

**ORDINANCE No 5 of 4 October 2007 on the Terms and Procedure for Acquisition,  
Registration, Redemption and Trade in Government Securities**

Published in State Gazette, issue 85 of 23 October 2007; in force since 01 November 2007; amended, issue 100 of 19 November 2013, issue 56 of 24 July 2015, in force since 24 July 2015, issue 29 of 07 April 2017)

**Chapter One**

**GENERAL PROVISIONS**

**Article 1.** (1) This Ordinance shall establish the terms and procedure for acquisition, registration, redemption and trade in book-entry government securities hereinafter referred to as ‘government securities’ (GS), issued by the Minister of Finance in the domestic market. This ordinance shall not apply to trade in GS on regulated markets or multilateral trading facilities.

(2) (new , State Gazette State Gazette, issue 29 of 2017) This ordinance shall also apply to registration of GS transactions concluded on a regulated market or a multilateral trading facility (MTF).

(3) (former paragraph 2, State Gazette State Gazette, issue 29 of 2017) Book-entry GS shall be GS that are not issued in a physical form but exist in the form of accounting and/or electronic entries in software systems certifying the ownership over these GS.

**Article 2.** (1) GS shall be issued by a decision of the Minister of Finance.

(2) GS may be:

1. ‘short-term government securities’ – with an original maturity up to one year included
2. ‘medium-term government securities’ – with an original maturity between one and five years included;
3. ‘long-term government securities’ – with an original maturity more than five years.

(3) GS may yield income in the form of discount from the face value and/or interest.

(4) The Bulgarian National Bank shall:

1. organise the activities related to the sale of GS on behalf and for the account of the state and publish information concerning them; establish and maintain a System for Carrying out GS Auctions and Sale Subscriptions (GSAS) for that purpose;
2. adopt a tariff on fees and commissions charged on GS transactions in the primary and secondary markets upon coordination with the Ministry of Finance;
3. establish and maintain the Electronic System for Registration and Servicing Trade in GS (ESROT);
4. establish and maintain the GS Settlement System (GSSS).

(5) All GS issued by the Minister of Finance shall be registered by the BNB in the systems under paragraph 4, items 3 and 4.

(6) (new, State Gazette, issue 100 of 2013) GS issued by the Minister of Finance on the domestic market, registered by the BNB under paragraph 5, may be transferred to central securities depositories established in other member states under the terms of direct participation of the respective central securities depository within the meaning of Article 3, paragraph 1, item 5.

(7) (new, State Gazette, issue 100 of 2013) ESROT participants may transfer and hold the GS they own in central securities depositories established in other member states subject to the provisions of paragraph 6. In the cases referred to in the foregoing sentence, all transactions in GS owned by the ESROT participants shall, as from the moment of their registration on the respective accounts with a central securities depository established in another member state, be subject to the laws in force in the member state concerned that are applicable to the respective account of the central securities depository.

(8) (former paragraph 6, State Gazette, issue 100 of 2013) The Bulgarian National Bank shall organize its activities referred to in paragraphs 4 and 5 under an agency contract signed with the Minister of Finance.

(9) (former paragraph 7, amended, State Gazette, issue 100 of 2013) All transactions concluded under this Ordinance with flows on the cash settlement accounts in the Real-time Interbank Gross Settlement System RINGS and in the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) shall be carried out in accordance with the 'delivery versus payment (DVP)' principle.

**Article 3.** (1) Following entities may become ESROT participants:

1. primary dealers of GS;
2. subdepositories of GS;
3. investment intermediaries other than the entities under item 1 whose licenses include the services and activities under Article 5, paragraph 2, items 1, 2 and 3 of the Law on Markets in Financial Instruments, including investment intermediaries from other member states;
4. banks other than the entities under items 1 and 2 whose licenses include the services and activities under Article 2, paragraph 2, items 8 and 9 of the Law on Credit Institutions, including banks from other member states;
5. member states' central securities depositories (CSDs);
6. the Bulgarian National Bank and other members of the European System of Central Banks;
7. the Ministry of Finance;
8. (repealed; State Gazette, issue 29 of 2017);
9. other entities approved by the Minister of Finance and the Governor of the BNB.

(2) Primary dealers shall be the entities approved by the Minister of Finance under Ordinance No. 15 of 2007 on the Control over Transactions in Government Securities (Ordinance No. 15 of 2007)

(3) (amended, State Gazette, issue 100 of 2013) Subdepositories of GS may be credit institutions under Article 2, paragraph 5 of the Law on Credit Institutions whose licenses include the activities under Article 2, paragraph 2, items 4 and 9 of the Law on Credit Institutions, as well as institutions authorised to act as a central securities depository in the member state concerned.

(4) ESROT participants shall also be participants in the GSSS.

**Article 4.** (1) ESROT participants shall meet the following requirements:

1. (amended, State Gazette, issue 29 of 2017) persons, except those under Article 3, paragraph 1, items 6, 7 and 9, shall hold a licence issued by the relevant competent authority;
2. (amended, State Gazette, issue 100 of 2013) to have a cash settlement account in RINGS and in TARGET2 or specify a cash settlement account of a bank in RINGS or TARGET2 which they will use for the cash settlement of their transactions in GS on the basis of an agreement concluded with the bank.
3. to have technical communication facilities, by means of which they shall be sending requests for and notifications of transactions in GS on the secondary market and will be receiving notifications and confirmations from the BNB.

(2) (amended, State Gazette, issue 100 of 2013) the technical communication facilities that may be used shall be: SWIFT and the ESROT WEB-based interface using a qualified certificate for electronic signature (QES).

(3) Other technical facilities may be used upon notification by the Ministry of Finance and the Bulgarian National Bank that they are ready to introduce them.

(4) (new, State Gazette, issue 100 of 2013) To facilitate the direct participation in ESROT, the participants under Article 3, paragraph 1, item 5 may designate a local subdepository of GS acting as a technical operator of their link to the ESROT, on behalf and for the account of the respective participant under Article 3, paragraph 1, item 5, performing the entire communication with ESROT on the basis of an agreement concluded between them,.

**Article 5.** (1) Eligibility for participation in ESROT shall be determined by a commission which consists of three permanent and three reserve members nominated by the head of Fiscal Services Department at the BNB.

(2) Applicants for participation in ESROT shall submit an application to the Fiscal Services Department prepared in accordance with the model (Appendix 1) signed by the persons authorized to represent the institution. Following documents shall be attached to the application:

1. (amended, State Gazette, issue 100 of 2013; amended; State Gazette, issue 29 of 2017) an Unified Identification Code an excerpt from the Commercial Register issued not more than one month before the date of submission of the application; an applicant willing to participate in ESROT, established in another member state or in a third country, shall enclose a relevant document equivalent to an excerpt from the Commercial Register issued by a judicial or administrative authority of the state where it is established; where the relevant national law of the applicant concerned does not provide for such a document, another document establishing the status of the candidate shall be enclosed; participants under Article 3, paragraph 1, items 6 and 7 shall not submit such an excerpt;
2. certified true copies of specimens of signatures of the persons authorized to represent the institution.
3. a copy of the bank/investment intermediary license;
4. (amended, State Gazette, issue 100 of 2013) an application for opening GS settlement accounts (Appendix 1 to Article 9 of Ordinance No. 31 of 2007 on GS Settlement);
5. (amended, State Gazette, issue 100 of 2013) Business Identifier Code (BIC) of participant which shall be used for ESROT communication and data on the QES certificates of users authorized by the participant to communicate via the ESROT WEB-based interface;
6. a list of persons authorised to establish contacts in case of problems with participant's GS operations.

(3) (amended, State Gazette, issue 100 of 2013) For the purpose of the cash settlement of primary and secondary market GS operations in BGN and EUR:

1. (amended, State Gazette, issue 100 of 2013) participating banks shall specify the number of their cash settlement account in RINGS and in TARGET2-BNB or in another TARGET2 system component as well as the BIC code in TARGET2.
2. (new, State Gazette, issue 100 of 2013) participants that don't have a cash settlement account in RINGS shall enclose a model statement ( Appendix 2), in which the bank that they have chosen agrees to be participant's settlement bank; participants that don't have a cash settlement account in TARGET 2 shall enclose a model statement ( Appendix 2a) stating that they have concluded an agreement with a bank of their choice on the settlement of payments on GS operations in EUR through this bank's accounts in the respective system component of the specified national central bank; the ESROT operator shall notify the settlement bank participating in the TARGET2-BNB system component of the receipt of this statement.
3. (repealed, former item 2; State Gazette, issue 100 of 2013) non-bank participants willing to open a cash settlement account in BGN with the BNB shall file an application for opening such an account to the Banking Department; this account shall be different from the settlement account of a participant in RINGS and shall be used for the purpose of cash settlement of GS operations only;
4. (new, State Gazette, issue 100 of 2013) for the purpose of cash settlement in EUR each settlement bank which directly participates in the TARGET2-BNB national system component or in another TARGET2 system component shall complete a debit mandate in accordance with an approved form which shall be signed by both the settlement bank and the BNB.

(4) (amended, State Gazette, issue 100 of 2013) Transactions in GS between two ESROT participants where one of the participants is the settlement bank of the other, as well as transactions between two ESROT participants that have the same settlement bank, shall be registered in ESROT without flows on the cash settlement accounts in RINGS and with flows on the cash settlement accounts in TARGET2.

(5) (new, State Gazette, issue 100 of 2013) The ESROT operator shall debit/credit ex-officio the cash settlement accounts in RINGS and TARGET2 used by the participants for their transactions in GS.

(6) (former paragraph 5, State Gazette, issue 100 of 2013) ESROT participants under Article 3, paragraph 1, items 1, 3 and 4, that are not subdepositories of GS shall enclose a model statement (Appendix 3) on the basis of a contract concluded with a subdepository bank of their choice where they will deposit GS they have transferred to clients.

(7) (new; State Gazette, issue 29 of 2017) Commission under paragraph 1 shall examine the candidate's application for participation and documents enclosed thereto. Following an assessment of compliance with the effective legislation and the Principles for Financial Market Infrastructures adopted by the Committee on Payment and Market Infrastructures (CPMI) and IOSCO (International Organization of Securities Commissions), the BNB shall provide its response to the candidate within three months of receipt of all required documents.

(8) (former paragraph 6, amended and supplemented, State Gazette, issue 100 of 2013, former paragraph 7, amended; State Gazette, issue 29 of 2017) Upon submission of required documents and after conducting successful tests for the technical preparedness of the participant for communication with ESROT via SWIFT and/or ESROT WEB-based interface when using a qualified electronic signature, an agreement for participation in ESROT shall be signed between the BNB and the participant in a form approved by the BNB. Where necessary, ESROT participants under Article 3, paragraph 1, items 5, 6, 7 and 9 shall sign specific participation agreements depending on the nature of the services used.

(9) (former paragraph 7, amended , State Gazette, issue 100 of 2013, former paragraph 8; State Gazette, issue 29 of 2017) The Bulgarian National Bank shall reserve the right to refuse access to ESROT to a participant, stating in writing the reasons.

(10) (former paragraph 8, State Gazette, issue 100 of 2013, former paragraph 9; State Gazette, issue 29 of 2017) The Bulgarian National Bank shall keep an up-to-date list of ESROT participants which shall be available on its official website.

(11) (former paragraph 9, amended, State Gazette, issue 100 of 2013, former paragraph 10; State Gazette, issue 29 of 2017) The documents under this Ordinance issued in a foreign language shall be accompanied by a verified Bulgarian language translation except for the model under Article 5, paragraph 3, item 4.

(12) (former paragraph 10, State Gazette, issue 100 of 2013, former paragraph 11; State Gazette, issue 29 of 2017) Participants shall notify the BNB of any change of circumstances under this Article on the date the respective change has occurred.

**Article 6.** (1) Participation in ESROT shall be unilaterally terminated by the BNB where:

1. the license of the ESROT participant has been withdrawn or insolvency proceedings have been opened;
2. a decision for its termination has been made by participant's competent authority;
3. (amended, State Gazette, issue 56 of 2015, effective as of 24 July 2015) in case of a takeover or a merger between ESROT participants.
4. measures restricting performance of investment services and activities are imposed upon a participant in the cases provided for by the law.

(2) (amended, State Gazette, issue 56 of 2015, effective as of 24 July 2015) The BNB may temporarily limit or terminate completely access to ESROT where it finds that a participant no longer meets the requirements for participation in the system, fails to perform its obligations, or measures limiting its operation entirely or partially are imposed upon the participant in the cases provided for by the law.

(3) (new, State Gazette, issue 56 of 2015, effective as of 24 July 2015) In the cases under paragraph 1, GS held by the participant and its clients, including encumbered GS, shall be transferred ex officio to another participant – subdepository of GS, as determined by the Ministry of Finance in coordination with the BNB.

(4) (new, State Gazette, issue 56 of 2015, effective as of 24 July 2015) In the cases under paragraph 2, at the discretion of the BNB and in coordination with the Ministry of Finance, GS held by the participant and/or by its clients, including encumbered GS, may be transferred ex officio to another participant – subdepository of GS, determined by the Ministry of Finance in coordination with the BNB.

(5) (former paragraph 3, State Gazette, issue 56 of 2015, effective as of 24 July 2015) Participation in ESROT may be terminated at participant's request by a one month notice. Within this month, the participant shall transfer the administration of GS owned by him or by his clients to another ESROT participant. Transactions agreed upon in advance with a value date on or after the date on which the participation is terminated shall not be registered in ESROT.

**Article 7.** (amended, State Gazette, issue 100 of 2013; repealed, State Gazette, issue 29 of 2017)

## **Chapter Two**

### **ACQUISITION OF GOVERNMENT SECURITIES ON THE PRIMARY MARKET**

**Article 8.** (1) GS shall be acquired on the primary market through auctions organized and conducted by the BNB via the GSAS.

