

Foreign Exchange Act

Promulgated, State Gazette No. 83/21.09.1999, effective 1.01.2000, amended, SG No 45/30.04.2002, amended and supplemented, SG No. 60/4.07.2003, amended, SG No 36/30.04.2004, effective 31.07.2004, amended, SG No. 105/29.12.2005, effective 1.01.2006, amended and supplemented, SG No. 43/26.05.2006, effective as from the date of entry into force of the Treaty of Accession of the Republic of Bulgaria to the European Union - 1.01.2007, SG No. 54/4.07.2006, amended, SG No. 59/21.07.2006 effective as from the date of entry into force of the Treaty of Accession of the Republic of Bulgaria to the European Union - 1.01.2007, SG No. 24/31.03.2009 effective 31.03.2009, SG No. 16/22.02.2011, SG No. 23/22.03.2011, effective 22.03.2011, amended and supplemented, SG No. 96/6.12.2011, amended, SG No 59/29.07.2016, SG No. 63/4.08.2017, effective 1.01.2018, SG No. 92/17.11.2017 effective 1.01.2018, supplemented, SG No. 103/28.12.2017, effective 1.01.2018, amended and supplemented, SG No. 93/9.11.2018, effective 10.02.2019, amended, SG No. 17/26.02.2019, amended and supplemented, SG No. 14/18.02.2020

Text in Bulgarian: Валутен закон

Subject

Article 1

This Act shall regulate:

1. transactions and payments between local and foreign persons;
2. transborder transfers and payments;
3. transactions with foreign currency by occupation;
4. (amended, SG No. 60/2003, SG No. 96/2011) transactions with precious metals and gemstones by occupation, carrying them across the border of the country and processing thereof;
5. (amended, SG No. 96/2011) carrying cash across the border of the country;
6. (amended, SG No. 60/2003, supplemented, SG No. 96/2011) collection, maintenance and provision of statistical information on the country's balance of payments and its international investment position;
7. the exercising of currency control.

Freedom to Carry out Transactions, Actions and Payments

Article 2

(1) (Amended, SG No. 16/2011) All actions, transactions and payments under Article 1, items 1 - 5 shall be conducted freely inasmuch as Act otherwise provided by law.

(2) The production of precious metals and gemstones from sites that are public state property shall be subject to the requirements of current law.

Conducting Business as a Currency Exchange Company

(Title amended, SG No. 24/2009, effective 31.03.2009)

Article 3

(Amended, SG No. 60/2003)

(1) (Amended and supplemented, SG No. 43/2006) Currency deals in cash by occupation may be transacted by any person registered under the Commerce Act where such a person is registered in a public register of persons conducting business pursuant to the legislation of a member country of the European Union or another country which is party to the European economic zone agreement, and where the person is registered in the public register as a currency exchange bureau.

(2) (Supplemented, SG No. 103/2017, effective 1.01.2018) Natural persons who are merchants, and any members of managing or control bodies and unlimited liability partners in the legal persons referred to in paragraph 1 must not have been

convicted for any intentional crime of a public nature or have been members of a managing or control body or unlimited liability partners in a company terminated due to bankruptcy, if there have been any unsatisfied creditors left. The circumstances concerning the conviction status of Bulgarian citizens shall be established by official channels.

(3) A public register of persons conducting business as currency exchange offices shall be kept and maintained with the Ministry of Finance. Registration in the register shall be made within 14 days of filing all the documents requisite under the regulation referred to in paragraph 5.

(4) For registration in the register referred to in paragraph 3, fees shall be charged under a price tariff approved by the Council of Ministers.

(5) The Minister of Finance shall issue a regulation establishing the terms and conditions and the procedure for registration in the register referred to in paragraph 3, and the requirements applicable to the business of currency exchange offices.

(6) (Repealed, SG No. 24/2009, effective 31.03.2009).□

(7) (Repealed, SG No. 24/2009, effective 31.03.2009).□

(8) (Repealed, SG No. 24/2009, effective 31.03.2009).□

Registration with the Bulgarian National Bank

Article 4

(Repealed, SG No. 60/2003).

Registration and Denial of Registration

Article 5

(Repealed, SG No. 60/2003).

Transborder Transfers and Payments

Article 6

(Amended, SG No. 96/2011, effective 1.01.2012).□

(1) (Amended, SG No. 60/2003) Suppliers of payment services shall perform transborder transfers and payments after a deposition has been filed with them describing the grounds on which the transfer is made.

(2) A person making a transborder transfer or payment to a third party in the amount of BGN 30 000 or more or its equivalent in another currency, shall provide to the suppliers of payment services information and documentation as required by a joint regulation issued by the BNB and the Minister of Finance.

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

Article 7

(Amended, SG No. 60/2003)

(1) (Amended, SG No. 96/2011, repealed, SG No. 59/2016).□

(2) (Amended, SG No. 96/2011, repealed, SG No. 59/2016).□

(3) (Amended, SG No. 96/2011, repealed, SG No. 59/2016).□

(4) (Amended, SG No. 96/2011, repealed, SG No. 59/2016).□

(5) (Supplemented, SG No. 96/2011) Any transaction in connection with the original making of a direct investment abroad by any local legal persons or sole proprietors as well as for the purposes of extending financial credit between any local legal persons or sole proprietors and any foreign persons, opening of accounts abroad, issuing by local legal persons of securities abroad and/or purchasing of securities without the brokerage of a local investment broker, shall be reported to the BNB for the needs of the balance of payment statistics within 15 days after the transaction is closed.

