

# Financial Supervision Commission Act

Promulgated, SG No. 8/28.01.2003, effective 1.03.2003, amended, SG No. 31/4.04.2003, amended and supplemented, SG No. 67/29.07.2003, amended, SG No. 112/23.12.2003, amended and supplemented, SG No. 85/28.09.2004, SG No. 39/10.05.2005, SG No. 103/23.12.2005, effective 1.01.2006, amended, SG No. 105/29.12.2005, effective 1.01.2006, SG No. 30/11.04.2006, effective 12.07.2006, SG No. 56/11.07.2006, effective 1.01.2007, SG No. 59/21.07.2006, effective 1.01.2007, amended and supplemented, SG No. 84/17.10.2006, effective 1.01.2007, SG No. 52/29.06.2007, effective 1.11.2007, SG No. 97/23.11.2007, amended, SG No. 109/20.12.2007, effective 1.01.2008, supplemented, SG No. 67/29.07.2008, amended, SG No. 24/31.03.2009, effective 31.03.2009, supplemented, SG No. 42/5.06.2009, amended and supplemented, SG No. 43/8.06.2010, amended, SG No. 97/10.12.2010, effective 10.12.2010, amended and supplemented, SG No. 77/4.10.2011, SG No. 21/13.03.2012, SG No. 38/18.05.2012, effective 1.07.2012, amended, SG No. 60/7.08.2012, effective 7.08.2012, SG No. 102/21.12.2012, effective 1.01.2013, amended and supplemented, SG No. 103/28.12.2012, amended, SG No. 15/15.02.2013, effective 1.01.2014, amended and supplemented, SG No. 109/20.12.2013, effective 20.12.2013, SG No. 34/12.05.2015, SG No. 62/14.08.2015, effective 14.08.2015, SG No. 102/29.12.2015, effective 1.01.2016, SG No. 42/3.06.2016, SG No. 76/30.09.2016, effective 30.09.2016; amended with Judgment No. 10/6.07.2017 by the Constitutional Court of the Republic of Bulgaria - SG No. 57/14.07.2017; amended, SG No. 62/1.08.2017, amended and supplemented, SG No. 92/17.11.2017, SG No. 95/28.11.2017, effective 1.01.2018, supplemented, SG No. 103/28.12.2017, effective 1.01.2018, amended and supplemented, SG No. 7/19.01.2018, SG No. 15/16.02.2018, effective 16.02.2018, amended, SG No. 24/16.03.2018, amended and supplemented, SG No. 27/27.03.2018, amended, SG No. 77/18.09.2018, effective 1.01.2019, amended and supplemented, SG No. 101/7.12.2018, effective 7.12.2018, SG No. 12/8.02.2019, amended, SG No. 17/26.02.2019, amended and supplemented, SG No. 42/28.05.2019, effective 28.05.2019, SG No. 83/22.10.2019, effective 22.10.2019, supplemented, SG No. 94/29.11.2019, amended and supplemented, SG No. 102/31.12.2019, supplemented, SG No. 26/22.03.2020, amended and supplemented, SG No. 64/18.07.2020, effective 21.08.2020, SG No. 21/12.03.2021, SG No. 16/25.02.2022, SG No. 25/29.03.2022, effective 29.03.2022, SG No. 51/1.07.2022, SG No. 8/25.01.2023, SG No. 60/14.07.2023, effective 14.07.2023, SG No. 65/28.07.2023, amended and supplemented, SG No. 84/6.10.2023, SG No. 85/10.10.2023, effective 10.10.2023

Text in Bulgarian: Закон за Комисията за финансов надзор

## Chapter One

### GENERAL PROVISIONS

Subject-matter of Act

**Article 1.** (1) This Act shall regulate the establishment, scope, organisation, functions, and operation of the Financial Supervision Commission.

(2) Within the meaning given by this Act, financial supervision shall be the supervision over:

1. (supplemented, SG No. 52/2007, SG No. 43/2010, amended and supplemented, SG No. 77/2011, supplemented, SG No. 103/2012, amended and supplemented, SG No. 109/2013, effective 20.12.2013, supplemented, SG No. 62/2015, effective 14.08.2015, SG No. 42/2016, amended, SG No. 76/2016, effective 30.09.2016, SG No. 95/2017, effective 1.01.2018, supplemented, SG No. 15/2018, effective 16.02.2018, SG No. 94/2019, SG No. 26/2020, amended and supplemented, SG No. 64/2020, effective 21.08.2020, SG No. 21/2021, amended, SG No. 25/2022, effective 29.03.2022, amended and supplemented, SG No. 51/2022, SG No. 8/2023, SG No. 65/2023) the activities of the regulated securities markets, market operators, investment firms, tied agents, multilateral trading systems, including growth markets, of organised trading systems, central securities depositories, the Investor Compensation Fund, approved publication arrangements, approved reporting mechanisms, collective investment schemes, national investment funds and management companies, alternative investment fund managers, including venture capital fund managers, social entrepreneurship funds or long-term investment funds, natural persons who directly transact in securities and provide investment advice, public companies and other issuers of securities, credit rating agencies, central counterparties, benchmark administrators, proxy advisor firms, crowdfunding service providers, market infrastructures based on distributed ledger technology, according to the Public Offering of Securities Act, the Implementation of

the Measures against Market Abuse with Financial Instruments Act, the Markets in Financial Instruments Act, the Recovery and Resolution of Credit Institution and Investment Firms Act and the Collective Investment Schemes and Other Undertakings for Collective Investments Act, Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201/1 of 27 July 2012), hereinafter referred to as "Regulation 648/2012", Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (OJ L 302/1 of 17 November 2009), hereinafter referred to as "Regulation 1060/2009", Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (OJ L 171/1 of 29 June 2016), hereinafter referred to as "Regulation (EU) No. 2016/1011", Regulation (EU) No. 345/2013 of the European Parliament and of the Council of 17 April 2013 on European venture capital funds (OJ L 115/1 of 25 April 2013), hereinafter referred to as "Regulation (EU) No. 345/2013", Regulation (EU) No. 346/2013 of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship funds (OJ L 115/18 of 25 April 2013), hereinafter referred to as "Regulation (EU) No. 346/2013", Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds (OJ L 123/98 of 19 May 2015), hereinafter referred to as "Regulation (EU) 2015/760", Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (OJ L 168/12 of 30 June 2017), hereinafter referred to as "Regulation (EU) 2017/1129", Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (OJ L 347/1 of 20.10.2020), hereinafter referred to as "Regulation (EU) 2020/1503", Regulation (EU) 2021/23 of the European Parliament and of the Council of 16 December 2020 on a framework for the recovery and resolution of central counterparties and amending Regulations (EU) No. 1095/2010, (EU) No. 648/2012, (EU) No. 600/2014, (EU) No. 806/2014 and (EU) 2015/2365 and Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 (OJ L 22/1 of 21.1.2021), hereinafter referred to as "Regulation (EU) 2021/23", and Regulation (EU) 2022/858 of the European Parliament and of the Council of 30 May 2022 on a pilot regime for market infrastructures based on distributed ledger technology, and amending Regulations (EU) No. 600/2014 and (EU) No. 909/2014 and Directive 2014/65/EU (OJ L 151/1 of 2 June 2022), hereinafter referred to as "Regulation (EU) 2022/858";

2. (supplemented, SG No. 67/2003, SG No. 97/2007, amended, SG No. 60/2012, effective 7.08.2012, SG No. 102/2015, effective 1.01.2016, SG No. 101/2018, effective 7.12.2018) the activities of insurers according to the Insurance Code and the Health Insurance Act, the activities of reinsurers, insurance brokers and insurance agents and intermediaries selling insurance products on an ancillary basis according to the Insurance Code and the activity of the Guarantee Fund under Article 518 of the Insurance Code;

3. (amended, SG No. 67/2003, SG No. 92/2017) the activities of supplementary social insurance companies, of the funds managed thereby, and of social insurance intermediaries according to the Social Insurance Code;

4. (new, SG No. 43/2010, repealed, SG No. 103/2012, new, SG No. 95/2017, effective 1.01.2018) the activities of other persons that have obligations under the laws referred to in Items 1 and 2;

5. (new, SG No. 95/2017, effective 1.01.2018, amended, SG No. 16/2022, amended and supplemented, SG No. 25/2022, effective 29.03.2022, SG No. 85/2023, effective 10.10.2023) the activities of the persons referred to in Items 1 to 4, as well as of non-financial counterparties, of persons with net short positions in financial instruments, of persons who are parties to securities financing transactions and of other persons in connection with the fulfilment of the requirements of Regulation 1060/2009, Regulation 648/2012, Regulation (EU) No. 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps (OJ L 86/1 of 24 March 2012), hereinafter referred to as "Regulation (EU) No. 236/2012", Regulation (EC) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No. 648/2012 (OJ L 176/1 of 27 June 2013), hereinafter referred to as "Regulation (EU) No. 575/2013", 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), hereinafter referred to as "Regulation (EU) No. 909/2014", Regulation (EU) No. 2016/1011, Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 (OJ L 173/84 of 12 June 2014), hereinafter referred to as "Regulation (EU) No. 600/2014", Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (OJ, L 352/1 of 9 December 2014), hereinafter referred to as "Regulation (EU) No. 1286/2014", Regulation (EU) No. 596/2014 of the European Parliament and

of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ L 173/1 of 12 June 2014), hereinafter referred to as "Regulation (EU) No. 596/2014", and Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No. 648/2012 (OJ L 337/1 of 23 December 2015), hereinafter referred to as "Regulation (EU) No. 2015/2365", Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a pan-European Personal Pension Product (PEPP) (OJ L 198/1 of 25 July 2019), hereinafter referred to as "Regulation (EU) 2019/1238", Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014 and (EU) No. 806/2014 (OJ L 314/1 of 5 December 2019), hereinafter referred to as "Regulation (EU) 2019/2033", Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317/1 of 9 December 2019), hereinafter referred to as "Regulation (EU) 2019/2088", and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198/13 of 22 June 2020), hereinafter referred to as "Regulation (EU) 2020/852";

6. (new, SG No. 21/2021, amended, SG No. 51/2022) the activities of special investment purpose companies, securitisation entities, STS compliance verification agents, originators, original lenders and sponsors according to the Special Purpose Investment Companies and Securitisation Companies Act and Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No. 1060/2009 and (EU) No. 648/2012 (OJ L 347/35 of 28 December 2017), hereinafter referred to as "Regulation (EU) 2017/2402".

(3) The Financial Supervision Commission, the authorities thereof and empowered officials shall exercise supervision through:

1. issuance of authorisations (licences) and approvals, as well as refusals to issue such authorisations and approvals;
2. conduct of off-site and on-site inspections of the operations of the persons referred to in Paragraph (2);
3. application of coercive administrative measures and imposition of administrative sanctions.

(4) The provisions of this Act shall not apply to:

1. the National Social Security Institute;
2. the National Health Insurance Fund.

## **Chapter Two**

### **STATUS, ORGANISATION AND MANAGEMENT OF FINANCIAL SUPERVISION COMMISSION**

#### Financial Supervision Commission Status

**Article 2.** (1) There shall be established a Financial Supervision Commission, hereinafter referred to as "the Commission."

(2) The Commission shall be a specialised State body for the regulation and supervision of the activities of persons referred to in Article 1 (2) herein, hereinafter referred to as "supervised persons".

(3) The Commission shall be a public-financed legal person with a head office in Sofia. The Commission may establish territorial divisions.

(4) The Commission, in exercising the powers thereof, shall be independent of the executive branch of government and shall be accountable for the activities thereof under this Act to the National Assembly.

#### Commission: Composition

**Article 3.** (Amended, SG No. 43/2010) The Commission shall consist of five members:

1. a Chairperson
2. a Deputy Chairperson in charge of the Investment Activity Supervision Department;
3. a Deputy Chairperson in charge of the Insurance Supervision Department;
4. a Deputy Chairperson in charge of the Social Insurance Supervision Department;
5. a member of the Commission assisting the policy thereof for analysis and assessment of financial market risks, improvement of the supervisory practice and protection of the interests of investors, persons covered by commercial and social insurance.

Commission Members: Eligibility Requirements

**Article 4.** (1) (Amended, SG No. 43/2010, SG No. 95/2017, effective 1.01.2018) Eligibility for membership of the Commission shall be limited to persons holding Bulgarian citizenship only who hold an educational qualification degree not lower than master of economics, finance, law, mathematics, informatics and another specialty suitable for the supervision and regulation of the non-banking financial sector that has been awarded thereto upon graduation from a higher educational establishment, who possess good reputation, knowledge, skills and professional experience and have a length of relevant employment-service and/or civil-service seniority of no less than five years within the last ten years.

(2) (New, SG No. 95/2017, effective 1.01.2018) The members of the Commission shall be expected to have acquired the length of relevant employment-service and/or civil-service seniority under Paragraph (1):

1. at institutions of State or other bodies governed by public law;
2. at a regulatory authority of the banking and/or a non-banking financial sector;
3. at a bank and/or an undertaking of the non-banking financial sector;
4. in a position with financial management and/or control functions at undertakings of the non-financial sector.

(3) (Renumbered from Paragraph 2, SG No. 95/2017, effective 1.01.2018) The members of the Commission shall be elected from among persons who:

1. have not been convicted of an intentional publicly prosecutable offence;
2. have not been adjudicated bankrupt as sole traders, unlimited partners in a commercial corporation, and are not subject to bankruptcy proceedings;
3. have not been members of a management or supervisory body of a corporation or, respectively, a cooperative, which has been dissolved through bankruptcy during the two years preceding the date of adjudication in bankruptcy, if there are unsatisfied creditors;
4. are not managing directors, executive directors, members of a management or supervisory body, or unlimited partners in a supervised person within the meaning given by this Act;
5. (supplemented, SG No. 42/2009) are not spouses or de facto cohabitants or lineal or collateral relatives up to the third degree of consanguinity, or affines up to the third degree of affinity, to another member of the Commission or to a person referred to in Item 4;
6. do not exercise control over a supervised person within the meaning given by this Act;
7. (new, SG No. 43/2010) do not hold, directly or through related parties, more than 5 per cent of the votes in the general meeting or of the capital of a supervised person.

(4) (Amended, SG No. 112/2003, SG No. 85/2004, SG No. 43/2010, renumbered from Paragraph 3, supplemented, SG No. 95/2017, effective 1.01.2018) The members of the Commission may not engage in any other salaried activities except teaching or scientific and research activities, or as members of international organisations or of European supervision authorities in connection with the activities of the Commission.

(5) (Amended, SG No. 112/2003, SG No. 85/2004, SG No. 43/2010, SG No. 95/2017, effective 1.01.2018) The circumstances referred to in Items 2 to 7 of Paragraph (3) and Paragraph (4) shall be declared by the members of the Commission before the Chairperson of the National Assembly upon assumption of office.

(6) (Repealed, SG No. 112/2003, renumbered from Paragraph 4, new, SG No. 103/2017, effective 1.01.2018, amended, SG No. 101/2018, effective 7.12.2018) The circumstances under Item 1 of Paragraph (3) shall be established ex officio by the administration of the National Assembly.

#### Commission Members: Election

**Article 5.** (1) (Amended, SG No. 43/2010) The Chairperson of the Commission shall be elected by the National Assembly.

(2) (New, SG No. 43/2010) The National Assembly shall elect the remaining members of the Commission acting on a proposal by the Chairperson of the Commission.

(3) (Renumbered from Paragraph (2), SG No. 43/2010) Upon assumption of office, the members of the Commission shall take the following oath before the National Assembly: "I do swear in the name of the Republic of Bulgaria to observe the Constitution and the laws of the land, to work for the implementation of the objectives of the Financial Supervision Commission, being guided by the principles of independence, objectivity and good faith in the discharge of the duties assigned to me by the law. I have sworn."

(4) (Renumbered from Paragraph 3, SG No. 43/2010; declared unconstitutional by Decision No. 10 of the Constitutional Court of the Republic of Bulgaria - SG No. 57/2017)

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Any irregularities upon the election of a member of the Commission shall not vitiate the decisions of the Commission.

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#### Commission Members: Term of Office

**Article 6.** (1) (Amended, SG No. 43/2010) The term of office of the members of the Commission shall be six years. The election of new members of the Commission shall be held not earlier than three months and not later than one month before the expiry of the term of office of the sitting members. The members of the Commission shall perform the functions thereof even after the expiry of the term of office thereof until the new members assume office.

(2) The term of office of a member of the Commission shall be terminated before the expiry of the said term by the National Assembly:

1. upon tendering of resignation;

2. in the event of actual inability of a member to discharge the duties thereof for more than six months;

3. (amended, SG No. 95/2017, effective 1.01.2018) if he/she no longer meets the requirements of Article 4 (3);

4. (amended, SG No. 112/2003, SG No. 95/2017, effective 1.01.2018) in the event of a violation of Article 4 (4) herein;

5. if the member fails to attend three or more successive sessions of the Commission without good reasons;

6. (new, SG No. 42/2009, amended, SG No. 97/2010, effective 10.12.2010, SG No. 7/2018, SG No. 84/2023, effective 6.10.2023) upon the entry into effect of an instrument ascertaining any conflict of interest under the Counter-Corruption Act.

(3) Upon an early termination of the term of office of a member of the Commission, a replacement shall be elected to serve the remainder of the said member's term of office.

#### Remuneration

**Article 7.** (Supplemented, SG No. 85/2004, amended, SG No. 43/2010, SG No. 38/2012, effective 1.07.2012, SG No. 95/2017, effective 1.01.2018) (1) The remuneration of the Chairperson and of the other members of the Commission shall be determined according to the internal wage rules which shall be adopted by the Commission, and the said remuneration may not be lower than the average remuneration of permanent nature of the members of the management bodies in investment firms, management companies, insurers, reinsurers and retirement insurance companies, which has been determined on the basis of the most recent reporting year and which shall not exceed the level of remuneration of the Governor and Deputy Governors of the Bulgarian National Bank.

(2) The Chairperson and the other members of the Commission shall enjoy all rights under an employment relationship except such rights as are incompatible with or contrary to the legal status thereof.

(3) The Chairperson and the other members of the Commission shall receive a supplementary performance-based remuneration, which shall be determined according to a procedure and in a manner established in the internal wage rules.

#### Commission Sessions

**Article 8.** (1) (Supplemented, SG No. 43/2010, SG No. 95/2017, effective 1.01.2018) The sessions of the Commission shall be convened by the Chairperson on the initiative thereof or on a requisition by a member of the Commission, and the agenda shall be endorsed by the Commission. The Commission shall hold sessions at least four times a month.

(2) The sessions of the Commission shall be presided over by the Chairperson and, in the absence thereof, by a Deputy Chairperson designated by the Chairperson.

(3) The Commission may sit if more than one half of the members thereof are present.

