuance currency and shall be broken down according to their maturity in: short-, medium- and long-term⁵, as the issues in each pool are ranked according to their issuance date. Where an issue matures within the month, it shall be reported and removed from the list of the month following the maturity date month. In the event that an issue is issued within the month, it shall be included in the statement for that month.

3. Instructions for filling-in the table in the column:

- 1) ISIN – an international security identification number (issue number of government securities);
- 2) Currency – the type of currency of the GS issue shall be filled in according to the ISO standard three-letter code;
- 3) Investment intermediaries – banks (column “II Banks”) – banks that have received a license from the BNB to perform services and activities to provide one or more investment services and to carry out one or more investment activities in a professional capacity (Art. 8 of the Law on Markets in Financial Instruments, hereinafter referred to as LMFI), including a bank established in a third country that has received a license from the BNB to operate in the Republic of Bulgaria through a branch (Art. 2, para. 5, item 2 of the Law on Credit Institutions , hereinafter referred to as LCI);

³ The statements shall be provided to the MoF via the FTPS connection established by the MoF. The reporting forms shall be recorded in the personal folder of the institution set up by the MoF. The passwords for the FTPS connection established between the MoF and the relevant subdepository of government securities shall be changed gradually in April and October of each calendar year, in conjunction with the “Information Systems” Directorate of the MoF.

⁴ The statements are provided to the BNB via VPN through the FINNET portal established for the exchange of information with the financial institutions. The reporting forms shall be recorded in the FISC directory in the institution's personal folder on the FINNET portal, subject to the specified file name convention.

⁵ Types of securities according to their maturity: “short-term government securities” – with a redemption term of up to one year inclusive; “medium-term government securities” – with a redemption term from one to five years inclusive; “long-term government securities” – with a redemption term of over five years (Ordinance No. 5 of the MoF and the BNB, Art. 2 (2)).

4) Investment intermediaries – other investment intermediaries within the meaning of the LMFI (column “II Other investment intermediaries (within the meaning of the LMFI)”) – a joint-stock company or a limited liability company with registered office and management address on the territory of the Republic of Bulgaria, licensed to perform activities as an investment intermediary which is not a bank (Art. 7, para. 1 and Art. 7, para. 3, under Art. 45 and 49 of the LMFI);

5) Investment intermediaries – foreign investment intermediaries (column “II foreign investment intermediaries”) – investment intermediaries established in other countries providing investment services and performing investment activities in a professional capacity (Art. 22, para. 1 of the LCI and Art. 7, para. 3 under Art. 46 of the LMFI);

6) Pension funds – Universal Pension Funds (column “PF UPF”) – a fund set up by a licensed pension insurance company by virtue of a decision of its General Meeting of the Shareholders and authorised by the Financial Supervision Commission (FSC) (Articles 137 and 145 of the Social Security Code (SSC)); included are also foreign pension insurance companies;

7) Pension funds – Occupational Pension Funds (column “PF OPF”) – a fund set up by a licensed pension insurance company by a decision of its General Meeting of the Shareholders and authorised by the FSC (Art. 140 and Art. 145 of the SSC);

8) Pension funds – voluntary pension funds and voluntary pension funds under occupational schemes (column “PF VPF, incl. VPFOS”) – a fund established by a decision of the General Meeting of a licensed pension insurance company and authorized by the FSC (Art. 214 and Art. 218 of SSC);

9) Insurance companies – non-life insurance (column “IC non-life insurance”)⁶

a) a joint-stock company, a European company, a mutual insurance cooperative or a European cooperative society with a registered office in the Republic of Bulgaria, licensed under the terms and conditions of the Insurance Code (IC) (local insurer) for non-life insurance (Art. 12, para. 1 in conjunction with Art. 29, para. 1, item 2 of the IC);

b) a person licensed for non-life insurance in another Member State and operating on the territory of the Republic of Bulgaria under the conditions of the right of establishment or of the freedom to provide services (insurer from another Member State) a branch of a third-country insurer registered under the Commerce Act, licensed for non-life insurance under the terms and conditions of the IC (Art. 12, para. 1 in conjunction with Art. 29, para. 1, item 2 of the IC);

c) foreign insurance companies.

⁶ This includes insurers and reinsurers, according to Ordinance No 53 of 23 December 2016 on the requirements to the reporting, valuation of assets and liabilities and establishment of technical provisions of insurers, re-insurers and the National Guarantee Fund.

