

AD – 28/11.10.2019

APPROVED BY:

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Republic of Bulgaria

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BULGARIAN NATIONAL BANK

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Reg.No.БНБ-110480 / 11.10.2019

Sofia, 1, Knyaz Alexander I Sq.

RULES

**FOR ADMISSION TO TRADING OF GOVERNMENT SECURITIES ON THE E-BOND
BULGARIA MULTILATERAL TRADING FACILITY OPERATED BY BLOOMBERG
TRADING FACILITY B.V. AND COMPLETION OF TRANSACTIONS IN THEM
IN THE BULGARIAN NATIONAL BANK**

Chapter One

General Dispositions

1. **Art. 1.** These Rules define the terms and conditions for:

1. Admission to trading of Government Securities (GS) issued by the Minister of Finance pursuant to Art. 12, para. 2 of the Government Debt Act (GDA) and Ordinance No 5 of October 4, 2007 on the Terms and Conditions for Acquisition, Registration, Payment and Trade in Government Securities (Ordinance No. 5) on the E-Bond Bulgaria multilateral trading facility operated by Bloomberg Trading Facility B.V. (BTF B.V.), which has received a notification at the Financial Supervision Commission from the Dutch Authority Financial Markets (Autoriteit Financiële Markten) on 31.01.2019, under Art. 34 of Directive 2014/65 / EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments and Amending Directive 2002/92 / EC and Directive 2011/61 / EU for a licensed multilateral facility for trading in GS (E-Bond Bulgaria MTF).

2. Completion of transactions in GS concluded on the E-Bond Bulgaria MTF in the Electronic System for Registering and Servicing of Trade in GS (ESROT) and in the GS Settlement System (GSSS), organized by the Bulgarian National Bank (BNB) pursuant to Art. 35, para. 1, item 2 and item 3 of the GDA, as well as in the GS accounts kept by the BNB pursuant to Art. 43, para. 3 of the Law on the Bulgarian National Bank and Art. 35, para. 2 of the GDA and in accordance with the provisions of Ordinance No. 5, Ordinance No. 31 on Government Securities Settlement (Ordinance No. 31) and Ordinance No. 15 on Control over Transactions in Government Securities (Ordinance No. 15).

Art. 2. In the systems under Art.1, item 2 shall only be completed transactions concluded in accordance with Article 16, para. 1 item 1 of Ordinance № 5 on own account and in GS held by the participants therein.

Chapter Two

Admission of Government Securities Issues to Trading on E-Bond Bulgaria MTF

Art. 3. Securities, issued by the Minister of Finance under Ordinance № 5 denominated in Lev and Euro, registered and kept in participants' GS accounts in the systems established and operated by the BNB pursuant to Art. 1, item 2 shall be admitted to trading on the E-Bond Bulgaria MTF.

Art. 4. (1) Admission of GS under Art. 1, item 1 on the E-Bond Bulgaria MTF shall be made via their registration on the E-Bond Bulgaria MTF operated by BTF B.V.

(2) GS issues registration shall be carried out by BTF B.V. based on a notification by the MoF of the parameters of all issues under Art.1, item 1.

(3) BTF B.V. shall maintain on the E-Bond Bulgaria MTF a complete list of GS issues admitted to trading.

(4) MoF shall ensure that the list of GS issues under para. 1 is up-to-date.

Chapter Three

Completion of Transactions Concluded on the E-Bond Bulgaria MTF

Art. 5. (1) BNB shall perform daily monitoring of trading on the E-Bond Bulgaria MTF for the purpose of completion of transactions in GS on the E-Bond Bulgaria MTF by the participants in the systems under Art.1, item 2.

(2) Completion of transactions concluded on the E-Bond Bulgaria MTF shall be performed in the systems operated by the BNB under Art.1, item 2 in accordance with the provisions of Ordinance № 5 and Ordinance № 31.

(3) Each transaction concluded on the E-Bond Bulgaria MTF, shall be considered completed upon its registration and settlement in the systems under para. 1.

Art. 6. (1) BTF B.V. shall report daily to the BNB of the GS transactions concluded on the E-Bond Bulgaria MTF until 04 pm. of the current day. The report shall contain following information:

- Trade date - T;
- Settlement date (for transactions carried out by means of the RFQ function of the system on T+0, T+1 or T+2, and for transactions carried out by means of the FQP function of the system on T+2);
- Number of the GS issue (ISIN) subject of the transaction;
- Transferor of GS – name and identification code assigned by BTF B.V. to the participant;
- Acquirer of GS – name and identification code assigned by BTF B.V. to the participant
- Nominal value of GS transferred (in figures, with two decimal places);
- Price, at which GS are transferred/acquired (in figures, with two decimal places);
- Yield (with a three decimal places level)
- Unique identifier assigned by BTF B.V. to the transaction concluded.

(2) BTF B.V. shall provide to the participants in the transaction real time information about the parameters of each transaction concluded.

(3) Information on the parameters of each transaction concluded contained in the report under para.1 shall be identical to that under para. 2.

