

Government Debt Act

Promulgated, State Gazette No. 93/1.10.2002, amended, SG No. 34/19.04.2005, effective 1.06.2005, amended and supplemented, SG No. 52/29.06.2007, effective 1.11.2007, SG No. 23/27.03.2009, effective 1.11.2009, SG No. 101/28.12.2010, effective 30.06.2011, amended, SG No. 99/16.12.2011, effective 1.01.2012, amended and supplemented, SG No. 103/28.12.2012, amended, SG No. 15/15.02.2013, effective 1.01.2014, supplemented, SG No. 50/3.07.2015, amended, SG No. 43/7.06.2016, supplemented, SG No. 98/9.12.2016, effective 1.01.2017, SG No. 91/14.11.2017, amended, SG No. 20/6.03.2018, effective 6.03.2018, supplemented, SG No. 86/18.10.2018, effective 1.03.2019, SG No. 51/1.07.2022

Text in Bulgarian: Закон за държавния дълг

Chapter One GENERAL PROVISIONS

Article 1. This Act shall regulate the procedure of undertaking government debt and for issuing government guarantees, the types of debt, and the government debt agency functions.

Chapter Two GOVERNMENT DEBT

Article 2. All financial obligations, undertaken on behalf and for the account of the government in compliance with the Constitution, shall constitute government debt, and shall represent a liability of the government.

Article 3. Where the government debt is revalued in Bulgarian leva, obligations denominated in foreign currency shall be translated at the exchange rate of the Bulgarian National Bank as of the date of revaluation.

Article 4. The government debt shall be undertaken through:

1. issues of government securities;
2. government loan agreements.

Article 5. (1) Government debt may be undertaken in the following cases:

1. to finance the budget deficit;
2. to finance investment projects and specific programmes, where approved by the National Assembly;
3. to refinance the government debt outstanding on or before the maturity date;
4. to meet payments under government guarantees that have become due;
5. to support the balance of payments of Bulgaria;
6. (new, SG No. 98/2016, effective 1.01.2017) to finance projects through financial instruments within the meaning of Article 2(11) of Regulation (EU) No. 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No. 1083/2006 (OJ, L

347/320 of 20 December 2013), provided by financial intermediaries selected by "Fund Manager of Financial Instruments in Bulgaria" EAD in an open, transparent, proportional and non-discriminatory procedure;

7. (new, SG No. 91/2017) to finance programmes and instruments for financial stabilisation and provision of extraordinary public financial support under the Recovery and Resolution of Credit Institutions and Investment Firms Act.

(2) Refinancing may also be used for the following purposes:

1. to reduce the present value of government debt servicing expenditures;
2. to extend the average weighted maturity (modified duration) of government debt;
3. to balance distribution of government debt payments.

(3) The conditions that investment projects referred to in Item 2 of Paragraph (1) should fulfil, and the procedure for consideration of any such projects shall be established by the Council of Ministers.

Article 6. The government debt may be agreed upon, issued and paid in leva or in foreign currency.

Article 7. (Repealed, SG No. 15/2013, effective 1.01.2014).

Chapter Three **(Repealed, SG No. 15/2013, effective 1.01.2014)** **DEBT LIMIT**

Article 8. (Repealed, SG No. 15/2013, effective 1.01.2014).

Article 9. (Repealed, SG No. 15/2013, effective 1.01.2014).

Article 10. (Repealed, SG No. 15/2013, effective 1.01.2014).

Article 11. (Repealed, SG No. 15/2013, effective 1.01.2014).

Chapter Four **POWERS RELATED TO GOVERNMENT DEBT**

Article 12. (1) The Minister of Finance shall sign on behalf of the government the government loan agreements on the basis of a Council of Ministers decision according to the procedure established by the International Treaties of the Republic of Bulgaria Act.

(2) Government securities shall be issued by the Minister of Finance.

(3) The Council of Ministers may also assign to other government authorities to participate together with the Minister of Finance, in negotiating government loans.

(4) (New, SG No. 98/2016, effective 1.01.2017) Any loan agreements referred to in Item 6 of Article 5 (1) herein shall be concluded by the competent on the basis of a decision of the Council of Ministers.