(4) (Amended, SG No. 43/2010) The decisions of the Commission shall be adopted by a majority of not fewer than three votes.

(5) No abstentions from voting shall be admissible.

#### Commission: Transparency of Operation

**Article 9.** (1) The Commission shall make publicly available the policy pursued and the practice established in the application of the statutory instruments, as well as the reasoning for any revision of such instruments.

(2) The policy pursued in application of the statutory instruments referred to in Paragraph (1) shall cover the means chosen and employed by the Commission in exercising the discretion thereof for attaining the purposes of the law.

(3) The Commission shall issue an ordinance establishing the procedure for access to the documents in its custody, as well as the terms for obtaining certified copies of the said documents.

#### Commission: organisation

**Article 10.** (1) (Amended, SG No. 38/2012, effective 1.07.2012) The Commission shall be assisted by an administration, which shall be organised in three principal departments: Investment Activity Supervision Department, Insurance Supervision Department, and Social Insurance Supervision Department, each of the said departments being directly managed by a Deputy Chairperson of the Commission.

(2) Within the powers conferred thereon by law, the Deputy Chairpersons shall organise, direct, and be responsible for the operation of the respective department.

(3) (Amended, SG No. 43/2010) Acting on a proposal by the Deputy Chairperson, the Chairperson of the Commission shall designate another Deputy Chairperson or member as a substitute for the said Deputy Chairperson, who shall execute the powers thereof in case of absence.

(4) (New, SG No. 43/2010) In the execution of the powers thereof under this Act, the member of the Commission referred to in Item 5 of Article 3 herein shall be assisted by one or more structural units of the Commission, which shall be specified in the Rules of the Commission.

(5) (New, SG No. 103/2005, renumbered from Paragraph 4, SG No. 43/2010) Upon an early termination of the term of office of the Deputy Chairperson, the Commission, acting on a proposal by the Chairperson, shall designate another member as a substitute for the said Deputy Chairperson, who shall exercise the powers thereof until the new Deputy Chairperson assumes office.

(6) (Renumbered from Paragraph 4, SG No. 103/2005, renumbered from Paragraph 5, SG No. 43/2010) The Commission shall establish by Rules the structure, specific functions and responsibilities of the departments and directorates, the procedure for interaction among them, and the powers of senior officials.

(7) (New, SG No. 38/2012, effective 1.07.2012, repealed, SG No. 95/2017, effective 1.01.2018).

## **Chapter Three**

# **OBJECTIVES, FUNCTIONS AND POWERS OF THE COMMISSION AND THE AUTHORITIES THEREOF**

### Commission: Objectives

**Article 11.** In performing the functions and powers conferred thereon by this Act, the Commission shall be guided by the following objectives:

1. to protect the interests of investors, persons covered by commercial and social insurance;
2. (supplemented, SG No. 43/2010) to ensure stability, transparency and credibility of the financial markets, including by means of help of rules and risk management systems for the said markets;
3. (new, SG No. 43/2010) to ensure an adequate and stable financial market infrastructure.

### Commission: Functions

**Article 12.** (1) (Previous text of Article 12, SG No. 34/2015) The Commission, together with the authorities thereof, shall:

1. (supplemented, SG No. 43/2010) regulate the activities of supervised persons and, to this end, adopt ordinances provided for in a law, and issue instructions and directions in line with the objectives referred to in Article 11 herein;
2. (supplemented, SG No. 52/2007, SG No. 43/2010, SG No. 77/2011, amended, SG No. 62/2015, effective 14.08.2015, SG No. 76/2016, effective 30.09.2016, SG No. 21/2021, SG No. 51/2022) exercise state supervision under the Public Offering of Securities Act, the Implementation of the Measures against Market Abuse with Financial Instruments Act, the Special Purpose Investment Companies and Securitisation Companies Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Markets in Financial Instruments Act and the Recovery and Resolution of Credit Institutions and Investment Firms Act;
3. (supplemented, SG No. 67/2003) exercise state insurance supervision under the Insurance Code and the Health Insurance Act;
4. (amended, SG No. 67/2003) exercise state social insurance supervision under the Social Insurance Code;
5. (new, SG No. 43/2010, amended, SG No. 103/2012, SG No. 95/2017, effective 1.01.2018) be a competent authority for the implementation of Regulation No. 1060/2009;
6. (new, SG No. 103/2012, amended, SG No. 95/2017, effective 1.01.2018) be a competent authority for the implementation of Regulation (EU) No. 236/2012, except where these have been expressly placed powers fall within the explicit competence of the Minister of Finance under the Government Debt Act, and also be an authority responsible for coordinating the cooperation and the exchange of information under the second paragraph of Article 32 (2) of Regulation (EU) No. 236/2012;

7. (new, SG No. 109/2013, effective 20.12.2013, amended, SG No. 95/2017, effective 1.01.2018, supplemented, SG No. 15/2018, effective 16.02.2018) be a competent authority for the implementation of Regulation No 648/2012 in the cases provided for in this Act;
8. (new, SG No. 34/2015, amended, SG No. 95/2017, effective 1.01.2018, supplemented, SG No. 25/2022, effective 29.03.2022) be a competent authority in the Republic of Bulgaria for the exercise of supervision over investment firms within the meaning given by point 40 of Article 4 (1) of Regulation (EU) No. 575/2013 and point 7 of Article 4 (1) of Regulation (EU) 2019/2033;
9. (new, SG No. 62/2015, effective 14.08.2015) be a resolution authority within the meaning given by the Recovery and Resolution of Credit Institutions and Investment Firms Act;
10. (new, SG No. 42/2016, amended, SG No. 95/2017, effective 1.01.2018) be a competent authority for the implementation of Regulation (EU) No. 345/2013;
11. (new, SG No. 42/2016, amended, SG No. 95/2017, effective 1.01.2018) be a competent authority for the implementation of Regulation (EU) No. 346/2013;
12. (new, SG No. 42/2016, amended, SG No. 95/2017, effective 1.01.2018) be a competent authority for the implementation of Regulation (EU) No. 909/2014;
13. (new, SG No. 42/2016, amended, SG No. 95/2017, effective 1.01.2018) be a competent authority for the implementation of Regulation (EU) 2015/760;
14. (new, SG No. 76/2016, effective 30.09.2016, amended, SG No. 95/2017, effective 1.01.2018) be a competent authority for the implementation of Regulation (EU) No. 596/2014;
15. (new, SG No. 15/2018 effective 16.02.2018, supplemented, SG No. 25/2022, effective 29.03.2022, amended, SG No. 8/2023) be the competent authority for the application of Regulation (EU) No. 600/2014 to financial instruments and to approved reporting mechanisms and approved publication mechanisms;
16. (new, SG No. 15/2018 effective 16.02.2018, amended, SG No. 8/2023) is the competent authority for the application of Regulation (EU) No. 1286/2014 as regards packages of retail and insurance-based investment products manufactured, sold and recommended by persons supervised by the Commission;
17. (new, SG No. 15/2018 effective 16.02.2018, amended, SG No. 8/2023) be a competent authority within the meaning of Article 23b(7) and Article 40(2) of Regulation (EU) 2016/1011, except in the cases which fall within the explicit competence of the Bulgarian National Bank, and also be an authority responsible for coordinating the cooperation and the exchange of information pursuant to Article 40(3) of the same regulation;
18. (new, SG No. 15/2018 effective 16.02.2018, amended, SG No. 8/2023) be a competent authority for the implementation of Regulation (EU) No. 2015/2365 in the cases provided for in this Act;
19. (new, SG No. 43/2010, renumbered from Item 6, SG No. 103/2012, renumbered from Item 7, SG No. 109/2013, effective 20.12.2013, renumbered from Item 8, SG No. 34/2015, renumbered from Item 9, SG No. 62/2015, effective 14.08.2015, renumbered from Item 10, SG No. 42/2016, renumbered from Item 14, SG No. 76/2016, effective 30.09.2016, renumbered from Item 15, SG No. 15/2018, effective 16.02.2018) develop and implement rules and systems for financial market risk management;
20. (new, SG No. 27/2018) be a supervisory authority under the Measures Against Money Laundering Act and the Measures Against the Financing of Terrorism Act;
21. (new, SG No. 64/2020, effective 21.08.2020) be a competent authority for the implementation of Regulation (EU) 2017/1129;
22. (new, SG No. 21/2021, amended, SG No. 51/2022) be a competent authority for the implementation of Regulation (EU) 2017/2402 in the cases provided for in the Special Purpose Investment Companies and Securitisation Companies Act;
23. (new, SG No. 16/2022) be a competent authority for the implementation of Regulation (EU) No. 2019/2088 with regard to the persons supervised by the Commission regarding:

(a) compliance with transparency rules in connection with integrating sustainability risks and reporting the adverse effects on sustainability in the processes thereof, and

(b) the provision of sustainability-related information in connection with the financial products within the meaning given by point 12 of Article 2 of the said Regulation;

24. (new, SG No. 51/2022) be a competent authority for the implementation of Regulation (EU) 2020/1503 for crowdfunding service providers, as well as a single point of contact for cross-border administrative cooperation between competent authorities as well as with the European Securities and Markets Authority;

25. (new, SG No. 8/2023) be a competent authority for the implementation of Regulation (EU) 2021/23;

26. (new, SG No. 65/2023) be a competent authority for the implementation of Regulation (EU) 2022/858;

27. (new, SG No. 85/2023, effective 10.10.2023) be a competent authority for the implementation of Regulation (EU) 2020/852 with regard to the persons supervised by the Commission regarding the disclosure of information under Articles 5 to 7 of the same Regulation;

28. (new, SG No. 85/2023, effective 10.10.2023) be a competent authority for the implementation of Regulation (EU) 2019/1238 with regard to the registration, provision, distribution and supervision of a pan-European Personal Pension Product (PEPP) which is provided or distributed by:

(a) a person referred to in points (b) to (f) of Article 6(1) of the same Regulation;

(b) a person referred to in point (a) of Article 6(1) of the same Regulation which, when carrying out activities under the Regulation, also provide services referred to in Item 4 and/or Item 5 of Article 6 (2) of the Markets in Financial Instruments Act.

(2) (New, SG No. 34/2015) In exercising the functions and powers thereof, the Commission and the authorities thereof shall take into account the possible impact of the decisions thereof on the stability of the financial system in the Republic of Bulgaria, as well as in the other Member States affected, including in emergency situations. The assessment shall be based on the information available at the time of making a decision.

Commission: Powers

**Article 13.** (1) The Commission shall be vested with the following powers:

1. to adopt Rules of organisation and Operation thereof;

2. to adopt and publish guidelines for the activities thereof;

3. to adopt ordinances and instructions where so provided for in a law;

4. (amended, SG No. 67/2003, supplemented, SG No. 84/2006, SG No. 52/2007, SG No. 43/2010, SG No. 77/2011, SG No. 62/2015, effective 14.08.2015, SG No. 76/2016, effective 30.09.2016, SG No. 21/2021, SG No. 51/2022) to give written directions regarding the application and interpretation of the Social Insurance Code, the Public Offering of Securities Act, the Special Purpose Investment Companies and Securitisation Companies Act, and the Markets in Financial Instruments Act, the Recovery and Resolution of Credit Institutions and Investment Firms Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Insurance Code, the Implementation of the Measures against Market Abuse with Financial Instruments Act, the Health Insurance Act, as well as of the statutory instruments of secondary legislation for the application thereof, in connection with the exercise of financial supervision;

5. (amended, SG No. 67/2003, supplemented, SG No. 52/2007, SG No. 43/2010, SG No. 77/2011, amended, SG No. 60/2012, effective 7.08.2012, SG No. 21/2021, SG No. 51/2022) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to issue or refuse to issue and to withdraw the authorisations (licences) provided for in the Public Offering of Securities Act, the Special Purpose Investment Companies and Securitisation Companies Act, and the Markets in Financial Instruments Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Insurance Act, and the Social Insurance Code for the pursuit of business regulated by the said laws;

6. (amended, SG No. 67/2003, supplemented, SG No. 52/2007, SG No. 43/2010, SG No. 77/2011, amended, SG No.

95/2017, effective 1.01.2018, SG No. 21/2021, SG No. 51/2022) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to issue or refuse to issue authorisations and approvals provided for in the Public Offering of Securities Act, the Special Purpose Investment Companies and Securitisation Companies Act, the Markets in Financial Instruments Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Insurance Code, and the Social Insurance Code;

7. (new, SG No. 95/2017, effective 1.01.2018, amended, SG No. 21/2021, SG No. 25/2022, effective 29.03.2022, SG No. 51/2022) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to register or deregister persons from the respective register under Article 30 (1) herein in the cases provided for in the Public Offering of Securities Act, the Special Purpose Investment Companies and Securitisation Companies Act, the Markets in Financial Instruments Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Insurance Code and the Social Insurance Code;

8. (supplemented, SG No. 67/2003, renumbered from Item 7, SG No. 95/2017, effective 1.01.2018) in the cases provided for in a law, to make a decision on approaching the court with a petition for the institution of bankruptcy proceedings against a supervised person;

9. (supplemented, SG No. 43/2010, SG No. 77/2011, renumbered from Item 8, SG No. 95/2017, effective 1.01.2018, amended and supplemented, SG No. 64/2020, effective 21.08.2020, amended, SG No. 21/2021, SG No. 51/2022) under the terms and according to the procedure established by Regulation (EU) 2017/1129, the Public Offering of Securities Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, and the Special Purpose Investment Companies and Securitisation Companies Act, and acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to make decisions approving or refusing to approve prospectuses for public offering of securities or registration of issues for the purpose of sale on a regulated securities market;

10. (renumbered from Item 9, SG No. 95/2017, effective 1.01.2018) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to impose temporary or final prohibitions of the publication of tender offers for the purchase or exchange of shares as provided for in Section II of Chapter Eleven of the Public Offering of Securities Act;

11. (amended, SG No. 67/2003, supplemented, SG No. 52/2007, SG No. 43/2010, SG No. 77/2011, amended, SG No. 60/2012, effective 7.08.2012, renumbered from Item 10, SG No. 95/2017, effective 1.01.2018, amended, SG No. 21/2021, SG No. 51/2022) to appoint a conservator in the cases provided for in the Public Offering of Securities Act, the Special Purpose Investment Companies and Securitisation Companies Act, the Markets in Financial Instruments Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Insurance Act and the Social Insurance Code;

12. (amended, SG No. 67/2003, supplemented, SG No. 52/2007, SG No. 77/2011, amended, SG No. 60/2012, effective 7.08.2012, renumbered from Item 11, SG No. 95/2017, effective 1.01.2018) to order in writing the dismissal of one or more persons empowered to manage and represent a supervised person, in the cases provided for in the Public Offering of Securities Act, and the Markets in Financial Instruments Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Insurance Act and the Social Insurance Code;

13. (new, SG No. 85/2004, repealed, SG No. 103/2005, new, SG No. 43/2010, amended, SG No. 103/2012, renumbered from Item 12, SG No. 95/2017, effective 1.01.2018) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to exercise the powers and take the measures in connection with the implementation of Regulation 1060/2009, as well as take the measures provided for in Regulation (EU) No. 236/2012;

14. (new, SG No. 85/2004, repealed, SG No. 103/2005, new, SG No. 62/2015, effective 14.08.2015, renumbered from Item 13, SG No. 95/2017, effective 1.01.2018) to exercise the powers of a resolution authority under the Recovery and Resolution of Credit Institutions and Investment Firms Act;

15. (new, SG No. 85/2004, repealed, SG No. 103/2005, new, SG No. 42/2016, renumbered from Item 14, SG No. 95/2017, effective 1.01.2018) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to exercise the powers and to take measures in connection with the implementation of Regulation (EU) No. 345/2013 and Regulation (EU) No. 346/2013;

16. (new, SG No. 85/2004, repealed, SG No. 103/2005, new, SG No. 42/2016, renumbered from Item 15, SG No. 95/2017, effective 1.01.2018) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision,

to issue, refuse to issue and to withdraw the authorisations provided for in Regulation (EU) 2015/760, as well as to exercise other powers and take measures in connection with the implementation of the said Regulation;

17. (new, SG No. 85/2004, repealed, SG No. 103/2005, new, SG No. 42/2016, renumbered from Item 16, supplemented, SG No. 95/2017, effective 1.01.2018) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to issue, refuse to issue and to withdraw the licences, authorisations and approvals provided for in Regulation (EU) No. 909/2014, and to exercise the powers referred to in Articles 13, 14, 15 of Regulation (EU) No. 909/2014;

18. (new, SG No. 76/2016, effective 30.09.2016, renumbered from Item 17, SG No. 95/2017, effective 1.01.2018 ) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to exercise the powers in connection with the implementation of Regulation (EU) No. 596/2014;

19. (new, SG No. 95/2017, effective 1.01.2018) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to bring actions for:

(a) the establishment of the inadmissibility or invalidity of records in the Commercial Register, as well as for the non-existence of a recorded circumstance;

(b) the declaration of nullity of transactions related to the activities of persons controlled by the Commission or concluded in violation of the Public Offering of Securities Act and the statutory instruments for the application thereof;

(c) the revocation of a resolution of the general meeting of a public company, where the said resolution is in conflict with the mandatory provisions of the Public Offering of Securities Act or with the articles of association of the company; any such action shall be brought against the company before the district court exercising jurisdiction over the registered office of the company within fourteen days after receipt of the minutes of proceedings at the session of the general meeting;

(d) the declaration of nullity of agreements under Article 37 (6) of the Collective Investment Schemes and other Undertakings for Collective Investments Act;

20. (new, SG No. 95/2017, effective 1.01.2018, amended, SG No. 64/2020, effective 21.08.2020) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to examine and rule on complaints under Article 33 (3), Article 49 (4), Article 52 (2) and Article 53 (3) of Regulation (EU) No. 909/2014;

21. (new, SG No. 95/2017, effective 1.01.2018, SG No. 21/2021, SG No. 51/2022) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to apply the coercive administrative measures provided for in the Public Offering of Securities Act, the Special Purpose Investment Companies and Securitisation Companies Act, the Markets in Financial Instruments Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Implementation of the Measures against Market Abuse with Financial Instruments Act, the Insurance Code and the Social Insurance Code which fall within the explicit competence of the Commission;

22. (renumbered from Item 12, SG No. 85/2004, renumbered from Item 17, SG No. 76/2016, effective 30.09.2016, renumbered from Item 18, SG No. 95/2017, effective 1.01.2018) on the basis of the report referred to in Paragraph (5), to rule on complaints against individual administrative acts issued by the Deputy Chairpersons of the Commission;