Art. 7. Participants in the transactions shall provide GS subject of the transactions and cash required for their payment and complete the transactions on the settlement date, under the parameters agreed upon on the E-Bond Bulgaria MTF.

Art. 8. (1) Registration and settlement of transactions concluded shall be effected upon requests, sent to BNB by both parties to the transaction (transferor and acquirer) pursuant to Art.17, para.1 of Ordinance № 5 (Appendix 10).

(2) Settlement of transactions shall be performed by movement of funds in cash settlement accounts in RINGS and TARGET2 in accordance with the principle "delivery versus payment" (DVP - delivery versus payment), in which the transfer of GS and cash is performed simultaneously on a gross basis ("DVP - Model 1").

(3) Registration and settlement of transactions shall be carried out following the ESROT system day schedule pre-specified in advance by the MoF and the BNB in accordance with the working time of RINGS and TARGET2 payment systems.

(4) Requests for registration of transactions in GS with a forthcoming maturity and/or interest payment on them shall be accepted until 12 a.m. and processed until 01 p.m. of the ESROT system day preceding the settlement date of maturity of the respective GS issue or of the interest payments thereon.

Art. 9. (1) For the purpose of performing the activities under Art.5, the BNB shall establish and maintain in ESROT a nomenclature with data on the participants in the E-Bond Bulgaria MTF with their names, identification codes, entry date / exit date, etc.

(2) The Bulgarian National Bank shall introduce in the nomenclature the primary dealers of GS - participants in E-Bond Bulgaria MTF, by performing a verification of compliance with the list of primary dealers of GS for the respective period, approved by the Minister of Finance.

(3) The Bulgarian National Bank shall update the data in the nomenclature in case of changes in participants' status, entering of new participants, cancelling participation, removal from the list of primary GS dealers, etc.

(4) The Bulgarian National Bank shall perform daily reconciliation of the information received pursuant to Art. 6, para 1 concerning parameters of deals concluded on the E-Bond Bulgaria MTF with the parameters of registered transactions in ESROT for the respective value date and shall provide this information to the MoF in accordance with Appendix 1.

(5) The Bulgarian National Bank shall immediately notify the MoF and the parties to the transaction in case of non-compliance with the provision of Art. 7.

Art. 10. The BNB shall collect fees for registration and settlement of transactions in compliance with the Tariff on the Fees and Commissions Charged on Government Securities Transactions.

ADDITIONAL PROVISION

§ 1. Within the meaning of these rules:

1. Request for Quote ("RFQ") shall be a functionality that allows sending a request for a quote to one or more participants, as a result of which one or more quotations are provided, offering a choice among them.
2. Firm Quote Posting ("FQP") is a functionality allowing participants to post firm quotes;
3. Delivery versus payment ("DVP - Model 1") is a "delivery versus payment" settlement model in which the transfer of GS and cash is simultaneously made on a gross basis.

FINAL PROVISIONS

§ 2. These rules shall be approved by the Minister of Finance and the Governor of the BNB pursuant to §9 of the final provisions of Ordinance for Amendment of Ordinance № 5 of 2007 on the Terms and Conditions for Acquisition, Registration, Payment and Trade in Government Securities (promulg. SG 29 of 2017) and shall enter into force on 21.10.2019.

§ 3. These Rules repeal the joint Rules of the MoF and the BNB, approved on 04.01.2018 for admission to trading of government securities on the E-BOND BULGARIA multilateral trading facility, operated by BLOOMBERG TRADING FACILITY LIMETED and / or its affiliated companies and concluding transactions with them in the Bulgarian National Bank.

Appendix № 1 to Article 9, paragraph 4

Reference for GS transactions executed on the E-BOND Bulgaria MTF by participants in ESROT at par value for the period from to

ESROT participants	Transactions between ESROT participants		
	Transactions under Art. 16, para.1, item 1, concluded on the E-BOND MTF		Market share of the E-BOND MTF participant
	Par value of GS	Number of transactions	Per cent
I. PRIMARY DEALERS			
1. PRIMARY DEALER			
1.1. Short term GS - total			
1.1. Long term GS - total			
Total transactions of PD			
2. PRIMARY DEALER			
2.1. Short term GS - total			
2.1. Long term GS - total			
Total transactions of PD			
TOTAL DEALS OF PD			
II. OTHER ESROT PARTICIPANTS			
1. PARTICIPANT -			
1.1. Short term GS - total			
1.1. Long term GS - total			
Total transactions of participant.....			
2. PARTICIPANT -			
2.1. Short term GS - total			
2.1. Long term GS - total			
Total transactions of participant.....			
3. PARTICIPANT -			
3.1. Short term GS - total			
3.1. Long term GS - total			
Total transactions of participant.....			
TOTAL TRANSACTIONS OF OTHER ESROT PARTICIPANTS			
TOTAL GS TRANSACTIONS ON THE			

SECONDARY MARKET			
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Notes:

The nominal value of the GS shall be filled in BGN or in BGN equivalent for GS issues denominated in foreign currency.

50% of the nominal value of the GS subject of the transaction shall be accounted for each participant (code 1000) - double notification.