Article 13. The Minister of Justice shall prepare a legal opinion on the fact of ratification, which shall serve as a notification to the creditors in the cases where government loan agreements or guarantee agreements are ratified by the National Assembly.

Article 14. (1) The Minister of Finance may extend the proceeds of the loan to state bodies, financial institutions and/or other legal persons according to the conditions of the agreement, where a government loan agreement provides for target financing.

(2) State bodies and financial institutions referred to in Paragraph (1) may provide resources for financing investment projects or other activities of third parties that meet creditor's requirements and, to this end, an agreement shall be concluded with the Minister of Finance. To obtain such resources, the third parties shall furnish a security in an amount covering the principal and interest due therefrom.

Article 15. (1) The Minister of Finance shall prepare an annual report on the state of the government debt.

(2) (Amended, SG No. 15/2013, effective 1.01.2014) The annual report referred to in Paragraph (1) shall be considered by the Council of Ministers and shall be laid before the National Assembly together with the report on the implementation of the state budget for the relevant year.

Article 16. (1) (Amended, SG No. 43/2016) The Minister of Finance shall develop a government debt management strategy for the period of the respective medium-term budget forecast, which shall be approved by the Council of Ministers.

(2) (Repealed, SG No. 15/2013, effective 1.01.2014).

Article 17. The Minister of Finance may effect financial transactions for the purpose of reducing the risk related to the government debt structure.

Article 17a. (New, SG No. 103/2012) (1) The Minister of Finance shall be a competent authority within the meaning of Article 32 (1) of Regulation (EU) No. 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps (OJ L 86/1 of 24 March 2012), hereinafter referred to as "Regulation (EU) No. 236/2012", designated for the purpose of applying the said Regulation with regard to government securities and credit default swaps on government securities.

(2) The Minister of Finance may issue binding instructions in connection with the implementation of Regulation (EU) No. 236/2012 with regard to government securities and credit default swaps on government securities. The said instructions shall be published on the website of the Ministry of Finance.

(3) The Minister of Finance may conclude cooperation agreements on the implementation of Regulation (EU) No. 236/2012 with the competent supervisory authorities of the Republic of Bulgaria and other EU Member States.

Article 17b. (New, SG No. 103/2012) (1) Upon the discharge of the duties thereof under Regulation (EU) No. 236/2012 with regard to government securities and credit default swaps on government securities, the Minister of Finance as well as officials designated thereby shall have the powers according to Article 33 of Regulation (EU) No. 236/2012.

(2) The officials referred to in Paragraph (1) shall carry out on-site inspections and desk controls on the basis of an order issued by the Minister of Finance as to:

1. compliance with Regulation (EU) No. 236/2012 with regard to government securities and credit default swaps on government securities according to Article 33 of the said Regulation;

2. prevention and establishment of infringements of Regulation (EU) No. 236/2012 with regard to government securities and credit default swaps on government securities.

(3) The person being inspected shall be obliged to ensure all conditions necessary for the smooth conduct of the inspection.

(4) Upon the conduct of on-site inspections, the officials referred to in Paragraph (1) shall identify themselves by producing a service card and the order referred to in Paragraph (2). The order shall be unappealable.

(5) The person being inspected shall be obliged to cooperate with the Minister of Finance and with the officials referred to in Paragraph (1) upon the discharge of the duties thereof.

(6) The results of each on-site inspection shall be recorded in a statement of findings (executed in duplicate), which shall be signed by the officials referred to in Paragraph (1) who conducted the inspection and shall be served on the person inspected upon signed acknowledgement.

Article 17c. (New, SG No. 51/2022) (1) Any information, which the Minister of Finance acquires or generates for the purposes of the powers thereof according to Article 17a herein, shall be covered by professional secrecy. The information referred to in sentence one may be used solely for the exercise of the powers of the Minister of Finance for the implementation of Regulation (EU) No. 236/2012.

(2) Professional secrecy shall not constitute official secrecy within the meaning given by the Classified Information Protection Act.

(3) Any information which is subject to publication or disclosure according to a statutory instrument shall not be covered by professional secrecy.

