

Limitation of Cash Payments Act

Promulgated, SG No. 16/22.02.2011, amended, SG No. 109/20.12.2013, effective 20.12.2013, supplemented, SG No. 98/28.11.2014, effective 28.11.2014, amended and supplemented, SG No. 107/24.12.2014, effective 1.01.2015, amended, SG No. 95/8.12.2015, effective 1.01.2016, amended and supplemented, SG No. 63/4.08.2017, effective 4.08.2017, SG No. 31/10.04.2018, amended, SG No. 94/29.11.2019

Text in Bulgarian: Закон за ограничаване на плащанията в брой

Chapter One SUBJECT MATTER AND EXCEPTIONS FROM THE SCOPE

Article 1. This Act shall regulate the limitations of cash payments in the territory of Bulgaria.

Article 2. This Act shall not be applied to:

1. cash withdrawals/deposits from/to personal payment accounts;
2. cash withdrawals/deposits from/to accounts of legally incompetent individuals or individuals with limited legal competence, spouses or lineal relatives;
3. cash transactions in foreign currency by occupation;
4. transactions in banknotes and coins a party to which is the Bulgarian National Bank;
5. replacement by banks of damaged Bulgarian banknotes and coins;
6. payments of employment remuneration in the meaning of the Labour Code;
7. (new, SG No. 98/2014, effective 28.11.2014) payments of deposits guaranteed in the meaning of the Bank Deposits Guarantee Act.

Chapter Two LIMITATIONS OF CASH PAYMENTS

Article 3. (1) Payments in the territory of Bulgaria shall be made only via bank transfers or deposits to payment accounts where:

1. (amended, SG No. 95/2015, effective 1.01.2016) their value is equal to or in excess of BGN 10,000;
2. (amended, SG No. 95/2015, effective 1.01.2016, SG No. 94/2019) their value is below BGN 10,000 but said payments may be considered a part of a linked payment transaction on the same grounds whose total value is equal to or exceeds BGN 10,000.

(2) (Amended, SG No. 95/2015, effective 1.01.2016) Paragraph 1 shall also apply in the cases of payments in foreign currencies where their equivalent in Bulgarian leva is equal to or in excess of BGN 10,000. The equivalent in Bulgarian leva shall be determined on the basis of the exchange rate of the Bulgarian National bank for the day of payment.

Article 4. (Amended, SG No. 109/2013, effective 20.12.2013) (1) (Amended, SG No. 107/2014, effective 1.01.2015, SG No. 63/2017, effective 4.08.2017) Transactions of budgetary organisations related to the collecting of revenues and other accounts receivable through card payments shall be serviced by the banks in Bulgaria on the grounds of agreements concluded between the Ministry of Finance and the banks in accordance with Article 154, paragraph 9 of the Public Finances Act and in accordance with the procedure specified in paragraph 4.

(2) The software and resource provision of the card payments referred to in paragraph 1 and the servicing and settlement related to them shall be performed by

the payment system operator, licensed by the Bulgarian National Bank, with settlement finality for the servicing of the payments under bank payment card transactions in the territory of Bulgaria on the grounds of an agreement concluded with the Ministry of Finance in accordance with Article 154, paragraph 10 of the Public Finances Act.

(3) (New, SG No. 63/2017, effective 4.08.2017) Virtual POS terminals or terminal POS payments are made to public receivables administered by the National Revenue Agency through a separate account of the Agency at the Bulgarian National Bank opened for the purpose.

(4) (New, SG No. 63/2017, effective 4.08.2017) The servicing of card payments under paragraph 3 shall be performed by the payment system operator with settlement finality under paragraph 2 on the basis of an agreement concluded between it and the National Revenue Agency.

(5) (New, SG No. 31/2018) Card payments relating to the collecting of revenues and other receipts of budgetary organisations specified in Article 153, Paragraphs (1), (3) and (4) of the Public Finance Act and of their lower-level spenders of budgets into accounts serviced by the Bulgarian National Bank can be serviced by the operator of the settlement finality payment system referred to in paragraph 2 on the grounds of a contract concluded by and between such operator and the relevant budgetary organisation.

(6) (Renumbered from Paragraph 3, amended, SG No. 63/2017, effective 4.08.2017, renumbered from Paragraph 5, amended, SG No. 31/2018) Card payments related to the collecting of revenues and other accounts receivable of budgetary organisations, not falling within the scope of the agreements referred to in paragraphs 1, 4 and 5 may be serviced on the grounds of an agreement concluded between the corresponding bank and the budgetary organisation.

(7) (Renumbered from Paragraph 4, amended, SG No. 63/2017, effective 4.08.2017, renumbered from Paragraph 6, amended, SG No. 31/2018) The amounts payable by the Ministry of Finance under the agreements referred to in paragraphs 1 and 2 shall be at the expense of the central budget, and the amounts payable under the contracts referred to in paragraphs 4, 5 and 6 shall be at the expense of the corresponding budget.