(6) (Amended, SG No. 96/2011) Where a local legal person or sole proprietor orders a local bank to wire funds in connection with a transaction, which is subject to

reporting as per paragraph 5, the local bank shall carry out the transfer order after certifying that the local legal person or sole proprietor has reported following the procedure set out in paragraph 5.

(7) The report referred to in paragraph 5 shall be filed only once, and upon any subsequent transfer it shall be certified before the servicing bank by presenting the report already certified by the BNB.

(8) (Repealed, SG No. 59/2016).□

(9) (Amended, SG No. 96/2011, SG No. 59/2016) The Bulgarian National Bank may not provide to any other person and institution the statistical information it has collected, which constitutes commercial or bank secret, unless otherwise provided in another law.

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

(11) The Bulgarian National Bank shall issue a regulation on the application of this Article.

Provision of Information to the Bulgarian National Bank

Article 8

(Amended, SG No. 60/2003)

(1) (Supplemented, SG No. 96/2011)□ The Bulgarian National Bank may require of any local and foreign person any information relevant to the country's balance of payments and the country's international investment position.

(2) (Supplemented, SG No. 96/2011) Any local and foreign person shall be obliged to provide to the BNB the information necessary for the balance of payments statistics and the international investment position while observing the requirements as to the contents of such information.

(3) (New, SG No. 96/2011) The Bulgarian National Bank shall be entitled to access sources of maintained data within the administration of the executive, public sector organisations, statistical bodies and other state bodies and organisations, as well as the Bulgarian Red Cross, securities depositaries and notaries, as far as this data is necessary for the development, production and dissemination of European statistics.

(4) (New, SG No. 96/2011) The Bulgarian National Bank shall determine the procedure for the implementation of this article in the regulation under Article 7, paragraph 11.

Registers of Direct Investments and Investments in Real Estate

Article 9

(Repealed, SG No. 60/2003).

Reporting Operations, Claims and Liabilities

(Title amended, SG No. 96/2011)□

Article 10

(Amended, SG No. 60/2003)

(1) (Amended, SG No. 96/2011) Local legal persons and sole proprietors shall be obliged to report their operations, claims and liabilities from and to foreign persons to the BNB using statistical forms, as well as their direct investments abroad.

(2) (Amended, SG No. 96/2011) Local natural persons shall report, on an annual basis by 31 March and using statistics forms, to the BNB their claims and liabilities to foreign persons if the sum total of such claims or liabilities exceeds the lev equivalent of 50 000 levs as of 31 December of the previous calendar year.

(3) (New, SG No. 96/2011) The Bulgarian National Bank may carry out other regular periodic statistical surveys in order to collect additional statistical information.

(4) (Renumbered from Paragraph 3, SG No. 96/2011) The Bulgarian National Bank shall establish the procedure for implementation of this article in the regulation

referred to in Article 7, paragraph 11.

Customs Register

Article 10a

(New, SG No. 60/2003)

(1) (Amended, SG No. 54/2006, SG No. 96/2011) Customs authorities shall keep registers of export and import trade credits and of financial leasing between local and foreign persons, as well as of the cash carried across the border of the country, precious metals and gemstones and articles containing them and made of them declared under Articles 11, 11a, 11b, 14, 14a and 14b.

(2) In cases of export and import trade credits and of financial leasing between local and foreign persons, a declaration shall be filed with the customs authorities in a format approved by the Minister of Finance.

(3) (Amended, SG No. 54/2006, SG No. 96/2011) When carrying cash, precious metals and gemstones and articles containing them or made of them across the border of the country, which are subject to declaration under Articles 11, 11a, 11b, 14, 14a and 14b, the persons shall submit to the customs authorities a declaration in a format approved by the Minister of Finance.

(4) (Repealed, new, SG No. 96/2011) The declarations shall be kept for a period of 5 years notwithstanding the carrier used. The time-limit shall start running as of the beginning of the year after the year, in which the respective declaration was accepted.

(5) (New, SG No. 96/2011, amended, SG No. 17/2019) The information under this article shall be collected and processed in line with Article 17a of the Customs Act and the requirements for the protection of personal data.

Exchange of Information

Article 10b

(New, SG No. 96/2011)

(1) Customs authorities shall collect, process and exchange the information received under Article 10a.

(2) Customs bodies shall be responsible for mutual assistance and exchange of information with the European Commission, member states of the European Union, other states under international treaties in force to which the Republic of Bulgaria is party and with other state bodies in the framework of their competence, concerning:

1. violations of the currency legislation;

2. signs that the carried cash is related to money laundering and financing of terrorism within the meaning of the Measures Against Money Laundering Act and the Measures Against Financing of Terrorism Act.

3. signs that the carried cash is revenue from fraudulent or other illegal activities and which have a negative impact on the financial interests of the European Union.

(3) Exchange of information shall be carried out in line with the conditions, procedure and manner laid down in Council Regulation (EC) No. 515/97 of 13 March 1997 on mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure the correct application of the law on customs and agricultural matters.

Carrying Cash across the Border of the Country

Article 11

(Amended, SG No. 60/2003, SG No. 96/2011)

(1) Natural persons may carry unlimited quantities of cash across the border of the country.

(2) Transfer of cash through postal consignments shall be prohibited with the exception of declared value consignments.

(3) Transfer of cash through postal consignments by the BNB and the banks shall be carried out according to a procedure laid down in the regulation under Article 14d.