(2) (amended and supplemented, State Gazette, issue 100 of 2013) Participants in GSAS may be the primary dealers of GS selected by the Ministry of Finance in compliance with Ordinance No. 15 of 2007 that have the technical communication facilities needed to send orders for participation in auctions and to receive notifications by the BNB. The technical communication facilities that can be used are: SWIFT and the WEB-based interface of GSAS using a QES. Other technical facilities may be used only after the Ministry of Finance and the Bulgarian National Bank notify participants of their readiness to introduce them.

(3) Eligibility of primary dealers for participation in the GSAS shall be determined by a commission which consists of three permanent and three reserve members nominated by the head of Fiscal Services Department at the BNB.

(4) On the basis of the list of selected primary dealers officially announced by the Ministry of Finance, the commission under paragraph 3 shall organize performance of tests with each primary dealer to prove its technical preparedness to send orders in line with the system rules and shall admit to participation in GSAS the respective primary dealers after successful performance of the tests and shall provide access to the system to the persons authorized by them to send orders. Primary dealers that have already participated in the GSAS may not be subject to such tests.

(5) Where necessary, upon prior notification by the Ministry of Finance and the BNB, participants in GSAS shall pass tests related to the development and improvement of the system.

(6) Participation in GSAS shall be unilaterally terminated by the BNB where:

1. the participant in GSAS has been excluded from the list of primary dealers by a decision of the Minister of Finance – effective as from the date specified in the decision;
2. participation in ESROT has been terminated pursuant to Article 6;
3. the tests under paragraph 5 have not been performed successfully;

(7) The Bulgarian National Bank shall keep an up-to-date list of GSAS participants which shall be available on the official website of the BNB.

**Article 9.** (1) The Bulgarian National Bank shall conduct GS auctions on Monday. Upon a decision of the Minister of Finance, the BNB may organize auctions on other days of the week.

(2) When the day specified under paragraph 1 is not a business day, the auction shall be conducted on the following business day.

(3) Upon a decision of the Minister of Finance, the BNB may organize extraordinary auctions, in which only primary dealers specified in the decision shall be allowed to participate. After the receipt of the notification of the Ministry of Finance, the BNB shall inform primary dealers of the terms and conditions of the extraordinary auction.

(4) GS may also be acquired on the primary market by other means as determined by the Minister of Finance in accordance with the effective legislation.

**Article 10.** (1) Only primary dealers participating in the GSAS may take part in the auctions.

(2) Primary dealers may participate in the auctions with competitive orders using models according to the respective appendices to this Ordinance.

(3) Primary dealers may participate with competitive orders both on their behalf and for their own account and on their behalf but for the account of their clients.

(4) (amended, State Gazette, issue 100 of 2013) Upon a decision of the Ministry of Finance primary dealers may participate with non-competitive bids both on their behalf and for their own account and on their behalf but for the account of their clients that are not banks or investment intermediaries, including those established in another member state or in a third country.

(5) The auctions shall be conducted by the commission under Article 8, paragraph 3.

**Article 11.** (1) In the auctions under Article 9, primary dealers may participate also with bids for exchanging GS held by them and repurchased without a definite term under Article 38, paragraph 1.

(2) Bids for participation shall be competitive and shall be made under Article 13, paragraphs 1 and 2.

(3) The total par amount of each bid placed shall be equal to the total par amount of the bid placed for repurchase through exchange under Article 38, paragraph 1.

**Article 12.** (1) (supplemented, State Gazette, issue 100 of 2013) Not later than three business days before to the conduct of each auction, the BNB shall notify GSAS participants of the information received from the Ministry of Finance concerning: issue number of GS (ISIN); quantity offered; the currency of the issue; the currency of payment on the issue in case that it is different from the currency of the issue; interest rate for the respective period if GS are interest bearing; dates of redemption of interest and face value change, if any, in the proportion of GS offered for competitive and for non-competitive bids; change, if any, in the maximum quantity of GS that a participant with competitive bids may acquire (including when he participates on his behalf but for the account of his clients), as well as terms for redemption of GS, if they are different from those under Article 15, paragraph 3.

(2) Where primary dealers participate in the auction with non-competitive bids pursuant to Article 10, paragraph 4, the proportion between GS offered for competitive and for non-competitive bids shall be 80 per cent to 20 per cent of the total amount offered.

(3) The maximum quantity of GS that a participant may acquire (including when he participates on his behalf but for the account of his clients) with competitive bids shall be:

1. for short-term GS– 15 per cent of the quantity earmarked for sale through competitive bids;



2. for medium-term GS– 35 per cent of the quantity earmarked for sale through competitive bids;

3. for long-term GS– 50 per cent of the quantity earmarked for sale through competitive bids.

(4) The Minister of Finance may determine proportions other than those specified under paragraphs 2 and 3 upon submission of the information under paragraph 1.

**Article 13.** (1) Primary dealers shall submit their bids for participation in a GS auction within the time limits determined jointly by the Ministry of Finance and the BNB. Bids shall be sent to the BNB, Fiscal Services Department. Bids received shall immediately be subjected to an entry check that includes a check of their format in accordance with the appendices to the ordinance, a check of the key words identifying the respective requisites, and a check of the date and time of receipt. Should the existence of an error be found, a message shall be sent to the primary dealer. Bids submitted may be changed by primary dealers until expiry of the deadline for their receipt. After that they shall be irrevocable. The last message received shall be deemed valid.

(2) The order for participation shall be drawn up in accordance with the model in Appendices 4, 5, 6, 7, 8 and 9, and shall contain following requisites:

1. (amended, State Gazette, issue 100 of 2013) number of the cash settlement account of the participant in RINGS in case of bids for BGN-denominated GS or the number of the cash settlement account of the participant in TARGET2 in case of bids for GS denominated and payable in EUR.

2. ISIN of the issue that the bid is made for, and in the cases under Article 11, paragraph 1, the ISIN as well of the GS issue to be repurchased by exchange under Article 38, paragraph 1;

3. the par amount of the bids (in figures);

4. price/yield at which participant wishes to acquire GS, expressed as a percentage of 100 units face value on a three decimal places-level (in figures).

(3) In case that the bid is made for the account of a primary dealer's client, in addition to the requisites under paragraph 2, it shall contain data about the client for whose account the order is made: for natural persons – full name and PIN (personal identity number); for legal entities and sole proprietors – company name and identification code under the BULSTAT register.

(4) In case that the bid is made for the account of non-residents, following data shall be provided when filling in the documents specified in the appendices to this Ordinance:

a) for a foreign national – full name, type, series and number of the identity document, as well as country of issue;

b) for a legal entity registered abroad – company name, headquarters address, number and date of registration, register that it is entered in.

(5) No price or yield shall be specified in non-competitive bids. They shall be determined pursuant to Article 15, paragraph 5, item 2. The total par amount of a non-competitive bid shall be at least BGN 50 and multiples of BGN 1 (for GS issued in another currency: at least

50 and multiples of 1). The total par amount of non-competitive bids placed by a primary dealer may not exceed the amount determined under Article 12. Provided this requirement is not met, the bids of the respective primary dealer shall not be admitted to the auction.

(6) Each participant in an auction shall be eligible to submit up to 30 competitive bids, including bids on his behalf but for the account of his clients. The total par amount of a competitive bid shall be at least BGN 1000 and multiples of BGN 1 (for GS issued in another currency: at least 1000 and multiples of 1).

(7) Bids received under paragraph 1 shall be kept in a manner which ensures the secrecy of the orders made until the auction is conducted.

**Article 14.** (1) On the auction day the commission under Article 8, paragraph 3 shall perform a check and shall not admit to the auction bids that do not comply with the requirements of this Ordinance.

(2) The Commission under Article 8, paragraph 3 shall rank in a descending order the competitive bids admitted to participate in the auction according to the price offered by the participants or in an ascending order according to the yield offered by the participants within the maximum quantity of GS which one participant may acquire under Article 12. Should there be bids of one and the same price, accepted as the minimum price by the Ministry of Finance, or should there be bids of one and the same yield, accepted as the maximum yield by the Ministry of Finance, the distribution shall be made on a pro rata basis through a coefficient formed as a ratio between the quantity remaining for distribution and the sum of these bids until reaching the quantity offered for competitive bids under Article 12. When calculating the coefficient, the sum of competitive bids approved and those participating in the distribution on a pro rata basis may not exceed the maximum quantity which one participant may acquire under Article 12. Where the total amount of competitive bids placed by primary dealers is less than the quantity determined in accordance with Article 12, the remainder shall be distributed among the non-competitive bids.

(3) Where the total amount of non-competitive bids placed by primary dealers is greater than the quantity of GS determined in accordance with Article 12, the distribution of all bids received shall be made on a pro rata basis until reaching the limit specified in Article 12. Where the total amount of non-competitive bids placed by primary dealers is less than the quantity under Article 12, the remainder shall be distributed among the competitive bids.

(4) Where bids are approved on a pro rata basis a rounding takes place, so that the nominal value of bids approved shall be a multiple of BGN 1 (for GS issued in another currency - a multiple of 1). In case of a remainder after rounding, it shall be distributed as follows: where the issue remains undersubscribed, the remainder is added to the bid ranked first in terms of time but shall not exceed the quantity determined for one participant (if the limit is reached, it shall be added consecutively to the next bid ranked in terms of time); in case of oversubscription of the issue, the remainder is deducted from the bid ranked last in terms of time.

(5) The Minister of Finance may not admit to ranking in an auction a particular participant with competitive bids or particular competitive bids, or may reject all or approve particular competitive bids respectively. Ranked bids shall be approved by the Minister of Finance or by a person designated by him and shall be sent to the BNB.

(6) Based on the ranking of bids and the approval under paragraph 5, a report on the results of the auction conducted shall be drawn up by the commission under Article 8, paragraph 3, and it shall be signed by all its members.

(7) The commission under Article 8, paragraph 3 shall notify all participants about the results of the auction within the time limits determined jointly by the Ministry of Finance and the BNB.

(8) In case of issues offered for sale on the primary market at several auctions for which the Ministry of Finance has not approved the whole quantity offered at a particular auction, the quantity unsold shall be offered at the last auction announced for the respective issue. Provided the whole offered quantity is not approved at the last auction, the total quantity of the issue announced shall be decreased by the unsold quantity. This procedure shall also apply to the cases where the whole offered quantity at a particular auction is not sold due to an insufficient total amount of primary dealers' competitive and/or non-competitive bids.

**Article 15.** (1) (amended, State Gazette, issue 100 of 2013) Primary dealers whose bids have been approved, including when they participate in the auction with bids on their behalf but for the account of their clients, shall provide on the settlement date the funds required for payment of the GS on their cash settlement accounts in RINGS, TARGET2 respectively, within the time limits determined jointly by the Ministry of Finance and the BNB.

(2) (amended, State Gazette, issue 100 of 2013) The requirements under paragraph 1 shall also apply to the approved bids placed under Article 11, paragraph 1, and in this case, the required funds which primary dealers shall provide on their cash settlement accounts in RINGS, TARGET2 respectively, represent the positive difference between the amount they have to pay for the GS they have acquired and the amount that the Ministry of Finance has to pay for GS repurchased by exchange under Article 38, paragraph 1.

(3) (amended, State Gazette, issue 100 of 2013) On the second business day after the date of the auction, the BNB shall debit ex officio the cash settlement accounts of the primary dealers whose bids have been approved with the total amount of the GS acquired by them against payment, whereas for those acquired by exchange - with the amount calculated under paragraph 2 as well. By a decision of the Minister of Finance, the payment may be effected within other time limits predetermined in the terms and conditions of the auction under Article 12.

(4) (amended, State Gazette, issue 100 of 2013) If the primary dealers whose bids have been approved do not provide the required funds on their cash settlement accounts on the settlement date and/or if they do not have the required GS of the issue for exchange, or these GS are pledged/blocked in favour of a third party as of the beginning of the settlement date,

the BNB shall not execute payment, respectively shall not register these government securities, as a result of which issues will remain partially subscribed, and the Fiscal Services Department shall notify in writing the Ministry of Finance thereof. In such cases, the Minister of Finance may exclude the primary dealer from the list of primary dealers.

(5) The GS acquired at the auction shall be paid for, as follows:

1. for competitive bids – at the price stated in the order; in the cases where the auction is based on yield – at the price corresponding to the yield stated in the bid;
2. for non-competitive bids – at the average-weighted price, and, in the cases where the auction is based on yield – at the price corresponding to the average weighted yield of the approved competitive bids.

(6) (amended, State Gazette, issue 100 of 2013) The date of execution of settlement on the cash settlement accounts and GS settlement accounts shall be considered the date of acquisition of the GS.

(7) (amended, State Gazette, issue 100 of 2013) On the settlement date, the BNB Fiscal Services Department shall, after concluding the settlement on the cash settlement accounts and GS settlement accounts, enter in its registers the GS acquired by each participant in the auction and all his clients. The Bulgarian National Bank shall maintain registers of ESROT participants.

(8) Following information shall be entered in the registers under paragraph 7:

1. (supplemented, State Gazette, issue 100 of 2013) number of the issue (ISIN);
2. date of the issue;
3. (amended, State Gazette, issue 100 of 2013) cash settlement accounts in RINGS and TARGET2, specified by the participant in ESROT;
4. par amount of the GS held;
5. purchase price;
6. total amount of GS held as of a particular date.

(9) (amended, State Gazette, issue 100 of 2013) In case that in a purchase of GS with a competitive or non-competitive bids the client, for whose account the primary dealer participates in the auction, does not pay the GS until the end of the issue settlement day, these GS shall be acquired by the primary dealer. For this purpose, the primary dealer shall send a notification to the BNB about the transfer of these GS from the client register to its own register under Article 20, paragraph 2, and the BNB shall enter this change in the register under paragraph 7.

(10) (amended, State Gazette, issue 100 of 2013) The BNB shall execute payments ex officio on GS acquired by ESROT participants on the primary market through a primary dealer

chosen by them, directly debiting the cash settlement account in RINGS, TARGET2 respectively, specified by the participant with the total amount of GS acquired and shall record the acquired GS in the register of the participant kept by the BNB. The provisions under paragraphs 1 and 4 shall also apply to ESROT participants that have acquired GS on the primary market through primary dealers of their choice.