23. (renumbered from Item 13, SG No. 85/2004, supplemented, SG No. 84/2006, amended, SG No. 97/2007, supplemented, SG No. 43/2010, renumbered from Item 18, SG No. 76/2016, effective 30.09.2016, renumbered from Item 19, SG No. 95/2017, effective 1.01.2018, amended and supplemented, SG No. 101/2018, effective 7.12.2018, supplemented, SG No. 25/2022, effective 29.03.2022) to cooperate and exchange information with the Bulgarian National Bank, the Minister of Finance or other authorities in Bulgaria or abroad exercising supervisory functions over financial market operations, including with the competent authorities referred to in Article 4 (3) (h) and Article 5 (7) of Regulation 1060/2009 and, to this end, to make decisions on entering into agreements for cooperation and exchange of information for this purpose, including on participation in cooperation platforms, as well as on participation in international organisations and institutions in the area of financial markets; the cooperation agreements shall set out the circumstances, the procedure and terms for mutual notification and the carrying out of joint actions;

24. (new, SG No. 97/2007, amended, SG No. 24/2009, effective 31.03.2009, SG No. 34/2015, renumbered from Item 19, SG No. 76/2016, effective 30.09.2016, renumbered from Item 20, SG No. 95/2017, effective 1.01.2018) to represent the Republic of Bulgaria in the structures of the European Union aimed to support the development of the main guidelines for development in the area of financial markets, the drafting of acts of the European Union institutions and the consistent and

timely implementation thereof, as well as the effective cooperation between the authorities of Member States regulating and supervising financial markets;

25. (new, SG No. 21/2012, supplemented, SG No. 34/2015, renumbered from Item 20, SG No. 76/2016, effective 30.09.2016, renumbered from Item 21, SG No. 95/2017, effective 1.01.2018, supplemented, SG No. 42/2019, effective 28.05.2019) to cooperate with the European Commission, the European Insurance and Occupational Pensions Authority, the European Securities and Markets Authority, the European Banking Authority and the European Systemic Risk Board and to provide them with the information necessary to discharge their duties, including for preventing the use of the financial system for the purposes of money laundering or terrorist financing;

26. (new, SG No. 34/2015, renumbered from Item 21, SG No. 76/2016, effective 30.09.2016, renumbered from Item 22, SG No. 95/2017, effective 1.01.2018, supplemented, SG No. 83/2019, effective 22.10.2019, SG No. 25/2022, effective 29.03.2022) to make decisions on the application in its supervisory practice of recommendations and guidelines of the European Securities and Markets Authorities, of the European Insurance and Occupational Pensions Authority and of the European Banking Authority, as well as of warnings and recommendations of the European Systemic Risk Board, which shall be published in Bulgarian on the Internet site of the Commission, and to adopt ordinances and issue guidance and other instruments for the introduction of requirements, criteria and conditions arising from the recommendations and guidelines and applicable to supervised persons;

27. (renumbered from Item 14, SG No. 85/2004, renumbered from Item 19, SG No. 97/2007, supplemented, SG No. 43/2010, renumbered from Item 20, SG No. 21/2012, renumbered from Item 21, SG No. 34/2015, renumbered from Item 22, SG No. 76/2016, effective 30.09.2016, renumbered from Item 23, SG No. 95/2017, effective 1.01.2018) to discuss periodically the activity reports of the principal departments of the Commission, the supervisory policy pursued and the practice established in the implementation of statutory instruments, and the financial stability reports;

28. (new, SG No. 43/2010, renumbered from Item 21, SG No. 21/2012, renumbered from Item 22, SG No. 34/2015, renumbered from Item 23, SG No. 76/2016, effective 30.09.2016, renumbered from Item 24, SG No. 95/2017, effective 1.01.2018) acting on a proposal by the member of the Commission referred to in Item 5 of Article 3 herein, to discuss periodically the analyses and assessments of financial market risks;

29. (renumbered from Item 15, SG No. 85/2004, renumbered from Item 20, SG No. 97/2007, renumbered from Item 21, SG No. 43/2010, renumbered from Item 22, SG No. 21/2012, renumbered from Item 23, SG No. 34/2015, renumbered from Item 24, SG No. 76/2016, effective 30.09.2016, renumbered from Item 25, SG No. 95/2017, effective 1.01.2018) to adopt the draft annual budget and the reports referred to in Article 29 herein as laid before the Commission by the Chairperson;

30. (new, SG No. 103/2005, renumbered from Item 21, SG No. 97/2007, renumbered from Item 22, SG No. 43/2010, renumbered from Item 23, SG No. 21/2012, renumbered from Item 24, SG No. 34/2015, renumbered from Item 25, SG No. 76/2016, effective 30.09.2016, renumbered from Item 26, SG No. 95/2017, effective 1.01.2018) to exercise other powers as well which are expressly provided for by a law;

31. (new, SG No. 15/2018, effective 16.02.2018) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to exercise the powers of a competent authority under Article 5 (1), Article 11 (11), Article 12 (2), Articles 14 to 20, Article 21 (4) and Article 22 (1), first sub-paragraph (in the part on the authorisation of a central counterparty) and second sub-paragraph, Article 24, Articles 30 to 32, Article 41 (2), Article 48 (3), Article 49 (1) and Article 54 of Regulation 648/2012;

32. (new, SG No. 15/2018, effective 16.02.2018) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to exercise the powers referred to in Article 17 of Regulation (EU) No. 1286/2014 and shall apply the coercive administrative measures provided for in Regulation (EU) No. 1286/2014;

33. (new, SG No. 15/2018, effective 16.02.2018, amended, SG No. 8/2023) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to issue, refuse to issue, revoke or suspend the authorisation, register, refuse to register, delete or suspend the registration of benchmark administrators, approve or refuse to approve benchmarks prepared in a third country, in accordance with Regulation (EU) 2016/1011;

34. (new, SG No. 64/2020, effective 21.08.2020) acting on a proposal by the Deputy Chairperson responsible for the respective area of supervision, to exercise the powers referred to in Article 32 of Regulation (EU) No. 2017/1129 and to apply the coercive administrative measures for infringements under Regulation (EU) No. 2017/1129;

35. (new, SG No. 27/2018, renumbered from Item 34, SG No. 64/2020, effective 21.08.2020) to exercise the powers of a supervisory authority under Article 8 (3) and Article 71 (1) of the Measures Against Money Laundering Act;
36. (new, SG No. 21/2021, amended, SG No. 51/2022) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to exercise the powers of a competent authority under Article 29 of Regulation (EU) 2017/2402 in the cases provided for in the Special Purpose Investment Companies and Securitisation Companies Act;
37. (new, SG No. 16/2022) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to exercise the powers of a competent authority under Article 14 of Regulation (EU) No. 2019/2088;
38. (new, SG No. 25/2022, effective 29.03.2022) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to exercise the powers referred to in Regulation (EU) No. 2019/2033 and take measures in connection with the implementation of the said Regulation;
39. (new, SG No. 25/2022, effective 29.03.2022) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to exercise the powers of a competent authority under Regulation (EU) No. 600/2014 and take measures in connection with the implementation of the said Regulation;
40. (new, SG No. 51/2022) acting on a proposal by the Deputy Chairperson responsible for the respective area of supervision, to exercise the powers referred to in Article 30 of Regulation (EU) No. 2020/1503 and to apply the coercive administrative measures for infringements under Regulation (EU) No. 2020/1503;
41. (new, SG No. 8/2023) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision or on a proposal by the member of the Commission referred to in Item 5 of Article 3 herein, to exercise the powers and take measures set out in Regulation (EU) No. 2021/23;
42. (new, SG No. 60/2023, effective 14.07.2023) cooperating and exchanging information with the Bulgarian National Bank and the State Agency for National Security in connection with the implementation of their functions for preventing the use of the financial system for the purposes of money laundering or terrorist financing;
43. (new, SG No. 65/2023) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to exercise the powers of a competent authority referred to in Article 12 of Regulation (EU) No. 2022/858 and to apply the coercive administrative measures for infringements of Regulation (EU) No. 2022/858;
44. (new, SG No. 84/2023) to give written instructions on the application of Measures Against Money Laundering Act and Measures Against the Financing of Terrorism Act, as well as the statutory instruments of secondary legislation implementing them, in connection with the implementation of financial supervision, in coordination with the State Agency for National Security;
44. (\*) (new, SG No. 85/2023, effective 10.10.2023) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to exercise the powers of a competent authority under Articles 5 to 7 of Regulation (EU) 2020/852;
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(\*) *Editor's note.* When introducing the new item 44 (SG No. 85/2023), the legislator did not take into account the already existing item 44 (new from SG No. 84/2023) and for this reason duplication occurs of their numbering.

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45. (new, SG No. 85/2023, effective 10.10.2023) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to make decisions on registration and deregistration of a pan-European Personal Pension Product (PEPP) according to Regulation (EU) 2019/1238;
46. (new, SG No. 85/2023, effective 10.10.2023) acting on a proposal by the Deputy Chairperson in charge of the respective area of supervision, to exercise the powers referred to in Article 63 of Regulation (EU) 2019/1238 and to apply the coercive administrative measures which fall within the explicit competence of the Commission.

(2) (Amended, SG No. 67/2003, supplemented, SG No. 52/2007, amended and supplemented, SG No. 41/2010, supplemented, SG No. 77/2011, amended, SG No. 60/2012, effective 7.08.2012, supplemented, SG No. 42/2016, repealed, SG No. 95/2017, effective 1.01.2018).

(3) (Supplemented, SG No. 67/2003, SG No. 39/2005, amended, SG No. 103/2005, effective 1.01.2007, supplemented, SG No. 95/2017, effective 1.01.2018, amended, SG No. 77/2018, effective 1.01.2019) The individual administrative acts issued by the Commission shall be reasoned and shall be appealable before the Sofia Region Administrative Court according to the procedure established by the Code of Administrative Procedure. An appeal shall not stay the enforcement of the individual administrative act. Article 166 of the Code of Administrative Procedure shall not apply upon an appeal.

(4) (Amended, SG No. 43/2010, SG No. 34/2015) Where any complaints and alerts are lodged against decisions of the Commission or of any authorities thereof, a rapporteur for the investigation thereof may only be the member of the Commission referred to in Item 5 of Article 3 herein, except in the cases referred to in Article 10 (3) herein, where the Commission shall designate a rapporteur from among the Deputy Chairpersons.

(5) (Supplemented, SG No. 43/2010, amended, SG No. 34/2015) The rapporteur referred to in Paragraph (4) shall have all powers required for the conduct of a full and comprehensive check, including to require and receive information and documents relating to the case from the Commission, the authorities and administration thereof, other state bodies and institutions, natural and legal persons, as well as non-governmental organisations concerned with financial markets. The said rapporteur shall be obliged to draw up a reasoned report on the complaint or alert and to provide the said report to the Commission. Any such report may contain recommendations for taking action in connection with any omissions or violations detected in the operation of the Commission or the authorities thereof.

(6) (Supplemented, SG No. 43/2010, amended, SG No. 34/2015) The Commission shall be obliged to consider the report referred to in Paragraph (5) and, on the basis of the investigation as conducted, to render a decision on the complaint or alert concerned and, where necessary, to take actions for amending the supervisory policy pursued and the practice established in the application of statutory instruments, and make these public according to the procedure established by Article 9 herein. The authority of the Commission whereof the decision is appealed shall not participate in the discussion and the voting.

(7) (Amended, SG No. 67/2003, supplemented, SG No. 85/2004, amended, SG No. 42/2016, supplemented, SG No. 101/2018, effective 7.12.2018, amended, SG No. 83/2019, effective 22.10.2019, SG No. 64/2020, effective 21.08.2020) The statutory instruments adopted by the Commission under Items 1, 3 and 26 of Paragraph (1), as well as the administrative acts issued by the Commission under Items 5 and 6 of Paragraph (1), when relating to a merger by the formation of a new company, merger by acquisition, partial division, division and voluntary dissolution of supervised persons, shall be promulgated in the State Gazette, and the rest shall be published in an appropriate manner. The directions referred to in Item (4) of Paragraph (1) shall be published on the Internet site of the Commission.

#### Commission Chairperson: Powers

**Article 14.** (1) (Amended, SG No. 43/2010) The Chairperson of the Commission shall organise and direct the activities of the Commission and the administration thereof, with the exception of activities falling within the exclusive competence of another member of the Commission pursuant to this Act or another law.

(2) The Chairperson of the Commission may delegate some of the powers thereof to other officials, as well as establish advisory councils to assist the performance of the functions of the Chairperson.

(3) The Chairperson of the Commission shall exercise the following powers:

1. represent the Commission in Bulgaria and abroad;

2. convene and preside over the sessions of the Commission;

3. coordinate the activities of the Deputy Chairpersons;

4. (supplemented, SG No. 95/2017, effective 1.01.2018) acting on a proposal by a member of the Commission and/or the secretary general, to conclude and terminate the contracts with the persons of the administration of the Commission and to fix the remunerations thereof;

5. organise, direct and control the operation of the administration;

6. organise the preparation of the draft budget and lay the said draft budget before the Commission for adoption;
7. organise the implementation, balancing off, and reporting of the budget, and lay it before the Commission for adoption;
8. (new, SG No. 103/2012) exercise powers in connection with the ascertaining and assigning the collection of public state receivables payable in favour of the Commission.

(4) (New, SG No. 83/2019, effective 22.10.2019) The individual administrative acts issued by the Commission shall be appealable by court proceedings before the Sofia Region Administrative Court according to the procedure established by the Code of Administrative Procedure.

(5) (New, SG No. 83/2019, effective 22.10.2019) An appeal under Paragraph (4) shall not stay the enforcement of the individual administrative act. Article 166 of the Code of Administrative Procedure shall not apply upon an appeal.

#### Deputy Chairperson in Charge of Investment Activity Supervision Department: Powers

**Article 15.** (1) The Deputy Chairperson in charge of the Investment Activity Supervision Department shall have the discretionary right:

1. (amended, SG No. 43/2010, supplemented, SG No. 42/2016, amended, SG No. 95/2017, effective 1.01.2018, supplemented, SG No. 15/2018, effective 16.02.2018, amended, SG No. 64/2020, effective 21.08.2020, SG No. 21/2021, SG No. 16/2022, SG No. 25/2022, effective 29.03.2022, SG No. 51/2022, SG No. 65/2023, SG No. 85/2023, effective 10.10.2023) to make proposals under Items 5 to 7, 9 to 13, 15 to 21, 31 to 34, 36 to 41 and 43 to 46 of Article 13 (1) herein;

2. (supplemented, SG No. 52/2007, amended and supplemented, SG No. 77/2011, amended, SG No. 42/2016, repealed, SG No. 95/2017, effective 1.01.2018);

3. (supplemented, SG No. 52/2007, SG No. 77/2011, amended, SG No. 83/2019, effective 22.10.2019) to send representatives of the Commission to the meetings of the management bodies of the persons supervised under the Public Offering of Securities Act and the Markets in Financial Instruments Act and the Collective Investment Schemes and Other Undertakings for Collective Investments Act, as well as of the Central Depository AD;

4. (supplemented, SG No. 84/2006, SG No. 52/2007, SG No. 77/2011, amended, SG No. 109/2013, effective 20.12.2013, SG No. 76/2016, effective 30.09.2016, SG No. 15/2018, effective 16.02.2018, supplemented, SG No. 21/2021, SG No. 51/2022) to apply the coercive administrative measures under Chapter Nineteen of the Public Offering of Securities Act and Title Three, Chapter Twenty-Four of the Markets in Financial Instruments Act, under Title Four, Chapter Twenty-three of the Collective Investment Schemes and Other Undertakings for Collective Investments Act, under Chapter Ten of the Special Purpose Investment Companies and Securitisation Companies Act and under Chapter Three of the Implementation of the Measures against Market Abuse with Financial Instruments Act which do not fall within the competence of the Commission;

5. (amended and supplemented, SG No. 39/2005, amended, SG No. 59/2006, SG No. 52/2007, supplemented, SG No. 77/2011, amended, SG No. 34/2015, SG No. 76/2016, effective 30.09.2016, SG No. 62/2017, repealed, SG No. 95/2017, effective 1.01.2018);

6. (Amended, SG No. 84/2006, supplemented, SG No. 52/2007, SG No. 43/2010, SG No. 77/2011, amended and supplemented, SG No. 103/2012, supplemented, SG No. 109/2013, effective 20.12.2013, amended, SG No. 34/2015, supplemented, SG No. 42/2016, amended and supplemented, SG No. 76/2016, effective 30.09.2016, supplemented, SG No. 15/2018, effective 16.02.2018, amended, SG No. 27/2018, supplemented, SG No. 42/2019, effective 28.05.2019, SG No. 64/2020, effective 21.08.2020, SG No. 21/2021, amended, SG No. 16/2022, supplemented, SG No. 25/2022, effective 29.03.2022, amended and supplemented, SG No. 51/2022, amended, SG No. 8/2023, amended and supplemented, SG No. 85/2023, effective 10.10.2023) to designate officials of the Commission administration who have the right to draw up written statements on ascertained violations of the Public Offering of Securities Act, the Markets in Financial Instruments Act, the Implementation of the Measures against Market Abuse with Financial Instruments Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Special Purpose Investment Companies and Securitisation Companies Act, the Measures Against Money Laundering Act, the Measures Against the Financing of Terrorism Act and of the instruments for the application thereof, of Regulation (EC) No. 1060/2009, Regulation (EU) No. 648/2012, Regulation (EU)

No. 236/2012, Regulation (EU) No. 575/2013, Regulation (EU) No. 345/2013, Regulation (EU) 346/2013, Regulation (EU) 596/2014, Regulation (EU) No. 909/2014, Regulation (EU) 2015/760, Regulation (EU) 1286/2014, Regulation (EU) 600/2014, Regulation (EU) No. 2016/1011, Regulation (EU) 2015/2365, Regulation (EU) 2017/1129, Regulation (EU) 2017/2402, Regulation (EU) 2019/1238, Regulation (EU) 2019/2033, Regulation (EU) 2019/2088, Regulation (EU) 2020/852, Regulation (EU) 2020/1503 and Regulation (EU) 2021/23 and of the implementing instruments thereof;