Carrying cash across the border of the country to or from a third country

Article 11a

(New, SG No. 96/2011)

(1) The carrying of cash in the amount of EUR 10 000 or more or their equivalent in Bulgarian levs or another currency for or to a third country must be declared before the customs authorities.

(2) (Amended, SG No. 63/2017, effective 1.01.2018, SG No. 92/2017, effective 1.01.2018, supplemented, SG No. 14/2020) When cash in the amount of BGN 30 000 or more or their equivalent in another currency is carried across the border of the country to a third country, the customs authorities shall request through official channels information concerning the existence or non-existence of liabilities under Article 87, paragraph 11 of the Tax and Social Insurance Procedure Code with regard to the person concerned. Where the information provided ex officio contains data of existence of public liabilities in excess of BGN 5 000, the customs authorities shall not permit the cash to be carried across the border.

(3) When carrying across cash to a third country in the amount of BGN 30 000 or more or their equivalent in another currency, foreign natural persons shall declare before the customs authorities only the type and amount of the carried cash in cases where their value does not exceed the previously declared cash.

(4) In case of reasonable doubt or information concerning unlawful activities related to carrying of cash in an amount less than BGN 10 000 or its equivalent in Bulgarian levs or another currency, the customs authorities may exercise control over natural persons and require that the persons provide information related to these funds. The customs authorities shall enter the information in the register under Article 10a ex officio.

(5) The obligation to declare under paragraph 1 shall be considered non-performed in case of refusal to declare or of the declared information is untrue or incomplete.

Carrying cash across the border of the country to or from a member state of the European Union

Article 11b

(New, SG No. 96/2011)

(1) Carrying of cash in the amount of EUR 10 000 or more or their equivalent in Bulgarian levs or another currency across the border of the country to or from a member state of the European Union, shall be declared upon a request of the customs authorities.

(2) Article 11a, paragraph 4 shall also apply in case of carrying of cash to or from a member state of the European Union.

(3) The obligation to declare upon a request under paragraph 1 shall be considered non-performed in case of refusal to declare or if the declared information is untrue or incomplete.

Exchange Rates of Foreign Currencies in Respect to the Lev

Article 12

(1) The Bulgarian National Bank shall announce daily exchange rates in respect to the lev of certain foreign currencies chosen at its discretion that shall be used for accounting and statistical purposes.

(2) (Amended, SG No. 96/2011) The Bulgarian National Bank may determine at its discretion the exchange rates of currencies for the purpose of payment

agreements upon the request of the Ministry of Finance.

(3) (New, SG No. 60/2003) The counter value of foreign currencies to the lev for the purposes of declaring as referred to in Article 11 shall be determined in accordance with customs laws and regulations.

Persons Carrying out Activities of Extraction, Processing and Trade of Precious Metals and Gemstones and Items Containing them or Made of them by Occupation

Article 13

(Amended, SG No. 60/2003, amended and supplemented, SG No. 96/2011 amended, SG No. 93/2018, effective 10.02.2019, SG No. 14/2020) (1) Extraction, processing and trade of precious metals and gemstones and items containing them or made of them by occupation may be carried out by:

1. merchants registered under the Commerce Act or under the legislation of an EU Member State or of another State which is a party to the Agreement on the European Economic Area, as well as legal persons established on the basis of a legal act; the subject of activity of the merchant, or the business of the legal person shall state carrying out activities with precious metals and gemstones and items containing them or made of them by occupation;

2. companies under the Obligations and Contracts Act, where they engage in such activities by occupation and are entered in the public register of the persons carrying out activities with precious metals and gemstones and items containing them.

(2) The persons under paragraph 1 shall be obligated to get registered with the Ministry of Economy within 14 days prior to commencing activities.

Persons Carrying out Activities of Extraction, Processing and Trade of Precious Metals and Gemstones and Items Containing them or Made of them by Occupation

Article 13a

(New, SG No. 14/2020)

(1) A register, in a format approved by the Minister of Economy, of persons engaged by occupation in the production, processing and trade of precious metals and gemstones and items containing them or made of them shall be kept and maintained with the Ministry of Economy. The register shall be publicly available. It shall be kept in electronic format and published on the website of the Ministry of Economy.

(2) The register under paragraph 1 shall be kept by registration officials, appointed by an order of the Minister of Economy.

(3) Every person for whom compliance with the regulatory requirements for carrying out by occupation the relevant activities with precious metals and gemstones and items containing them or made of them shall be entered in the register under paragraph 1.

(4) Upon entry in the register of the persons carrying out activities of extraction, processing and trade of precious metals and gemstones and items containing them or made of them by occupation, the Minister of Economy or an official authorised thereby shall issue a certificate in a format laid down in the regulation referred to in Article 10.

(5) No entry shall be made in the register referred to in paragraph 1, and any entry made shall be deleted ex officio within 14 days of occurrence of any one of the following circumstances:

1. where any of the documents required pursuant to the regulation under Article 10 has been recognized as void;

2. where the natural persons who are merchants, the members of managing or control bodies and unlimited liability partners in the legal persons and the natural persons, applied for entry in the register for carrying out the activities, applied for registration pursuant to the regulation referred to in Article 10, have been convicted by a judgment that has the force of res judicata for crimes against property, crimes

against the monetary and credit system, and for crimes against the financial, tax and social insurance system pursuant to the Criminal Code.

3. at the request of the registered person;

4. when declared in liquidation, in bankruptcy, upon deregistration of the merchant from the commercial register or a company under the Obligations and Contracts Act from the BULSTAT register;

5. upon the death of the merchant if a natural person.