### **Chapter Three**

## **ACQUISITION OF GS ON THE SECONDARY MARKET**

### **Section I**

(New; State Gazette, issue 29 of 2017)

#### **General Provisions**

**Article 16.** (1) (amended, State Gazette, issue 100 of 2013) Following transactions shall be concluded on the secondary market and they shall be entered in the registers under Article 15, paragraph 7:

1. purchase and sale of GS;
2. REPO transaction in GS;
3. GS lending;
4. other GS transfer transactions or operations, including:
  - à) transfers of GS on registers between participants;
  - b) transfers of GS on client registers;
  - c) transfers of GS on accounts under Article 8, paragraph 1, item 3 of Ordinance No. 31 of 2007 on GS Settlement (State Gazette, issue 85 of 2007);
  - d) sale of pledged GS in cases of foreclosure under Article 37 of the Registered Pledges Act;
  - e) other GS transfer transactions or operations.

(2) (amended, State Gazette, issue 100 of 2013) Transactions under paragraph 1 shall be entered in the registers under Article 15, paragraph 7 after completing the settlement on cash settlement accounts and/or on government securities settlement accounts.

**Article 16a.** (new, State Gazette, issue 100 of 2013) (1) Transactions on the secondary market under Article 16, paragraph 1, items 1 and 2 between ESROT participants shall be carried out only with a flow on cash settlement accounts in RINGS, TARGET2 respectively.

(2) Transactions on the secondary market under Article 16, paragraph 1, items 1 and 2 between ESROT participants and their clients and between clients of ESROT participants shall be carried out without a flow on cash settlement accounts in RINGS, TARGET2 respectively.

(3) Transactions under Article 16, paragraph 1, items 3 and 4 shall be carried out without a flow on cash settlement accounts in RINGS, TARGET2 respectively.

**Article 16b.** (new; State Gazette, issue 29 of 2017) (1) Secondary market transactions under Article 16, paragraph 1, item 1 concluded on a trading platform (hereinafter referred to as the ‘platform’) shall be executed in line with the rules for trading, completing and monitoring GS transactions approved by the Minister of Finance and the Governor of the BNB.

(2) Participants in GS trading under paragraph 1 may be only:

1. participants in ESROT within the meaning of Article 3, paragraph 1, item 1 - primary dealers of GS approved by the Minister of Finance under the procedure of Ordinance No 15 of 2007;

2. other participants in ESROT within the meaning of Article 3, paragraph 1, items. 2, 3 and 4, upon a written notification by the Minister of Finance and the Governor of the BNB.

(3) The transactions under paragraph 1 shall be considered as concluded where electronic confirmations are generated and sent by both parties that take part in the transaction. Cancellation of transactions shall be performed through an exchange of notifications on the platform between the two parties to the transaction before the end of the trade session.

## **Section II**

(former Section I; State Gazette, issue 29 of 2017)

### Transactions in Government Securities between ESROT Participants

**Article 17.** (1) (amended, State Gazette, issue 100 of 2013) Registration of secondary market transactions shall be performed on the basis of requests addressed to the BNB, Fiscal Services Department, from the two parties to the transaction: the acquirer and the transferor, the borrower and the lender respectively.

(2) (supplemented, State Gazette, issue 100 of 2013) Requests under paragraph 1 shall be prepared according to a template (Appendices 10, 10a, 10b, 10c and 10d), and shall contain:

1. (supplemented, State Gazette, issue 100 of 2013) company name of transferor, of lender respectively;

2. (supplemented, State Gazette, issue 100 of 2013) code of register/GS settlement account of transferor, of lender respectively;

3. (amended, State Gazette, issue 100 of 2013) number of the cash settlement account in RINGS/TARGET2 of transferor, of lender respectively;

4. (supplemented, State Gazette, issue 100 of 2013) company name of acquirer, borrower respectively;

5. (supplemented, State Gazette, issue 100 of 2013) code of register/GS settlement account of acquirer, of borrower respectively;

6. (amended, State Gazette, issue 100 of 2013) number of the cash settlement account in RINGS/TARGET2 of acquirer, of borrower respectively;

7. ISIN of GS issue of the GS subject of the transaction;

8. par amount of GS transferred (in figures) which shall be at least BGN 1 and shall be a multiple of BGN 0.01 (in the case of government securities denominated in foreign currency: at least 1 and a multiple of 0.01);
9. price (in figures) at which GS are transferred (acquired) (in figures);
10. value date;
11. value date and price (in figures) of repurchase (repo transactions).
12. (new, State Gazette, issue 100 of 2013) value date of loan maturity.

(3) (amended, State Gazette, issue 100 of 2013) In the cases where requests under paragraph 1 refer to transactions/operations in GS under Article 16, paragraph 1, items 3 and 4 without a flow on cash settlement accounts of the transferor and the acquirer, the lender and the borrower respectively, no price shall be specified in the request.

(4) (supplemented, State Gazette, issue 100 of 2013) The request under paragraph 1 shall be sent to the BNB and it shall be processed within the ESROT system day. Upon receipt, requests shall be subject to an immediate entry check, including a check for compliance with the format set in the appendices to this Ordinance, a check of key words identifying respective requisites, and a check of the date and time of receipt. In case that an error is found, the request shall be rejected and a notification shall be sent to the participant. Participants may file new requests for the same transactions but only requests that pass successfully the entry check shall be admitted to further processing.

**Article 18.** (1) (supplemented, State Gazette, issue 100 of 2013) Upon a successful entry check pursuant to Article 17, paragraph 4, the BNB shall check whether the data contained in the requests match. Participants may cancel requests with unmatched data within the ESROT system day. Where by the end of the ESROT system day, data is still unmatched, requests shall be rejected and participants shall be notified of the reasons thereof.

(2) (supplemented, State Gazette, issue 100 of 2013) In case that the data contained in the requests match, they shall become irrevocable. The Bulgarian National Bank shall check the registers under Article 15, paragraph 7 as to whether the transferor, the lender respectively, owns the GS, subject to the transaction, and whether they are not blocked. The same check shall also be made on the value date of the repurchase, the maturity date of the loan respectively.

(3) (supplemented, State Gazette, issue 100 of 2013) If the conditions pursuant to paragraph 2 are not met by the end of the ESROT system day, the BNB, Fiscal Services Department, shall not register the transaction and shall immediately advise the parties about the reasons for the refusal.

(4) (amended, State Gazette, issue 100 of 2013) If the conditions pursuant to paragraph 2 are met, the BNB shall debit ex officio the acquirer's cash settlement account and credit the transferor's cash settlement account with an amount equal to the price specified in the request for the transaction, correspondingly it shall credit the acquirer's/ borrower's GS settlement account, debit the transferor's/ lender's GS settlement account and shall record in the registers under Article 15, paragraph 7 the flow of GS with a value date specified in the

requests. In the cases under Article 17, paragraph 3, no settlement operations shall be executed on the transferor's and acquirer's, lender's and borrower's respectively, cash settlement accounts, and only the flow of GS shall be recorded on the GS settlement accounts and in the register.

(5) (amended, State Gazette, issue 100 of 2013) If the acquirer does not have the required funds on his cash settlement account in RINGS or in TARGET2 by the end of the ESROT system day, the BNB shall refuse to execute settlement, to register the transaction respectively, and the Fiscal Services Department shall advise the parties about the reasons for the refusal.

**Article 19.** (amended, State Gazette, issue 100 of 2013) At the request of ESROT participants, the BNB shall provide them with an extract from the registers under Article 15, paragraph 7, stating the amount and/or the flow of the GS held by them and their clients.

### **Section III**

**(former Section II; State Gazette, issue 29 of 2017)**

Transactions in GS between ESROT Participants and Their Clients and  
between Clients of ESROT Participants

**Article 20.** (1) (amended and supplemented, State Gazette, issue 100 of 2013) Transactions under Article 16, paragraph 1 between participants and their clients and between participants' clients shall be entered in the registers of ESROT participants under Article 15, paragraph 7 kept by the BNB based on requests/notifications sent by these participants.

(2) (amended, State Gazette, issue 100 of 2013) Participants shall notify the BNB, Fiscal Services Department, not later than at the end of the ESROT system day about value date, number of the issue and par amount of the GS they have transferred, lent respectively to their clients, repurchased respectively, borrowed respectively from them before the maturity of securities and the repurchase (sale) value date in the event of a preliminary agreement thereof, the value date of the loan respectively (Appendices 11, 11a, 12 and 12a).

(3) Participants that have concluded a contract with the Ministry of Finance for sale of earmarked GS to investors (natural persons) shall notify the BNB, Fiscal Services Department, within the time limits set in the contract of the transaction concluded in these GS, as follows:

1. for GS sold by them –number of issue, total par amount, actual selling price and average selling price per BGN 100 face value (Appendix 13);
2. for GS repurchased by them –date of repurchase transaction; ISIN, par amount, actual purchasing price and purchasing price per BGN 100 face value (Appendix 14).

(4) Where GS are transferred by a participant's client to another participant, the latter shall send a request for execution of the transaction (Appendix 15) addressed to the BNB and to the participant keeping record of the GS of the client-transferor.



(5) Where GS are transferred by a participant to a client of another participant, the transferor shall send a request for execution of the transaction (Appendix 16) addressed to the BNB and to the participant keeping record of the GS of the client-acquirer.

(6) Where a client of a participant wishes GS that he holds to be recorded by another participant, the latter shall send a request for execution of the transaction (Appendix 17) addressed to the BNB and to the participant keeping record of the GS of the client-transferor.

(7) Where a client of a participant wishes to transfer GS that he holds to a client of another participant, the latter shall send a request for execution of the transaction (Appendix 18) addressed to the BNB and to the participant keeping record of the GS of the client-transferor.

(8) (supplemented, State Gazette, issue 100 of 2013) In the cases of transactions under paragraphs 4, 6 and 7, the participant keeping record of the GS of the client-transferor, and for transactions under Article 5, the participant keeping record of the GS of the client-acquirer shall, by the end of the ESROT system day on the required value date, send a request for execution of the transaction in accordance with the appendices provided for in Article 20, paragraphs 4, 5, 6 and 7.

**Article 21.** (1) Notifications received under Article 20, paragraphs 2 and 3 and requests for transactions under Article 20, paragraphs 4, 5, 6, 7 and 8 shall be immediately subjected to an entry check that includes a check of their formats in accordance with the appendices to the ordinance, a check of key words identifying the respective requisites, and a check of the date and time of receipt. Where an error is found, the notification/request for a transaction shall be rejected, and a message shall be sent to the participant. Participants may send new notifications/requests about the same transaction, but only those that have passed successfully the entry check shall be processed further.

(2) (supplemented ,State Gazette, issue 100 of 2013) Upon receipt of the requests under Article 20, paragraphs 4, 5, 6, 7 and 8 for processing, the BNB shall check whether the data contained in them match. Participants may cancel requests with unmatched data within the ESROT system day. In case that by the end of the system day the data in the requests are still unmatched, the requests shall be refused and the participants shall be informed about the reasons for the refusal.

(3) Where preconditions under paragraph 1 concerning notifications under Article 20, paragraphs 2 and 3 are available and in case that data in the requests under paragraph 2 match, requests shall become irrevocable. The Bulgarian National Bank shall check the registers under Article 15, paragraph 7 as to whether the transferor owns the GS that are subject to the transaction. The same check shall also be made on the value date of the repurchase/sale. In case that transferor owns the GS that are subject to the transaction, the BNB shall enter in the registers under Article 15, paragraph 7 the changes made and shall specify for each participant the par amount of the GS transferred or acquired by it or its clients.

(4) (supplemented, State Gazette, issue 100 of 2013) In case that transferor is not in possession of sufficient quantity of GS that are subject to the transaction by the end of the ESROT system day, the BNB shall not enter the transaction in the register and shall immediately notify the participants of the reasons for its refusal.

**Article 22.** (1) ESROT participants may send requests and notifications for registering transactions in GS under Article 17, paragraph 1 and Article 20, paragraphs 2, 3, 4, 5, 6, 7 and 8 before the value date of their execution. Requests and notifications received shall immediately be subject to an entry check under Article 17, paragraph 4 and Article 21, paragraph 1. In case that an error is found, the notification/request for execution of a transaction shall be rejected, and a message shall be sent to the participant. The notifications/requests that have passed successfully the entry check shall be kept until the value date of their execution.

(2) On the value date requested, requests and notifications received under paragraph 1 shall be submitted for further processing under Article 18 and Article 21, paragraphs 2, 3 and 4.

**Article 23.** ESROT participants that are not GS subdepositories shall notify their subdepository bank of the GS which they have transferred to their clients, respectively have repurchased from them before maturity pursuant to this Ordinance. Notifications shall contain all parameters of the transaction by clients and shall be immediately sent upon successful recording of the transaction in the registers kept by the BNB under Article 15, paragraph 7. The responsibility for preparation and timely submission of the notifications, for their grounds and the authenticity of the information shall be entirely borne by the ESROT participant that is not a subdepository.

**Article 24.** (1) Subdepositories of GS shall maintain systems for registering GS wherein individual GS accounts are kept to record GS held by their clients and the clients of ESROT participants that are not subdepositories, on the basis of a contract concluded with the participant.

(2) Unless otherwise stated in the legal acts regulating archival activities, subdepositories shall keep data in the registration systems for an unlimited period of time.

**Article 25.** (1) Subdepositories of GS shall issue registered certificates to natural persons only. At the request of legal entities, their clients and the clients of ESROT participants that are not subdepositories, the subdepositories of GS shall provide them with statements from the individual accounts kept by the registration systems under Article 24.

(2) The certificate under paragraph 1 shall be prepared on a special paper, size 21/15, according to a model (Appendix 19), and shall contain:

1. inscription 'certificate';
2. certificate number;
3. subdepository – issuer of the certificate;
4. data about the acquirer:
  - a) for Bulgarian citizens – full name and PIN;

- b) for non-residents – full name according to the identity document, type, series and number of the identity document and country of issue;
- 5. ISIN and date of the GS issue that are subject to the transaction;
- 6. par amount of the GS held (in figures and in words);
- 7. interest rate on the GS;
- 8. dates of interest payments;
- 9. GS maturity;
- 10. a space for indicating interest paid (on the reverse of the certificate);
- 11. date and place of issuance of the certificate;
- 12. signature and seal of the issuing subdepository.