10) Insurance companies – life insurance (column “IC Life Insurance”)⁷

a) a joint-stock company, a European company, a mutual insurance cooperative or a European cooperative society with its registered office in the Republic of Bulgaria, authorised under the terms and conditions of the IC (local insurer) for life insurance;

b) a branch of a third-country insurer registered under the Commerce Act, licensed for life insurance under the terms and conditions of the IC (Art. 12, para. 1 in conjunction with Art. 29, para. 1, item 1 of the IC);

c) foreign insurance companies.

11) Bank Deposit Insurance Fund (column “BDIF”) – a legal entity established and operating under the Law on Bank Deposit Guarantee;

12) Other institutional investors (investment companies, common funds) – persons falling within the scope of the definition of an institutional investor under § 1 (1) l. “c” of the Supplementary Provisions of the Law on Public Offering of Securities, but who are not included in a previous column of Appendix 1;

13) Foreign institutional investors – persons with registered office in other countries that fall within the scope of the definition of an institutional investor under § 1 (1) l. “c” of the Supplementary Provisions of the Law on Public Offering of Securities (LPOS), but who are not included in a previous column of Appendix 1;

14) Other legal entities – residents (column “Other legal entities residents”) – legal entities within the meaning of Art. 3, para. 1 of the Law on Corporate Income Taxation (LCIT) that are not included in a previous column of Appendix 1;

15) Other legal entities – foreign persons (column “Other legal entities foreign persons”) – legal entities within the meaning of Art. 4, para. 1 of the LCIT that are not included in a previous column of Appendix 1, as well as branches registered in the Republic of Bulgaria of foreign legal entities;

16) Individuals – residents (column “Individuals residents”) – individuals with Bulgarian citizenship who meet the terms and conditions provided for in the Law on Bulgarian Citizenship and individuals, regardless of their nationality, meeting the requirements of Art. 4 of the Law on Personal Income Taxes (LPIT);

17) Individuals – foreign persons (column “Individuals foreign persons”) – all individuals who are not residents within the meaning of Art. 4 of the LPIT (Art. 5 of the LPIT).

⁷ Included here are the mixed-activity insurers, according to Ordinance No. 53 of 23 December 2016 on the reporting requirements, the valuation of assets and the liabilities and formation of technical provisions of the insurers, the reinsurers and the National Guarantee Fund.

Statement on the registered transactions and operations in government securities by the subdepository with the ESROT participants

Unique transaction number	ISIN	Nominal value	ESROT classification code	Seller/Transferor/Lender	Buyer/Acquirer/Borrower	Trade date	Settlement date	Date of repurchase	Price	MIC market code

Instructions for completing and providing the information

1. Technical requirements:

The file name represents 18 characters of the type XXXXXXXXXXXXXXXXXXXX21 and must contain: the period/date to which the data relate, in MMY format, the date of file generation in DDMMYYYY format, the ESROT participant code, the reference number 21. All characters in the file name are written merged, with no dividing lines and/or spaces.

The statement shall be provided electronically to the MoF³ and the BNB⁴ within the period specified in Art. 5 of the Guidelines. The file shall be saved and sent in .csv format (Comma delimited).

In the absence of data for the relevant period, the subdepositories shall provide blank tables.

2. Instructions for filling-in the table in the column:

1. Unique transaction number – the internal bank number of the transaction concerned;
2. ISIN – an international security identification number (issue number of government securities);
3. Nominal value – the nominal value in the currency of issue of the government securities;
4. Code according to the ESROT classification – codes for the types of transactions/operations according to Appendix 2A;
5. Seller/Transferor/Lender – the ESROT participant code⁸;
6. Buyer/Acquirer/Borrower – the ESROT participant code;
7. Trade Date – the date on which the transaction/operation was carried out between the parties;
8. Settlement date – the date of the transaction/operation completion in the Central Securities Depository;
9. Date of repurchase – the date on which the transaction/operation between the parties to repurchase the provided government securities will take place;
10. Price – net price (excluding accrued interest) per a nominal of hundred units;
11. MIC market code – ISO 10383 standard Market Identification Code (MIC) at the trading platform.

⁸ A list of the participants in the ESROT is published on the website of the BNB and on the ESROT.