7. (amended, SG No. 84/2006, supplemented, SG No. 52/2007, SG No. 43/2010, SG No. 77/2011, amended and supplemented, SG No. 103/2012, supplemented, SG No. 109/2013, effective 20.12.2013, amended, SG No. 34/2015, supplemented, SG No. 42/2016, amended and supplemented, SG No. 76/2016, effective 30.09.2016, supplemented, SG No. 15/2018, effective 16.02.2018, amended, SG No. 27/2018, supplemented, SG No. 42/2019, effective 28.05.2019, SG No. 64/2020, effective 21.08.2020, SG No. 21/2021, amended, SG No. 16/2022, supplemented, SG No. 25/2022, effective 29.03.2022, amended and supplemented, SG No. 51/2022, amended, SG No. 8/2023, amended and supplemented, SG No. 85/2023, effective 10.10.2023) to impose fines and pecuniary penalties for violations of the Public Offering of Securities Act, the Markets in Financial Instruments Act, the Implementation of the Measures against Market Abuse with Financial Instruments Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Special Purpose Investment Companies and Securitisation Companies Act, the Measures Against Money Laundering Act, the Measures Against the Financing of Terrorism Act and the instruments for the application thereof, of Regulation (EC) No. 1060/2009, Regulation (EU) No. 648/2012, Regulation (EU) No. 236/2012, Regulation (EU) No. 575/2013, Regulation (EU) No. 345/2013, Regulation (EU) No. 346/2013, Regulation (EU) No. 596/2014, Regulation (EU) No. 909/2014, Regulation (EU) 2015/760, Regulation (EU) No. 1286/2014, Regulation (EU) No. 600/2014, Regulation (EU) No. 2016/1011, Regulation (EU) 2015/2365, Regulation (EU) 2017/1129, Regulation (EU) 2017/2402, Regulation (EU) 2019/1238, Regulation (EU) 2019/2033, Regulation (EU) 2019/2088, Regulation (EU) 2020/852, Regulation (EU) 2020/1503 and Regulation (EU) 2021/23 and of the implementing instruments thereof;

8. (supplemented, SG No. 76/2016, effective 30.09.2016, repealed, SG No. 95/2017, effective 1.01.2018);

9. (amended, SG No. 77/2011, SG No. 109/2013, effective 20.12.2013, SG No. 95/2017, effective 1.01.2018, SG No. 21/2021, SG No. 51/2022) to endorse standard forms of declarations, reports, information sheets and other documents under the Public Offering of Securities Act, the Special Purpose Investment Companies and Securitisation Companies Act, the Markets in Financial Instruments Act, the Implementation of the Measures against Market Abuse with Financial Instruments Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act;

10. (amended, SG No. 95/2017, effective 1.01.2018) to organise the drawing up of all notifications and other documentation addressed to supervised persons, institutions and to other persons in connection with the supervision of investment activity;

11. to notify the prosecuting magistracy in case information is obtained about criminal offences related to securities, and to cooperate with the prosecuting magistracy, at the request thereof, in the investigation of such offences;

12. (new, SG No. 42/2016, repealed, SG No. 95/2017, effective 1.01.2018);

13. (repealed, SG No. 84/2006, new, SG No. 62/2015, effective 14.08.2015, renumbered from Item 12, SG No. 42/2016, amended, SG No. 95/2017, effective 1.01.2018) to exercise the powers provided for in the Recovery and Resolution of Credit Institutions and Investment Firms Act;

14. (renumbered from Item 13, SG No. 42/2016, repealed, SG No. 95/2017, effective 1.01.2018, new, SG No. 85/2023, effective 10.10.2023) to exercise the powers of a competent authority under Article 61 of Regulation (EU) 2019/1238 with regard to:

(a) the persons referred to in points (d) to (f) of Article 6(1) of the same Regulation where the said persons carry on PEPP provision business;

(b) the persons referred to in point (d) of Article 6(1) of the same Regulation which are PEPP distributors under point (b) of Article 23(1) of the Regulation;

(c) the persons referred to in point (a) of Article 6(1) of the same Regulation which, when carrying out activities under the Regulation, also provide services referred to in Item 4 and/or Item 5 of Article 6 (2) of the Markets in Financial Instruments Act;

15. (renumbered from Item 14, SG No. 42/2016) to organise and direct the operation of the Investment Activity Supervision

Department;

16. (amended, SG No. 84/2006, supplemented, SG No. 52/2007, SG No. 43/2010, amended and supplemented, SG No. 77/2011, SG No. 103/2012, supplemented, SG No. 109/2013, effective 20.12.2013, SG No. 34/2015, renumbered from Item 15, supplemented, SG No. 42/2016, amended and supplemented, SG No. 76/2016, effective 30.09.2016, supplemented, SG No. 15/2018, effective 16.02.2018, SG No. 64/2020, effective 21.08.2020, amended and supplemented, SG No. 21/2021, supplemented, SG No. 25/2022, effective 29.03.2022, amended and supplemented, SG No. 51/2022, supplemented, SG No. 65/2023) to address other issues as provided for in this Act, in the Public Offering of Securities Act, the Special Purpose Investment Companies and Securitisation Companies Act, the Markets in Financial Instruments Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act or the Implementation of the Measures against Market Abuse with Financial Instruments Act in connection with the performance, regulation and control over the financial instruments market, in Regulation 1060/2009, Regulation 648/2012, of Regulation (EU) No. 648/2012, Regulation (EU) No. 236/2012, Regulation (EU) No. 575/2013, Regulation (EU) No. 345/2013, Regulation (EU) No. 346/2013, Regulation (EU) No. 596/2014, Regulation (EU) 909/2014, Regulation (EU) 2015/760, Regulation (EU) No. 1286/2014, Regulation (EU) No. 600/2014, Regulation (EU) 2016/1011, Regulation (EU) 2015/2365, Regulation (EU) 2017/1129, Regulation (EU) 2017/2402, Regulation (EU) 2019/2033, Regulation (EU) 2020/1503, Regulation (EU) 2021/23 and Regulation (EU) 2022/858 which do not fall within the explicit competence of the Commission;

17. (new, SG No. 15/2018, effective 16.02.2018) to exercise the powers of a competent authority under Article 4 (2), Article 10 (1) and (5), Article 11 (6) to (10), Article 21 (1) to (3) and (5), Article 22 (1), first sub-paragraph (in the part on supervision of a central counterparty), Article 35 and Article 38 (3) of Regulation 648/2012:

(a) (amended, SG No. 51/2022) for financial counterparties under point (8) of Article 2 of Regulation 648/2012 which are persons under Item 1 of Article 1 (2) herein;

(b) (amended, SG No. 51/2022) for non-financial counterparties under point (9) of Article 2 of Regulation 648/2012;

18. (new, SG No. 15/2018, effective 16.02.2018, amended, SG No. 51/2022) to exercise the powers of a competent authority under Regulation (EU) 2015/2365:

(a) for financial counterparties under point (3) of Article 3 of Regulation 2015/2365 which are persons under Item 1 of Article 1 (2) herein;

(b) for non-financial counterparties under point (4) of Article 3 of Regulation 2015/2365;

19. (new, SG No. 15/2018, effective 16.02.2018) to exercise the powers of a competent authority within the meaning given by Article 4 (8) of Regulation (EU) No. 1286/2014 with regard to packaged retail and insurance-based investment products that are manufactured, distributed or recommended by investment firms, investment-firm banks, management companies, investment companies and alternative investment fund managers which do not fall within the explicit competence of the Commission;

20. (new, SG No. 27/2018, supplemented, SG No. 94/2019, amended, SG No. 21/2021) to exercise the powers of a supervisory authority provided for in the Measures Against Money Laundering Act, in the instruments for the application thereof and in the Measures against the Financing of Terrorism Act, with regard to the persons referred to in Items 8 to 10 of Article 4 of the Measures Against Money Laundering Act;

21. (new, SG No. 16/2022) to exercise the powers of a competent authority within the meaning given by Article 14 of Regulation (EU) No. 2019/2088 with regard to investment firms, investment-firm banks, management companies and alternative investment fund managers which do not fall within the explicit competence of the Commission;

22. (new, SG No. 51/2022) to exercise the powers of a competent authority within the meaning given by Article 29 of Regulation (EU) 2017/2402 in the cases referred to in Item 2 of Article 3 (4) and Article 3 (5) and (6) of the Special Purpose Investment Companies and Securitisation Companies Act;

23. (new, SG No. 85/2023, effective 10.10.2023) to exercise the powers of a competent authority under Articles 5 to 7 of Regulation (EU) 2020/852 with regard to investment firms, investment-firm banks, management companies and alternative investment fund managers which do not fall within the explicit competence of the Commission.

(2) (Amended, SG No. 85/2004, SG No. 39/2005, supplemented, SG No. 52/2007, amended and supplemented, SG No. 77/2011, amended, SG No. 109/2013, effective 20.12.2013, repealed, SG No. 95/2017, effective 1.01.2018).

(3) (Amended, SG No. 30/2006) The individual administrative acts of the Deputy Chairperson in charge of the Investment Activity Supervision Department shall be appealable by administrative proceedings before the Commission with the Code of Administrative Procedure applying accordingly.

(4) (Amended, SG No. 39/2005, SG No. 103/2005, effective 1.01.2007, SG No. 77/2018, effective 1.01.2019) The individual administrative acts of the Deputy Chairperson in charge of the Investment Activity Supervision Department shall be appealable by court proceedings before the Sofia Region Administrative Court according to the procedure established by the Code of Administrative Procedure.

(5) (Supplemented, SG No. 95/2017, effective 1.01.2018) An appeal under Paragraph (4) shall not stay the enforcement of the individual administrative act. Article 166 of the Code of Administrative Procedure shall not apply upon an appeal.

#### Deputy Chairperson in Charge of Insurance Department: Powers

**Article 16.** (1) The Deputy Chairperson in Charge of the Insurance Supervision Department shall have the discretionary right:

1. (amended, SG No. 95/2017, effective 1.01.2018, SG No. 15/2018, effective 16.02.2018, SG No. 16/2022, SG No. 85/2023, effective 10.10.2023) to make a proposal under Items 5 to 7, Items 11, 12, 21, 31, 32, 37 and 44 to 46 of Article 13 (1) herein;

2. (repealed, SG No. 103/2005);

3. (amended, SG No. 103/2005, SG No. 102/2015, effective 1.01.2016, repealed, SG No. 95/2017, effective 1.01.2018);

4. (amended, SG No. 103/2005, supplemented, SG No. 97/2007, repealed, SG No. 95/2017, effective 1.01.2018);

5. (amended, SG No. 103/2005, repealed, SG No. 95/2017, effective 1.01.2018);

6. (amended, SG No. 103/2005, SG No. 102/2015, effective 1.01.2016, repealed, SG No. 95/2017, effective 1.01.2018);

7. (repealed, SG No. 103/2005, new, SG No. 15/2018, effective 16.02.2018) to exercise the powers of a competent authority under Article 4 (2), Article 10 (1) and (5), Article 11 (6) to (10) of Regulation 648/2012 for financial and non-financial counterparties under points 8 and 9 of Article 2 of Regulation 648/2012 which are persons under Item 2 of Article 1 (2) herein;

8. (repealed, SG No. 103/2005, new, SG No. 15/2018, effective 16.02.2018) to exercise the powers under Regulation (EU) 2015/2365 for counterparties under point 2 of Article 3 of Regulation (EU) 2015/2365 which are persons under Item 2 of Article 1 (2) herein;

9. (repealed, SG No. 85/2004, new, SG No. 15/2018, effective 16.02.2018) to exercise the powers of a competent authority within the meaning given by Article 4 (8) of Regulation (EU) No. 1286/2014 with regard to packaged retail and insurance-based investment products that are manufactured, distributed or recommended by insurers and insurance intermediaries which do not fall within the explicit competence of the Commission;

10. (repealed, SG No. 85/2004, new, SG No. 16/2022) to exercise the powers of a competent authority within the meaning given by Article 14 of Regulation (EU) 2019/2088 with regard to insurers and insurance intermediaries which do not fall within the explicit competence of the Commission;

11. (repealed, SG No. 85/2004, new, SG No. 85/2023, effective 10.10.2023) to exercise the powers of a competent authority under Articles 5 to 7 of Regulation (EU) 2020/852 with regard to insurers and insurance intermediaries which do not fall within the explicit competence of the Commission;

12. (repealed, SG No. 95/2017, effective 1.01.2018, new, SG No. 85/2023, effective 10.10.2023) to exercise the powers of a competent authority under Article 61 of Regulation (EU) 2019/1238 with regard to the persons referred to in point (b) of Article 6(1) of the same Regulation where the said persons carry on PEPP provision business and to the PEPP distributors under point (a) of Article 23(1) of the Regulation;

13. (amended, SG No. 103/2005, SG No. 102/2015, effective 1.01.2016, repealed, SG No. 95/2017, effective 1.01.2018);

14. (supplemented, SG No. 97/2007) to send representatives of the Commission to the meetings of the management bodies of insurers and reinsurers;

15. (amended, SG No. 60/2012, effective 7.08.2012, supplemented, SG No. 103/2012, SG No. 21/2021, SG No. 51/2022) to apply the coercive administrative measures under the Insurance Code, the Special Purpose Investment Companies and Securitisation Companies Act and Regulation (EU) 2017/2402 which do not fall within the competence of the Commission;
  16. to endorse standard forms of declarations, statements, reports, information sheets and other documents under the Insurance Code;
  17. (amended and supplemented, SG No. 103/2005, supplemented, SG No. 97/2007, repealed, SG No. 95/2017, effective 1.01.2018);
  18. (amended, SG No. 15/2018, effective 16.02.2018, supplemented, SG No. 27/2018, SG No. 42/2019, effective 28.05.2019, SG No. 21/2021, SG No. 16/2022, SG No. 51/2022, amended, SG No. 85/2023, effective 10.10.2023) to designate the officials of the Commission administration who have the right to draw up written statements ascertaining violations of the Insurance Code, of the Special Purpose Investment Companies and Securitisation Companies Act, of the Measures Against Money Laundering Act, Measures Against the Financing of Terrorism Act and of the instruments for the application thereof, of Regulation (EU) No. 648/2012, Regulation (EU) No. 1286/2014, Regulation (EU) 2015/2365, Regulation (EU) 2017/2402, Regulation (EU) 2019/1238, Regulation (EU) 2019/2088, Regulation (EU) 2020/852 and of the statutory instruments for the application thereof;
  19. (amended, SG No. 15/2018, effective 16.02.2018, supplemented, SG No. 27/2018, SG No. 42/2019, effective 28.05.2019, SG No. 21/2021, SG No. 16/2022, SG No. 51/2022, amended, SG No. 85/2023, effective 10.10.2023) to impose fines and pecuniary penalties for violations of the Insurance Code, of the Special Purpose Investment Companies and Securitisation Companies Act, of the Measures Against Money Laundering Act, of the Measures Against the Financing of Terrorism Act and of the instruments for the application thereof, of Regulation (EU) No. 648/2012, Regulation (EU) 1286/2014, Regulation (EU) 2015/2365, Regulation (EU) 2017/2402, Regulation (EU) 2019/1238, Regulation (EU) 2019/2088, Regulation (EU) 2020/852 and of the statutory instruments for the application thereof;
  20. (amended, SG No. 85/2004, repealed, SG No. 103/2005);
  21. (amended, SG No. 95/2017, effective 1.01.2018) to organise the drawing up of all notifications and other documentation addressed to supervised persons, institutions and other persons in connection with insurance supervision;
  22. (supplemented, SG No. 95/2017, effective 1.01.2018) to notify the prosecuting magistracy in case information is obtained about criminal offences related to insurance, and to cooperate with the prosecuting magistracy, acting at its request, in the investigation of such offences;
  23. to organise and direct the operation of the Insurance Supervision Department;
  24. (supplemented, SG No. 97/2007) to address other issues in connection with insurance and reinsurance supervision which do not fall within the explicit competence of the Commission;
  25. to exercise the powers of state supervision over voluntary health insurance activities under the Health Insurance Act which do not fall within the explicit competence of the Commission;
  26. (new, SG No. 27/2018) to exercise the powers of a supervisory authority provided for in the Measures Against Money Laundering Act, in the instruments for the application thereof and in the Measures against the Financing of Terrorism Act, with regard to the persons referred to in Item 5 of Article 4 of the Measures Against Money Laundering Act;
  27. (new, SG No. 51/2022) to exercise the powers of a competent authority within the meaning given by Article 29 of Regulation (EU) 2017/2402 in the cases referred to in Item 1 of Article 3 (4) of the Special Purpose Investment Companies and Securitisation Companies Act also with regard to securitisation companies.
- (2) (Amended, SG No. 103/2005, repealed, SG No. 95/2017, effective 1.01.2018).
- (3) (Amended, SG No. 30/2006) The individual administrative acts of the Deputy Chairperson in charge of the Insurance Supervision Department shall be appealable by administrative proceedings before the Commission, with the Code of Administrative Procedure applying accordingly.
- (4) (Amended, SG No. 85/2004, SG No. 103/2005, effective 1.01.2007, SG No. 77/2018, effective 1.01.2019) The individual administrative acts of the Deputy Chairperson in charge of the Insurance Supervision Department shall be appealable

by court proceedings before the Sofia Region Administrative Court according to the procedure established by the Code of Administrative Procedure.

(5) (Supplemented, SG No. 95/2017, effective 1.01.2018) An appeal under Paragraph (4) shall not stay the enforcement of the individual administrative act. Article 166 of the Code of Administrative Procedure shall not apply upon an appeal.

(6) (Repealed, SG No. 85/2004).