(4) The Minister of Finance and the officials of the Ministry of Finance who have access to any such information shall be subject to the obligation of professional secrecy even after the said Minister has been released from office or, respectively, the civil-service relationships of the said officials have been terminated.

(5) The persons referred to in Paragraph (4) may use the information covered by professional secrecy only for the purposes and in the course of performing the official duties thereof. Any such information may not be disclosed or provided to any persons or authorities other than those specified in Paragraph (7).

(6) The restrictions under Paragraph (5) shall not apply if the information is provided in aggregated form, making it impossible to identify the persons referred to therein.

(7) Information covered by professional secrecy may be provided to the following authorities in connection with the performance of the functions or duties thereof:

1. the judicial authorities: in the cases of initiated criminal proceedings;
2. the court: in the cases of an appeal of an administrative act issued by the Minister of Finance;
3. the Bulgarian National Audit Office: for the purposes of the audits of the business as carried out thereby;
4. the Commission for Anti-Corruption and Criminal Assets Forfeiture and/or of the authorities thereof;
5. the authorities of other Member States which are assigned an obligation to supervise financial sector entities.

(8) Paragraphs (1) to (7) shall furthermore apply in the cases of information received from the competent supervisory authorities of other Member States.

Chapter Five

GOVERNMENT-GUARANTEED DEBT

Article 18. All financial obligations, for which the Council of Ministers has issued guarantees on behalf and for the account of the government in compliance with the requirements of the Constitution, shall be government-guaranteed debt.

Article 19. (1) The Minister of Finance shall participate in the negotiations on the extension of a government- guaranteed loan, and shall sign, on behalf of the government, agreements on the issuance of a government guarantee or guarantee letters pursuant to a Council of Ministers decision.

(2) The Council of Ministers may assign to other government authorities to participate in the negotiations of government guaranteed loans together with the Minister of Finance.

Article 20. Any proposals for revisions of the loan or guarantee agreement, in the cases of government guarantees already issued, shall be made after the advance approval of the Minister of Finance.

Article 21. (1) Borrowers under government-guaranteed loans shall provide the Minister of Finance, on or before the 15th day of each month, information on the state and movement of funds under the loan.

(2) Where necessary, the Minister of Finance may request additional information on the government-guaranteed loans from the state bodies that have proposed the issuance of the guarantee, and they shall provide it within fifteen days after receipt of the request.

Article 22. The conditions that projects applying for government-guaranteed financing should meet and the government guarantee issuance procedures shall be determined by the Council of Ministers.

Article 23. (1) Interest on and principal of government-guaranteed debt shall be paid by the borrowers.

(2) Payment under a government guarantee shall be due only in the event:

1. a borrower has not effected a full or partial payment on a loan in accordance with the terms and conditions of the loan agreement;
2. a creditor has taken the steps and actions provided for in the respective loan agreement for collection of the amounts due from the borrower.

Article 24. In the cases referred to in Item 1 of Article 23 (2) herein, the borrower and the creditor shall notify the Minister of Finance within three days.

Article 25. Where the requirements referred to in Item 2 of Article 23 (2) herein have not been provided for in the government guarantee issuance agreement, the Minister of Finance shall specify with the creditor the actions to be taken where a payment on a government guarantee is due, as well as the time limits within which the government should pay the overdue amount.

Article 26. As from the date of the payment under a government guarantee, the government shall accede to the creditor's rights under the loan agreement up to the amount of the payment made.

Article 27. (1) The borrower shall be obligated to reimburse in full the amounts paid to the creditor under a government guarantee, and the expenses incurred in relation to the payment.

(2) The Minister of Finance shall take any actions according to the legislation in force for the recovery of the amounts paid under the government guarantee.

Chapter Six

DEBT OF BULGARIAN NATIONAL BANK, DEBT OF MUNICIPALITIES AND OF SOCIAL SECURITY FUNDS

Article 28. The debt of the Bulgarian National Bank shall not be guaranteed by the government and shall not constitute a liability of the Council of Ministers except in the cases where a government guarantee has been issued according to the appropriate procedure.

Article 29. (Supplemented, SG No. 91/2017) The Bulgarian National Bank may undertake debt according to the provisions of the Bulgarian National Bank Act. The Bulgarian National Bank shall define by an ordinance the terms, conditions and procedure for the acquisition of, trade in and settlement of securities issued thereby.