3. List of codes of the types of transactions/operations under Ordinance No. 5 (Appendix 2A)

Codes: types of transactions/operations	Description
1000	Transaction for purchase and sale of GSs between ESROT participants
1100	Transfer of GS on registers between participants
1200	Repo agreement in government securities between ESROT participants with flows on the cash settlement accounts
1300	Repo agreement in government securities between ESROT participants without flows on the cash settlement accounts. (Possible only when the cash settlement accounts in the RINGS of the participants in the transaction coincide (art. 5, para. 4 of Ordinance No. 5))
1500	Government securities lending transaction between ESROT participants without flows on the cash settlement accounts
1600	Transaction for transfer of GS held by an ESROT participant to a participant – Foreign CSD, without change of ownership
1700	Transaction for transfer of GS held by an ESROT participant by a participant – Foreign CSD, without change of ownership

Statements of the registered transactions and operations in government securities by the subdepository with their customers and between customers of the subdepositories

Unique transaction number	ISIN	Nominal value	ESROT classification code	Seller/Transferor/Lender	Buyer/Acquirer/Borrower	Trade date	Settlement date	Date of repurchase	Price	MIC market code

Instructions for completing and providing the information

1. Technical requirements:

The file name represents 18 characters of the type XXXXXXXXXXXXXXXXXXXX22 and must contain: the period/date to which the data relate, in MMY format, the date of file generation in DDMMYYYY format, the ESROT participant code, the reference number 22. All characters in the file name are written merged, with no dividing lines and/or spaces.

The statement shall be provided electronically to the MoF³ and the BNB⁴, within the period specified in Art. 5 of the Guidelines. The file shall be saved and sent respectively in .csv format (Comma delimited).

In the absence of data for the relevant period, the subdepositories shall provide blank tables.

2. Instructions for filing-in the table in the column:

1. Unique transaction number – the internal bank number of the transaction concerned;
2. ISIN – an international security identification number (issue number of government securities);
3. Nominal value – the nominal value in the currency of issue of the government securities;
4. Code according to the ESROT classification – codes⁹ for the types of transactions/operations according to Appendix 3A, except for transaction code 1;
5. Seller/Transferor/Lender – the ESROT participant code/name¹⁰ of the transaction/operation party;
6. Buyer/Acquirer/Borrower – the ESROT participant code/name¹⁰ of the transaction/operation party;
7. Trade date – the date on which the transaction/operation was carried out between the parties;
8. Settlement date – the date of the transaction/operation completion in the central securities depository and in the subdepositories for the code 1 transaction;
9. Date of repurchase – the date on which the transaction/operation between the parties to repurchase the provided government securities will take place;
10. Price – net price (excluding accrued interest) per a nominal of hundred units;
11. MIC market code – ISO 10383 standard Market Identification Code (MIC) at the trading platform.

⁹ Transactions between customers of a subdepository with code 1 shall not be reported in the ESROT.

¹⁰ Information on the name is in text format and shall be provided in Cyrillic or Latin characters.

3. List of codes of the types of transactions/operations under Ordinance No. 5 /with the exception of transaction code 1/ (Appendix 3A)

Codes: types of transactions/operations	Description
2000	Transaction for transfer of GS from an ESROT participant to their customer
2100	Repo agreement in government securities by an ESROT participant from their customer
2200	Transaction for transfer of government securities from an ESROT participant to their customer with subsequent repurchasing
2250	Government securities lending transaction /maturity of a GS loan between a participating lender and their borrower customer without flows on the cash settlement accounts
2300	Repo agreements in government securities by a participant in the ESROT from their customer with subsequent repurchasing
2350	Government securities lending transaction between a participating borrower and their lending customer without flows on the cash settlement accounts
2500	Transaction for transfer of government securities from a customer of one ESROT participant to another ESROT participant
2550	Transaction for purchase and sale of government securities from a customer of one ESROT participant to another ESROT participant, with flows of funds
2600	Transfer of government securities to a customer from a register kept by one ESROT participant to a register kept by another ESROT participant
2700	Transaction for transfer of government securities from a customer of one ESROT participant to a customer of another ESROT participant
2750	Transaction for purchase and sale of government securities from a customer of one ESROT participant to a customer of another ESROT participant, with flows of funds
2800	Transfer of government securities from one participant to a customer of another participant
2850	Transaction for purchase and sale of government securities from one ESROT participant to the customer of another ESROT participant, with flows of funds
1	Transaction concluded between customers of one and the same subdepository