(6) No registration in the register under paragraph 1 shall be made where the person has public liabilities, except for any obligations under acts that have not entered into force, as well as for re-scheduled, deferred or secured obligations. Information of public liabilities shall be established ex officio pursuant to Article 87, paragraph 11 of the Tax and Social Insurance Procedure Code or via the registry information exchange system.

(7) Ex officio deletion from the register shall be done upon notification of the competent authority pursuant to Article 182, paragraph 2, item 2 or Article 221, paragraph 6 of the Tax and Social Insurance Procedure Code.

(8) The ex officio deletion under paragraphs 5 and 7 shall be done by the registration official under paragraph 2, who shall reflect this in the register under paragraph 1, shall announce the issued certificate as void and shall notify in writing the interested party under Article 13, paragraph 1.

(9) The Minister of Economy shall coordinate participation in the activities for application of Council Regulation (EC) No. 2368/2002 of 20 December 2002 implementing the Kimberley Process certification scheme for the international trade in rough diamonds.

(10) The Council of Ministers shall issue a regulation establishing the terms and conditions and the procedure for registration in the register referred to in paragraph 1 and the requirements applicable to the business of persons referred to in Article 13, paragraph 1. For registration in such register fees shall be charged under a price tariff approved by the Council of Ministers.

(11) Gold and silver items produced domestically or imported from another state for commercial purposes shall be subject to examination to establish the contents of pure gold and silver (titre) and marking under a procedure established under the regulation referred to in paragraph 10. Gold articles shall be traded only in sales outlets located in buildings or other stationary structures, with the exception of articles of the folk crafts being sold by their producers.

Carrying of Precious Metals and Gemstones and Items containing them or made of them across the Border of the Country

(Title supplemented, SG No. 60/2003, amended, SG No. 96/2011)

Article 14

(1) (Amended, SG No. 60/2003, SG No. 96/2011) Persons may carry an unlimited quantity of precious metals and gemstones and items containing them or made of them across the border of the country.

(2) (Amended, SG No. 60/2003, SG No. 96/2011) Carrying of precious metals and gemstones and items containing them or made of them in the mail shall be prohibited, with the exception of declared value consignments.

(3) (Amended, SG No. 60/2003, SG No. 96/2011) Carrying of precious metals and gemstones and items containing them or made of them via postal consignments by the BGN and the banks shall be carried out according to a procedure laid down in Article 14d.

Carrying Precious Metals and Gemstones and Items Containing them or Made of them across the Border of the Country to or from a Third Country

Article 14a

(New, SG No. 96/2011)

(1) Carrying of precious metals and gemstones and items containing them or made of them across the border of the country to or from a third country must be declared before the customs authorities in the cases and in line with the procedure and manner laid down in the regulation under Article 14d.

(2) The obligation to declare under paragraph 1 shall be considered non-performed in case of refusal to declare or if the declared information is untrue or incomplete.

Carrying Precious Metals and Gemstones and Items Containing them or Made of them across the Border of the Country to or from a Member state of the European Union

Article 14b

(New, SG No. 96/2011)

(1) Carrying of precious metals and gemstones and items containing them or made of them across the border of the country to or from a member state of the European Union shall be declared upon a request of the customs authorities in the cases and in line with the procedure and manner laid down in the regulation under Article 14d.

(2) The obligation to declare upon a request under paragraph 1 shall be considered non-performed in case of refusal to declare or if the declared information is untrue or incomplete.

Carrying of movable cultural valuables across the border of the country

Article 14c

(New, SG No. 96/2011)

It shall be permitted to carry articles made of precious metals and gems and items containing them or made of them, which are movable cultural valuables, in line with the conditions laid down in Chapter Six, Section VI of the Cultural Heritage Act and after submission of a declaration before the customs authorities.

Regulation on the Application of Regimes for Declaring before Customs Authorities

Article 14d

(New, SG No. 96/2011)

The Minister of Finance shall issue the regulation on the application of Article 10a, Article 11, paragraph 3, Article 11a, Article 11b, Article 14, paragraph 3, Article 14a, 14b and 14c.

Currency Control

Article 15

(1) (Supplemented, SG No. 93/2018, effective 10.02.2019) The Minister of Finance, the Minister of Economy, the Bulgarian National Bank and the post offices shall monitor the observance of this Act and any regulations issued on its application.

(2) The Minister of Finance shall conduct inspections of the observance of this Act through the use of the Minister's specialized authorities.

Powers of the Currency Control Authorities

Article 16

(1) (Amended, SG No. 60/2003, SG No. 96/2011) The customs authorities shall monitor the observance of the Act in case of carrying across the border of the country of cash and of precious metals and gems and items containing them and made of them.

(2) (Amended, SG No. 60/2003, SG No. 105/2004, SG No. 96/2011) The authorities of the National Revenue Agency shall audit the activities of currency exchange offices and the persons described in Article 13, paragraph 1 which are not

banks and in carrying out audits shall be entitled to:

1. obtain unrestricted access to the offices of audited persons;
2. require documents, references and explanations in writing;
3. (amended, SG No. 60/2003, SG No. 96/2011) check available amounts in levs and other currency, as well as quantities and quality of precious metals and gemstones and items made containing them or made of them;
4. carry out audits of clients of audited persons for the purposes of obtaining cross-reference;
5. use expert help;
6. (new, SG No. 60/2003, amended, SG No. 105/2005) impose measures to secure evidence following the procedure of the Tax and Social Insurance Procedure Code.