Article 30. The debt of municipalities and of social security funds shall not be guaranteed by the government and shall not constitute a liability of the government, except in the cases where a government guarantee has been issued according to the appropriate procedure.

Chapter Seven PRIVATE DEBT

Article 31. All financial obligations undertaken by resident persons who or which do not act on behalf of the government, municipalities, social security funds or the Bulgarian National Bank shall constitute private debt.

Article 32. Private debt shall not be guaranteed by the government and shall not be a liability of the Council of Ministers, the municipalities, social security funds, or the Bulgarian National Bank, save in the cases where a government guarantee has been issued according to the appropriate procedure.

Article 33. The Bulgarian National Bank shall register and monitor the financial liabilities of residents to non-residents according to the legislation in force.

Chapter Eight GOVERNMENT DEBT AGENT

Article 34. (1) The Bulgarian National Bank shall act, under terms and conditions agreed with the Minister of Finance, as an agent for the government and government-guaranteed debt.
(2) To perform its functions referred to in Paragraph (1), the Bulgarian National Bank shall establish and maintain government and government-guaranteed debt registration and servicing systems.
(3) The relationships referred to in Paragraph (1) shall be regulated by an agency agreement, and the Ministry of Finance shall pay a commission for the agency services rendered by the Bank.

Article 35. (1) (Previous text of Article 35, SG No. 52/2007) For the purpose of performing the agency functions thereof, the Bulgarian National Bank shall:

1. (amended, SG No. 52/2007) establish and organise a system for conduct of auctions and subscriptions for the sale of government securities the participants wherein shall be determined by the ordinance referred to in Article 36 (1) herein;
2. (amended, SG No. 101/2010, effective 30.06.2011) establish and organise a system for registration of the issues of government securities and servicing the trade therein and keep registers of the participants in the system, who may be primary dealers, sub-depositories of government securities and other persons approved by the Minister of Finance and by the Governor of the Bulgarian National Bank according to the procedure established by the ordinance referred to in Article 36 (1) herein, and create conditions for the development of the secondary market;
3. (new, SG No. 52/2007, amended, SG No. 23/2009, effective 1.11.2009) establish and organise a system for settlement of government securities involving three or more members, who may be primary dealers, sub-depositories of government securities and other persons designated by the Minister of Finance and the Governor of the Bulgarian National Bank according to the procedure established by the ordinance referred to in Article 36 (1) herein, with common rules ensuring the fulfilment of obligations related to participation in the system on the basis of an agreement;
4. (renumbered from Item 3, amended, SG No. 52/2007) select, jointly with the Ministry of Finance, primary dealers of government securities and other participants in the government securities market, as

well take intervention measures against such participants in the event of violations, acting on the basis of criteria and rules endorsed by the Minister of Finance and the Governor of the Bulgarian National Bank;

5. (renumbered from Item 4, SG No. 52/2007) provide information on the financial position of primary dealers of government securities;

6. (renumbered from Item 5, SG No. 52/2007) carry out other activities as mutually agreed.

(2) (New, SG No. 101/2010, effective 30.06.2011) The Bulgarian National Bank shall maintain individual accounts, recording the government securities held by each participant, as well as joint accounts for the government securities held by clients of the participants. At the request of the participants, the Bulgarian National Bank shall issue a statement showing the amount and account activity of the government securities held thereby and jointly by clients thereof as entered into the registers.

(3) (New, SG No. 52/2007, renumbered from Paragraph 2, amended, SG No. 101/2010, effective 30.06.2011, amended and supplemented, SG No. 103/2012) Banks and branches of foreign banks operating in the territory of the Republic of Bulgaria whose licence includes the activities referred to in Items 4 and 9 of Article 2 (2) of the Credit Institutions Act, as well as institutions that have been granted an authorisation by the relevant Member State to perform activities as a central depository, may be sub-depositories of government securities issued on the domestic market.

(4) (New, SG No. 101/2010, effective 30.06.2011) The sub-depositories of government securities shall maintain systems for registration of the government securities held by clients of the sub-depositories and by clients of participants in the system referred to in Item 2 of Paragraph (1) which are not sub-depositories, as well as individual accounts recording the government securities held by the said clients.