(8) (Renumbered from Paragraph 5, amended, SG No. 63/2017, effective 4.08.2017, renumbered from Paragraph 7, amended, SG No. 31/2018) Natural persons and legal entities shall not pay any bank commissions and fees for the card payments to budgetary organisations, referred to in paragraphs 1, 3, 5 and 6.

(9) (Renumbered from Paragraph 6, amended, SG No. 63/2017, effective 4.08.2017, renumbered from Paragraph 8, amended, SG No. 31/2018) The Minister of Finance and the Governor of the Bulgarian National Bank shall give instructions on the implementation of paragraphs 1 through 8.

Article 4a. (New, SG No. 107/2014, effective 1.01.2015) (1) Budgetary organisations can withdraw cash from their bank accounts only in connection with payments, the payment of which via bank transfers is practically impossible, bearing in mind the specific circumstances of the activity, as well as by exception, where overriding objective reasons exist.

(2) Funds for cash payments, which have been withdrawn from bank accounts of budgetary organisations and have not been used, shall be deposited in a timely manner back into the bank accounts, except by exception, where overriding objective reasons for keeping them in cash for future payments exist.

(3) Funds collected by budgetary organisations in cash shall be deposited in a timely manner into the corresponding bank accounts.

(4) Cash collected shall be spent directly from the cash-desk of the budgetary organisation only by exception or where, due to the nature of the activities, the implementation of paragraphs 1 and 3 is practically impossible.

(5) Heads of budgetary organisations shall specify and ensure the implementation of paragraphs 1 – 4 by introducing the relevant controls in accordance with the procedure of Article 13 of the Financial Management and Control in the Public Sector Act.

(6) In the event of failure to comply with the requirements of paragraphs 1 – 5, the Ministry of Finance may impose the measures referred to in Article 132, paragraph 4 of the Public Finances Act.

(7) The Minister of Finance shall give instructions on the implementation of paragraphs 1 – 6.

Chapter Three ADMINISTRATIVE AND PENAL PROVISIONS

Article 5. (1) Any person, who violates or allows the violation of Article 3 shall be liable to a fine in the amount of 25 percent of the payment made in the event that the person is a natural person, or to a pecuniary penalty in the amount of 50 percent of the payment made in the event that the person is a legal entity.

(2) In the event of a repeated violation under paragraph 1 the amount of the fine shall be 50 percent of the amount of the payment made, and the amount of the pecuniary penalty shall be 100 percent of the amount of the payment made.

Article 6. (1) The written statements ascertaining violations under this Act 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 officials authorised thereby.

(2) The drafting, issuing, appeal against and execution of the penalty decrees shall be made in accordance with the procedures of the Administrative Violations and Penalties Act.

ADDITIONAL PROVISION

§ 1. "Repeated" shall be any violation committed within one year after the entry into effect of the penalty decree whereby the offender was penalised for a violation of the same type.

TRANSITIONAL AND FINAL PROVISIONS

§ 2. This Act shall also apply to payments under Article 3, which have not been completed as at the day of entry of the Act into force.

§ 3. For year 2011 the Ministry of Finance can negotiate the clauses and prices referred to in Article 4, paragraph 1 within the framework of the agreements referred to in § 22, sub-paragraph 6 of the Transitional and Final Provisions of the 2011 State Budget of the Republic of Bulgaria Act.

§ 3a. (New, SG No. 63/2017, effective 4.08.2017) The agreement under Article 4, paragraph 4 between the National Revenue Agency and the payment system operator licensed by the Bulgarian National Bank with a settlement finality is concluded after the Bulgarian National Bank has informed the National Revenue Agency that the requirements of the Payment Services and Payment Systems Act have been met.

§ 4. In Article 2, paragraph 1 of the Currency Act (promulgated, SG No. 83 of 1999 amended, No. 45 of 2002, No. 60 of 2003, No. 36 of 2004, No. 105 of 2005, Nos. 43, 54 and 59 of 2006, and No. 24 of 2009) the text "in this act" is replaced by "in an Act of Parliament".

§ 5. The following amendments are made to Article 3 of the Measures Against Money

Laundering Act (promulgated, SG No. 85 of 1998; amended, Nos. 1 and 102 of 2001 No. 31 of 2003, Nos. 103 and 105 of 2005, Nos. 30, 54, 59, 82 and 108 of 2006, Nos. 52, 92 and 109 of 2007, Nos. 16, 36, 67 and 69 of 2008, Nos. 22, 23 and 93 of 2009, and Nos. 88 and 101 of 2010):

1. In paragraph 2, sub-paragraphs 21 and 24 are repealed.
2. Paragraph 7 is repealed.

This Act was adopted by the 41st National Assembly on 9 February 2011 and the official seal of the National Assembly was affixed hereto.