Deputy Chairperson in Charge of Social Insurance Supervision Department: Powers

**Article 17.** (1) The Deputy Chairperson in Charge of the Social Insurance Supervision Department shall have the discretionary right:

1. (amended, SG No. 95/2017, effective 1.01.2018, SG No. 15/2018, effective 16.02.2018, SG No. 16/2022, SG No. 85/2023, effective 10.10.2023) to make proposals under Items 5 to 7, Items 11, 12, 21, 31, 32, 37 and 44 to 46 of Article 13 (1) herein;

2. (amended, SG No. 67/2003, repealed, SG No. 92/2017, new, SG No. 85/2023, effective 10.10.2023) to exercise the powers of a competent authority under Article 61 of Regulation (EU) 2019/1238 with regard to the persons referred to in point (c) of Article 6(1) of the same Regulation;

3. (amended, SG No. 92/2017, repealed, SG No. 95/2017, effective 1.01.2018);

4. (amended, SG No. 67/2003, SG No. 92/2017, repealed, SG No. 95/2017, effective 1.01.2018);

5. (repealed, SG No. 95/2017, effective 1.01.2018);

6. (amended, SG No. 92/2017) to endorse standard forms of declarations, statements, reports, information sheets and other documents under Part Two of the Social Insurance Code;

7. (repealed, SG No. 95/2017, effective 1.01.2018, new, SG No. 15/2018, effective 16.02.2018) to exercise the powers of a competent authority under Article 4 (2), Article 10 (1) and (5), Article 11 (6) to (10) of Regulation 648/2012 for financial and non-financial counterparties under points 8 and 9 of Article 2 of Regulation 648/2012 which are persons under Item 3 of Article 1 (2) herein;

8. (repealed, SG No. 95/2017, effective 1.01.2018, new, SG No. 15/2018, effective 16.02.2018) to exercise the powers of a competent authority under Regulation (EU) 2015/2365 for the counterparties under point 2 of Article 3 of Regulation (EU) 2015/2365 which are persons under Item 3 of Article 1 (2) herein;

9. (amended, SG No. 67/2003, repealed, SG No. 95/2017, effective 1.01.2018, new, SG No. 15/2018, effective 16.02.2018) to exercise the powers of a competent authority within the meaning given by Article 4 (8) of Regulation (EU) No. 1286/2014 with regard to packaged retail and insurance-based investment products that are manufactured, distributed or recommended by social insurance companies for unemployment and/or vocational qualification which do not fall within the explicit competence of the Commission;

10. (amended, SG No. 92/2017) to designate officials to attend meetings of the management, supervisory and other bodies of supplementary social insurance companies in the cases provided for in the statutory instruments governing supplementary social insurance;

11. (supplemented, SG No. 15/2018, effective 16.02.2018, SG No. 27/2018, amended and supplemented, SG No. 42/2019, effective 28.05.2019, supplemented, SG No. 21/2021, SG No. 16/2022, SG No. 51/2022, amended, SG No. 85/2023, effective 10.10.2023) to designate the officials who have the right to draw up written statements on ascertained violations of the statutory instruments governing supplementary social insurance, of the Special Purpose Investment Companies and Securitisation Companies Act, of the Measures Against Money Laundering Act, of the Measures Against the Financing of Terrorism Act and of the instruments for the application thereof, of Regulation (EU) No. 648/2012, Regulation (EU) No. 1286/2014, Regulation (EU) 2015/2365, Regulation (EU) 2017/2402, Regulation (EU) 2019/1238, Regulation (EU) 2019/2088, Regulation (EU) 2020/852 and of the statutory instruments for the implementation thereof;

12. (amended, SG No. 67/2003, supplemented, SG No. 95/2017, effective 1.01.2018, SG No. 21/2021, SG No. 51/2022) to apply the coercive administrative measures provided for in the Social Insurance Code, the Special Purpose Investment

Companies and Securitisation Companies Act and Regulation (EU) 2017/2402 which do not fall within the explicit competence of the Commission;

13. (supplemented, SG No. 27/2018, amended and supplemented, SG No. 42/2019, effective 28.05.2019, supplemented, SG No. 51/2022) to issue penalty decrees imposing fines and pecuniary penalties in the cases provided for in the statutory instruments governing supplementary social insurance, in the Special Purpose Investment Companies and Securitisation Companies Act, in the Measures Against Money Laundering Act, the Measures Against the Financing of Terrorism Act and the instruments for the application thereof;

14. (repealed, SG No. 67/2003, new, SG No. 92/2017, repealed, SG No. 95/2017, effective 1.01.2018, new, SG No. 15/2018, effective 16.02.2018, supplemented, SG No. 21/2021, SG No. 16/2022, amended, SG No. 85/2023, effective 10.10.2023) to issue penal decrees imposing fines and pecuniary sanctions for violations of Regulation (EU) No. 648/2012, Regulation (EU) No. 1286/2014, Regulation (EU) 2015/2365, Regulation (EU) 2017/2402, Regulation (EU) 2019/1238, Regulation (EU) 2019/2088 Regulation (EU) 2020/852 and of the statutory instruments for the implementation thereof;

15. (supplemented, SG No. 67/2003, amended, SG No. 95/2017, effective 1.01.2018) to organise the drawing up of all notifications and other documentation addressed to supervised persons, institutions and to other persons in connection with social insurance supervision;

16. (amended, SG No. 95/2017, effective 1.01.2018) to notify the prosecuting magistracy in case information is obtained about criminal offences related to supplementary social insurance, and to cooperate with the prosecuting magistracy, acting at its request, in the investigation of such offences;

17. to organise and direct the operation of the Social Insurance Supervision Department;

18. to address other issues related to supplementary social insurance activities which do not fall within the explicit competence of the Commission;

19. (new, SG No. 27/2018) to exercise the powers of a supervisory authority provided for in the Measures Against Money Laundering Act, in the instruments for the application thereof and in the Measures against the Financing of Terrorism Act, with regard to the persons referred to in Item 11 of Article 4 of the Measures Against Money Laundering Act;

20. (new, SG No. 16/2022) to exercise the powers of a competent authority under Article 14 of Regulation (EU) 2019/2088 with regard to retirement insurance companies and the supplementary voluntary retirement insurance funds managed thereby which do not fall within the explicit competence of the Commission;

21. (new, SG No. 51/2022) to exercise the powers of a competent authority within the meaning given by Article 29 of Regulation (EU) 2017/2402 in the cases referred to in Item 3 of Article 3 (4) of the Special Purpose Investment Companies and Securitisation Companies Act also with regard to securitisation companies;

22. (new, SG No. 85/2023, effective 10.10.2023) to exercise the powers of a competent authority under Articles 5 to 7 of Regulation (EU) 2020/852 with regard to retirement insurance companies and supplementary voluntary retirement insurance funds managed thereby which do not fall within the explicit competence of the Commission.

(2) (Amended, SG No. 67/2003, repealed, SG No. 95/2017, effective 1.01.2018).

(3) (Amended, SG No. 30/2006) The individual administrative acts of the Deputy Chairperson in charge of the Social Insurance Supervision Department shall be appealable by administrative proceedings before the Commission, with the Code of Administrative Procedure applying accordingly.

(4) (Amended, SG No. 103/2005, effective 1.01.2007, SG No. 77/2018, effective 1.01.2019) The individual administrative acts of the Deputy Chairperson in charge of the Social Insurance Supervision Department shall be appealable by court proceedings before the Sofia Region Administrative Court according to the procedure established by the Code of Administrative Procedure.

(5) (Supplemented, SG No. 95/2017, effective 1.01.2018) An appeal under Paragraph (4) shall not stay the enforcement of the individual administrative act. Article 166 of the Code of Administrative Procedure shall not apply in the event of appeal.

Commission Member Assisting Commission Policy for Analysis and Assessment of Financial Market Risks, Improvement of Market Practice and Protection of Interests of Investors, Persons Covered by Commercial and Social Insurance: Powers

**Article 17a.** (New, SG No. 43/2010) (1) (Supplemented, SG No. 62/2015, effective 14.08.2015, SG No. 25/2022, effective 29.03.2022) The member of the Commission referred to in Item 5 of Article 3 herein shall assist the Commission in the development and implementation of rules and systems for financial market risk management. The member of the Commission referred to in Item 5 of Article 3 herein shall assist the Commission in the exercise of the powers thereof as a resolution authority and shall approach the Commission with proposals for taking decisions under the Recovery and Resolution of Credit Institutions and Investment Firms Act and under the Markets in Financial Instruments Act.

(2) The member of the Commission referred to in Item 5 of Article 3 herein, acting in coordination with the Deputy Chairperson in charge of the respective area of supervision, shall examine, according to a procedure established in the Rules of the Commission:

1. (supplemented, SG No. 34/2015) complaints and alerts lodged against persons supervised by the Commission;
2. proposals for improving the operation of the relevant authorities of the Commission.

(3) (New, SG No. 34/2015) The Rules of the Commission shall establish a mechanism for the examination of complaints and alerts lodged against persons supervised by the Commission with regard to potential or actual violations of the statutory instruments applicable to the activity of the said persons, which shall include as a minimum:

1. (supplemented, SG No. 15/2018, effective 16.02.2018) the procedure for receiving and examining complaints and alerts, including communication channels for receiving any such complaints and signals;
2. (repealed, SG No. 15/2018, effective 16.02.2018);
3. (amended, SG No. 15/2018, effective 16.02.2018, SG No. 17/2019) protection of the personal data of the person who lodges the complaint or alert about a violation, as well as of the personal data of the persons against whom the complaint or the alert is lodged, in accordance with the requirements for personal data protection;
4. rules on ensuring confidentiality to persons who lodge complaints or alerts about violations committed at a supervised person, unless disclosure is required in cases provided for by the law.

(4) (Renumbered from Paragraph 3, amended, SG No. 34/2015) The member of the Commission referred to in Item 5 of Article 3 herein shall examine independently complaints and alerts lodged against decisions of the Commission or any authorities thereof.

(5) (Renumbered from Paragraph 4, SG No. 34/2015) In connection with the activities referred to in Paragraphs (2) and (3), the said member shall approach the Commission and the Deputy Chairpersons in charge of the respective areas of supervision with proposals and recommendations regarding the supervisory policy pursued and the practice established in the implementation of statutory instruments.

(6) (New, SG No. 15/2018, effective 16.02.2018) The lodging of a complaint or an alert under Paragraph (3) may not be grounds for holding the person who lodged the complaint or the alert responsible for disclosing confidential information or other information protected by law or contract.

(7) (New, SG No. 15/2018, effective 16.02.2018) The lodging of a complaint or an alert may not be grounds for less favourable or unfair treatment of the employees of the supervised person concerned, when such persons have lodged complaints or alerts about violations at the supervised person.

(8) (New, SG No. 15/2018, effective 16.02.2018, amended, SG No. 51/2022) Any persons working under an employment relationship at persons supervised by the Commission, who have lodged a complaint or an alert under Paragraph (3), shall be entitled to protection against disciplinary penalty under Article 187 (2) of the Labour Code.

(9) (New, SG No. 15/2018, effective 16.02.2018) The procedures for exchange of information and cooperation between state bodies involved in the protection of the persons under Paragraph (8) who have lodged complaints or alerts shall be established by an ordinance adopted by the Council of Ministers.

#### Procedure for Exercise of Powers of Commission and Authorities Thereof

**Article 18.** (1) Upon the exercise of the powers of the Commission and the authorities thereof, the members of the Commission, as well as the Commission officials designated according to the procedure established in this Act, shall have the

right, considering the tasks assigned thereto:

1. (amended, SG No. 67/2003, supplemented, SG No. 84/2006, SG No. 52/2007, amended and supplemented, SG No. 43/2010, supplemented, SG No. 77/2011, amended and supplemented, SG No. 103/2012, supplemented, SG No. 109/2013, effective 20.12.2013, amended, SG No. 34/2015, supplemented, SG No. 62/2015, effective 14.08.2015, SG No. 42/2016, amended and supplemented, SG No. 76/2016, effective 30.09.2016, supplemented, SG No. 15/2018, effective 16.02.2018, SG No. 27/2018, SG No. 64/2020, effective 21.08.2020, amended and supplemented, SG No. 21/2021, supplemented, SG No. 16/2022, amended and supplemented, SG No. 25/2022, effective 29.03.2022, SG No. 51/2022, supplemented, SG No. 8/2023, SG No. 65/2023, amended, SG No. 85/2023, effective 10.10.2023) to require explanations in writing, documents, including certified copies of documents, data, information and other data mediums from the supervised persons or from other persons suspected of violating the provisions of this Act or of the Insurance Code, the Social Insurance Code, the Public Offering of Securities Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Special Purpose Investment Companies and Securitisation Companies Act, the Markets in Financial Instruments Act, the Recovery and Resolution of Credit Institutions and Investment Firms Act, the Implementation of the Measures against Market Abuse with Financial Instruments Act, the Health Insurance Act, the Measures Against Money Laundering Act, the Measures against the Financing of Terrorism Act, of Regulation (EC) No. 1060/2009, Regulation (EU) No. 648/2012, Regulation (EU) No. 236/2012, Regulation (EU) No. 345/2013, Regulation (EU) No. 346/2013, Regulation (EU) No. 596/2014, Regulation (EU) No. 909/2014, Regulation (EU) 2015/760, Regulation (EU) No. 575/2013, Regulation (EU) No. 600/2014, Regulation (EU) No. 1286/2014, Regulation (EU) 2016/1011, Regulation (EU) 2015/2365, Regulation (EU) 2017/1129, Regulation (EU) 2017/2402, Regulation (EU) 2019/2088, Regulation (EU) 2019/1238, Regulation (EU) 2019/2033, Regulation (EU) 2020/852, Regulation (EU) 2020/1503, Regulation (EU) 2021/23, Regulation (EU) 2022/858 and of the implementing instruments thereof, as well as to inspect the records of any such persons;

2. to identify the cash, inventories, including securities and other assets, owned by the supervised persons;

3. to inspect accounting, commercial and other documents reporting transactions that are being effected;

4. to conduct cross-checks;

5. (Supplemented, SG No. 84/2006) to require from third parties information, documents, including certified copies of documents, statements of accounts and other data required for the conduct of cross-checks and/or in connection with alerts, complaints or requests, including by authorities of other countries exercising financial supervision;

6. (Amended, SG No. 67/2003, supplemented, SG No. 84/2006, SG No. 52/2007, amended and supplemented, SG No. 43/2010, supplemented, SG No. 77/2011, amended and supplemented, SG No. 103/2012, supplemented, SG No. 109/2013, effective 20.12.2013, amended, SG No. 34/2015, supplemented, SG No. 62/2015, effective 14.08.2015, SG No. 42/2016, amended and supplemented, SG No. 76/2016, effective 30.09.2016, supplemented, SG No. 15/2018, effective 16.02.2018, SG No. 27/2018, SG No. 64/2020, effective 21.08.2020, amended and supplemented, SG No. 21/2021, supplemented, SG No. 16/2022, amended and supplemented, SG No. 25/2022, effective 29.03.2022, SG No. 51/2022, supplemented, SG No. 8/2023, SG No. 65/2023, amended, SG No. 85/2023, effective 10.10.2023) to unimpeded access to office premises and to information systems of supervised persons and other persons suspected of violating the provisions of this Act, of the Insurance Code, the Social Insurance Code, the Public Offering of Securities Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Special Purpose Investment Companies and Securitisation Companies Act, the Markets in Financial Instruments Act, the Recovery and Resolution of Credit Institutions and Investment Firms Act, the Implementation of the Measures against Market Abuse with Financial Instruments Act, the Health Insurance Act, the Measures Against Money Laundering Act, the Measures against the Financing of Terrorism Act, Regulation (EC) No. 1060/2009, Regulation (EU) No. 648/2012, Regulation (EU) No. 236/2012, Regulation (EU) No. 575/2013, Regulation (EU) No. 345/2013, Regulation (EU) No. 346/2013, Regulation (EU) No. 596/2014, Regulation (EU) No. 909/2014, Regulation (EU) 2015/760, Regulation (EU) No. 600/2014, Regulation (EU) No. 1286/2014, Regulation (EU) No. 2016/1011, Regulation (EU) 2015/2365, Regulation (EU) 2017/1129, Regulation (EU) 2017/2402, Regulation (EU) 2019/2088, Regulation (EU) 2019/1238, Regulation (EU) 2019/2033, Regulation (EU) 2020/852, Regulation (EU) 2020/1503, Regulation (EU) 2021/23, Regulation (EU) 2022/858 and the implementing instruments thereof, as well as to require from inspected persons and/or representatives or employees thereof to present themselves at the building of the Commission;

7. (supplemented, SG No. 43/2010) to attend the meetings of the management and supervisory bodies of supervised persons and express opinions which shall be included in the minutes of proceedings at the meeting.

(2) (Amended, SG No. 43/2010, SG No. 102/2015, effective 1.01.2016, supplemented, SG No. 65/2023) For the purposes of the supervision that is being exercised and at costs for the account of the supervised person, the Commission or, respectively, the Deputy Chairperson in charge of the respective area of supervision, may commission an external auditor or external independent experts to carry out a valuation of assets or liabilities of the supervised person and may require from the supervised person to record the results of the said valuation in the financial statements or, respectively an independent auditor to carry out an assessment of the reliability of the overall IT and cyber arrangements of a distributed ledger technology market infrastructure, which has been granted a specific permission under Regulation (EU) 2022/858.

(3) (Amended, SG No. 103/2005, supplemented, SG No. 84/2006, SG No. 52/2007, amended, SG 24/2009, effective 31.03.2009, amended and supplemented, SG No. 43/2010, supplemented, SG No. 77/2011, SG No. 103/2012, SG No. 109/2013, effective 20.12.2013, amended, SG No. 34/2015, supplemented, SG No. 62/2015, effective 14.08.2015, SG No. 42/2016, amended and supplemented, SG No. 76/2016, effective 30.09.2016, supplemented, SG No. 15/2018, effective 16.02.2018, SG No. 27/2018, SG No. 64/2020, effective 21.08.2020, amended and supplemented, SG No. 21/2021, supplemented, SG No. 16/2022, amended and supplemented, SG No. 25/2022, effective 29.03.2022, SG No. 51/2022, supplemented, SG No. 8/2023, SG No. 65/2023, amended, SG No. 85/2023, effective 10.10.2023) Acting at the written request of the Chairperson of the Commission, for the purposes of the supervision exercised by the Commission, banks shall be obliged to provide information about the assets in and operations on the accounts and deposits held by supervised persons as well as by other persons suspected of violating the provisions of this Act, the Insurance Code, the Social Insurance Code, the Public Offering of Securities Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Markets in Financial Instruments Act, the Recovery and Resolution of Credit Institutions and Investment Firms Act, the Health Insurance Act, the Implementation of the Measures against Market Abuse with Financial Instruments Act, the Special Purpose Investment Companies and Securitisation Companies Act, the Measures Against Money Laundering Act, the Measures against the Financing of Terrorism Act, of Regulation (EC) No. 1060/2009, Regulation (EU) No. 648/2012, Regulation (EU) No. 236/2012, Regulation (EU) No. 575/2013, Regulation (EU) No. 345/2013, Regulation (EU) No. 346/2013, Regulation (EU) No. 596/2014, Regulation (EU) No. 909/2014, Regulation (EU) 2015/760, Regulation (EU) No. 600/2014, Regulation (EU) No. 1286/2014, Regulation (EU) 2016/1011, Regulation (EU) 2015/2365, Regulation (EU) 2017/1129, Regulation (EU) 2017/2402, Regulation (EU) 2019/2088, Regulation (EU) 2019/1238, Regulation (EU) 2019/2033, Regulation (EU) 2020/852, Regulation (EU) 2020/1503, Regulation (EU) 2021/23, Regulation (EU) 2022/858 and of the implementing instruments thereof. For the purposes and subject to the conditions of sentence one, banks shall be obliged to provide information about the assets and operations on the accounts and deposits held by clients of the bank where the Commission receives a request from a foreign authority exercising financial supervision in another country wherewith an agreement on cooperation and information exchange has been concluded. The provision of information under sentence one and two may not be refused or restricted on considerations of bank or trade secrecy.

(4) All data and documents on any violations of this Act, which may result in disclosing the identity of the person who has provided the said data and documents, shall be provided by the Commission to third parties solely with the consent of the said person, unless otherwise provided for in the law.

(5) The police, the prosecuting magistracy, as well as the rest of the state bodies and officials, shall be obliged, acting within the powers vested therein, to cooperate with the Commission and the employees thereof upon the discharge of the official duties thereof and the exercise of the supervisory functions thereof.