(3) The certificate shall be issued in duplicate, an original and a copy; the original of the certificate shall be given to the acquirer and the copy of the certificate shall be kept by the subdepository within five years after the maturity date of the GS. Where the acquirer is a client of an ESROT participant that is not a subdepository; the original of the certificate may be transmitted to the participant who duly transmits it to the client. All stamps, signatures and seals under this Ordinance shall be put on both the original and the copy of the certificate.

(4) Subdepositories of GS shall also record in the registration systems they keep pursuant to Article 24 the data on the holders of certificates under paragraph 2, the data on the interest paid by the Ministry of Finance, repayments of government securities instalments with a redemption schedule, as well as data from the identity document of the person that has received the interest payments.

(5) In case of sales of GS earmarked for investors - natural persons (target issues), a registered certificate shall be issued to the acquirer on a special paper, size 21/16, according to a model (Appendix 20) , which shall, in addition to the information under items 1–12 of paragraph 2, contains:

- 1. inscription ‘Ministry of Finance of the Republic of Bulgaria’;
- 2. type of GS;
- 3. date of issue;
- 4. repurchase terms and conditions.

**Article 26.** (1) Natural persons may transfer government securities they have acquired to other persons. The transfer shall be performed in the presence of the two parties to the transaction that shall sign a declaration on the transfer of GS ownership in three copies (Appendix 21).

(2) Transactions on the transfer of GS by clients (natural persons) shall be entered in the register under Article 24 in order to be effective in respect of the subdepository – the certificate issuer.

(3) Where GS are transferred by natural persons under paragraph 1, the subdepository shall issue a new certificate to the acquirer of GS under Article 25, paragraphs 1 and 2, paragraph 5 respectively, upon submission of the original of the certificate issued to the transferor, and

if only part of the securities is to be transferred – the subdepository (the issuer of the former certificate) shall issue a new certificate to the transferor for the remainder. The original of the former certificate shall be stamped ‘invalid’, signed by the officer, sealed, and returned to the transferor by the subdepository (the issuer of the old certificate). Subdepositories shall reflect the changes in their registration systems under Article 24.

**Article 27.** (1) Subdepositories of GS, including those having a contract with the Ministry of Finance for sale of target GS shall receive certificates under Article 25, paragraph 1 and/or paragraph 5 from the Ministry of Finance.

(2) Subdepositories of GS, that have stopped performing the functions of subdepositories, shall within five business days submit to the Ministry of Finance the unused certificates, a statement from the registration system under Article 24 and copies of the certificates issued, which shall be passed by the Ministry of Finance to the selected subdepository of GS.

**Article 28.** Subdepositories of GS shall provide the Ministry of Finance with information about GS held by their clients and ESROT participants’ clients that are not subdepositories for statistical purposes in the established format and in accordance with the determined deadlines.

**Article 29.** (1) (amended and supplemented, State Gazette, issue 100 of 2013) Requests and notifications about registration of GS transactions under this Chapter and under Article 34 shall be accepted until 12:00 and shall be processed until 13:00 of the ESROT system day preceding the maturity of the respective GS issue or interest payments thereon.

(2) The Minister of Finance may execute the transactions under Article 16.

(3) All requests and notifications of registration of transactions under this Chapter and under Article 34, for which the required value date is not a business day, or a day when the GS issue matures shall be refused and a message shall be sent to the participant.

(4) The face value of transferred GS under this Chapter shall be at least BGN 1 and shall be a multiple of BGN 0.01 (in the case of government securities denominated in foreign currency: at least 1 and a multiple of 0.01);

## **Chapter Four**

### **Pledge of Government Securities**

**Article 30.** (1) (supplemented, State Gazette, issue 56 of 2015, effective as of 24 July 2015) Where GS issued by the Minister of Finance are pledged pursuant to the Law on Registered Pledges, these GS shall be blocked in the registers under Article 15, paragraph 7 or Article 24.

(2) Persons keeping registers of GS under Article 15, paragraph 7 and Article 24 shall create also a register wherein circumstances concerning the pledge of GS shall be entered.

(3) If upon receipt of a request for a pledge registration the person keeping the register of GS under this Ordinance establishes that the pledger does not own the GS specified in the request, a refusal of registration shall be issued.

(4) (new, State Gazette, issue 56 of 2015, effective as of 24 July 2015) In the cases under Article 6, paragraph 3 or 4, where GS pledged and blocked under paragraph 1 are transferred from a register under Article 15, paragraph 7 to a register under Article 24, these GS shall be unblocked ex officio and transferred by the BNB to the client register of the pledge creditor, if he is an ESROT participant – subdepository of government securities, and if he is not, to another subdepository specified by him that shall immediately block them on the register he keeps under Article 24. The pledge over GS and registered circumstances concerning the pledge shall remain in full effect. Persons keeping registers shall record ex officio the circumstances concerning this transfer based on an ex officio registration instruction according to a model in Appendix 29.

(5) (new, State Gazette, issue 56 of 2015, effective as of 24 July 2015) In the cases under Article 6, paragraph 3 or 4, where GS pledged and blocked under paragraph 1 are transferred from one to another register under Article 24, the BNB shall ex officio transfer these GS from the client register of the participant to the client register of the other subdepository, which shall immediately block them on the register he keeps under Article 24 based on the information provided to him under Article 36, paragraph 2. The pledge over GS and registered circumstances concerning the pledge shall remain in full effect. Persons keeping registers shall enter ex officio the circumstances concerning this transfer based on an ex officio registration instruction according to a model in Appendix 30.

**Article 31.** (1) Upon maturity of interest and principal payments, the pledge shall be transferred onto the claims on pledged GS. Foreclosure of the claims on the pledged GS shall be executed pursuant to the Law on Registered Pledges.

(2) (supplemented, State Gazette, issue 56 of 2015, effective as of 24 July 2015) The way that interest and principal on the pledged GS is to be paid shall be arranged in a trilateral agreement concluded between the person keeping the register of GS under this Ordinance, the pledger and the pledge creditor. The trilateral agreement shall be signed simultaneously with the request for entering the pledge. In the cases under Article 30, paragraph 4 or 5, a new trilateral agreement shall be signed.

**Article 32.** Entering of requests for a pledge of GS and changes thereof shall be discontinued two business days before the maturity of the respective GS issue or interest payments thereon.

**Article 33.** (1) Disposition transactions in the pledged GS may be conducted by the pledger solely with the consent of the pledge creditor.

(2) Consent to conduct disposition transactions in GS pledged shall be deemed given by the creditor (pledgee) when he submits a request for unblocking them to the person keeping the register of GS pursuant to this Ordinance.

(3) Upon submission of a request for blocking the pledged GS by the creditor (pledgee) to the person keeping the register of GS pursuant to this Ordinance, disposition with the said GS by the pledger shall be discontinued.

(4) (amended, State Gazette, issue 100 of 2013) Blocking and unblocking of GS shall be entered in the GS registers kept under this Ordinance after completing the settlement on the GS settlement accounts (Appendices 27 and 28).

**Article 34.** (1) (new; State Gazette, issue 56 of 2015, effective as of 24 July 2015) The BNB shall block GS pursuant to Article 152, paragraph 2 of the Public Finance Act in the registers under Article 15, paragraph 7 of banks – ESROT participants, which shall have an effect of a legal registered pledge in favour of the Ministry of Finance.

(2) (new, State Gazette, issue 56 of 2015, effective as of 24 July 2015) In the cases under Article 6, paragraph 3 or 4, where GS blocked under paragraph 1 are transferred from the register under Article 15, paragraph 7 to the register under Article 24, the BNB shall unblock ex officio these GS and shall transfer them to the client register of the other participant – subdepository, determined by the MoF in coordination with the BNB, which shall immediately block them on the register kept by him under Article 24. During the transfer, the legal registered pledge shall remain in full effect.

(3) (supplemented, State Gazette, issue 100 of 2013; former wording of Article 34; State Gazette, issue 56 of 2015, effective as of 24 July 2015) Blocking and unblocking operations may also be performed in cases other than registered pledges of GS (Appendices 27 and 28) within the term provided for in Article 29, paragraph 1.

## **Chapter Five**

### **Redemption of GS and Interest Thereon**

**Article 35.** (1) The Ministry of Finance shall provide necessary funds for the redemption of GS and interest thereon on an account opened with the BNB not later than one business day before the dates of their redemption.

(2) Payments on GS (the face value, principal and/or interest, etc.) shall be effected on the dates specified in the terms and conditions of the respective issue.

(3) Where the date under paragraph 2 is not a business day, the payment shall be effected on the next business day.

(4) (amended, State Gazette, issue 100 of 2013) Upon maturity of the respective issue of GS or interest payments thereon, the BNB, on the basis of the registers under Article 15, paragraph 7, shall establish the amount of GS entered on behalf of each participant in the ESROT and shall transfer to the cash settlement accounts in RINGS, in TARGET2 respectively, specified by the ESROT participant the funds required for the redemption of the GS held by them and their clients within the deadlines set jointly by the Ministry of Finance and the BNB. ESROT participants that are not GS subdepositories shall transfer without

delay the funds received for redemption of GS held by their clients to the subdepository selected by them.

(5) Subdepositories of GS shall repay interest and par value of GS transferred to their clients – natural persons, and to natural persons that are clients of ESROT participants that are not subdepositories, upon presentation of originals of certificates which they have issued. Repayment of interest shall be certified by a signature of the official who has effected the payment and by the seal of the subdepository on the space indicated in the original certificate, specifying the date of payment and the amount of interest paid. Upon repayment of the face value, the original of the certificate shall be stamped ‘paid up’ signed by the official who has effected the payment, sealed by the subdepository, and returned to the client.

(6) Subdepositories of GS shall repay interest and nominal value of GS to their clients – legal entities, and to legal entities –clients of ESROT participants that are not subdepositories, based on the data of the registration systems under Article 24 with value date at maturity (interest payment).

(7) Upon repayment of an instalment under GS issued with a redemption schedule, the subdepository shall issue a new certificate for the unpaid nominal value to the acquirer; the original certificate shall be stamped ‘invalid’. The repayment of the instalment shall be entered in the register under Article 24.

**Article 36.** (1) (amended, State Gazette, issue 100 of 2013; amended; State Gazette, issue 56 of 2015, effective as of 24 July 2015) Upon maturity of the respective issue of GS or interest payments thereon, the Bulgarian National Bank may not transfer to cash settlement accounts in RINGS, in TARGET2 respectively, specified by the ESROT participant, the funds necessary for the repayment of the GS under Article 35, paragraphs 4, 5 and 6 where measures against the ESROT participant have been initiated under Article 6, and where a justified proposition by the Minister of Finance thereof exists, based on an information about a delay or nonfulfillment of obligations under Article 35, paragraphs 4, 5 and 6.

(2) (amended and supplemented, State Gazette, issue 56 of 2015, effective as of 24 July 2015) The Ministry of Finance in coordination with the BNB shall immediately determine the subdepository that will effect payments on GS and interest thereon to clients of the participant under paragraph 1, provided he is a subdepository. The subdepository under paragraph 1 must immediately submit to the Ministry of Finance unused certificates, a statement from the registration system under Article 24 and the non-original copies of the certificates issued, which shall be passed by the Ministry of Finance to the respective subdepository determined.

(3) (supplemented, State Gazette, issue 56 of 2015, effective as of 24 July 2015) If the ESROT participant under paragraph 1 is not a subdepository, payments of GS and interest thereon to clients shall be effected by the subdepository with whom the participant has concluded an agreement. The Bulgarian National Bank shall enter ex officio in the registers under Article 15, paragraph 7 the transfer of those GS on behalf of the subdepository

determined, and shall transfer to it the funds necessary to effect payments under Article 35, paragraph 4.

**Article 37.** (1) In case that the original of the nominative certificate is lost, the holder shall notify in writing the subdepository – certificate issuer who shall issue a duplicate under Article 25, paragraphs 1 and 2, correspondingly paragraph 5, and invalidate the originally issued certificate which shall be noted down in the registration system under Article 24, and the copy of the certificate shall be stamped ‘invalid’.

(2) Payment of GS and interest thereon shall be effected on the basis of the duplicate issued and the data of the registration system under Article 24.

(3) Where holder under paragraph 1 is a client of an ESROT participant that is not a subdepository, the notification of a lost certificate, correspondingly the new original certificate may be handed and/or accepted by the ESROT participant that duly hands the new certificate to the client.

## **Chapter Six**

### **Repurchase of GS before Maturity**

**Article 38.** (1) Repurchase of GS with or without a definite term before maturity shall be carried out by a decision of the Minister of Finance at the GSAS auctions organised by the BNB by replacing them with GS from a new issue, and/or by redemption of the face value and interest thereon.

(2) Repurchase auctions shall be held by the commission under Article 8, paragraph 3.

(3) Orders for participation in the auctions shall be competitive. Only primary dealers holding GS from the issues announced for repurchase may participate in the auctions under paragraph 1.

(4) Primary dealers may participate with competitive orders on their behalf but for the account of their clients, in case of a repurchase without a fixed term only.

**Article 39.** (1) Repurchase of GS with or without fixed term before maturity may be carried out also in other ways specified by the Minister of Finance in accordance with the legislation in force.

(2) Upon a decision of the Minister of Finance, only primary dealers specified in that decision holding GS from the issues announced for repurchase may participate in the repurchase under paragraph 1.

**Article 40.** Not later than three business days before each repurchase auction, the BNB shall notify GSAS participants, based on the information received from the Ministry of Finance, of the terms under which the repurchase will be executed. By a decision of the Minister of Finance, the BNB may notify GSAS participants of the information received from the Ministry of Finance in another time limit as well.