(3) (Amended, SG No. 60/2003) The authorities of the BNB shall:

1. (amended, SG No. 96/2011) monitor banks regarding their observance of the provisions of this Act and all relevant regulations on its implementation;
2. (repealed, SG No. 24/2009, effective 31.03.2009);
3. monitor the observance of the requirements contained in Article 6, 7, 8 and 10 and their implementation legislation;
4. (supplemented, SG No. 60/2003) be able to verify information collected under Articles 7, 8 and 10.

(4) (Amended, SG No. 60/2003, repealed, SG No. 24/2009, effective 31.03.2009).

(5) (Amended, SG No. 60/2003, SG No. 59/2006, repealed, SG No. 24/2009, effective 31.03.2009).

(6) (Amended, SG No. 60/2003, SG No. 24/2009, effective 31.03.2009) Persons, who, under certain circumstances, can be assumed to be carrying out transactions in foreign currency in violation of Article 3, paragraph 1, shall submit upon request to auditors from the Ministry of Finance and the BNB any requested written explanations and documents and shall facilitate the completion of such audits on-site. In carrying out audits, auditing authorities of the Ministry of Finance and the Bulgarian National Bank shall enjoy the powers under paragraphs 2 and 3.

(7) (Repealed, SG No. 60/2003).

(8) (Amended, SG No. 60/2003, SG No. 96/2011) Post offices shall monitor the implementation of requirements under Article 11, paragraph 2, and Article 14, paragraph 2 and notify the customs authorities of any violations established by them.

(9) (Amended, SG No. 60/2003) State bodies and officials shall assist the authorities under Article 15 and under this Article in the exercise of their powers.

Coercive Administrative Measures

(Title amended, SG No. 60/2003)

Article 17

Whenever violations of this Act or of regulations on its implementations are observed:

1. the Minister of Finance or a person duly authorized by him, may:
 - a) (amended, SG No. 60/2003) issue written instructions for eliminating such violations within a period of time specified by the Minister;
 - b) (amended, SG No. 60/2003, SG No. 96/2011, SG No. 93/2018, effective 10.02.2019) impose the administrative coercive measure of impounding the sales outlet of persons under Article 3, paragraph 1, which are not banks;
 - c) (amended, SG No. 60/2003) revoke a registration certificate issued to any person conducting business as a currency exchange office;
2. the Bulgarian National Bank may:
 - a) (repealed, SG No. 60/2003, new, SG No. 96/2011) to perform verifications and compulsory collection of statistical information in line with Article 6 of Council Regulation (EC) No. 951/2009 of 9 October 2009 amending Regulation (EC) No

2533/98 concerning the collection of statistical information by the European Central Bank and Council Regulation (EC) No. 951/2009 of 9 October 2009 amending Regulation (EC) No. 2533/98 concerning the collection of statistical information by the European Central Bank (OJ L 269, 14.10.2009);

b) (amended, SG No. 60/2003, SG No. 59/2016) issue written directions for eliminating such omissions in the declaration under Article 7, paragraph 5, in the information under Article 8 or in the statistics forms under Article 10, paragraphs 1 and 2, where the requirements referred to in Articles 7, 8 and 10 and of their implementation legislation have not been met;

c) (repealed, SG No. 24/2009, effective 31.03.2009);

d) (repealed, SG No. 60/2003);

3. (repealed, SG No. 60/2003, new, SG No. 93/2018, effective 10.02.2019, amended, SG No. 14/2020) the Executive Director of the National Revenue Agency, or a person authorised thereby, may:

a) issue written instructions for eliminating such violations within a period of time specified by the Minister;

b) impose the administrative coercive measure of impounding the sales outlet of persons under Article 13, paragraph 1, which are not banks;

4. (repealed, SG No. 60/2003).

Penal Administrative Provisions

Article 18

(Amended, SG No. 60/2003)

(1) (Amended, SG No. 96/2011, SG No. 14/2020) Anyone who is found to have violated or permitted a violation under Article 16, paragraph 6 shall be fined from BGN 1 000 to BGN 3 000, unless the act constitutes a criminal offence. If the offender is a legal person or a sole proprietor, a property sanction from BGN 2 000 to BGN 6 000 shall be imposed.

(2) (New, SG No. 14/2020) Anyone who is found to have violated or permitted a violation under Article 11a, paragraphs 1, 2 or 3, or under Article 14a, paragraph 1, or under the regulatory acts implementing them, shall be penalised by a fine, if a natural person, or by a property sanction, if a legal person or a sole proprietor, in the amount of one fifth of the value of the undeclared cash or precious metals and gemstones and items containing them or made of them, unless the act constitutes a criminal offence.

(3) (New, SG No. 14/2020) Where the object of the violation under paragraph 2 has been concealed, the penalty shall be a fine for natural persons and a property sanction for legal persons or sole proprietors, in the amount of one fourth of the value of the undeclared cash or precious metals and gemstones and items containing them or made of them, unless the act constitutes a criminal offence. The same penalty shall also be imposed on anyone who has violated or permitted a violation under Article 11, paragraphs 2 and 3 and Article 14, paragraphs 2 and 3.

(4) (Renumbered from Paragraph (2), SG No. 14/2020) Any person found to effect currency exchange in violation of Article 3, paragraph 1 shall be fined from BGN 1 000 to 3 000 or penalized by a property sanction in the amount of BGN 5 000 to 15 000, if a legal person or a sole proprietor.

(5) (Renumbered from Paragraph (3), SG No. 14/2020) Any person registered in the register referred to in Article 3, paragraph 3 found in violation in connection with his activity under this Act or the regulation referred to in Article 3 paragraph 5 shall be penalized by a property sanction from BGN 2 000 to 6 000.

