

# 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

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.

(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**Article 7.** (Repealed, SG No. 15/2013, effective 1.01.2014).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### **(Repealed, SG No. 15/2013, effective 1.01.2014)**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 IN RELATION TO THE 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 the negotiations of government loans.

**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 debt 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 budgetary 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 the 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 Regulation in relation 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 in relation to government securities and credit default swaps on government securities. Those instructions shall be posted 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 those of other EU Member States.

**Article 17b.** (New, SG No. 103/2012) (1) When discharging their duties under Regulation (EU) No 236/2012 in relation to government securities and credit default swaps on government securities, the Minister of Finance and officials appointed by the latter shall have the powers referred to in 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 so as to:

1. comply with Regulation (EU) No. 236/2012 in relation to government securities and credit default swaps on government securities in accordance with Article 33 thereof;

2. prevent and establish violations of Regulation (EU) No. 236/2012 in relation to government securities and credit default swaps on government securities.

(3) The person who is the subject of the inspection shall ensure all conditions necessary for the smooth progress of the inspection.

(4) When carrying out on-site inspections, the officials referred to in paragraph 1 shall present proof of their identity by producing their service card and the order referred to in paragraph 2. The order may not be appealed.

(5) The person who is the subject of the inspection shall assist the Minister of Finance and the officials referred to in paragraph 1 when they discharge their duties.

(6) The results of each on-site inspection shall be reflected in a statement of findings (executed in duplicate) which shall be signed by those officials referred to in paragraph 1 who conducted the inspection and shall be handed over to the person who is the subject of the inspection upon signed acknowledgement.

## **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 and principal on 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 together 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 effective legislation to recover the amounts paid under the government guarantee.

## **Chapter Six**

# **DEBT OF THE BULGARIAN NATIONAL BANK, DEBT OF MUNICIPALITIES AND OF SOCIAL INSURANCE 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, save in the cases where a government guarantee has been issued according to the appropriate procedure.

**Article 29.** The Bulgarian National Bank may undertake debt pursuant to the provisions of the Bulgarian National Bank Act.

**Article 30.** The debt of municipalities and of the social insurance funds shall not be guaranteed by the government, and shall not constitute a liability of the government, save 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 insurance 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 insurance 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 effective legislation.

## 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 its agency functions, the Bulgarian National Bank shall:

1. (amended, SG No. 52/2007) establish and organise a system for conduct of auctions and subscriptions for sale of government securities the participants wherein shall be specified by the ordinance under Article 36 Paragraph (1);

2. (amended, SG No. 101/2010, effective 30.06.2011) establish and organise a system for registration of government securities issues and servicing the trade therein and maintain 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), 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 organize a system for settlement of government securities in which three or more members shall participate, who may be primary dealers, sub-depositories of government securities and other persons determined by the minister of finance and the governor of the Bulgarian National Bank under the terms of the ordinance under Article 36 Paragraph (1), with common rules providing for the discharge of obligations related to participation in the system on the basis of agreement;

4. (previous item 3, amended, SG No. 52/2007) select, jointly with the Ministry of Finance, government securities primary dealers and other participants in the government securities market, as well as take enforcement measures against them in case of violations - in accordance with criteria and rules approved by the Minister of Finance and the Governor of the Bulgarian National Bank;

5. (previous item 4 - SG No. 52/2007) provide information on the financial position of

government securities primary dealers;

6. (previous item 5 - SG No. 52/2007) perform other mutually agreed activities.

(2) (New, SG No. 101/2010, effective 30.06.2011) The Bulgarian National Bank shall maintain individual accounts, reporting 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 within the territory of the Republic of Bulgaria whose licence covers 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 as referred to in Item 2 of Paragraph (1) which are not sub-depositories, as well as individual accounts reporting 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 of termination by the Bulgarian National Bank of the participation of a participant in the systems under paragraph (1), items 2 and 3, the Bulgarian National Bank shall transfer ex officio any government securities, held by that participant or jointly by its clients to another participant – a sub-depository of government securities, following procedure and in a manner, specified in the ordinance under Article 36 Paragraph (1).

**Article 35a.** (New, SG No. 23/2009, effective 1.11.2009, amended, SG No. 101/2010, effective 30.06.2011) The provisions of Chapter Five "a" 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 acquisition, registration, redemption, and trade in government securities, except for trade on regulated markets in financial instruments and multilateral trading facilities. The additional conditions and procedure for establishment of special pledge under Registered Pledges Act over government securities, including special pledge under Article 152, paragraph (2) of the Public Finance Act, shall also be determined by the ordinance under the first sentence.

(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 trade on regulated markets in financial instruments and 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 governing the keeping of accounts for government securities with the Bulgarian National Bank

and with the persons under Article 35, Paragraph (3).

(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 LIABILITY**

**Article 40a.** (New, SG No. 103/2012) When establishing that taxable persons or their employees, or persons with managerial functions conferred under a contract or persons who execute deals at the expense of the former, have carried out or are carrying out activities that violate Regulation (EU) No 236/2012 or the binding instructions of the Minister of Finance, as well as when the exercise of the latter's powers pursuant to Regulation (EU) No 236/2012 is obstructed, the Minister of Finance may:

1. undertake the measure referred to in Article 33(1)(e) of Regulation (EU) No 236/2012 or obligate the persons concerned to undertake specific measures needed in order to prevent and rectify the violations and their negative repercussions within a time limit set by the Minister of Finance;

2. require from the Financial Supervision Commission or another competent supervisory authority of a Member State the cessation of the trading in government securities or credit default swaps on government securities or their removal from trading on a regulated market or another organised trading facility;

3. require from the judicial authorities the freezing or the sequestration of assets pursuant to Article 33(1)(f) 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. "Issuance of debt" shall be the undertaking of financial liabilities by entities determined by the law.

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

- a) the conclusion of guarantee agreement to loan agreements;
- b) the undertaking of guarantee obligations under loan agreements;
- c) issuing of a letter of guarantee in connection with loan agreements;
- d) the undertaking of guarantee obligations in case of issuance of securities.

Government guarantees shall be issued on behalf of the government.

4. "Social insurance 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 Contracting Party to the Agreement on the European Economic Area.

**§ 1a.** (New, SG No. 103/2012) This Act makes provision for the application 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.** Paragraph (3) of § 16 of the Transitional and Final Provisions of the Public Offering of Securities Act (promulgated in the State Gazette No. 114/1999; amended in Nos. 63 and 92/2000, Nos. 28 and 61/2002) is hereby repealed.

§ 3. Within one month after the entry of this Act into force, 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 of this Act into force, the municipalities and the social insurance funds shall inform the Ministry of Finance of the outstanding debt or the guarantees already issued.

§ 5. Within three months after the entry of this Act into force, 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. 33/1998; amended in No. 69/1999; modified by Constitutional Court Judgment No. 2/2001, promulgated in No. 9/2001; amended in No. 56/2002) shall be amended and supplemented as follows:

1. There shall be inserted the following new paragraph:

"(4) Together with the proposal referred to in Paragraph (3), the municipality mayor shall also submit to the Ministry of Finance a proposal on the municipality's intentions 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.

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#### 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)

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§ 69. This Act shall enter into force on 30 June 2011 with the exception of:

1. paragraphs 1 - 16, § 41 - 56 and § 62 and 6 6, which shall enter into force on 30 April 2011;
2. paragraphs 60 and 68, which shall enter into force on 31 December 2010.