**Article 41.** (1) Primary dealers shall submit their orders for participation in a repurchase auction within the time limit determined jointly by the Ministry of Finance and the BNB. Orders shall be sent to the BNB Fiscal Services Department. Orders received shall immediately be subjected to an entry check that includes a check of their format in accordance with the appendices to the ordinance, a check of the key words identifying the respective requisites, and a check of the date and time of receipt. Should the existence of an error be found, a message shall be sent to the primary dealer. Orders submitted may be changed by primary dealers until expiry of the deadline for their receipt. After that they shall be considered irrevocable. The last message received shall be deemed valid.

(2) The order for participation shall be drawn up in accordance with the model in Appendices 22, 23, 8, 9 and 24 and shall contain:

1. (amended, State Gazette, issue 100 of 2013) number of the cash settlement account of the RINGS participant in case of orders for BGN-denominated GS or the number of the cash settlement account of the participant in TARGET2 in case of orders for GS denominated and payable in EUR

2. number of the issue, announced for repurchase;

3. par amount of the GS requested for repurchase (in figures);

4. price/yield at which participant wishes the GS to be repurchased, expressed as a percentage of 100 units face value on a three decimal places-level (in figures);

(3) In case that the bid is made for the account of a primary dealer's client, in addition to the requisites under paragraph 2, it shall contain data about the client for whose account the bid is made:

1. for natural persons –full name and PIN (for non-residents – data pursuant to Article 13, paragraph 4, item 'a');

2. for legal entities– company name and identifier under the BULSTAT register (for legal entities registered abroad – data pursuant to Article 13, paragraph 4, item 'b');

(4) In cases of repurchase of GS by exchange, in addition to the requisites under paragraph 2 the bid shall contain the number of issue by which the exchange is to be made.

(5) In cases of repurchase of GS against payment with a fixed term, in addition to the requisites under paragraph 2 the bid shall contain the auction date and the term of repurchase in days.

(6) Each participant in a repurchase auction shall be eligible to submit up to 30 competitive bids, including bids on his behalf but for the account of his clients.

(7) The total face value of an bid shall be not less than BGN 1 and shall be a multiple of BGN 0.01 (in the case of GS denominated in foreign currency: at least 1, and a multiple of 0.01).

(8) Bids received under paragraph 1 shall be kept in a manner which ensures the secrecy of the bids made until the auction is conducted.

**Article 42.** (1) On the auction day the Commission under Article 8, paragraph 3 shall perform a check and shall not admit to the auction bids that do not comply with the requirements of this Ordinance.

(2) The Commission shall sort the bids of the primary dealers admitted to participate in the repurchase auction in an ascending order according to the price offered by the participants or in a descending order according to the annual interest rate or yield offered.

(3) Should there be bids of one and the same price, which is set as the maximum price, or an annual interest rate or yield which is the minimum interest rate or yield set by the Ministry of Finance, the distribution shall be made proportionally to the quantity remaining for distribution and until reaching the parameter offered by the Ministry of Finance pursuant to Article 40 and in compliance with the procedure provided for in Article 14, paragraphs 2 and 4. Ranked bids shall be approved by the Minister of Finance or by a person designated by him and shall be sent to the BNB.

(4) Should there be bids for repurchase of GS by their exchange with GS from a new issue; the bids shall be ranked only if the applications for acquisition of GS from the new issues have been approved.

(5) The Minister of Finance may not admit to the repurchase auction a particular participant with competitive bids or particular competitive bids and may reject all or approve particular bids respectively. Ranked bids shall be approved by the Minister of Finance or by a person designated by him and shall be sent to the BNB.

(6) Based on the ranking of bids and the approval under paragraph 5, a report on the results of the auction conducted shall be prepared by the Commission and signed by all its members.

(7) The Commission shall notify all participants of the results of the auction within the time limits determined jointly by the Ministry of Finance and the BNB.

(8) Participants in the auction for repurchase through exchange, whose bids have been approved, shall receive GS from the new issue in accordance with the terms and conditions announced.

(9) (repealed; State Gazette, issue 100 of 2013)

**Article 43.** (1) (amended, State Gazette, issue 100 of 2013) On the repurchase date, the BNB shall execute ex-officio payment operations between the Ministry of Finance and the successful participants in the repurchase auction, whose bids are approved, within the deadlines determined jointly by the Ministry of Finance and the BNB.

(2) (amended, State Gazette, issue 100 of 2013) In case of repurchase through exchange the BNB shall execute operations under paragraph 1 by crediting/debiting the respective cash settlement accounts of the participants in the repurchase auction and of the Ministry of

Finance with the amount representing the balance between the total value of government securities acquired by the participants from the new issue and the total amount of repurchased GS by the Ministry of Finance.

(3) (new, State Gazette, issue 100 of 2013) Primary dealers, whose bids have been approved, including when they participate in the auction with bids on their behalf but for the account of their clients, shall provide on the repurchase date the funds required for the payment of the balances under paragraph 2 in their cash settlement accounts in RINGS, or TARGET2 respectively, within the deadlines determined jointly by the Ministry of Finance and the BNB.

(4) (new, State Gazette, issue 100 of 2013) If the primary dealers whose bids have been approved do not possess the required quantity of GS from the repurchase issue or these GS are pledged/blocked in favour of a third party at the beginning of the repurchase date and/or they do not have the required funds on their cash settlement accounts on the settlement date to pay the balances under paragraph 2, the BNB shall not execute the payment, respectively register the repurchase/ exchange of/by GS from the new issue. As a result, issues for repurchase/exchange shall remain partially subscribed, and the Fiscal Services Department shall notify the Ministry of Finance in writing thereof. In such cases the Minister of Finance may exclude the primary dealer from the list of primary dealers.

(5) (new, State Gazette, issue 100 of 2013) On the repurchase/exchange date the BNB Fiscal Services Department, after closing the settlement on the cash settlement accounts and on the GS settlement accounts, shall enter in its registers the GS repurchased/exchanged by each participant and all his clients. The date of the settlement shall be considered the date of repurchase/ exchange of/by GS from the new issue.

(6) (new, State Gazette, issue 100 of 2013) In case that in a repurchase of government securities through exchange the client for whose account the primary dealer participates in the auction does not pay the balance due under paragraph 2 until the end of the repurchase day, the primary dealer shall acquire those GS. For this purpose, the primary dealer shall send a notification to the BNB about the transfer of the GS from the client register to its own register under Article 20, paragraph 2 and the BNB shall enter this change in the register under Article 15, paragraph 7.

(7) (new, State Gazette, issue 100 of 2013) The Bulgarian National Bank shall execute payments ex officio under GS repurchased/exchanged by ESROT participants on the primary market that have participated in the auction through a primary dealer of their chose, directly debiting/crediting the cash settlement account in RINGS, TARGET2 respectively, specified by the participant, with the amount due under paragraphs 1 and 2 and shall record the repurchased/exchanged GS in the register of this participant kept by the BNB.

(8) (new, State Gazette, issue 100 of 2013) The provisions of paragraphs 3 and 4 shall also apply to ESROT participants under paragraph 7.

## Chapter Seven

### Government Securities Exchange Subscription

**Article 44.** (1) GS exchange subscription hereinafter referred to as ‘exchange subscription’ shall be organised and conducted by the BNB via GSAS by a decision of the Minister of Finance.

(2) Exchange subscription shall be conducted by the commission under Article 8, paragraph 3.

(3) Primary dealers may participate in a exchange subscription with bids both on their behalf and for their own account, and on their behalf but for the account of their clients, using models in accordance with the respective appendices to this Ordinance.

**Article 45.** Not later than three business days before the initiation of each exchange subscription the BNB shall communicate to the GSAS participants the information received by the Ministry of Finance about: ISIN of GS issues that are the subject of the exchange subscription; date of announcement and the deadline for submission of bids for participation in the exchange subscription, date of exchange; minimum amount per participant in case it is different from the one specified under Article 46, paragraph 4; amount of interest accrued on the GS that are the subject of the exchange subscription; issue terms and conditions in case the exchange is conducted using new GS issue/issues; the date on which the conversion exchange rate for the exchange shall be set.

**Article 46.** (1) Primary dealers shall submit their bids for participation in the exchange subscription within the time limits determined by the Ministry of Finance. Bids shall be sent to the BNB Fiscal Services Department. Bids received shall immediately be subjected to an entry check that includes a check of their format in accordance with the appendices to the ordinance, a check of the key words identifying the respective requisites, and a check of the date and time of receipt. Should the existence of an error be found, a message shall be sent to the primary dealer. Bids submitted may be changed by primary dealers until expiry of the deadline for their receipt. After that they shall be considered irrevocable. The last message received shall be deemed valid.

(2) Bids for participation shall be drawn up in accordance with the models in Appendices 25 and 26, and shall contain following requisites:

1. (amended, State Gazette, issue 100 of 2013) number of the participant’s cash settlement account in RINGS;
2. ISIN of the issue of GS announced for exchange;
3. ISIN of the issue with which the exchange shall be conducted;
4. par amount of GS announced for exchange (in figures);

(3) In case that the bid is placed for the account of a primary dealer’s client, in addition to the requisites under paragraph 2, it shall contain data about the client for whose account the bid is made: for natural persons –full name and PIN; for legal entities and sole proprietors –

company name and identifier under the BULSTAT register; for non-residents – the information under Article 13, paragraph 4.

(4) The total par amount of a bid shall be at least BGN 50 and shall be a multiple of BGN 1 (for GS issued in another currency: not less than 50 and a multiple of 1).

(5) Upon announcing the terms and conditions for an exchange subscription under Article 45, the Minister of Finance may determine a minimum amount per participant that is different from the one specified under paragraph 4.

(6) The number of bids with which a primary dealer may participate in the exchange subscription, including bids on his behalf but for the account of his clients, is unlimited.

(7) By the start of the business day on the date of exchange each participant shall hold the GS that are the subject of the exchange subscription. GS stated in the exchange subscription should not be blocked in favour of a third party. Primary dealers shall keep their clients' (natural persons) ownership certificates of the GS stated for exchange.

(8) Bids received under paragraph 1 shall be kept in a manner which ensures the secrecy of the order until the exchange subscription is conducted.

**Article 47.** (1) After the expiry of the deadline for sending applications for participation in the exchange subscription, the commission under Article 8, paragraph 3 shall perform a check and shall not allow bids that do not comply with the requirements of this Chapter to participate in the subscription.

(2) Bids shall be approved by the Minister of Finance or by a person designated by him and shall be sent to the BNB.

(3) Based on the approval by the Minister of Finance or by a person designated by him, a report on the results of the exchange subscription conducted shall be prepared by the commission under Article 8, paragraph 3 and it shall be signed by all its members.

(4) The commission under Article 8, paragraph 3 shall inform all participants in the exchange subscription of the results of the exchange subscription in the time limits determined jointly by the Ministry of Finance and the BNB.

**Article 48.** The Minister of Finance reserves the right to reject all bids received for participation in the exchange subscription or to approve particular bids.

**Article 49.** (1) The Bulgarian National Bank shall notify the participants in the exchange subscription about the information received by the Ministry of Finance of the conversion exchange rate at which the exchange shall be conducted. The notification shall be sent not later than one business day after the day for which the conversion exchange rate is calculated.

(2) Conversion exchange rate shall be the ratio between the currencies of government securities that are the subject of exchange, on the basis of the exchange rates quoted by the BNB on the date specified by the Ministry of Finance in the terms and conditions for

conducting the exchange subscription under Article 45. The conversion exchange rate shall be expressed to five decimal places following the mathematical rounding principle.

(3) Differences resulting from GS exchange shall be rounded up, so that the face value of GS acquired shall be a multiple of 1. Interest payments and differences resulting from rounding of GS, denominated and payable in foreign currency, shall be executed in their BGN equivalents. Accrued interest shall be expressed to two decimal places.

**Article 50.** (1) (amended, State Gazette, issue 100 of 2013) Primary dealers whose bids have been approved, including when they participate in the exchange subscription with bid on their behalf but for the account of their clients, are obligated to provide on the subscription date the required funds in their cash settlement accounts in RINGS within the time limits determined jointly by the Ministry of Finance and the BNB.

(2) (amended, State Gazette, issue 100 of 2013) On the exchange date and within the time limits determined jointly by the Ministry of Finance and the BNB, BNB shall: debit ex officio the cash settlement accounts in RINGS of primary dealers whose bids have been approved, including bids for the account of their clients, with the BGN equivalent of the balances under Article 49, paragraph 3; credit/debit ex officio the accounts of the Ministry of Finance and of the participants in the exchange subscription whose bids have been approved for executing payments between them on interest accrued as of the date of issue/last interest payment until the exchange date.

(3) (amended, State Gazette, issue 100 of 2013) After effecting the settlement on the cash settlement accounts in RINGS and GS settlement accounts, the Bulgarian National Bank shall enter in its registers GS subject of the exchange subscription. The date of execution of the settlement shall be considered the date of exchange.

**Article 51.** (amended, State Gazette, issue 100 of 2013) Should by the start of the business day on the date of subscription, the primary dealers whose bids have been approved, including bids for the account of their clients, do not have the required GS that are the subject of the exchange subscription and/or funds on their cash settlement accounts in RINGS, the BNB shall not execute the payment, respectively register the GS exchange, resulting in a partial execution of the subscription, and the Fiscal Services Department shall notify in writing the Ministry of Finance. In such cases the Minister of Finance may exclude the primary dealer from the list of primary dealers.

**Article 52.** (1) (Former wording Article 52, amended, State Gazette, issue 100 of 2013) In case that in a exchange of government securities, the client for whose account the primary dealer participates in the exchange subscription has not paid the balance due under Article 49, paragraph 3 until the end of the subscription date, the primary dealer shall acquire these government securities. For this purpose, the primary dealer shall send a notification to the BNB about the transfer of the government securities from the client register to its own register pursuant to Article 20, paragraph 2 and the BNB shall enter this change in the register under Article 15, paragraph 7.

(2) (new, State Gazette, issue 100 of 2013) The BNB shall execute payments ex officio on GS in exchange subscriptions for ESROT participants which have participated in the exchange subscription through a primary dealer of their choice, directly debiting the cash settlement account in RINGS, specified by the participant, with the amount due under Article 49, paragraph 3 and shall record the GS exchange in the register of the participant kept by the BNB.