(6) (Renumbered from Paragraph (4), SG No. 14/2020) Any person referred to in Article 13, paragraph 1 found in violation in connection with his activity under Article 13 or an implementation regulation thereof shall be penalized by a fine from 1 000 to 3 000 levs, and where the offender is a legal person or a sole proprietor, property penalties shall be imposed in amounts from BGN 2 000 to 6 000.

(7) (Renumbered from Paragraph (5), amended, SG No. 14/2020) For repeated violation:

1. In case of a repeated violation under paragraphs 1, 4 and 5, the offender shall be fined or imposed a property sanction double the amount of that originally imposed;

2. In case of a repeated violation under paragraph 6, the offender shall be fined or imposed a property sanction double the amount of that originally imposed;

3. In case of a repeated violation under paragraph 2, the offender shall be penalised by a fine, if a natural person, or by a property sanction, if a legal person or sole proprietor, in the amount of one fourth of the value of the undeclared cash or precious metals and gemstones and items containing them or made of them;

4. In case of a repeated violation under paragraph 3, the offender shall be penalised by a fine, if a natural person, or by a property sanction, if a legal person or sole proprietor, in the amount of one third of the value of the undeclared cash or precious metals and gemstones and items containing them or made of them;

(8) (Renumbered from Paragraph (6), amended, SG No. 14/2020) In case of a violation under paragraphs 4, 5 or 6, notwithstanding any fine or property sanction imposed, as the case may be, the penalizing authority may deprive the offender from the right to exercise the respective activity for a period from one to six months, and in case of a repeated violation, for a period from two months to one year.

(9) (Renumbered from Paragraph (7), amended, SG No. 14/2020) In case of imposing an administrative penalty under Paragraph 8 under a penal ordinance, the coercive administrative measure of impounding the sales outlet shall also be applied.

(10) (Renumbered from Paragraph (8), amended, SG No. 14/2020) The execution of the administrative penalty under paragraph 8 and of the coercive administrative measure under paragraph 9 shall be terminated by the authorities which has imposed them, at the request of the person against which the administrative penalty has been imposed and after such person has proved that the imposed property sanction or fine has been paid in full.

(11) (Renumbered from Paragraph (9), amended, SG No. 14/2020) Deprivation of the right to exercise the respective activity under paragraph 6, as well as the coercive administrative measure under paragraph 7 shall be subject to preemptive execution, unless otherwise ruled by the court.

(12) (Amended, SG No. 93/2018, effective 10.02.2019, renumbered from paragraph (10), amended, SG No. 14/2020) Findings reports of administrative violations under paragraphs 1, 4, 5 and paragraph 7, item 1, shall be drawn up by officials authorized by the Minister of Finance, and penalty decrees shall be issued by the Minister of Finance or by officials authorized thereby. Where the perpetrated violation is under Article 13, paragraph 1, the findings reports of administrative violations under paragraph 6 and paragraph 7, item 2, shall be drawn up by the authorities of the National Revenue Agency and the penalty decrees shall be issued by the Executive Director of the National Revenue Agency or by officials authorised thereby.

(13) (New, SG No. 14/2020) The findings reports of administrative violations under paragraphs 2, 3 and paragraph 7, items 3 and 4, shall be drawn up by the customs authorities, and the penalty decrees shall be issued by the Director of the Customs Agency or by officials authorised thereby.

Article 18a

(New, SG No. 96/2011)

(1) In case of failure to perform the obligation under Article 11b, paragraph 3 and Article 14b, paragraph 2 natural persons shall be punished by a fine in the amount of BGN 1000 to 3000. Legal entities or sole proprietors shall be punished by a property sanction in the amount of BGN 2000 to 6000.

(2) In case of a repeated violation under paragraph 1 the persons shall be

punished by a fine or a property sanction in the double amount of the initially imposed sanction.

(3) The statements establishing the violations under paragraphs 1 and 2 shall be drawn up by the customs authorities. Penal decrees shall be issued by the director of the Customs Agency or by officers authorized by him.

Article 19

(Amended, SG No. 60/2003)□

(1) Anyone who is found to have violated or permitted a violation under Article 7, Article 8 and Article 10, paragraph 2 shall be fined from BGN 200 to 1 000 unless the violation constitutes a criminal offence.

(2) For a violation under Article 7, Article 8 and Article 10, paragraph 1, legal persons and sole proprietors shall be subject to property sanctions in amounts from BGN 2 000 to 10 000.

(3) (Repealed, SG No. 24/2009, effective 31.03.2009).□

(4) (Repealed, SG No. 24/2009, effective 31.03.2009).□

(5) (Amended, SG No. 96/2011) A bank found in violation of the provisions of this Act or any regulations on its implementation in their transactions or actions in foreign currency or precious metals shall be subject to property sanctions in amounts from BGN 5 000 to 25 000.

(6) (Amended, SG No. 96/2011) A bank employee found in violation or to have permitted a violation of the requirements of this Act or any regulations on its implementation shall be fined from BGN 500 to 2 500, unless the violation constitutes a criminal offence.

(7) In case of a repeated violation, the guilty person shall be penalized by a fine or a property sanction, as the case may be, in the following amounts:

1. under paragraph 1, from BGN 500 to 2 500;
2. under paragraph 2, from BGN 4 000 to 20 000;
3. under paragraph 3, from BGN 15 000 to 75 000;
4. under paragraph 4, from BGN 10 000 to 50 000;
5. under paragraph 5, from BGN 10 000 to 50 000;
6. under paragraph 6, from BGN 1 000 to 5 000.