(5) (New, SG No. 101/2010, effective 30.06.2011) For certification of the government securities held, the sub-depositories of government securities shall issue registered certificates to natural persons and, upon request, a statement of the accounts of legal persons maintained under Paragraph (4).

(6) (New, SG No. 50/2015) In case the Bulgarian National Bank terminates the participation of a participant in the systems referred to in Items 2 and 3 of Paragraph (1), the Bulgarian National Bank shall transfer ex officio any government securities held by the said participant or jointly by clients thereof to another participant who is a sub-depository of government securities, according to a procedure and in a manner established in the ordinance referred to in Article 36 (1) herein.

Article 35a. (New, SG No. 23/2009, effective 1.11.2009, amended, SG No. 101/2010, effective 30.06.2011, SG No. 20/2018, effective 6.03.2018) The provisions of Chapter Eight of the Payment Services and Payment Systems Act shall apply to the government securities settlement system managed by the Bulgarian National Bank.

Article 36. (1) (Supplemented, SG No. 52/2007, SG No. 50/2015) The Minister of Finance and the Bulgarian National Bank shall issue an ordinance establishing a procedure and terms for the acquisition, registration, redemption, and trade in government securities, except for trade on regulated markets in financial instruments and in multilateral trading facilities. The additional terms and procedure for the establishment of a registered pledge of government securities, including special pledges under the Registered Pledges Act, including the registered pledge under Article 152 (2) of the Public Finance Act, shall also be established by the ordinance referred to in sentence one.

(2) (Supplemented, SG No. 52/2007) The Minister of Finance, jointly with the Bulgarian National Bank, shall regulate the government securities market and shall issue an ordinance on the control of transactions in government securities, except for transactions effected on regulated markets in financial instruments and in multilateral trading facilities.

(3) (New, SG No. 52/2007, amended, SG No. 101/2010, effective 30.06.2011) The Bulgarian National Bank shall issue an ordinance on the settlement of government securities which shall regulate the

keeping of accounts for government securities with the Bulgarian National Bank and with the persons referred to in Article 35 (3) herein.

(4) (Renumbered from Paragraph 3, amended, SG No. 52/2007) The ordinances referred to in Paragraphs (1), (2) and (3) shall be promulgated in the State Gazette.

Article 37. The Minister of Finance may conclude agency agreements with other residents and non-residents as well.

Chapter Nine

INFORMATION ON THE DEBT

Article 38. (1) The Ministry of Finance shall maintain an official register of the government and government-guaranteed debt.

(2) (Effective 2.04.2003 - SG No. 93/2002, amended, SG No. 15/2013, effective 1.01.2014, repealed, SG No. 43/2016).

Article 39. (Amended, SG No. 34/2005, repealed, SG No. 15/2013, effective 1.01.2014).

Article 40. (Repealed, SG No. 15/2013, effective 1.01.2014).

Chapter Ten

COERCIVE ADMINISTRATIVE MEASURES AND ADMINISTRATIVE PENALTY LIABILITY

(Heading amended, SG No. 103/2012)

Article 40a. (New, SG No. 103/2012) When establishing that liable persons or any employees thereof, or any persons performing managerial functions under a contract or concluding transactions for the account of the said liable persons, have carried out or are carrying out any activities infringing Regulation (EU) No. 236/2012 or the binding instructions of the Minister of Finance, as well as where the exercise of the powers of the Minister of Finance according to Regulation (EU) No. 236/2012 is obstructed, the Minister of Finance may:

1. take the measure referred to in point (e) of Article 33 (2) of Regulation (EU) No. 236/2012 or oblige the persons concerned to take specific measures needed in order to prevent and rectify the infringements and the harmful consequences thereof within a time limit set by the Minister of Finance;
2. request from the Financial Supervision Commission or from another competent supervisory authority of a Member State the cessation of trading in government securities or sovereign credit default swaps or the removal of government securities or sovereign credit default swaps from trading on a regulated market or on another organised trading facility;
3. request from judicial authorities the freezing or sequestration of assets according to point (f) of Article 33 (2) of Regulation (EU) No. 236/2012.