(3) (new, State Gazette, issue 100 of 2013) The provisions of Article 50, paragraph 1 and Article 51 shall also apply to ESROT participants under paragraph 2.

### **Additional Provision**

**§ 1.** Within the meaning of this Ordinance:

1. 'member state' shall be the state that is a member of the European Union or any other state of the European economic area.
2. (amended, State Gazette, issue 100 of 2013) 'delivery versus payment' shall be the simultaneous transfer of cash from the buyer to the seller, and of government securities vice versa: from the seller to the buyer.
3. 'blocking' shall be a prohibition against disposition of government securities.
4. 'unblocking' shall be invalidation of the prohibition against disposition of government securities.
5. (supplemented, State Gazette, issue 100 of 2013) 'ESROT system day' shall be a pre-determined period of time within a business day determined by the Ministry of Finance and the BNB, during which requests and notifications for registering transactions in GS shall be accepted and processed.
6. (new, State Gazette, issue 100 of 2013) 'repo transaction in GS' shall be any agreement in which GS are transferred, subject to a commitment for their repurchase at a specified price on a specified future date. The agreement should not allow the transferor to transfer or pledge GS to more than one counterparty simultaneously. The agreement represents a repo agreement for the party selling GS and a reverse repo transaction for the party receiving GS.
7. (new, State Gazette, issue 100 of 2013) 'GS lending' shall be any transaction in which transfer of GS against a collateral is performed. The borrower shall be committed to return GS of the same issue and same amount on a specified future date. The transaction represents GS lending for the party transferring GS, and GS borrowing for the party receiving GS.
8. (new, State Gazette, issue 100 of 2013) 'currency of service' shall be the currency of the issue in which the payment on GS operations is effected upon their initial acquisition, on transaction on the secondary market, on repurchase and exchange operations before maturity, and on redemption of government securities and of interest on maturing GS.

9. (new, State Gazette, issue 100 of 2013) ‘Business Identifier Code (BIC)’ shall mean an alphanumerical sequence used internationally to uniquely identify business units – financial and non-financial institutions.

10. (new, State Gazette, issue 100 of 2013) ‘technical operator’ shall be an ESROT participant and subdepository of GS that on behalf of and for the account of the participant under Article 3, paragraph 1, item 5 shall be responsible for the entire ESROT communication.

11. (new, State Gazette, issue 29 of 2017) ‘trading platform’ shall be a functionality for electronic trading in financial instruments, other than a regulated market and multilateral trading facility (MTF).

### **Transitional and Final Provisions**

§ 2. This Ordinance is issued in accordance with Article 36, paragraph 1 of the Government Debt Act and enters into force as of 1 November 2007.

§ 3. This Ordinance repeals Ordinance No. 5 of 2002 on the terms and procedure and for Issuance, Acquisition and Redemption of Book-entry Government Securities (promulgated State Gazette, issue 119 of 2002; amended and supplemented, issue 67 of 2003, issue 101 of 2004, issue 38 of 2006).

§ 4. (1) Upon the entry of this Ordinance into force the incumbent ESROT participants wishing to preserve their status shall file an application for participation in ESROT accompanied by all required documents under Article 5 until 16 November 2007. Persons approved to be participants shall sign an agreement for participation in ESROT until 30 November 2007.

(2) Participation in the ESROT of persons who have not signed an agreement for participation in ESROT under Article 5, paragraph 6 until 30 November 2007 shall be discontinued as of 1 December 2007 and these persons may not participate in GSAS.

§ 5. Pending the signing of the agreement for participation in ESROT under § 4, primary dealers under § 3 of Ordinance No. 15 of 2007 shall perform the functions of a primary dealer and subdepository pursuant to this Ordinance.

§ 6. (1) Within five business days after signing the agreement for participation in ESROT, primary dealers under § 3 of Ordinance No. 15 of 2007, that are not subdepositories of GS, shall submit to the Ministry of Finance unused certificates, a statement from the registration system under Article 24 of this Ordinance and copies of the certificates issued, which the Ministry of Finance shall pass to the subdepository selected by the primary dealer.

(2) Within five business days after 30 November 2007, primary dealers under § 3 of Ordinance No. 15 of 2007 that have not signed an agreement for participation in ESROT shall submit to the Ministry of Finance unused certificates, a statement from the registration system under Article 24 of this Ordinance and copies of the certificates issued, which shall be



subsequently passed by the Ministry of Finance to the subdepository selected by the primary dealer.

§ 7. GS denominated in BGN and foreign currency with a par amount multiple of 0.01 shall be kept at BNB registers under Article 15, paragraph 7 and by subdepositories under Article 24.

§ 8. After 5 July 1999 the use of GS for participation in privatisation under the procedure of DCM No. 221 (issue 105 of 1995) and for repayment of obligations to the government arising under the Law on Settlement of Non-performing Credits Negotiated before 31 December 1990 pursuant to the procedure of DCM No. 22 of 1995 (State Gazette ,issue 12 of 1995) shall be accompanied by certificates issued in denominated face value.

§ 9. Certificates printed under Article 15, paragraph 2, item 4 of the repealed Ordinance No. 5 of 1996 shall be used until the depletion of their quantity completing the information about the acquirer under Article 25, paragraph 2 of this Ordinance.

§ 10. Participants in ESROT that are not subdepositories of GS may represent their clients before the subdepository bank in accordance with contracts concluded with the client and the bank.

§ 11. The Minister of Finance and the Governor of the BNB shall give methodological instructions on the implementation of this Ordinance.

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#### Transitional and Final Provisions

to the Ordinance on Amendment of Ordinance No. 5 of 2007 on the Terms and Procedure for Acquisition, Registration, Redemption and Trade in Government Securities (State Gazette, issue 100 of 2013)

§ 50. Technical requirements for the way of completing electronic messages used in GSAS and ESROT systems, subject to the appendices to this Ordinance, shall be regulated by BNB User Manual for the respective system and shall be mandatory for its participants.

#### Final Provisions

to the Ordinance on Amendment of Ordinance No. 5 of 2007 on the Terms and Procedure for Acquisition, Registration, Redemption and Trade in Government Securities (State Gazette, issue 29 of 2017)

§ 8. The requirement for holding a license under Article 4, paragraph 1, item 1 regarding persons under Article 3, paragraph 1, item 5 shall apply upon expiry of the deadlines for granting a license pursuant to Article 69, paragraph 2 in relation to Article 17 paragraph 8 of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities

depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ, L 257/1 of 28 August 2014).

§ 9. The Minister of Finance and the Governor of the BNB, within the remit of their competence, shall approve the rules for admission to trading and completing of transactions in GS concluded on a regulated market and on a multilateral trading facility.

§ 10. The Minister of Finance and the Governor of the BNB, within the remit of their competence, shall approve the rules under Article 16b, paragraph 1 within one month after the entry into force of this Ordinance.

Appendix 1  
to Article 5, paragraph 2  
(amended; State Gazette, issue 100 of 2013)

| <b>To the Bulgarian National Bank, Fiscal Services<br/>Department</b> | <b>Name of the applicant</b> |
|---|------------------------------|
|   |                              |
|   |                              |

|  |  |
|--|--|
| <b>APPLICATION</b><br>for Inclusion in ESROT   |  |
| <b>Registered office and address:</b>  |  |
|  |  |
| <b>Type of applicant:</b>  |  |
| <b>Bank:</b>   |  |
|  | Subdepository bank   |
|  | Bank   |
| <b>Investment intermediary</b>   |  |
| <b>Other:</b>  |  |
|  | BNB  |
|  | MF   |
|  | Reserve Guarantee Fund   |
|  | Central Securities Depository  |
|  | ESCB central bank  |
|  | Other  |
| <b>The applicant shall provide following investment services/activities:</b>   |  |
|  | Transactions in government securities for its own account                        |
|  | Transactions in government securities on behalf and for the account of customers |
| <b>Subdepository bank:*</b>  |  |
| <b>For settlement in BGN - number of account in RINGS **</b>   |  |
|  | Own account:   |
|  | Account of the settlement bank:  |
| <b>For settlement in EUR - number of account in TARGET2 **</b>   |  |
|  | Own account:   |
|  | Account of the settlement bank:  |
| <b>Attachments:</b>  |  |
| 1. An excerpt from the Commercial Register under Article 5, paragraph 2, item 1 of Ordinance No 5  |  |
| 2. A copy of the investment intermediary/bank license  |  |
| 3. Specimen signatures of the persons authorized to represent the participant under Article 5, paragraph 2, item 2 of Ordinance No 5   |  |
| 4. An application for opening government securities settlement accounts under Ordinance No 31 of the BNB   |  |
| 5. A declaration by the settlement bank in BGN (Appendix 2)  |  |
| 6. A declaration on the existence of an agreement concluded between the ESROT participant and a settlement bank in EUR (Appendix 2a)   |  |
| 7. A declaration by a subdepository bank (Appendix 3)  |  |
| 8. Data for the purposes of communication: SWIFT address of the participant; data on QES certificates of the authorized users of the system; a list of the contact persons in the events of problems related to government securities transactions |  |
| <b>Place and date of submission</b>  | <b>Signatures of the persons authorized to represent the institution</b>         |

\* Investment intermediaries and banks whose licence does not include the activities under Article 2, paragraph 2, item 4 of the Law on Credit Institutions shall specify a subdepository bank.

\*\* For the purposes of settlement in BGN and EUR, participating banks shall specify the number of their cash settlement accounts in RINGS and TARGET2-BNB or in another system component of TARGET2. Participants that don't have a cash settlement account in RINGS and/or in TARGET2, shall specify the number of the account of the settlement bank of their choice.

Appendix 2  
to Article 5, paragraph 3, item 2  
(amended, State Gazette, issue 100 of 2013)

### **DECLARATION**

By: .....  
(name of the Bank whose account will be used for cash settlement in BGN)

We hereby declare that our cash settlement account in RINGS, IBAN  
..... may be credited and debited ex officio by the BNB  
with regard to the cash settlement in BGN of government securities transactions conducted  
by ..... (name of the ESROT participant) on the  
primary and secondary markets, including ex officio collection by the BNB of all fees and  
commissions due in compliance with the BNB Tariff on the Fees and Commissions Charged  
on Government Securities Transactions.

Signatures: 1. ....  
(name and position of the person representing the Bank)  
2. ....  
(name and position of the person representing the Bank)

Appendix 2a  
to Article 5, paragraph 3, item 2  
(new, State Gazette, issue 100 of 2013)

## DECLARATION

on the existence of an agreement concluded between the ESROT participant and a settlement bank

Herewith, the following ESROT participant declares to the BNB in its capacity of an operator of a GS Registration and Settlement System – an ancillary system of TARGET2-BNB, that it has concluded an agreement with a bank which is a direct participant in TARGET2, hereinafter the ‘Settlement Bank’, for execution of payments in EUR on transactions in government securities issued on the domestic market, denominated in EUR with payment in EUR, through the account of the Settlement Bank in the system component of the specified national central bank.

### ESROT PARTICIPANT

BIC

Name

### SETTLEMENT BANK

Name in Bulgarian

Name in English

BIC

number of the account in TARGET2

Address

Country

City

Postcode

Street and number

Phone number

E-mail

Fax

Website

Contact persons

Name

Position

Phone number

E-mail

Name

Position

Phone number

E-mail

NATIONAL CENTRAL BANK

Address

Country

City

Postcode

Street and number

Phone number

E-mail

Fax

Website

Name in Bulgarian

Name in English

I/We, the undersigned, hereby declare my/our representative's powers to complete and sign this declaration on behalf of the ESROT participant.

Signatures: 1. ....

(name and position of the person representing the ESROT participant)

2. ....

(name and position of the person representing the ESROT participant)

Date:

Note: This document shall also be completed in case of changing the settlement bank

Appendix 3  
to Article 5, paragraph 6  
(amended, State Gazette, issue 100 of 2013)

**DECLARATION**

By: .....  
(name of the subdepository bank)

We hereby declare that we have concluded an agreement with

.....,  
(name of the ESROT participant)

Under this agreement we shall perform the functions of a subdepository of GS issued by the Government of the Republic of Bulgaria on the domestic market, for the customers of the above ESROT participant.