(6) (Supplemented, SG No. 42/2016, amended, SG No. 64/2020, effective 21.08.2020) The Commission, in the course of and in connection with the performance of the functions assigned thereto, shall have the right of gratuitous access to information registers built and maintained on budget resources. In connection with the exercise of the powers thereof, the Commission and the authorities thereof shall have access to tax and social-security information under the terms and according to the procedure established by the Tax and Social-Insurance Procedure Code.

(7) (Amended, SG No. 59/2006, SG No. 43/2010) In connection with the exercise of the powers vested therein under this Act, the Commission may require from the Deputy Governor of the Bulgarian National Bank in charge of the Banking Supervision Department:

1. the conduct of targeted inspections of banks and the provision of the results of any such inspections to the Commission subject to the restrictions under Article 62 of the Credit Institutions Act;
2. where necessary, the conduct of joint inspections of banks or other financial institutions which persons supervised by the Commissions and the Bulgarian National Bank.

(8) (Amended, SG No. 31/2003, SG No. 105/2005, SG No. 109/2007, SG No. 43/2010) In connection with the exercise of the powers vested therein under this Act, the Commission may conduct joint inspections together with the authorities of the National Revenue Agency, of the State Agency for National Security and of other competent authorities.

(9) (New, SG No. 43/2010) In order to exercise supervision on a consolidated basis, the Commission shall be entitled to require from the parent companies and from the subsidiary companies of the persons referred to in Article 1 (2) herein all necessary documents and information.

(10) (Renumbered from Paragraph (9), SG No. 43/2010, amended, SG No. 95/2017, effective 1.01.2018) The members of the Commission and the employees of the administration thereof shall not incur pecuniary liability for any damage inflicted upon the exercise of the supervisory functions and powers thereof and upon the discharge of the duties thereof, unless they have committed a criminal offence.

(11) (New, SG No. 83/2019, effective 22.10.2019, amended, SG No. 65/2023) The Commission may refuse, in whole or in part, the exercise of data subject rights under Articles 12 to 22 of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119/1 of 4 May 2016) and may not fulfil the obligation thereof under Article 34 of the said Regulation only in the cases referred to in Item 5 of Article 37a (1) of the Personal Data Protection Act.

### Conduct of Inspections

**Article 19.** (1) Inspections shall be conducted by employees of the administration of the Commission designated by an order of the Chairperson or of the Deputy Chairperson in charge of the respective area of supervision.

(2) The employees referred to in Paragraph (1) shall conduct inspections on site and in the building of the Commission as to:

1. (amended, SG No. 67/2003, supplemented, SG No. 84/2006, SG No. 52/2007, SG No. 43/2010, SG No. 77/2011, amended, SG No. 103/2012, supplemented, SG No. 109/2013, effective 20.12.2013, amended, SG No. 34/2015, supplemented, SG No. 62/2015, effective 14.08.2015, SG No. 42/2016, amended and supplemented, SG No. 76/2016, effective 30.09.2016, amended, SG No. 15/2018, effective 16.02.2018, supplemented, SG No. 27/2018, SG No. 64/2020, effective 21.08.2020, amended and supplemented, SG No. 21/2021, supplemented, SG No. 16/2022, SG No. 25/2022, effective 29.03.2022, amended and supplemented, SG No. 51/2022, supplemented, SG No. 8/2023, amended and supplemented, SG No. 65/2023, amended, SG No. 85/2023, effective 10.10.2023) compliance with this Act, the Social Insurance Code, the Public Offering of Securities Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Special Purpose Investment Companies and Securitisation Companies Act, the Markets in Financial Instruments Act, the Recovery and Resolution of Credit Institutions and Investment Firms Act, the Insurance Code, the Health Insurance Act, the Implementation of the Measures against Market Abuse with Financial Instruments Act, the Measures Against Money Laundering Act, the Measures against the Financing of Terrorism Act, with Regulation (EC) No. 1060/2009, Regulation (EU) No. 648/2012, Regulation (EU) No. 236/2012, Regulation (EU) 345/2013, Regulation (EU) No. 346/2013, Regulation (EU) No. 596/2014, Regulation (EU) No. 909/2014, Regulation (EU) 2015/760, Regulation (EU) No. 575/2013, Regulation (EU) No. 600/2014, Regulation (EU) No. 1286/2014, Regulation (EU) No. 2016/1011, Regulation (EU) 2015/2365, Regulation (EU) 2017/1129, Regulation (EU) 2017/2402, Regulation (EU) 2019/2088, Regulation (EU) 2019/1238, Regulation (EU) 2019/2033, Regulation (EU) 2020/852, Regulation (EU) 2020/1503, Regulation (EU) 2021/23, Regulation (EU) 2022/858 and with the implementing instruments thereof;

2. the prevention and detection of violations of the law.

(3) A supervised person shall be obliged to ensure all conditions for the normal conduct of an inspection.

(4) The officials of the administration of the Commission shall be obliged to identify themselves upon the discharge of the official duties thereof by presenting the order referred to in Paragraph (1).

(5) The inspected person shall be obliged to cooperate with the Commission and the officials of the administration thereof and, to this end:

1. to provide a place for the conduct of the inspection, as well as present himself or herself upon request at the building of the

Commission;

2. to designate an employee thereof for liaison and cooperation with the inspecting officials;
3. (supplemented, SG No. 43/2010) to afford access to office premises and to information systems;
4. to produce all accounting, commercial and other documents necessary to establish facts and circumstances relevant to the scope of the inspection;
5. to provide, upon request, certified copies of accounting and other documents; the certification shall be effected by affixing the text "True Copy", date, signature and impression of a seal by an authorised representative of the inspected person;
6. to provide, upon request by the official, explanations in writing.

(6) A memorandum of ascertainment shall be drawn up in duplicate on each inspection as conducted, which shall be signed by the Commission officials who conducted the inspection, and shall be served on the inspected person upon signed acknowledgement of service.

## **Chapter Four**

### **COMMISSION ADMINISTRATION**

organisation and Obligations

**Article 20.** (1) The activities of the Commission shall be assisted by an administration whereof the composition, structure, rights and duties shall be specified by the Rules of organisation and Operation of the Commission.

(2) (Amended, SG No. 38/2012, effective 1.07.2012, SG No. 95/2017, effective 1.01.2018) The activity of the administration shall be implemented by persons working under an employment relationship. The employment relationships of the employees of the Commission shall be governed by the provisions of the Labour Code.

(3) (Amended, SG No. 43/2010, SG No. 38/2012, effective 1.07.2012, SG No. 95/2017, effective 1.01.2018) Any of the following persons shall be ineligible to be an employee of the Commission:

1. who has been convicted of an intentional publicly prosecutable offence;
2. who would come in a hierarchical relationship of direction and control with a spouse, with a de facto cohabitant therewith, with a lineal relative up to any degree of consanguinity, a collateral relative up to the fourth degree of consanguinity inclusive, or an affine up to the fourth degree of affinity inclusive;
3. who is a sole trader, an unlimited partner in a commercial corporation, a managing director, a business attorney, a commercial agent, a management agent, a broker, a liquidator or a trustee in bankruptcy, a member of a management body or supervisory body of a commercial corporation or a cooperative;
4. who is a National Representative;
5. who occupies a position of leadership or control at the national level in a political party;
6. who exercises control over the supervised person or who holds, directly or through related parties, more than 5 per cent of the votes in the general meeting or of the capital of the supervised person;
7. who is a member of management bodies or supervisory bodies of the supervised person, or who is empowered to manage or represent the supervised person without being a member of the management bodies or supervisory bodies thereof;
8. who works for the supervised person under an employment or civil service relationship.

(4) (New, SG No. 97/2007, amended, SG No. 38/2012, effective 1.07.2012, SG No. 95/2017, effective 1.01.2018, SG No. 101/2018, effective 7.12.2018, SG No. 84/2023, effective 6.10.2023) Upon entry into employment, all employees shall submit a declaration to the effect that the circumstances referred to in Paragraph (3) do not exist with respect to them, and the

circumstance referred to in Item 1 of Paragraph (3) shall be established ex officio. The declaration of incompatibility shall be submitted under the terms and according to the procedure established by the Counter-Corruption Act.

(5) (New, SG No. 95/2017, effective 1.01.2018, amended, SG No. 101/2018, effective 7.12.2018, SG No. 84/2023, effective 6.10.2023) All employees other than those occupying technical positions shall submit declarations on assets and interests under Article 49 of the Counter-Corruption Act within the time limits and under the terms and according to the procedure provided for in the said Act.

(6) (New, SG No. 95/2017, effective 1.01.2018) Employees occupying a senior position must hold an educational qualification degree not lower than master of economics, finance, law, mathematics, informatics and another specialty suitable for the supervision and regulation of the non-banking financial sector that has been awarded thereto upon graduation from a higher educational establishment and have a length of relevant employment-service and/or civil-service seniority of no less than three years.

## Rights

(Heading amended, SG No. 38/2012, effective 1.07.2012)

**Article 21.** (Amended and supplemented, SG No. 85/2004, amended, SG No. 38/2012, effective 1.07.2012, SG No. 95/2017, effective 1.01.2018) (1) The basic monthly remuneration amounts of the employees of the Commission shall be determined by the Chairperson according to the internal wage rules and within the disposable resources on the budget for the relevant year.

(2) The employees of the Commission may receive supplementary performance-based remunerations which shall be determined according to a procedure and in a manner set out in the internal wage rules.

(3) The supplementary remunerations referred to in Paragraph (2) may not be based on the proceeds from fines and pecuniary sanctions collected from supervised persons recorded in the public registers under Article 30 herein.

(4) The members and the administration of the Commission shall be mandatorily insured against accident for the account of the Commission budget.

(5) (Amended, SG No. 83/2019, effective 22.10.2019) When a position in the administration of the Commission is occupied by an employee who holds a university degree in law, the length of employment service seniority or civil service seniority acquired thereby shall count as length of practice of law within the meaning given by the Judicial System Act and the Bar Act.

## Chapter Five

### AVOIDING CONFLICT OF INTEREST

#### Conflict of Interest

**Article 22.** (Amended, SG No. 97/2007) (1) The members of the Commission must forthwith notify the Commission where they are required to examine or participate in the examination of a matter in respect of which they have a direct or indirect interest giving rise to reasonable doubts about the impartiality thereof and this will lead to a conflict with the proper performance of the functions thereof or the exercise of the powers thereof.

(2) Any member of the Commission in respect of whom there exists a conflict of interest on a matter considered at a session of the Commission shall not participate in the discussion and voting when the said matter is addressed.

(3) In the cases under Paragraph (1), where the person who has declared the existence of a direct or indirect interest is the Chairperson or a Deputy Chairperson and the matter in respect of which there exists a conflict of interest falls within the powers thereof in his or her capacity as single-person authority, the Commission shall designate a Deputy Chairperson or, respectively, another member of the Commission as a substitute for the said Chairperson or Deputy Chairperson.

(4) The employees of the administration of the Commission must forthwith notify the Chairperson or, respectively, the Deputy Chairperson who directly manages the department concerned where they are required to examine or to participate in the examination of a matter in respect of which they have a direct or indirect interest giving rise to reasonable doubts about the impartiality thereof and this will lead to a conflict with the proper discharge of the duties thereof.

(5) Paragraph (1) shall furthermore apply to the employees of the administration of the Commission where they are required to conduct or participate in the conduct of an inspection.

(6) Notification under Paragraph (5) of the existence of a direct or indirect interest of employees of the administration of the Commission who conduct or participate in the conduct of an inspection may also be effected by the inspected person.

(7) The Chairperson or, respectively, the Deputy Chairperson who directly manages the Commission department concerned, shall order in writing the person referred to in Paragraph (4) or, respectively, in Paragraph (5), to discontinue the participation thereof in the examination of the matter or in the conduct of the inspection and shall designate another employee as a substitute for the said person.

(8) The form, content and procedure for effecting notifications shall be laid down in the Rules of organisation and Operation of the Commission.

## Chapter Six

### PROFESSIONAL ETHICS AND PROFESSIONAL SECRET

#### Professional Ethics

**Article 23.** The members of the Commission, as well as the employees of the administration thereof, shall be obliged to comply with the professional ethics rules adopted by the Commission.

#### Professional Secret

**Article 24.** (Amended, SG No. 103/2005) (1) (Amended, SG No. 83/2019, effective 22.10.2019, SG No. 64/2020, effective 21.08.2020) The information that the Commission generates or obtains for the purposes of financial supervision or in connection with financial supervision shall constitute a professional secret. An official secret within the meaning given by the Classified Information Protection Act shall not constitute a professional secret.

(2) Any information which is subject to public disclosure according to this Act or another law shall not constitute a professional secret.

(3) The members of the Commission and the employees of the administration thereof shall be obliged to respect professional secrets including after they are released from office or, respectively, after the termination of the employment relationships thereof.

(4) Paragraph (3) shall furthermore apply to the auditors and to all other persons performing functions assigned thereto by the Commission.

(5) (Amended, SG No. 52/2007, effective 3.07.2007) Except in cases where the person who has provided information constituting a professional secret has given an express consent to the use of the said information for other purposes, the said information may be used by the Commission and the authorities thereof only in connection with the performance of the functions thereof:

1. (supplemented, SG No. 52/2007, SG No. 43/2010, SG No. 77/2011, amended, SG No. 60/2012, effective 7.08.2012, supplemented, SG No. 62/2015, effective 14.08.2015, amended, SG No. 21/2021, SG No. 51/2022) to verify compliance with the requirements for the issuance of authorisations (licences) provided for in the Public Offering of Securities Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, the Special Purpose Investment Companies and Securitisation Companies Act, the Markets in Financial Instruments Act, the Recovery and Resolution of Credit Institutions and Investment Firms Act, the Insurance Code and the Social Insurance Code for the pursuit of business regulated by the said laws, as well as for the exercise of supervision over these activities;

2. to apply coercive administrative measures and to impose administrative sanctions;

3. upon an appeal before the court of instruments of the Commission and the authorities thereof.

#### Professional Secret Disclosure

**Article 25.** (Amended, SG No. 31/2003, SG No. 103/2005) (1) Any information constituting a professional secret may be disclosed only:

1. (amended, SG No. 52/2007, effective 3.07.2007) to the judicial authorities, the prosecuting magistracy, the investigating magistracy and the police authorities where criminal proceedings have been instituted, and before the court, a liquidator or a trustee in bankruptcy in civil and commercial proceedings in cases of liquidation or bankruptcy of a supervised person, provided that the information does not affect the interests of third parties;

2. (amended, SG No. 109/2007, SG No. 60/2023, effective 14.07.2023) before the banking supervision authorities and the State Agency for National Security during the implementation of their functions for preventing the use of the financial system for the purposes of money laundering or terrorist financing, to the extent that this is necessary for the performance of their other functions – under the terms and according to the procedure provided by joint guidelines;

3. (new, SG No. 7/2018, amended, SG No. 84/2023, effective 6.10.2023) to the Counter-Corruption Commission or to the authorities thereof;

4. (new, SG No. 34/2015, renumbered from Item 3, SG No. 7/2018, supplemented, SG No. 25/2022, effective 29.03.2022) to the European Central Bank, the European System of Central Banks and the central banks of Member States in their capacity as monetary authorities, when this information is necessary for the exercise of the statutory functions thereof, including for the conduct of monetary policy and related liquidity provision, the oversight of payment systems, clearing systems and settlement systems, and safeguarding the stability of the financial system, including where an emergency situation arises;

5. (new, SG No. 34/2015, renumbered from Item 4, SG No. 7/2018) to the European Systemic Risk Board (ESRB), where this information is necessary for the performance of the functions thereof according to Regulation (EU) No. 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board (OJ L 331/1 of 15 December 2010), including where an emergency situation arises;

6. (new, SG No. 21/2012, renumbered from Item 3, SG No. 34/2015, renumbered from Item 5, SG No. 7/2018, amended, SG No. 25/2022, effective 29.03.2022) to the European Commission, the European Insurance and Occupational Pensions Authority, the European Securities and Markets Authority, the European Banking Authority and the European Systemic Risk Board, to the extent that this is necessary for the performance of the functions thereof;

7. (new, SG No. 12/2019) to the European Parliament where this is necessary for the exercise of the right thereof to investigate according to Article 226 of the Treaty on the Functioning of the European Union;

8. (amended, SG No. 52/2007, effective 3.07.2007, supplemented, SG No. 97/2007, renumbered from Item 3, SG No. 21/2012, renumbered from Item 4, supplemented, SG No. 34/2015, renumbered from Item 7, SG No. 12/2018, renumbered from Item 7, SG No. 12/2019) to auditors auditing supervised persons and conservators, liquidators or trustees in bankruptcy of supervised persons, the Compensation Fund for Investors and the Guarantee Fund of the institutional protection schemes referred to in Article 113 (7) of Regulation (EU) No. 575/2013, as well as to the authorities monitoring and controlling any of the above, to the extent that is necessary for the performance of the functions thereof;

9. (new, SG no. 52/2007, effective 3.07.2007, renumbered from Item 4, SG No. 21/2012, renumbered from Item 5, SG No. 34/2015, renumbered from Item 7, SG No. 7/2018, renumbered from Item 8, SG No. 12/2019) to clearing houses or to other persons who, according to law, effect clearing and settlement on the markets in financial instruments in the Republic of Bulgaria to the extent that this is necessary for the performance of the functions thereof, in the event of non-performance or possible non-performance by market participants;

10. (new, SG No. 64/2020, effective 21.08.2020) to the Agency for the Cooperation of Energy Regulators and to the Energy and Water Regulatory Commission, where such information is necessary for the performance of the functions thereof according to Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326/1 of 8 December 2011);

11. (new, SG No. 25/2022, effective 29.03.2022) to the International Monetary Fund and the World Bank for the purpose of assessments for the Financial Sector Assessment Program;

12. (new, SG No. 25/2022, effective 29.03.2022) to the Bank for International Settlements for the purposes of quantitative impact studies;

13. (new, SG No. 25/2022, effective 29.03.2022) to the Financial Stability Board for the purposes of the supervisory functions thereof;

14. (new, SG No. 51/2022, renumbered from Item 13, SG No. 8/2023) to the Minister of Finance, regarding concluded transactions in government securities;

15. (renumbered from Item 4, SG No. 52/2007, effective 3.07.2007, renumbered from Item 5, SG No. 21/2012, renumbered from Item 6, SG No. 34/2015, renumbered from Item 8, SG No. 7/2018, renumbered from Item 9, SG No. 12/2019, renumbered from Item 10, SG No. 64/2020, effective 21.08.2020, renumbered from Item 11, SG No. 25/2022, effective 29.03.2022, renumbered from Item 14, SG No. 8/2023) with the express written consent of the subject of the said information;

16. (renumbered from Item 5, SG No. 52/2007, effective 3.07.2007, renumbered from Item 6, SG No. 21/2012, renumbered from Item 7, SG No. 34/2015, renumbered from Item 9, SG No. 7/2018, renumbered from Item 10, SG No. 12/2019, renumbered from Item 11, SG No. 64/2020, effective 21.08.2020, renumbered from Item 12, SG No. 25/2022, effective 29.03.2022, renumbered from Item 15, SG No. 8/2023) on an aggregate basis making the subjects of the said information personally unidentifiable;

17. (new, SG No. 60/2023, effective 14.07.2023) before the court in civil and administrative proceedings instituted in connection with the statutory instruments referred to in Article 12.