Article 40b. (New, SG No. 103/2012) (1) Coercive administrative measures shall be applied on the basis of a reasoned order of the Minister of Finance.

(2) Orders referred to in paragraph 1 shall specify the type of the coercive administrative order and the manner of its application.

(3) Orders referred to in paragraph 1 shall be handed over to the person concerned as per the procedure laid down in the Administrative Procedure Code.

(4) Orders referred to in paragraph 1 may be appealed as per the procedure laid down in the Administrative Procedure Code.

(5) No appeal of an order referred to in paragraph 1 shall not have suspensive effect.

Article 40c. (New, SG No. 103/2012) (1) Whoever commits a violation of Article 7(1), Article 8 or Article 9 of Regulation (EU) No. 236/2012, or fails to prevent it, shall be sanctioned by a fine ranging from BGN 5,000 to 20,000, and in the event of a recurring violation the fine shall range from BGN 10,000 to 40,000.

(2) For violations under paragraph 1, legal persons shall be liable to a pecuniary sanction ranging from BGN 10,000 to 40,000, and in the event of a recurring violation the sanction shall range from BGN 20,000 to 80,000.

Article 40d. (New, SG No. 103/2012) (1) Whoever commits a violation of Article 13(1) or Article 14(1) of Regulation (EU) No. 236/2012, or fails to prevent it, shall be sanctioned by a fine ranging from BGN 5,000 to 50,000, and in the event of a recurring violation the fine shall range from BGN 10,000 to 100,000;

(2) For violations under paragraph 1, legal persons shall be liable to a pecuniary sanction ranging from BGN 10,000 to 100,000, and in the event of a recurring violation the sanction shall range from BGN 20,000 to 200,000.

Article 40e. (New, SG No. 103/2012) (1) Whoever fails to comply with an order of the Minister of Finance on the imposition of a coercive administrative measure under:

1. Article 40a(1) shall be sanctioned by a fine ranging from BGN 5,000 to 20,000, and in the event of a recurring violation the fine shall range from BGN 10,000 to 40,000;

2. Articles 19, 20 and 21 of Regulation (EU) No. 236/2012 shall be sanctioned by a fine ranging from BGN 10,000 to 100,000, and in the event of a recurring violation the fine shall range from BGN 20,000 to 200,000;

(2) For violations under paragraph 1(1), legal persons shall be liable to a pecuniary sanction ranging from BGN 10,000 to 50,000, and in the event of a recurring violation the sanction shall range from BGN 20,000 to 200,000.

(3) For violations under paragraph 1(2), legal persons shall be liable to a pecuniary sanction ranging from BGN 20,000 to 200,000, and in the event of a recurring violation the sanction shall range from BGN 40,000 to 400,000.

Article 40f. (New, SG No. 103/2012) (1) Funds received in violation of Regulation (EU) No. 236/2012 shall be sequestered as per Article 33(2)(f) of Regulation (EU) No. 236/2012.

(2) When a penal order, judicial decree, or another instrument orders the sequestration of funds, the instrument concerned shall be sent to the National Revenue Agency, within 7 days after its entry into force, for the purpose of execution.

Article 41. (1) A pecuniary penalty of BGN 5,000 or exceeding this amount but not exceeding BGN 10,000 shall be imposed in case of failure of legal persons to perform their obligations under Article 21 (1) herein, and any official responsible for the provision of information shall be punishable by a fine of BGN 500 or exceeding this amount but not exceeding BGN 2,000.

(2) In case of a repeated violation under Paragraph (1), legal persons shall be liable to a pecuniary penalty of BGN 10,000 or exceeding this amount but not exceeding BGN 15,000, and any official responsible for the provision of information shall be punishable by a fine of BGN 1,000 or exceeding this amount but not exceeding BGN 3,000.

Article 42. (1) In case of failure to perform the obligations thereof under Article 21 (2) herein, legal persons shall be liable to a pecuniary penalty of BGN 1,000 or exceeding this amount but

not exceeding BGN 5,000, and any official responsible for the provision of information shall be punishable by a fine of BGN 500 or exceeding this amount but not exceeding BGN 2,000.