Signatures: 1. ....  
(name and position of the person representing the Bank)

2. ....  
(name and position of the person representing the Bank)

Appendix 4  
to Article 13, paragraph 2  
(amended; State Gazette, issue 100 of 2013)

**COMPETITIVE BID ON OWN ACCOUNT FOR PARTICIPATION IN AN  
AUCTION FOR SALE AGAINST PAYMENT**

|  |                        |
|--|------------------------|
| Cash settlement account of the participant in RINGS/TARGET2                          | BG12ABCD12345678901234 |
| Number of the issue for which the auction is conducted                               | BG1234567890           |
| Par amount   | 1,300,000              |
| Price/yield per 100 units par amount of the issue for which the auction is conducted | 101.46/5.20            |
| Par amount   | 3,000,000              |
| Price/yield per 100 units par amount of the issue for which the auction is conducted | 98.48/7.20             |
| Par amount   | 1,000,000              |
| Price/yield per 100 units par amount of the issue for which the auction is conducted | 98.46/7.21             |

Appendix 5  
to Article 13, paragraph 2  
(amended; State Gazette, issue 100 of 2013)

**COMPETITIVE BID ON CUSTOMER'S ACCOUNT FOR PARTICIPATION IN AN**

## AUCTION FOR SALE AGAINST PAYMENT

|  |  |
|--|--|
| Cash settlement account of the participant in RINGS/TARGET2                          | BG12ABCD12345678901234   |
| Number of the issue for which the auction is conducted                               | BG1234567890   |
| Par amount   | 1,300,000  |
| Price/yield per 100 units par amount of the issue for which the auction is conducted | 101.46/5.20  |
| Customer details   | natural person<br>5303125633<br><i>Ivan Pavlov Ivanov</i>                  |
| Par amount   | 3,000,000  |
| Price/yield per 100 units par amount of the issue for which the auction is conducted | 98.48/7.20   |
| Customer details   | legal entity<br>999999999<br><i>Company 'AAAAA'</i>                        |
| Par amount   | 3,000,000  |
| Price/yield per 100 units par amount of the issue for which the auction is conducted | 98.98/6.20   |
| Customer details   | <i>bank or investment intermediary</i><br>111111111<br><i>Bank 'BBBBB'</i> |
| Par amount   | 3,000,000  |
| Price/yield per 100 units par amount of the issue for which the auction is conducted | 99.49/5.01   |
| Customer details   | <i>non-resident</i><br>222222222<br>'CCCCCCCC'                             |

Data under Article 13, paragraph 4

Appendix 6  
to Article 13, paragraph 2  
(amended; State Gazette, issue 100 of 2013)

NON-COMPETITIVE BID ON OWN ACCOUNT FOR PARTICIPATION  
IN AN AUCTION FOR SALE AGAINST PAYMENT



|   |                        |
|---|------------------------|
| Cash settlement account of the participant in RINGS/TARGET2 | BG12ABCD12345678901234 |
| Number of the issue for which the auction is conducted      | BG1234567890           |
| Par amount  | 1,300,000              |

Appendix 7  
to Article 13, paragraph 2  
(amended State Gazette, issue 100 of 2013)

NON-COMPETITIVE BID ON CUSTOMER'S ACCOUNT FOR PARTICIPATION  
IN AN AUCTION FOR SALE AGAINST PAYMENT

|   |   |
|---|---|
| Cash settlement account of the participant in RINGS/TARGET2 | BG12ABCD12345678901234                  |
| Number of the issue for which the auction is conducted      | BG1234567890                            |
| Par amount  | 1,300,000                               |
| Customer details  | natural person<br>5303125633            |
|   | Ivan Pavlov Ivanov                      |
| Par amount  | 5,000,000                               |
| Customer details  | legal entity<br>999999999               |
|   | Company 'AAAAA'                         |
| Par amount  | 5,000,000                               |
| Customer details  | non-resident<br>222222222<br>'CCCCCCCC' |

Data under Article 13, paragraph 4

Appendix 8  
to Article 13, paragraph 2 and Article 41, paragraph 2  
(amended; State Gazette, issue 100 of 2013)

**COMPETITIVE BID ON OWN ACCOUNT FOR PARTICIPATION IN A REPURCHASE  
AUCTION WITHOUT A DEFINITE TERM/SALE THROUGH EXCHANGE**

|  |                        |
|--|------------------------|
| Cash settlement account of the participant in RINGS/TARGET2                          | BG12ABCD12345678901234 |
| Number of the issue for which the auction is conducted                               | BG1234567890           |
| Number of the issue with which exchange shall be performed                           | BG9876543210           |
| Par amount   | 1,300,000              |
| Price/yield per 100 units par amount of the issue for which the auction is conducted | 101.46/5.20            |
| Par amount   | 2,000,000              |
| Price/yield per 100 units par amount of the issue for which the auction is conducted | 98.48/7.20             |

Appendix 9  
to Article 13, paragraph 2 and Article 41, paragraph 2  
(amended; State Gazette, issue 100 of 2013)

**COMPETITIVE BID ON CUSTOMER'S ACCOUNT FOR PARTICIPATION IN A  
REPURCHASE AUCTION WITHOUT DEFINITE TERM/SALE  
THROUGH EXCHANGE**

|  |   |
|--|---|
| Cash settlement account of the participant in RINGS/TARGET2                          | BG12ABCD12345678901234                          |
| Number of the issue for which the auction is conducted                               | BG1234567890                                    |
| Number of the issue with which exchange shall be performed                           | BG9876543210                                    |
| Par amount   | 1,300,000                                       |
| Price/yield per 100 units par amount of the issue for which the auction is conducted | 101.46/5.20                                     |
| Customer details   | natural person<br>5303125633                    |
| Par amount   | Ivan Pavlov Ivanov<br>2,000,000                 |
| Price/yield per 100 units par amount of the issue for which the auction is conducted | 98.48/7.20                                      |
| Customer details   | legal entity<br>999999999<br>Company 'AAAAA'    |
| Par amount   | 2,000,000                                       |
| Price/yield per 100 units par amount of the issue for which the auction is conducted | 98.98/6.20                                      |
| Customer details   | bank or investment<br>intermediary<br>111111111 |

|  |              |
|--|--------------|
| Par amount   | Bank 'BBBBB' |
| Price/yield per 100 units par amount of the issue for which the auction is conducted | 4,000,000    |
| Customer details   | 99.48/7.20   |
|  | non-resident |
|  | 2222222222   |
|  | 'CCCCCCCC'   |

Data under Article 13, paragraph 4

Appendix 10  
to Article 17, paragraph 2  
(amended; State Gazette, issue 100 of 2013)

**REQUEST FOR REGISTRATION OF A TRANSACTION IN GS PURCHASE  
AND SALE/REPO TRANSACTION**

|   |              |
|---|--------------|
| Value date of the transaction   | 15/02/2005   |
| Issue No.   | BG3010096005 |
| Transferor  | Bank 'A'     |
| Code of register/GS settlement account of the transferor                                    | 9251011100   |
| Cash settlement account of the transferor in RINGS/TARGET2                                  | 1000010244   |
| Acquirer  | Bank 'B'     |
| Code of register/GS settlement account of the acquirer                                      | 9251022200   |
| Cash settlement account in RINGS/TARGET 2<br>of the acquirer                                | 1000010100   |
| Par amount  | 10000000     |
| Price   | 9320210,     |
| Value date of the repo transaction<br>(To be completed in case of a preliminary agreement.) | 17/02/2005   |
| Price   | 9803150,     |

Appendix 10a  
to Article 17, paragraph 2  
(new, State Gazette, issue 100 of 2013)

**REQUEST FOR REGISTRATION OF A GS LENDING TRANSACTION**

|  |                 |
|--|-----------------|
| Value date of the transaction                        | 15/04/2012      |
| Issue No.  | BG3010096005    |
| Participant – lender                                 | Participant 'A' |
| Code of register/GS settlement account of the lender | 9251011100      |
| Cash settlement account of the lender in RINGS       | 1000010244      |
| Participant – borrower                               | Participant 'B' |

|  |            |
|--|------------|
| Code of register/GS settlement account of the borrower | 9251022200 |
| Cash settlement account of the borrower in RINGS       | 1000010100 |
| Par amount   | 10,000,000 |
| Value date of the loan                                 | 17/04/2012 |

Appendix 10b  
to Article 17, paragraph 2  
(new, State Gazette, issue 100 of 2013)

**REQUEST FOR TRANSFER OF GS ON REGISTERS  
BETWEEN ESROT PARTICIPANTS**

|  |              |
|--|--------------|
| Value date of the transaction                            | 30/08/2013   |
| Issue No.  | BG3010096005 |
| Participant – transferor                                 | Bank ‘A’     |
| Code of register/GS settlement account of the transferor | 9251011100   |
| Cash settlement account of the transferor in RINGS       | 1000010100   |
| Participant – acquirer                                   | Bank ‘B’     |
| Code of register/GS settlement account of the acquirer   | 9251022200   |
| Cash settlement account of the acquirer in RINGS         | 1000010200   |
| Par amount in BGN/in EUR                                 | 10,000,000   |

Appendix 10c  
to Article 17, paragraph 2  
(new, State Gazette, issue 100 of 2013)

**REQUEST FOR TRANSFER OF GS HELD BY ESROT PARTICIPANT TO A  
PARTICIPANT UNDER ARTICLE 3, PARAGRAPH 1, ITEM 5,  
WITHOUT A CHANGE OF OWNERSHIP**

|  |                  |
|--|------------------|
| Value date   | 15/02/2012       |
| Issue No.  | BG3010096005     |
| Participant – transferor   | Bank ‘A’         |
| Code of register/settlement account for<br>own GS of the participant | 9251011100       |
| Cash settlement account of the participant in RINGS                  | 1000010100       |
| Par amount of GS transferred   | 10,000,000       |
| Participant under Article 3, paragraph 1, item 5                     | Foreign CSD ‘AA’ |
| Code of register/settlement account for customers’                   |                  |

|  |            |
|--|------------|
| GS of the participant under Article 3, paragraph 1, item 5                               | 9252022200 |
| Cash settlement account of the participant under Article 3, paragraph 1, item 5 in RINGS | 1000010100 |

Appendix 10d  
to Article 17, paragraph 2  
(new, State Gazette, issue 100 of 2013)

REQUEST FOR A TRANSFER OF GS HELD BY ESROT PARTICIPANT FROM A  
PARTICIPANT UNDER ARTICLE 3, PARAGRAPH 1, ITEM 5, WITHOUT  
A CHANGE OF OWNERSHIP

|  |                  |
|--|------------------|
| Value date   | 15/02/2012       |
| Issue No.  | BG3010096005     |
| Participant under Article 3, paragraph 1, item 5           | Foreign CSD 'AA' |
| Code of register/settlement account for customers'         |                  |
| GS of the participant under Article 3, paragraph 1, item 5 | 9252022200       |
| Cash settlement account of the participant in RINGS        | 1000010100       |
| Par amount of transferred government securities            | 10,000,000       |
| Participant – acquirer                                     | Bank 'A'         |
| Code of register/settlement account for own                |                  |
| GS of the participant                                      | 9251011100       |
| Cash settlement account of the participant in RINGS        | 1000010100       |

Appendix 11  
to Article 20, paragraph 2  
(amended, State Gazette, issue 100 of 2013)

NOTIFICATION UNDER ARTICLE 20, PARAGRAPH 2

|  |              |
|--|--------------|
| Value date of transaction  | 15/02/2005   |
| Issue No.  | BG3010096005 |
| Participant – transferor   | Bank 'A'     |
| Code of register/settlement account for own GS of the participant        | 9251011100   |
| Code of register/settlement account for customers' GS of the participant | 9252011100   |

|                                  |            |
|----------------------------------|------------|
| Cash settlement account in RINGS | 1000010100 |
| Par amount                       | 10,000,000 |
| Value date of repurchase         | 17/02/2005 |

(To be completed in case of a preliminary agreement.)

Appendix 11a  
to Article 20, paragraph 2  
(new, State Gazette, issue 100 of 2013)

NOTIFICATION UNDER ARTICLE 20, PARAGRAPH 2  
'GS LENDING'

|   |              |
|---|--------------|
| Value date of transaction   | 15/04/2012   |
| Issue No.   | BG3010096005 |
| Participant – transferor  | Bank 'A'     |
| Code of register/settlement account<br>for own GS of the participant        | 9251011100   |
| Code of register/settlement account<br>for customers' GS of the participant | 9252011100   |
| Cash settlement account in RINGS  | 1000010100   |
| Par amount  | 10,000,000   |
| Value date of the repurchase  | 17/04/2012   |

Appendix 12  
to Article 20, paragraph 2  
(amended, State Gazette, issue 100 of 2013)

NOTIFICATION UNDER ARTICLE 20, PARAGRAPH 2

|   |              |
|---|--------------|
| Value date of transaction   | 15/02/2005   |
| Issue No.   | BG3010096005 |
| Participant – acquirer  | Bank 'A'     |
| Code of register/settlement account<br>for customers' GS of the participant | 9251011100   |
| Code of register/settlement account<br>for own GS of the participant        | 9252011100   |

|                                  |            |
|----------------------------------|------------|
| Cash settlement account in RINGS | 1000010100 |
| Par amount                       | 10,000,000 |
| Value date of the repurchase     | 17/02/2005 |

(To be completed in case of a preliminary agreement.)

Appendix 12a  
to Article 20, paragraph 2  
(new, State Gazette, issue 100 of 2013)

NOTIFICATION UNDER ARTICLE 20, PARAGRAPH 2  
'GS LENDING'

|   |              |
|---|--------------|
| Value date of transaction   | 15/04/2012   |
| Issue No.   | BG3010096005 |
| Participant – acquirer  | Bank 'A'     |
| Code of register/settlement account<br>for customers' GS of the participant | 9251011100   |
| Code of register/settlement account<br>for own GS of the participant        | 9252011100   |
| Cash settlement account in RINGS  | 1000010100   |
| Par amount  | 10,000,000   |
| Value date of loan maturity   | 17/04/2012   |

Appendix 13  
to Article 20, paragraph 3, item 1  
(amended, State Gazette, issue 100 of 2013)

NOTIFICATION UNDER ARTICLE 20, PARAGRAPH 3, ITEM 1  
on Sales of Target GS to Natural Persons  
for the period ..... – .....

|   |            |
|---|------------|
| Participant   | Bank 'A'   |
| Code of register/settlement account<br>for customers' GS of the participant | 9251011100 |
| Cash settlement account of the participant<br>in RINGS/TARGET2              | 1000010100 |

|  |              |
|--|--------------|
| Issue No.                                      | BG2210098112 |
| Par amount                                     | 16,500       |
| Actual selling value                           | 17,164.95    |
| Average selling price per 100 units par amount | 104.03       |

Appendix 14  
to Article 20, paragraph 3, item 2  
(amended, State Gazette, issue 100 of 2013)

NOTIFICATION UNDER ARTICLE 20, PARAGRAPH 3, ITEM 2  
on Purchases of Target GS by Natural Persons

|   |              |
|---|--------------|
| Purchase date   | 29/10/1998   |
| Participant   | Bank 'A'     |
| Code of register/settlement account<br>for customers' GS of the participant | 9251011100   |
| Cash settlement account of the participant<br>in RINGS/TARGET2              | 1000010100   |
| Issue No.   | BG2210098112 |
| Par amount  | 7300         |
| Actual purchasing value   | 7464.25      |
| Purchasing price per 100 units par amount                                   | 102.25       |

Appendix 15  
to Article 20, paragraph 4  
(amended, State Gazette, issue 100 of 2013)