(8) Findings reports for violations under paragraphs 1 through 7 shall be drawn up by officials authorized by the Governor of the BNB, whereas penal ordinances shall be issued by the Governor of the BNB or by officials duly authorized by the Governor.

Article 20

(New, SG No. 60/2003, amended and supplemented, SG No. 96/2011 repealed, SG No. 14/2020).□

Article 21

(New, SG No. 60/2003)

Drawing up actions, the issuance, appeal and execution of penal ordinances shall be done following the procedure of the Administrative Violations and Penalties Act.

SUPPLEMENTARY PROVISION

§ 1. For the purposes of this Act:

1. "precious metals" shall be gold, silver and platinum in processed or unprocessed form;

2. (amended, SG No. 96/2011) "local person" for the purpose of Article 7, 8 and 10 shall be a resident unit within the meaning of section 1.30 of Chapter One of Annex A to Council Regulation (EC) No. 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community;

3. (amended, SG No. 60/2003, SG No. 96/2011) "foreign persons" for the purpose of Article 7, 8 and 10 shall be any natural or legal person, which does not fulfill the conditions under subparagraph 2;

3a. (new, SG No. 60/2003) "permanent stay" shall refer to a stay in the Republic of Bulgaria with the right to an unlimited duration. Natural bodies referred to in subparagraphs 2 and 3 shall establish the presence or lack of permanent stay in the country in the meaning of this Act by means of a declaration;

4. (repealed, SG No. 96/2011);

5. (amended, SG No. 60/2003, repealed, SG No. 96/2011);

6. (new, SG No. 54/2006, amended, SG No. 96/2011) "cash" shall be:

a) cash - banknotes and coins, which are in circulation as a means of exchange and

b) bearer payment instruments;

7. (new, SG No. 54/2006) "bearer payment instruments" shall be:

a) traveler's cheque, cheque, promissory 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, promissory note, bill of exchange or any other payment instrument that has been signed but does not carry the name of the payee;

8. (amended, SG No. 60/2003, renumbered from Item 6, SG No. 54/2006) "trade credit" shall be any credit related to the sale of goods or provision of services that has been extended by the seller/buyer of a good or by the provider/recipient of the service under a specific transaction;

9. (amended, SG No. 60/2003, renumbered from Item 7, SG No. 54/2006) "financial credit" shall be the loaning of funds with a return obligation that is not a trade credit. The concept of financial credit shall include also financial leasing, borrowing and the transfer of claims under a financial credit.;

10. (amended, SG No. 60/2003, renumbered from Item 8, SG No. 54/2006 amended, SG No. 96/2011) "direct investment" shall be:

a) acquisition in a commercial enterprise on an economic territory different than the territory of the investor, of unlimited liability membership rights or of equity entitling to 10 and more than 10 percent of the votes in the general meeting or of the capital of the company;

b) the creation of a commercial enterprise on an economic territory different than the territory of the investor;

c) the granting of a loan for the purpose of direct investment purposes under items "a" and "b", or linked to an agreement for profit sharing;

d) any supplementary investment to the investment under items "a" and "b";

e) acquisition of real property on an economic territory different than the territory of the investor;

11. (repealed, SG No. 60/2003, renumbered from Item 9, SG No. 54/2006);

12. (repealed, SG No. 60/2003, renumbered from Item 10, SG No. 54/2006);

13. (renumbered from Item 11, SG No. 54/2006) "transactions in foreign currency by occupation" shall be:

a) the conduct over a period of one year of transactions with more than 10 persons, or

b) (amended, SG No. 24/2009, effective 31.03.2009) the conduct over a period of one year of transactions with more than 20 persons who are not banks or currency exchange offices, or

c) (amended, SG No. 60/2003) the dissemination of advertising statements, solicitations, including through boards, or proposals for transactions to an indeterminate circle of persons, including through the media;

14. (renumbered from Item 12, SG No. 54/2006) "currency exchange office" shall be a person that conducts professional deals in currency in cash;

15. (renumbered from Item 13, SG No. 54/2006, repealed, SG No. 24/2009 effective 31.03.2009);

16. (new, SG No. 60/2003, renumbered from Item 14, SG No. 54/2006) a "repeated" violation shall be any violation committed within one year after the entry into force of the penal ordinance under which that person was penalized for the same type of offence;

17. (new, SG No. 60/2003, renumbered from Item 15, SG No. 54/2006) an article of the folk crafts" shall refer to any item made by a person who is registered in the register of masters under the Skilled Crafts Act;

18. (new, SG No. 96/2011) "carrying across the border of the country" shall be carrying across the state border of the Republic of Bulgaria, including by postal consignments, of cash, precious metals and gems, as well as items containing them or made of them, from and to another member state of the European Union or import and export from and to a third country;

19. (new, SG No. 96/2011) "balance of payments" shall be a statistical report indicating through the respective sections the transborder transactions for a specific reporting period;

20. (new, SG No. 96/2011) "international investment position" shall be a statistical report reflecting through the respective sections the amount of the transborder financial assets and liabilities as of a specific date.

21. (new, SG No. 14/2020) "concealed" shall be:

- a) an object that is not found in the usual places, or
- b) an object that is concealed in a special way – with particular skill, or
- c) an object that is concealed using special technical means.