(2) Any information pertaining to the health status of natural persons, which has been obtained in connection with the exercise of financial supervision, may be disclosed solely with the express written consent of the said persons or by a court order, where there is reason to believe that a criminal offence has been committed.

(3) (Supplemented, SG No. 52/2007, effective 3.07.2007) The persons and authorities under Paragraph (1) shall be obliged to respect the confidentiality of the information obtained and to use the said information for the purposes for which it was provided thereto, except in the cases where the Commission has given express consent to the use of the said information for other purposes as well.

(4) Any information constituting a professional secret may be provided to the authorities of a Member State exercising financial supervision subject to the condition that the said authorities respect the confidentiality of the said information and use the said information only in connection with the performance of the functions thereof:

1. to verify compliance with the requirements for the issuance of authorisations for the pursuit of business on the financial markets, as well as for the exercise of supervision over the pursuit of the said business;

2. for the imposition of sanctions;

3. where the instruments thereof are appealed by administrative or court proceedings.

(5) (New, SG No. 52/2007, effective 3.07.2007) The Commission may provide information constituting a professional secret provided that the same level of confidentiality of the information provided is ensured to:

1. the authorities of a Member State which exercise supervision over the activity of credit institutions in connection with the performance of the supervisory functions thereof;

2. the authorities of a Member State that participate in liquidation, bankruptcy or other similar procedures of investment firms, insurers, collective investment schemes and the management companies and depositories thereof, in connection with the performance of the supervisory functions thereof;

3. persons of a Member State who are responsible for legally prescribed audits of the reports of investment firms, credit institutions, insurers and other financial institutions, in connection with the performance of the supervisory functions thereof;

4. the authorities of a Member State that manage investor compensation schemes or insurance receivables security funds, in connection with the performance of the supervisory functions thereof.

(6) (Renumbered from Paragraph (5), SG No. 52/2007, effective 3.07.2007) The information constituting a professional secret may be provided to a foreign authority of a third country exercising financial supervision on the basis of an agreement on cooperation and exchange of information and subject to the condition that the authority whereto the said information is provided:

1. ensures at least the same level of confidentiality of the information provided;
2. has the power and agrees to provide information of the same type upon request by the Commission;
3. needs the requested information for the performance of the supervisory functions thereof.

(7) (New, SG No. 25/2022, effective 29.03.2022) Under the terms established by Paragraph (6), information may also be provided to other authorities of third countries carrying out the following tasks:

1. the supervision of financial institutions and financial markets, including the supervision of financial entities licensed to operate as central counterparties, where central counterparties have been recognised under Article 25 of Regulation (EU) No. 648/2012;
2. the liquidation and bankruptcy of investment firms and similar procedures;
3. oversight of the bodies involved in the liquidation and bankruptcy of investment firms and similar procedures;
4. the carrying out of statutory audits of financial institutions or institutions which administer compensation schemes;
5. oversight of persons charged with carrying out statutory audits of the accounts of financial institutions;
6. oversight of persons active on emission allowance markets for the purpose of ensuring a consolidated overview of financial and spot markets;
7. oversight of persons active on agricultural commodity derivatives markets for the purpose of ensuring a consolidated overview of financial and spot markets

(8) (Renumbered from Paragraph (6), amended, SG No. 52/2007, effective 3.07.2007, SG No. 21/2012, amended and supplemented, SG No. 34/2015, amended, SG No. 12/2019, renumbered from Paragraph (7), SG No. 25/2022, effective 29.03.2022) The Commission may disclose information constituting a professional secret received from the authorities of a Member State or of a third country exercising financial supervision only with the explicit consent of the said authorities and for the purposes for which the said consent was given.

(9) (New, SG No. 34/2015, renumbered from Paragraph (8), SG No. 25/2022, effective 29.03.2022) The Commission may publish the results of stress tests carried out according to the Markets in Financial Instruments Act and the instruments on the application thereof, as well as according to Article 32 of Regulation (EU) No. 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ, L 331/12 of 15 December 2010) or make the results of the stress tests available to the European Banking Authority for the purposes of publishing the results at the European Union level. In the cases where the Commission determines that publishing the results of the stress tests may jeopardize the stability of financial markets, the Commission may delay the publishing of the said results, may publish the said results in an anonymous way, or may decide not to publish the said results.

(10) (New, SG No. 34/2015, renumbered from Paragraph (9), amended, SG No. 25/2022, effective 29.03.2022) Where the authorities or persons referred to in Item 1 of Paragraph (1) perform the detection or investigation functions thereof with the help, considering the specific competence thereof, of persons who are appointed for this purpose and are not employed in the public sector, the Commission may expand the opportunity for exchange of information under Paragraph (1) so as to cover such persons as well under the terms provided for in Paragraphs (3) and (8). The authorities referred to in Item 1 of Paragraph (1) shall communicate to the Commission the names and the exact duties of the persons whereto such information will be dispatched.

(11) (New, SG No. 34/2015, amended, SG No. 15/2018, effective 16.02.2018, renumbered from Paragraph (10), SG No. 25/2022, effective 29.03.2022) When an emergency situation arises according to Article 238 of the Markets in Financial Instruments Act, the Commission may provide information constituting a professional secret to the authorities of the Republic of Bulgaria and of the other Member States responsible for legislation in the field of supervision of credit and financial institutions,

investment firms and insurers, where such information is necessary for the performance of the functions thereof.

(12) (New, SG No. 42/2016, amended, SG No. 27/2018, renumbered from Paragraph (11), amended, SG No. 25/2022, effective 29.03.2022) The Commission shall also apply the requirements of Paragraph (8) when performing the obligations thereof under Article 87 of the Measures against Money Laundering Act and under Article 9a of the Measures against the Financing of Terrorism Act.

(13) (New, SG No. 51/2022, renumbered from Paragraph (12), SG No. 8/2023) Any information constituting a professional secret, which is provided to the Commission according to the procedure established by Paragraphs (4) and (6) herein, may be disclosed to the authorities referred to in Item 1 of Paragraph (1) of the Member State or third country concerned solely with the express written consent of the Commission.

(14) (New, SG No. 25/2022, effective 29.03.2022, renumbered from Paragraph (13), SG No. 8/2023) Information constituting a professional secret may be provided to the authorities referred to in Items 11 to 13 of Paragraph (1) following an explicit request by the authority concerned and where at least the following conditions are met:

1. the request is duly justified in light of the specific tasks performed by the requesting authority in accordance with the powers thereof;
2. the request is sufficiently precise as to the nature, scope, and format of the requested information, as well as the manner of the disclosure or delivery thereof;
3. the required information is strictly necessary for the performance of the specific tasks of the requesting authority and does not exceed the statutory powers vested therein;
4. the information is provided or disclosed exclusively to the persons who are directly involved in the performance of the specific task;
5. the persons who have access to the information are subject to professional secrecy requirements at least equivalent to the requirements referred to in Article 53 (1) of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176/338 of 27 June 2013).

(15) (New, SG No. 25/2022, effective 29.03.2022, renumbered from Paragraph (14), amended, SG No. 8/2023) In the cases referred to in Paragraph (14), the Commission may only disclose aggregated or anonymised information and may only provide other information at the office premises thereof.

Official Secret

**Article 25a.** (New, SG No. 95/2017, effective 1.01.2018) (1) The members of the Commission and the employees of its administration shall be obliged not to divulge any classified information constituting an official secret.

(2) Official secret shall refer to particular information generated or kept by the Commission which does not constitute a state secret and unauthorised access to which would have an adverse effect on the interests of the State or would harm other interests in rights protection.

(3) The list of categories of information subject to classification as an official secret shall be determined by an order of the Chairperson of the Commission.

## Chapter Seven

### BUDGET AND PROPERTY OF THE COMMISSION

Commission Property

**Article 26.** (1) The property of the Commission shall consist of a right of ownership and of other rights.

(2) The corporeal immovables allocated by the State to the Commission shall constitute public state property.

## Fees

**Article 27.** (1) (Amended, SG No. 67/2003, supplemented, SG No. 39/2005, SG No. 52/2007, amended and supplemented, SG No. 43/2010, supplemented, SG No. 77/2011, amended, SG No. 60/2012, effective 7.08.2012, amended and supplemented, SG No. 103/2012, supplemented, SG No. 34/2015, SG No. 62/2015, effective 14.08.2015, amended, SG No. 102/2015, effective 1.01.2016, supplemented, SG No. 42/2016, amended, SG No. 95/2017, effective 1.01.2018) The Commission shall charge fees on grounds, under a procedure and in amounts according to a rate schedule set out in an annex to this Act.

(2) (Amended, SG No. 43/2010, repealed, SG No. 95/2017, effective 1.01.2018, new, SG No. 25/2022, effective 29.03.2022) The fees, as well as the late payment interest charged thereon, shall be public state receivables.

(3) (Amended, SG No. 103/2012, repealed, SG No. 95/2017, effective 1.01.2018).

(4) (Amended, SG No. 103/2012, repealed, SG No. 95/2017, effective 1.01.2018).

(5) (Amended and supplemented, SG No. 103/2012, amended, SG No. 95/2017, effective 1.01.2018, SG No. 25/2022, effective 29.03.2022) Upon failure to pay when due the fee for the exercise of general financial supervision, the Commission and the authorities thereof may refuse to provide an administrative service to the supervised person until the fulfilment of the obligation thereof to pay the said fee together with the late payment interest as charged and the costs of the enforcement proceedings instituted according to the procedure established by Paragraph (7). In the cases under sentence one, the time limit for the provision of the service shall begin to run as from the day following the date of the full payment of the fee.

(6) (Supplemented, SG No. 25/2022, effective 29.03.2022) The fees shall be non-refundable except in the cases specified in the law and shall be accounted for as accounting expenses in respect of the persons controlled.

(7) (Amended, SG No. 105/2005, SG No. 103/2012, SG No. 25/2022, effective 29.03.2022) Any overdue fees shall be subject to enforced collection by public enforcement agents according to the procedure established by the Tax and Social-Insurance Procedure Code or by bailiffs according to the procedure established by the Code of Civil Procedure. The written statement ascertaining the receivable shall be issued by the Chairperson of the Commission.

(8) (Supplemented, SG No. 25/2022, effective 29.03.2022) Any over-remitted and misremitted fees shall be refundable exclusive of interest.

## Fines and Pecuniary Penalties

**Article 27a.** (New, SG No. 103/2012) (1) (New, SG No. 25/2022, effective 29.03.2022) The fees and the pecuniary penalties, as well as the interest due on the pecuniary penalties, shall be public state receivables.

(2) (Renumbered from Paragraph (1), amended, SG No. 25/2022, effective 29.03.2022) The fines, the pecuniary penalties and the interest on pecuniary penalties shall be subject to enforced collection by public enforcement agents according to the procedure established by the Tax and Social-Insurance Procedure Code or by judicial enforcement agents according to the procedure established by the Code of Civil Procedure.

(3) (Amended, SG No. 95/2017, effective 1.01.2018, renumbered from Paragraph (2), amended, SG No. 25/2022 effective 29.03.2022) Upon failure to pay any due fines, pecuniary penalties and interest on pecuniary penalties, the Commission and the authorities thereof may refuse to provide an administrative service to the supervised person until the fulfilment of the obligation thereof to pay the due fines, pecuniary penalties and interest on pecuniary penalties, including the costs of the enforcement proceedings instituted according to the procedure established by Paragraph (2). In the cases under sentence one, the time limit for the provision of the service shall begin to run as from the day following the date of the full payment of the fees, pecuniary penalties and interest on pecuniary penalties due.

(4) (New, SG No. 25/2022, effective 29.03.2022) Any over-remitted and misremitted amounts in respect of fees and pecuniary penalties shall be refundable exclusive of interest.

## Commission Budget

**Article 28.** (Supplemented, SG No. 67/2008, amended, SG No. 102/2012, effective 1.01.2013, supplemented, SG No. 103/2012, amended, SG No. 15/2013, effective 1.01.2014) (1) The Chairperson of the Commission shall be a budget authoriser by delegation, and the heads of territorial divisions shall be budget authorisers by sub-delegation.

(2) The budget of the Commission shall be part of the state budget and shall be established, implemented and reported according to the procedure established by the Public Finance Act.

(3) (Supplemented, SG No. 95/2017, effective 1.01.2018) The proceeds and funds from the following sources shall be credited in revenue to the budget of the Commission:

1. the fees referred to in Article 27 (1) herein;
2. the sale of periodicals published by the Commission and from the sale of forms;
3. a central-government budget subsidy;
4. amounts collected in respect of pecuniary penalties and fines as imposed;
5. other sources and from activities determined by a law.

(4) (New, SG No. 95/2017, effective 1.01.2018) The budget of the Commission may not provide for financing of expenditures and providing transfers for the account of revenues referred to in Item 4 of Paragraph (3), which shall be accounted for as a contribution to the central-government budget.

(5) (New, SG No. 95/2017, effective 1.01.2018) Where any revenues referred to in Items 1, 2 and 5 of Paragraph (3) are overcollected, as well as where any amounts of expenditures and transfers to be provided for the relevant budget year are not absorbed, additional expenditures and payments for transfers on the budget of the Commission may be approved for following year under the terms and according to the procedure established by the Public Finance Act.

## **Chapter Eight**

### **REPORTING AND CONTROL OF COMMISSION'S ACTIVITIES**

#### Reports and Control

**Article 29.** (1) (Supplemented, SG No. 67/2008, amended, SG No. 102/2012, effective 1.01.2013) The Commission shall submit to the National Assembly an annual activity report thereof, an annual financial statement and a budget implementation report on or before the 30th day of May of the following year.

(2) The budget implementation report of the Commission and the annual financial statement thereof shall be audited by the Bulgarian National Audit Office. The report of the Bulgarian National Audit Office shall be submitted to the National Assembly.

(3) The annual activity report of the Commission shall contain information on:

1. the financial markets situation and prospects;
2. the adequacy of the regulatory framework of the financial markets;
3. the authorisations, confirmations, approvals and other individual administrative acts issued as provided for in this Act, the refusals to issue such acts, the registrations effected, the acts of the Commission appealed and upheld by the court;
4. the results of the supervision exercised over the persons referred to in Article 1 (2) herein;
5. (new, SG No. 43/2010) aggregated information on the activities under Article 17a herein;
6. (renumbered from Item 5, SG No. 43/2010) the information policy, domestic and international cooperation;
7. (renumbered from Item 6, SG No. 43/2010) the organisation, financing and personnel policy of the Commission;
8. (renumbered from Item 7, SG No. 43/2010) other data as determined by the Commission.

(4) When requested to do so, the Commission shall be obliged to submit to the National Assembly any other information and documents relevant to the activities thereof.

## **Chapter Nine**

# COMMISSION REGISTERS

## Registers

**Article 30.** (1) The Commission shall keep public registers of:

1. (supplemented, SG No. 15/2018, effective 16.02.2018, amended, SG No. 64/2020, effective 21.08.2020) the regulated markets, multilateral trading facilities, organised trading facilities and growth markets;
2. the investment intermediaries;
3. (supplemented, SG No. 64/2020, effective 21.08.2020) the public companies and other issuers of securities; according to Item 5 of Article 100j(2) of the Public Offering of Securities Act;
4. (amended, SG No. 77/2011) the collective investment schemes
5. (supplemented, SG No. 39/2005, amended, SG No. 77/2011) the management companies;
6. (new, SG No. 77/2011, amended, SG No. 109/2013, effective 20.12.2013) the national investment funds;
7. (new, SG No. 109/2013, effective 20.12.2013, supplemented, SG No. 42/2016, amended, SG No. 102/2019) the alternative investment fund managers and the alternative investment funds managed thereby, including venture capital funds, social entrepreneurship funds or long-term investment funds;
8. (renumbered from Item 6, SG No. 77/2011, renumbered from Item 7, SG No. 109/2013, effective 20.12.2013, amended, SG No. 83/2019, effective 22.10.2019) the financial instruments brokers and the investment counsellors;
9. (amended, SG No. 103/2005, renumbered from Item 7, SG No. 77/2011, renumbered from Item 8, SG No. 109/2013, effective 20.12.2013) ) the insurers and reinsurers;
10. (new, SG No. 102/2015, effective 1.01.2016) the special purpose vehicles for alternative insurance risk transfer
11. (renumbered from Item 8, SG No. 77/2011, repealed, SG No. 60/2012, effective 7.08.2012, renumbered from Item 9, SG No. 109/2013, effective 20.12.2013, renumbered from Item 10, SG No. 102/2015, effective 1.01.2016);
12. (supplemented, SG No. 103/2005, renumbered from Item 9, SG No. 77/2011, renumbered from Item 10, SG No. 109/2013, effective 20.12.2013, renumbered from Item 11, SG No. 102/2015, effective 1.01.2016, amended, SG No. 101/2018, effective 7.12.2018) insurance brokers and insurance agents and intermediaries selling insurance products on an ancillary basis;
13. (amended, SG No. 56/2006, renumbered from Item 10, SG No. 77/2011, renumbered from Item 11, SG No. 109/2013, effective 20.12.2013, renumbered from Item 12, SG No. 102/2015, effective 1.01.2016) the supplementary social insurance companies, the funds managed thereby and the occupational plans;
14. (new, SG No. 67/2003, renumbered from Item 11, SG No. 77/2011, renumbered from Item 12, SG No. 109/2013, effective 20.12.2013, renumbered from Item 13, SG No. 102/2015, effective 1.01.2016) the social insurance intermediaries of supplementary social insurance companies;
15. (new, SG No. 103/2005, renumbered from Item 12, SG No. 77/2011, renumbered from Item 13, SG No. 109/2013, effective 20.12.2013, renumbered from Item 14, SG No. 102/2015, effective 1.01.2016, repealed, SG No. 42/2016);
16. (new, SG No. 43/2010, renumbered from Item 13, SG No. 77/2011, renumbered from Item 14, SG No. 109/2013, effective 20.12.2013, renumbered from Item 15, SG No. 102/2015, effective 1.01.2016, repealed, SG No. 101/2018, effective 7.12.2018);
17. (new, SG No. 15/2018, effective 16.02.2018) tied agents;
18. (new, SG No. 15/2018, effective 16.02.2018, amended, SG No. 25/2022, effective 29.03.2022) approved reporting mechanisms and approved publication arrangements under Item 3 of Article 1 of the Markets in Financial Instruments Act;
19. (new, SG No. 15/2018, effective 16.02.2018) benchmark administrators licensed or registered by the Commission

according to Regulation (EU) No. 2016/1011;

20. (new, SG No. 15/2018, effective 16.02.2018) the holders of a recognised licensed competence of a responsible actuary;

21. (new, SG No. 26/2020) the authorised councillors;

22. (new, SG No. 21/2021) the securitisation companies;

23. (new, SG No. 21/2021) the STS compliance verification agents;

24. (new, SG No. 51/2022) crowdfunding service providers;

25. (new, SG No. 8/2023) central counterparties;

26. (new, SG No. 65/2023) the market infrastructures based on distributed ledger technology.