(2) In case of a repeated violation under Paragraph (1), legal persons shall be liable to a pecuniary penalty of BGN 2,000 or exceeding this amount but not exceeding BGN 10,000, and any official responsible for the provision of information shall be punishable by a fine of BGN 1,000 or exceeding this amount but not exceeding BGN 2,000.

Article 43. (1) In case of failure to perform the obligations thereof under Article 24 herein, the borrower shall be liable to a pecuniary penalty of BGN 5,000 or exceeding this amount but not exceeding BGN 10,000, and any official responsible for the provision of information shall be punishable by a fine of BGN 500 or exceeding this amount but not exceeding BGN 2,000.

(2) In case of a repeated violation under Paragraph (1), legal persons shall be liable to a pecuniary penalty of BGN 10,000 or exceeding this amount but not exceeding BGN 15,000, and any official responsible for the provision of information shall be punishable by a fine of BGN 1,000 or exceeding this amount but not exceeding BGN 3,000.

Article 44. (Repealed, SG No. 15/2013, effective 1.01.2014).

Article 45. (1) The written statements ascertaining violations shall be drawn up by officials designated by the Minister of Finance, and the penalty decrees shall be issued by the Minister of Finance.

(2) The drawing up of written statements, the issuing, appeal against and execution of penalty decrees shall be follow the procedure established by the Administrative Violations and Sanctions Act.

SUPPLEMENTARY PROVISIONS

(Title amended, SG No. 103/2012)

§ 1. Within the meaning given by this Act:

1. "Refinancing" shall be the issuance of government debt, the funds of which shall be used for partial or full payment of another government debt.

2. "Debt issue" shall be the undertaking of financial liabilities by entities specified in the law.

3. (Amended, SG No. 99/2011, effective 1.01.2012) "Issuance of a government guarantee" shall be:

(a) the conclusion of a guarantee agreement to loan agreements;

(b) the undertaking of guarantee obligations in loan agreements;

(c) the issuance of a letter of guarantee in connection with loan agreements;

(d) the undertaking of guarantee obligations in an issue of securities.

A government guarantee shall be issued on behalf of the government.

4. "Social security funds" shall be the public social insurance funds, the Teachers' Pension Fund, and the National Health Insurance Fund.

5. (Repealed, SG No. 15/2013, effective 1.01.2014).

6. (New, SG No. 103/2012) "Member State" shall be any Member State of the European Union or another State that is party to the Agreement on the European Economic Area.

7. (New, SG No. 86/2018, effective 1.03.2019) "Undertaking and management of the government debt" shall include:

(a) activities related to the undertaking of government debt through issues of government securities on the local capital market and the international capital markets and state loan agreements;

(b) activities accompanying the process of issuance of government securities, such as the selection of primary dealers of government securities, the selection and designation of banks as managers and legal consultants, as well as all activities incidental to its servicing and reporting;

(c) effecting various financial transactions and operations on the secondary market of government securities aimed at reducing the risks that arise from the structure of the government debt and optimising the servicing of the government debt;

(d) services, activities, provision of software and resources for the official register of the government and government-guaranteed debt and of the official information about the debt and the guarantees of the General Government sub-sector according to the Public Finance Act;

(e) services, activities, provision of software and resources to ensure uninterrupted real-time access to financial and economic information for the purposes of monitoring and control of the secondary market of government debt, including means for the retrieval and analysis of prices of government securities, as well as for platforms for trading and registration of government securities on the local market and on the international markets.

§ 1a. (New, SG No. 103/2012) This Act creates conditions for the implementation of Regulation (EU) No. 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps (OJ L 86/1 of 24 March 2012).

TRANSITIONAL AND FINAL PROVISIONS

§ 2. In § 16 of the Transitional and Final Provisions of the Public Offering of Securities Act (promulgated in the State Gazette No. 114 of 1999; amended in Nos. 63 and 92 of 2000, Nos. 28 and 61 of 2002), Paragraph (3) shall be repealed.

§ 3. Within one month after the entry into force of this Act, the Minister of Finance and the Bulgarian National Bank shall issue the ordinances referred to in Article 36 herein.

§ 4. Within two months after the entry into force of this Act, the municipalities and the social security funds shall inform the Ministry of Finance of the outstanding debt or of the guarantees already issued.