TRANSITIONAL AND CONCLUDING PROVISIONS

§ 2. Currency exchange offices whose licenses to conduct business in foreign currency have been revoked by the Bulgarian National Bank because of violations of banking or currency law committed after January 1, 1995, shall not be eligible to conduct such transactions for a period of five years after the entry into force of this Act.

§ 3. All persons operating as currency exchange offices shall register with the Ministry of Finance within 45 days of the entry into force of this Act. Persons who fail to submit registration applications within the above period shall lose their licenses to operate as currency exchange offices.

§ 4. All persons operating as financial houses shall file an application for license replacement with the Bulgarian National Bank within 45 days of the entry into force of this Act. Persons who fail to submit such applications within the above period shall lose their licenses to operate as financial houses.

§ 5. This Act shall revoke the Transaction with Currency Valuables and Currency Control Act (promulgated, SG No. 51/1966, amended, SG No. 26/1968, 92/1969, 51/1970 and 99/1989, 25/1991 and 10/1993; 40/1996: Ruling No. 6 of the Constitutional Court of 1996; SG No. 95/1996: Ruling No. 15 of the Constitutional Court of 1996).

§ 6. In Article 34, item 2 of the Administrative Procedure Act (promulgated, SG No 90/1979, amended, SG No. 9/1983, 26/1988, 94/1990, 25 and 61/1991, 19/1992, 65 and 70/1995, 122/1997, 15 and 89/1998) the words "under the Transaction with Currency Valuables and Currency Control Act" shall be replaced with "under the Foreign Exchange Act".

§ 7. Article 10, paragraph 1 of the Obligations and Contracts Act (promulgated, SC No. 275/1950, corrected, Izvestia 2/1950, amended, Izvestia 2/1950, 69/1951, 92/1952, SG No. 85/1963, 27/1973, 16/1977, 28/1982, 30/1990, 12 and 56/1993, 83 and 104/1996) shall be revoked.

§ 8. The Council of Ministers, the Minister of Finance and the Bulgarian National Bank shall adopt regulations on the implementation of this Act within three months of its entry into force.

§ 9. (Supplemented, SG No. 93/2018, effective 10.02.2019) Implementation of this Act shall be the responsibility of the Minister of Finance, the Minister of Economy and the Bulgarian National Bank.

§ 10. This Act shall enter into force on January 1, 2000.

TRANSITIONAL AND CONCLUDING PROVISIONS

to the Act on the Amendment and Supplement to the Foreign Exchange Act
(Promulgated, SG No. 60/2003)

§ 21. (1) Within 6 months after the effective date of this Act, all local legal persons or sole proprietors which have extended to or obtained from foreign persons any financial credit in existence as at the effective date of this Act shall file declarations with the BNB following a procedure established by the latter.

(2) The obligation referred to in paragraph 1 shall not apply to local legal persons or sole proprietors that have registered their financial credits with the BNB under the procedure set out in the repealed Article 4, paragraph 2 of the Foreign Exchange Act.

(3) Where a local legal person or sole proprietor orders a local bank to make a transfer of funds in connection with a financial credit extended by or to a foreign person prior to the entry into force of this Act, the local bank shall execute the transfer order upon verification that the financial credit has been registered with the BNB under the procedure set out in the repealed Article 4, paragraph 2 of the Foreign Exchange Act, or declared under paragraph 1 of this clause.

§ 22. Within 6 months after the effective date of this Act, all local legal persons or sole proprietors which have direct investments abroad as at the effective date of this Act shall file declarations with the BNB following a procedure established by the latter.

§ 23. (1) By 1 October, 2003, the Council of Ministers shall adopt, or the Minister of Finance and BNB shall issue, as the case may be, the implementation regulations for this Act.

(2) By 1 October, 2003, the Council of Ministers shall adopt a regulation on the terms and procedure for the business activity of persons providing loans against a pledge of chattels (pawn houses).

TRANSITIONAL AND FINAL PROVISIONS

to the Act amending the Cadastre and Property Register Act
(SG No. 36/2004)

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§ 62. Within a period of three months of the promulgation of this act in the State Gazette registrations under the nominal system shall be performed by the registration offices of the Registry Agency.

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TRANSITIONAL AND FINAL PROVISIONS

to the Act amending the Currency Act
(SG No. 96/2011)

§ 23. The Minister of Finance shall issue the regulation under Article 14d within a period of two months after the entry into force of this act.

§ 24. Secondary normative acts issued on the grounds of Article 6, paragraph 2, Article 10a, paragraph 4, Article 11, paragraph 6 and Article 14, paragraph 1 in force until now shall apply until the issuing of the respective new secondary normative acts, as far as they are not inconsistent with this act.

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§ 26. The provisions of § 2 and § 25, subparagraph 1 shall enter into force on January 1, 2012.

TRANSITIONAL AND FINAL PROVISIONS

to the Act amending the Currency Act
(SG No. 93/2018, effective 10.02.2019)

§ 6. (1) The certificates of entry on the register under Article 13, paragraph 2, issued prior to the entry into force of this act, shall remain valid.

(2) Any proceedings before the Ministry of Finance for entry on the register under Article 13, paragraph 2 that are in progress at the time of entry into force of this act shall be finalized by the Ministry of Economy.

§ 7. Within a period of three months after the entry into force of this act:

1. The Council of Ministers shall bring into conformity with it the secondary normative acts on its implementation;

2. the information from the register under Article 13, paragraph 2, the documents of the proceedings in progress as well as the archive, kept at the Ministry of Finance, shall be transferred to the Ministry of Economy.

§ 8. This act shall enter into force three months after its publication in the State Gazette.