REQUEST FOR TRANSFER OF GS UNDER ARTICLE 20, PARAGRAPH 4

|   |              |
|---|--------------|
| Value date of transaction   | 15/02/2005   |
| Issue No.   | BG3010096005 |
| Participant keeping a register of<br>GS of customer – transferor            | Bank 'A'     |
| Code of register/settlement account<br>for customers' GS of the participant | 9251011100   |
| Cash settlement account in RINGS  | 1000010244   |
| Par amount  | 10000000     |



|   |            |
|---|------------|
| Participant – acquirer  | Bank ‘B’   |
| Code of register/settlement account<br>for own GS of the acquirer | 9251022200 |
| Cash settlement account of the acquirer in RINGS                  | 1000010100 |

Appendix 16  
to Article 20, paragraph 5  
(amended, State Gazette, issue 100 of 2013)

### **REQUEST FOR TRANSFER OF GS UNDER ARTICLE 20, PARAGRAPH 5**

|   |              |
|---|--------------|
| Value date of the transaction   | 15/02/2005   |
| Issue No.   | BG3010096005 |
| Participant – transferor  | Bank ‘A’     |
| Code of register/settlement account<br>for own GS of the participant    | 9251011100   |
| Cash settlement account in RINGS  | 1000010244   |
| Par amount  | 10,000,000   |
| Participant keeping a register of GS of<br>the customer – acquirer      | Bank ‘B’     |
| Code of register/settlement account<br>for customer’s GS of participant | 9251011100   |
| Cash settlement account of the participant in RINGS                     | 1000010100   |

Appendix 17  
to Article 20, paragraph 6  
(amended, State Gazette, issue 100 of 2013)

### **REQUEST FOR TRANSFER OF A CUSTOMER REGISTER OF GS UNDER ARTICLE 20, PARAGRAPH 6**

|   |              |
|---|--------------|
| Value date of the transaction   | 15/02/2005   |
| Issue No.   | BG3010096005 |
| Participant keeping a register of customer’s GS                             | Bank ‘A’     |
| Code of register/settlement account<br>for customer’s GS of the participant | 9252011100   |
| Cash settlement account in RINGS  | 1000010244   |
| Par amount  | 10,000,000   |

|   |            |
|---|------------|
| Participant that customer's GS are transferred to | Bank 'B'   |
| Code of register/settlement account               |            |
| for customer's GS of participant                  | 9252022200 |
| Cash settlement account in RINGS                  | 1000010100 |

Appendix 18  
to Article 20, paragraph 7  
(amended, State Gazette, issue 100 of 2013)

**REQUEST FOR TRANSFER OF GS UNDER ARTICLE 20, PARAGRAPH 7**

|   |              |
|---|--------------|
| Value date of the transaction   | 15/02/2005   |
| Issue No.   | BG3010096005 |
| Participant keeping a register of GS<br>of the customer – transferor    | Bank 'A'     |
| Code of register/settlement account<br>for customer's GS of participant | 9252011100   |
| Cash settlement account in RINGS  | 1000010244   |
| Par amount  | 10,000,000   |
| Participant keeping a register of GS<br>of the customer – acquirer      | Bank 'B'     |
| Code of register/settlement account<br>for customer's GS of participant | 9252022200   |
| Cash settlement account in RINGS  | 1000010100   |

Appendix 19  
to Article 25, paragraph 2

**CERTIFICATE No.  
of Ownership of Government Securities**

.....  
(data about the acquirer of government securities)

government securities, issue No. ....maturity .....  
(issue No. and date) (date)

to a par amount of..... BGN .....  
(in figures) (in words)

at interest rate .....  
(interest rate on government securities, fixed, floating)

interest payments dates .....

.....  
(date and place of issue)  
issuer)

.....  
(signature and seal of the

Reverse side of certificate

Space for indicating interest paid

Appendix 20  
to Article 25, paragraph 5

MINISTRY OF FINANCE  
OF THE REPUBLIC OF BULGARIA

CERTIFICATE No.  
of Ownership of Government Securities

.....  
(government securities type)

.....  
(data about the acquirer of government securities )

.....  
(issue No.) (issue date) (maturity date)

.....  
(government securities par amount: in figures and in words, currency)

.....  
(interest rate on government securities)

.....  
(interest payments dates)

.....  
(repurchase terms and conditions)

.....  
(certificate issuer)

.....  
(date and place of issue)

.....  
(signature and seal of the issuer)

Reverse side of certificate

Space for indicating interest paid

Appendix 21  
to Article 26, paragraph 1  
(amended, State Gazette, issue 100 of 2013)

**DECLARATION OF TRANSFER OF GS  
OWNERSHIP RIGHTS**

I, the undersigned, .....,  
(full name)

With identity card No. ...., issued on ..... by .....,

PIN (identity document No.) .....,

hereby declare that I have transferred to

.....  
(full name)

\*hereby declare that I have transferred to .....,  
(company name and UIC)

\* represented by .....,  
(full name)

With identity card No. ...., issued on ..... by .....

PIN (identity document No) .....

on behalf of and for the account of .....,\*

the ownership on government securities of issue

No...../.....,

(date of issue)

Amounting to .....

(in figures and in words)

total par amount certificate No .....

.....

.....

(date)

Transferor:

(signature)

.....

Acquirer:

(signature)

- To be completed in the case of legal entity.

Appendix 22

to Article 41, paragraph 2

(amended, State Gazette, issue 100 of 2013)

COMPETITIVE BID ON OWN ACCOUNT FOR PARTICIPATION  
IN A REPURCHASE AUCTION WITHOUT A DEFINITE TERM  
AGAINST PAYMENT

Cash settlement account of the participant

in RINGS/TARGET2

Number of the issue for which

the auction is held

Par amount

BG12ABCD12345678901234

BG1234567890

1,300,000

|  |             |
|--|-------------|
| Price/yield per 100 units par amount<br>of the issue for which the auction is held | 101.46/5.20 |
| Par amount   | 2,000,000   |
| Price/yield per 100 units par amount<br>of the issue for which the auction is held | 98.48/7.20  |

Appendix 23  
to Article 41, paragraph 2  
(amended, State Gazette, issue 100 of 2013)

**COMPETITIVE BID ON CUSTOMER'S ACCOUNT FOR PARTICIPATION  
IN A REPURCHASE AUCTION WITHOUT A DEFINITE TERM  
AGAINST PAYMENT**

|  |  |
|--|--|
| Cash settlement account of the participant<br>in RINGS/TARGET2                     | BG12ABCD12345678901234                                       |
| Number of the issue for which<br>the auction is held                               | BG1234567890   |
| Par amount   | 1,300,000  |
| Price/yield per 100 units par amount<br>of the issue for which the auction is held | 101.46/5.20  |
| Customer details   | natural person<br>5303125633<br>Ivan Pavlov Ivanov           |
| Par amount   | 2,000,000  |
| Price/yield per 100 units par amount<br>of the issue for which the auction is held | 98.48/7.20   |
| Customer details   | legal entity<br>999999999<br>Company 'AAAAA'                 |
| Nominal value  | 2,000,000  |
| Price/yield per 100 units par amount<br>of the issue for which the auction is held | 98.99/6.20   |
| Customer details   | bank or investment intermediary<br>111111111<br>Bank 'BBBBB' |
| Par amount   | 4,000,000  |
| Price/yield per 100 units par amount<br>of the issue for which the auction is held | 99.48/7.20   |
| Customer details   | non-resident<br>222222222<br>'CCCCCCCC'                      |

Appendix 24  
to Article 41, paragraph 2  
(amended, State Gazette, issue 100 of 2013)

COMPETITIVE BID ON OWN ACCOUNT FOR PARTICIPATION  
IN A REPURCHASE AUCTION WITH A DEFINITE TERM  
AGAINST PAYMENT (REPO AUCTION)

|  |                        |
|--|------------------------|
| Cash settlement account of the participant<br>in RINGS/TARGET2 | BG12ABCD12345678901234 |
| Number of issue  | BG1234567890           |
| Auction date   | 20040109               |
| Repurchase term, days  | 1                      |
| Par amount   | 1,300,000              |
| Annual interest rate   | 5.20                   |
| Par amount   | 2,000,000              |
| Annual interest rate   | 5.25                   |

Appendix 25  
to Article 46, paragraph 2  
(amended, State Gazette, issue 100 of 2013)

BID ON OWN ACCOUNT IN A EXCHANGE SUBSCRIPTION

|   |                        |
|---|------------------------|
| Cash settlement account<br>of the participant in RINGS            | BG12ABCD12345678901234 |
| Number of the issue of GS announced for exchange                  | BG1234567890           |
| Number of the issue with which<br>the exchange shall be conducted | BG9876543210           |
| Par amount  | 1,300,000              |

Appendix 26  
to Article 46, paragraph 2  
(amended, State Gazette, issue 100 of 2013)

BID ON A CUSTOMER'S ACCOUNT IN A

## EXCHANGE SUBSCRIPTION

|   |  |
|---|--|
| Cash settlement account of the participant<br>in RINGS            | BG12ABCD12345678901234                                       |
| Number of the issue of GS announced for exchange                  | BG1234567890   |
| Number of the issue with which<br>the exchange shall be conducted | BG9876543210   |
| Par amount  | 1,300,000  |
| Customer details  | natural person<br>5303125633<br>Ivan Pavlov Ivanov           |
| Par amount  | 3000000  |
| Customer details  | legal entity<br>999999999<br>Company 'AAAAA'                 |
| Par amount  | 3,000,000  |
| Customer details  | bank or investment intermediary<br>111111111<br>Bank 'BBBBB' |
| Par amount  | 3,000,000  |
| Customer details  | non-resident<br>222222222<br>'CCCCCCCC'                      |

*Data under Article 13, paragraph 4*

Appendix 27  
to Article 33, paragraph 4 and Article 34  
(new State Gazette, issue 100 of 2013)

## REQUEST FOR GS BLOCKING

|  |                 |
|--|-----------------|
| Value date of blocking   | 15/03/2010      |
| Issue No.  | BG3010098005    |
| ESROT participant  | Participant 'A' |
| Code of register/settlement account for own<br>GS of the ESROT participant     | 9251XXXXXX      |
| Code of register/settlement account for blocked<br>GS of the ESROT participant | 9253XXXXXX      |
| Cash settlement account<br>of the participant in RINGS                         | BGXXXXXXXXXX    |
| Par amount of GS blocked   | 100,000         |



Appendix 28  
to Article 33, paragraph 4 and Article 34  
(new, State Gazette, issue 100 of 2013)

#### REQUEST FOR GS DEBLOCKING

|  |                 |
|--|-----------------|
| Value date of blocking   | 15/03/2010      |
| Issue No.  | BG3010098005    |
| ESROT participant  | Participant 'A' |
| Code of register/settlement account for blocked<br>GS of the ESROT participant | 9253XXXXXX      |
| Code of register/settlement account for own<br>GS of the ESROT participant     | 9251XXXXXX      |
| Cash settlement account<br>of the participant in RINGS                         | BGXXXXXXXXXX    |
| Par amount of GS deblocked   | 200,000         |

Appendix 29  
to Article 30, paragraph 4  
(new, State Gazette, issue 56 of 2015, effective as of 24 July 2015)

#### **EX OFFICIO REGISTRATION INSTRUCTION FOR A TRANSFER OF PLEDGED GS UNDER THE PROCEDURE OF THE REGISTERED PLEDGES ACT FROM A REGISTER UNDER ARTICLE 15, PARAGRAPH 7 TO A REGISTER UNDER ARTICLE 24**

Group No. 1: **Registration number of the entry in the RSP with the BNB**

1 Number of the initial entry instruction      Number of the additional entry instruction

Group No. 2: **Pledger** (ESROT participant, whose participation is terminated (limited) under  
Article 6, paragraph 1 or 2)

2 Name      3 Identification code

4 Address

Group No. 3: **Debtor under the secured claim**

5 Name

6 Identification code

7 Address

Group No. 4: **Pledge creditor/ subdepository of GS (ESROT participant in whose customers register the GS blocked shall be transferred and blocked)**

8 Name

9 Identification code

10 Address

Group No. 5: **Claim pledged**

11 Grounds (document, data)

12 Subject

14 Interest

13 Amount (in figures and in words)

15 Default interest

Group No. 6 **Sum of money, for which pledge is established**

16 Amount (in figures and in words)

Group No.7 **Property pledged**

17 Description

Issue No. .... par amount ..... currency.....

Group No. 8: **Modalities**

29 Term (day/month/year) 21 Conditions

Group No. 9: **Grounds**

22

Appendix 30 to Article 30, paragraph 5

(new, State Gazette, issue 56 of 2015, effective as of 24 July 2015)

**EX OFFICIO REGISTRATION INSTRUCTION FOR A TRANSFER OF PLEDGED  
GS UNDER THE PROCEDURE OF THE REGISTERED PLEDGES ACT  
FROM ONE REGISTER TO ANOTHER UNDER ARTICLE 24**

**Group No. 1: Registration number of the entry in the RSP with Bank**

.....

1 Number of the initial entry instruction

Number of the additional entry instruction

**Group No. 2: Pledge creditor (ESROT participant, whose participation is terminated  
(limited) under Article 6, paragraph 1 or 2)**

2 Name

3 Identification code

4 Address

**Group No. 3: Pledger (Customer of ESROT participant, whose participation is  
terminated (limited) under Article 6, paragraph 1 or 2)**

5 Name

6 Identification code

7 Address

**Group No. 4: Debtor under the pledged claim**

8 Name

9 Identification code

10 Address

**Group No. 5: ESROT participant, subdepository of GS, in whose customer register GS  
pledged are transferred and blocked**

11 Name

12 Identification code

13 Address

Group No. 6: **Claim pledged**

14 Grounds (document, data)

15 Subject

17 Interest

16 Amount (in figures and in words)

18 Default interest

Group No. 7 **Sum of money, for which pledge is established**

19 Amount (in figures and in words)

Group No. 8: **Property pledged**

20 Description

Issue No. ....par amount ..... currency.....

Group No. 9: **Modalities**

21 Term (day/month/year 22 Conditions

Group No. 10: **Grounds**

23