

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

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 ..TEX T:

(Title amended, SG No. 24/2009, effective 31.03.3009)

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) 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.

(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 31.03.3009)

(7) (Repealed, SG No. 24/2009, effective 31.03.3009)

(8) (Repealed, SG No. 24/2009, effective 31.03.3009)

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

Article 7

(Amended, SG No. 60/2003)

(1) (Amended, SG No. 96/2011) To meet the needs of the statistics of the balance of payments, suppliers of payment services shall maintain registers concerning any transaction or payment between a domestic and a foreign person, as well as of any transborder transfer or payment in an amount equal to or exceeding BGN 100 000.

(2) (Amended, SG No. 96/2011) Persons conducting the payment or transaction shall provide the persons referred to in paragraph 1 with a standard statistical form as approved by the BNB.

(3) (Amended, SG No. 96/2011) The persons referred to in paragraph 1 shall refuse to take actions involved in effecting the payment or transfer unless the statistics form referred to in paragraph 2 is provided to them.

(4) (Amended, SG No. 96/2011) When funds are being wired from abroad, local persons that are the recipients of such funds shall fill in the statistics forms referred to in paragraph 2 within 30 days following the transfer notification by the persons referred to in paragraph 1.

(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) Information collected as per paragraphs 1 and 4 shall be provided to the BNB following a procedure established under the regulation referred to in paragraph 11.

(9) (Amended, SG No. 96/2011) The persons under paragraph 1 may not provide to any other person and institution the information they have 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 on 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 , 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 Article 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 Art. 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) The information under this article shall be collected and processed in line with Article 17a of the Customs Act and the Protection of Personal Data Act.

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) When carrying cash in the amount of BGN 30 000 or more or their equivalent in another currency across the border of the country to a third country, the persons shall also submit a certificate issued by the competent territorial directorate of the National Revenue Agency concerning non-existence of liabilities or a document certifying that the person is not registered in the register of the National Revenue Agency
- (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.

Extraction, Processing and Trade of Precious Metals and Gemstones and in
Items Containing them or Made of them by Occupation

Article 13

(Amended, SG No. 60/2003)

(1) Persons who are professionally engaged in the extraction, processing and trade of precious metals and gemstones and items containing them or made of them by occupation shall register with the Ministry of Finance within 14 days of commencement of operation.

(2) (Supplemented, SG No. 96/2011) A public register of persons engaged in the production, processing and trade of precious metals and gemstones and items made containing them or made of them by occupation shall be kept and maintained with the Ministry of Finance. For registration in such register or the issuing of a certificate under the Kimberley Process Certification Scheme for international trade of rough diamonds for physical inspection of the batches/shipments of rough diamonds, fees shall be charged under a price tariff approved by the Council of Ministers.

(3) 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 2, and the requirements applicable to the business of persons referred to in paragraph 1.

(4) (Amended, SG No. 96/2011) 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 3. 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

(Amended, SG No. 60/2003, 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) The Minister of Finance, 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 31.03.3009)
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 31.03.3009)

(5) (Amended, SG No. 60/2003, SG No. 59/2006, repealed, SG No. 24/2009, effective 31.03.3009)

(6) (Amended, SG No. 60/2003, SG No. 24/2009, effective 31.03.3009) 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

(Amended, SG No. 60/2003)

Article 17

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

1. the Minister of Justice 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) impose the administrative coercive measure of impounding the sales outlet of persons under Article 3, paragraph 1 and persons referred to under Article 13, 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) issue written directions for eliminating such omissions in the registers under Article 7, paragraph 1, 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 Article 7, 8 and 10 and of their implementation legislation have not been met;

c) (repealed, SG No. 24/2009, effective 31.03.3009)

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

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

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

Penal Administrative Provisions

Article 18

(Amended, SG No. 60/2003)

(1) (Amended, SG No. 96/2011) Anyone who is found to have violated or permitted a violation under Article 11, paragraphs 2 and 3, Article 11a, paragraphs 1, 2 and 3, Article 14, paragraphs 2 and 3,

Article 14a, paragraphs 1 and Article 16, paragraph 6, as well as any regulations on their implementation, shall be fined from BGN 1 000 to 3 000, unless the violation constitutes a criminal offence. If the offender is a legal person or a sole proprietor, a property sanction from BGN 2 000 to 6 000 shall be imposed.

(2) 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.

(3) 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.

(4) 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.

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

(6) In case of a violation under paragraphs 2, 3 or 4, 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.

(7) In case of imposing an administrative penalty under paragraph 6 under a penal ordinance, the coercive administrative measure of impounding the sales outlet shall also be applied.

(8) The execution of the administrative penalty under paragraph 6 and of the coercive administrative measure under paragraph 7 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.

(9) 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 pre-emptive execution, unless otherwise ruled by the court.

(10) Findings reports of violations under paragraphs 1 through 6 shall be drawn up by officials authorized by the Minister of Finance, whereas penal ordinances shall be issued by the Minister of Finance or by officials authorized by the Minister.

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 31.03.3009)

(4) (Repealed, SG No. 24/2009, effective 31.03.3009)

(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)

(1) (Previous Article 20, amended, SG No. 96/2011) The object of the violation in case of carrying across the border of the country of cash, precious metals and gemstones, as well as items containing them or made of them, shall be taken in favour of the state, including in cases where the offender cannot be identified.

(2) (New, SG No. 96/2011) Paragraph 1 shall not apply in case of violations under Article 18a.

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 Provisions

§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 31.03.3009) 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 31.03.3009)
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 Handicrafts 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.

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, SG51/1966, amended SG 26/1968, 92/1969, 53 and 99/1989, 25/1991 and 10/1993;40/1996: Ruling No. 6 of the Constitutional Court of 1996; SG 95/1996: Ruling No. 15 of the Constitutional Court of 1996).

§ 6. In Article 34, item 2 of the Administrative Procedure Act (promulgated, SG 90/1979, amended, 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, SG 275/1950, corrected Izvestia 2/1950, amended Izvestia 2/1950, 69/1951, 92/1952, SG 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. Implementation of this Act shall be the responsibility of the Minister of Finance and the Bulgarian National Bank.

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

ACT ON THE AMENDMENT AND SUPPLEMENT TO THE FOREIGN EXCHANGE ACT

(Promulgated SG No. 60/4.07.2003)

TRANSITIONAL AND CONCLUDING PROVISIONS

§ 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, para 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, para 2 of the Foreign Exchange Act, or declared under para 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.

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.