§ 5. Within three months after the entry into force of this Act, the Council of Ministers shall adopt the acts referred to in Article 5 (3) and Article 22 herein.

§ 6. The provision of Article 38 (2) herein shall enter into force six months after the promulgation of this Act in the State Gazette.

§ 7. Article 11 of the Municipal Budgets Act (promulgated in the State Gazette No. 33 of 1998; amended in No. 69 of 1999; [modified by] Constitutional Court Decision No. 2 of 2001, [promulgated in] No. 9 of 2001; amended in No. 56 of 2002) shall be amended and supplemented as follows:

1. There shall be inserted a new Paragraph (4):

"(4) Together with the proposal referred to in Paragraph (3), the municipality mayor shall also submit to the Ministry of Finance a proposal for the intentions of the municipality to undertake municipal debt for budget deficit financing according to the procedure established by Article 10 herein."

2. The existing Paragraphs (4), (5), (6) and (7) shall be renumbered to become Paragraphs (5), (6), (7) and (8), respectively.

§ 8. The Council of Ministers shall be entrusted with the implementation of this Act.

TRANSITIONAL AND FINAL PROVISIONS

to the Payment Services and Payment Systems Act
(SG No. 23/2009, effective 1.11.2009)

.....
§ 6. (1) Within three months after the entry into force of this Act the payment service providers, payment system operators and other persons liable under this Act shall be obliged to bring into conformity with the Act the activities thereof and the legal relationships thereof with third parties, which have arisen prior to the entry into force of this Act.

(2) Payment service providers may use the methods and procedure for notification referred to in Article 42 (1) and Article 43 (1) and (2) [of the Payment Services and Payment Systems Act] when notifying the persons wherewith they have already concluded framework contracts of the intervening changes in the said contracts arising from this Act.

§ 7. Within three months after the entry into force of this Act, the BNB shall update the licences of the companies for cash transfers issued under the Funds Transfers, Electronic Payment Instruments and Payment Systems Act as superseded according to the requirements of this Act and shall enter the said companies in the register referred to in Article 17 [of the Payment Services and Payment Systems Act]. The updated licences shall be issued by the Governor of the BNB.

§ 8. Within three months after the entry into force of this Act, the BNB shall update the licences of system operators of payment systems under Article 60 of the Funds Transfers, Electronic Payment Instruments and Payment Systems Act as superseded according to the requirements of this Act and shall enter the said operators in the register referred to in Article 81 [of the Payment Services and Payment Systems Act]. The updated licences shall be issued by the Governor of the BNB.

§ 9. In cases other than those referred to in § 7 and 8 herein, companies engaged in any of the payment services under Article 4 [of the Payment Services and Payment Systems Act] shall submit an application to the BNB for the issuance of a licence within three months after the entry into force of this Act. Any company which fails to submit an application within the time limit referred to in sentence one or which, after the documents have been examined by the BNB, receives a refusal under Article 14 [of the Payment Services and Payment Systems Act], shall not have the right to operate as a payment institution.

§ 10. (Effective 27.03.2009 - SG No. 23/2009) The Governing Council of the BNB shall adopt ordinances on the application of Chapters Two, Three, Four and Six [of the Payment Services and Payment Systems Act] within three months after the promulgation of this Act in the State Gazette.

§ 11. The Governing Council of the BNB shall adopt an ordinance whereby the said Council shall determine the manner of the formation of the unique identifier of payment accounts kept by banks (IBAN).

.....
§ 21. This Act shall enter into force as from the 1st day of November 2009 with the exception of § 10 herein, which shall enter into force as from the date of promulgation of the Act in the State Gazette.

TRANSITIONAL AND FINAL PROVISIONS

to the Act Amending and Supplementing the
Payment Services and Payment Systems Act
(SG No. 101/2010, effective 30.06.2011)

.....
§ 69. This Act shall enter into force as from the 30th day of June 2011 with the exception of:

1. § 1 to 16, § 41 to 56 and § 62 and 66 herein, which shall enter into force as from the 30th day of April 2011;
2. § 60 and 68 herein, which shall enter into force as from the 31st day of December 2010.