(2) The recordable circumstances, the keeping and custody of the registers of the Commission, as well as the procedures ensuring the functioning of the registers as an integrated information system, shall be regulated by an ordinance.

## **Chapter Ten**

### **FINANCIAL STABILITY ADVISORY COUNCIL**

#### Functions and Membership

**Article 31.** (Amended, SG No. 43/2010) (1) There shall be established a Financial Stability Advisory Council as an advisory body, hereinafter referred to as "the Council".

(2) The main objective of the Council shall be to foster more efficient cooperation for maintaining the financial stability through exchange of information and assessment of the state and development of the financial system and the financial markets in Bulgaria and the potential impact of external and internal factors on the said stability, and coordinating actions to this end.

(3) The Council shall have the following tasks:

1. to assess the state of the national financial system and the financial markets and to ensure that all members of the Council inform each other about the market participants, the principal events and trends which could impact the national financial system;

2. to monitor and analyse systemic risks to the stability of the national financial system and to discuss intervention measures in the event the stability of the national financial system is jeopardised or a financial crisis occurs;

3. to coordinate activities in accordance with the powers of the members of the Council in the event of an immediate threat to, or a crisis in, the national financial system and markets;

4. to discuss proposals for improving the practice of implementation and improvement of the regulatory framework of financial markets and to facilitate an improvement and enhancement of the efficiency of supervision of financial market participants.

(4) The Council may address proposals and recommendations to the members thereof in connection with the powers of the institutions represented thereby with regard to the protection and maintenance of financial stability, the prevention and management of a financial crisis.

(5) Executing the powers thereof, the Council shall adopt decisions. The decisions shall be adopted unanimously.

(6) The Minister of Finance, the Chairperson of the Commission and the Governor of the Bulgarian National Bank shall be members of the Council, the Council being chaired by the Minister of Finance. Other persons whereof the functions and tasks are relevant to financial stability may also attend the meetings of the Council at the invitation thereof.

(7) The meetings of the Council shall be presided over by the Minister of Finance.

(8) The Council shall be convened for regular meetings by the Chairperson thereof at least four times a year. The Council may alternatively be convened at the request of any of the members thereof who participate in the meeting in person. If unable to

participate in a meeting, the members of the Council shall be represented by the relevant Deputy Minister, Deputy Governor or Deputy Chairperson of the Commission, of which the rest of the members shall be informed in writing.

(9) The meetings shall be prepared and organised by the Ministry of Finance. In the performance of the functions thereof, the Council shall be assisted by a secretary to the Chairperson.

(10) The Council shall adopt Rules of Operation thereof. Minutes shall be taken of the proceedings at the meetings of the Council.

(11) The Council may set up working groups of experts of the Ministry of Finance, the Bulgarian National Bank and the Commission.

(12) Any decision on public disclosure of information in connection with the work of the Council shall be adopted unanimously.

(13) All state bodies and officials shall be obliged, acting within the powers vested therein, to cooperate with the Council and to provide it with the information required for the implementation of the functions thereof.

(14) To facilitate international cooperation in connection with financial stability, the members of the Council may conclude cooperation agreements with institutions performing tasks in this field in Member States of the European Union and other countries.

## **Chapter Eleven**

### **ADMINISTRATIVE PENALTY PROVISIONS**

**Article 32.** (1) Any person who obstructs the Financial Supervision Commission, the authorities thereof or duly authorised employees of the administration thereof upon the exercise of supervisory powers assigned thereto by this Act or by another law shall be liable to a fine of BGN 1,000 or exceeding this amount but not exceeding BGN 5,000, unless the act constitutes a criminal offence. Upon a repeated violation, the fine shall be BGN 2,000 or exceeding this amount but not exceeding BGN 10,000.

(2) Any legal person or sole trader which or who commits a violation under Paragraph (1) shall be liable to a pecuniary penalty of BGN 2,000 or exceeding this amount but not exceeding BGN 8,000, and upon a repeated violation, of BGN 4,000 or exceeding this amount but not exceeding BGN 16,000.

(3) The written statements ascertaining the administrative violations referred to in Paragraphs (1) and (2) shall be drawn up by officials authorised by the Chairperson of the Commission, and the penalty decrees shall be issued by the Chairperson of the Commission.

(4) The ascertainment of administrative violations, the issuing, appeal and enforcement of penalty decrees shall follow the procedure established by the Administrative Violations and Sanctions Act.

#### **Interest**

**Article 33.** (New, SG No. 25/2022, effective 29.03.2022) Any person who fails to pay a pecuniary penalty imposed thereon within one month after the effective date of a penalty decree shall owe interest at the statutory rate for the period from the date following the date of expiry of the one-month time limit to the date of the payment.

### **SUPPLEMENTARY PROVISION**

**§ 1.** Within the meaning give by this Act:

1. "Financial markets" shall be the securities market, the market of commercial insurance services and the market of social insurance services.

2. (Amended, SG No. 95/2017, effective 1.01.2018) "Authorities of the Commission" shall be the Chairperson, the three Deputy Chairpersons of the Commission and the member of the Commission referred to in Item 5 of Article 3 herein.

3. (Amended, SG No. 67/2003) "Statutory instruments governing supplementary social insurance" shall be the Social Insurance

Code and the statutory instruments of secondary legislation on the application thereof.

4. "Control" shall exist where the controlling party:

(a) holds, including through a subsidiary or by virtue of an agreement with another party, more than half of the votes in the General Meeting of another party, or

(b) is able to appoint, whether directly or indirectly, more than half of the members of the management body or supervisory body of another party, or

(c) is able to manage, including and through or together with a subsidiary by virtue of Articles of Association or a contract, the activities of another party, or

(d) as a shareholder or partner in a company, controls independently by virtue of a transaction with other partners or shareholders in the same company, more than half of the votes in the General Meeting of the company, or

(e) may in any other way exercise a dominant influence on decision-making in connection with the activity of the company.

5. (New, SG No. 43/2010) "Related parties" shall be:

(a) spouses, lineal relatives without limitations, collateral relatives up to the fourth degree of consanguinity inclusive and affines up to the third degree of affinity inclusive;

(b) partners;

(c) persons of whom or which one participates in the management of the other or of a subsidiary company thereof;

(d) persons whose management body or supervisory body involves the same legal or natural person, including where the natural person represents a legal person;

(e) a company and a person who holds more than 10 per cent of the voting interests or shares issued in the said company;

(f) persons of whom or which one exercises control over the other;

(g) persons whereof the activities are controlled by a third party or by a subsidiary company thereof;

(h) persons who or which control jointly a third party or a subsidiary company thereof;

(i) persons of whom or which one is a commercial agent of the other.

6. (Renumbered from Item 5, SG No. 43/2010) "Repeated violation" shall be any violation committed within one year after the effective date of a penalty decree whereby the offender was penalised for a violation of the same type.

7. (Renumbered from Item 6, SG No. 43/2010) "Supplementary social insurance companies" shall be the retirement insurance companies and the voluntary social insurance company for unemployment and/or vocational qualification.

8. (New, SG No. 103/2005, renumbered from Item 7, SG No. 43/2010) "Member State" shall be a Member State of the European Union or any other State which belongs to the European Economic Area.

9. (New, SG No. 103/2005, renumbered from Item 8, SG No. 43/2010) "Third country" shall be a State which is not a Member State within the meaning given by Item 7.

10. (New, SG No. 95/2017, effective 1.01.2018) "Senior position" within the meaning given by Article 20 (6) herein shall be a position occupied by the directors of directorate and the heads of department in the specialised administration.

11. (New, SG No. 25/2022, effective 29.03.2022) "Date of payment" shall be the day whereon the amount remitted has been credited to the account of the Financial Supervision Commission.

## **TRANSITIONAL AND FINAL PROVISIONS**

§ 2. (1) As from the entry into force of this Act:

1. the powers of the National Insurance Council and of the Supplementary Social Insurance Council shall be terminated;
  2. the powers of the Bulgarian National Securities Commission, of the Director of the Insurance Supervision Agency, and of the Chairperson of the State Social Insurance Supervision Agency shall be terminated.
- (2) Any authorisations (licences) and other individual administrative acts issued by the authorities referred to in Paragraph (1) shall continue in effect.
- (3) Any proceedings before the authorities referred to in Paragraph (1) which are pending upon the entry into force of this Act shall continue before the respective competent authority under this Act. Any competence dispute shall be resolved by the Commission.

**§ 3.** (1) The Bulgarian National Securities Commission, the Insurance Supervision Agency and the Social Insurance Supervision Agency shall be transformed through merger into a Financial Supervision Commission as from the date of entry into force of this Act.

- (2) The assets, the liabilities, the archives and the other rights and obligations of the Bulgarian National Securities Commission, the Insurance Supervision Agency and the State Social Insurance Supervision Agency shall be assumed by the Financial Supervision Commission.
- (3) Within fifteen days after the date of entry into force of this Act, the Chairperson of the Commission shall transform the civil-service relationships of the civil servants at the Bulgarian National Securities Commission, the Insurance Supervision Agency and the State Social Insurance Supervision Agency into open-ended employment relationships. The ranks acquired and any unused leaves shall be retained.
- (4) The employment relationships of the employees of the Bulgarian National Securities Commission, the Insurance Supervision Agency and the State Social Insurance Supervision Agency shall be settled according to the procedure established by Article 123 of the Labour Code.

**§ 4.** (Effective 28.01.2003) (1) Within two months after the promulgation of this Act, the National Assembly shall elect the members of the Commission, and the term of office of the said members shall begin to run from the date of entry into force of this Act.

(2) The members of the first composition of the Commission formed according to this Act shall be elected for the following terms of office:

1. the Chairperson: six years;
2. the Deputy Chairperson in charge of the Investment Activity Supervision Department: six years;
3. the Deputy Chairperson in charge of the Insurance Supervision Department: five years;
4. the Deputy Chairperson in charge of the Social Insurance Supervision Department: four years;
5. the other members: the first one for four years, the second one for five years, and the third one for six years, as specified in the resolution on the election of the said members.

(3) Members of the Bulgarian National Securities Commission, the Director of the Insurance Supervision Agency and the Chairperson of State Social Insurance Supervision Agency shall be eligible for election as members of the Commission.

(4) Until the entry into force of this Act, the members of the Commission shall direct the technical and organisational activities in connection with the transformation under § 3 herein.

(5) The employees and the fixed assets of the Bulgarian National Securities Commission, the Insurance Supervision Agency and the State Social Insurance Supervision Agency, together with the requisite maintenance thereof, shall pass to the Financial Supervision Commission according to a procedure established by the members of the Commission.

(6) The budget of the Commission for 2003 shall be established on the basis of the budgets of the Bulgarian National Securities Commission, the Insurance Supervision Agency and the State Social Insurance Supervision Agency for 2003.

(7) The Minister of Finance and the Minister of Labour and Social Policy shall effect the changes arising from this Act in the

executive budget for 2003 in connection with the establishment of the budget of the Commission for 2003.

§ 5. The statutory instruments of secondary legislation adopted for the application of the Public Offering of Securities Act, the Insurance Code, the Compulsory Social Insurance Code, the Supplementary Voluntary Retirement Insurance Act, the Health Insurance Act and the Protection in Unemployment and Employment Promotion Act shall continue in effect insofar as they do not come into conflict with this Act.

§ 5a. (New, SG No. 84/2006) The individual administrative acts issued by the Commission and the Deputy Chairpersons until the entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union which were not appealable by court proceedings may not be appealed before the court according to the procedure established by this Act.

§ 6. Within one month after the entry into force of this Act, the Financial Supervision Commission shall adopt Rules of organisation and Operation thereof.

§ 7. The first meeting of the Financial Stability Advisory Council shall be convened by the Minister of Finance within three months after the entry into force of this Act. The order of rotation shall be determined at the said meeting.

§ 8. The Public Offering of Securities Act (promulgated in the State Gazette No. 114 of 1999; amended in Nos. 63 and 92 of 2000, Nos. 28, 61, 93 and 101 of 2002) shall be amended as follows:

1. In Article 8, Paragraph (1) shall be amended to read as follows:

"(1) The persons, activities and transactions covered under Article 1 (1) herein shall be regulated and controlled by the Financial Supervision Commission, hereinafter referred to as "the Commission," as well as by the Deputy Chairperson of the said Commission in charge of the Investment Activity Supervision Department thereof."

2. Articles 9, 10, 11, 12, 13, 14, 15, 16, 16a, 17, 18 and 19, as well as any references made to them in the Act shall be repealed.

3. In the Act, the words "the Commission" shall be replaced passim by "the Deputy Chairperson in charge of the Investment Activity Supervision Department", with the exception of Chapter Two, Sections II and IV of Chapter Three, Section II of Chapter Five, Section III of Chapter Six, Section I of Chapter Seven, Section II of Chapter Eleven, Chapter Fourteen, Chapter Fifteen and Section II of Chapter Eighteen, where the words "the commission" shall be replaced by "the Financial Supervision Commission".

§ 9. (1) The Insurance Act (promulgated in the State Gazette No. 86 of 1996; amended in No. 1 of 1997, [modified by] Constitutional Court Judgment No. 6 of 1997, [promulgated in] No. 21 of 1997; amended in No. 58 of 1997, Nos. 21, 52, 93 and 132 of 1998, No. 88 of 1999, Nos. 83 and 97 of 2000, Nos. 1, 102 and 110 of 2001, Nos. 96 and 107 of 2002) shall be amended and supplemented as follows:

1. In Article 7 (3), the words "the Insurance Supervision Agency" shall be replaced by "the Financial Supervision Commission and by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department".

2. Article 17a shall be amended to read as follows:

"Article 17a. State insurance supervision shall be exercised by the Financial Supervision Commission and by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department according to the procedure established by this Act and by the Financial Supervision Commission Act."

3. Articles 17b, 17c, 18, 19, 20, 21 and 22 shall be repealed.

4. Article 22a shall be amended to read as follows:

"Article 22a. (1) The Financial Supervision Commission shall conduct inspections as to compliance with this Act and with the acts of subordinate legislation for the application thereof.

(2) The Financial Supervision Commission shall issue an ordinance establishing a procedure for the conduct of inspections."

5. Article 22b shall be amended and supplemented as follows:

(a) in Paragraph (1), Item 1 shall be amended to read as follows:

"1. violation of the provisions of this Act, of the acts of subordinate legislation for the application thereof, of the Financial Supervision Commission Act, of acts of the Financial Supervision Commission and of the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department, as well as offering of any general policy conditions and clauses as have not been approved by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department;"

(b) in Paragraph (2), Items 6 and 11 shall be repealed;

(c) Paragraph (3) shall be amended to read as follows:

"(3) In especially grave cases of violations covered under Paragraph (1), the Financial Supervision Commission, acting on a motion by the Deputy Chairperson thereof in charge of the Insurance Supervision Department, shall:

1. order the insurer in writing to release one or more persons empowered to manage or represent the said insurer, or each one of the persons covered under Articles 10 or 13 herein, or

2. appoint conservators vested with the powers referred to in Article 33 (2) herein for a specified period of time."

6. Article 23 shall be repealed.

7. In Article 24, the words "the Insurance Supervision Agency" shall be replaced by "the Financial Supervision Commission".

8. In Article 33 (1), the words "the Insurance Supervision Agency" shall be replaced by "the Financial Supervision Commission".

9. Articles 34 and 35 shall be repealed.

10. In Article 38 (2), the words "the Insurance Supervision Agency" shall be replaced by "the Financial Supervision Commission".

11. In Article 41, the words "Articles 32 and 34 herein shall apply" shall be replaced by "Article 32 herein shall apply".

12. In Article 43 (4), the words "kept at the Insurance Supervision Agency" shall be deleted.

13. In Articles 47, 49, Article 51 (4) and Article 77 (4), the words "the Council of Ministers" shall be replaced by "the Financial Supervision Commission".

14. In Article 51a (3), the second sentence shall be amended to read as follows: "Coercive administrative measures under Article 22b (2) herein shall be applied upon failure to comply with any such prescription."

15. In Article 54, the words "the Minister of Finance" shall be replaced by "the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department".

16. In Article 65 (1) and Article 66 (2) and (5), the words "the Insurance Supervision Agency" shall be replaced by "the Financial Supervision Commission".

17. In Article 89 (1), the words "appointed by the Minister of Finance" shall be replaced by "elected by the Financial Supervision Commission", and the words "appointed by the Minister of Finance" shall be replaced by the words "elected by the Financial Supervision Commission".

18. Article 90 shall be amended as follows:

(a) in Paragraph (2), the words "the Director of the Insurance Supervision Agency" shall be replaced by "the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department";

(b) in Paragraph (3) the words "the Director of the Insurance Supervision Agency" shall be replaced by "the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department".

19. In Article 93, the words "the Minister of Finance" shall be replaced by "the Financial Supervision Commission".

20. In Article 94c, the words "the Director of the Insurance Supervision Agency" shall be replaced by "the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department".

21. In Article 99, Paragraph (2) shall be amended to read as follows:

"(2) The Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department may decree confiscation of the shares as acquired."

22. Article 106 shall be amended as follows:

(a) Paragraph (1) shall be amended to read as follows:

"(1) The written statement ascertaining any administrative infraction shall be drawn up by staff members of the administration of the Financial Supervision Commission or by other persons empowered to do so by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department, and in the instances covered under Article 96 herein, by the National Police authorities.";

(b) in Paragraph (2), the words "the Director of the Insurance Supervision Agency" shall be replaced by "the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department".

23. In the Act, the words "National Insurance Council" and "the National Insurance Council" shall be replaced passim, respectively, by "Financial Supervision Commission" and "the Financial Supervision Commission", the words "Insurance Supervision Agency" and "the Insurance Supervision Agency" shall be replaced passim, respectively, by "Insurance Supervision Department" and "the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department".

(2) In Paragraph (3) of § 67 of the Provisional and Final Provisions of the Act to Amend and Supplement the Insurance Act ([promulgated in the] State Gazette No. 96 of 2002), the words "the Minister of Finance" shall be replaced by "the Financial Supervision Commission".

**§ 10.** The Compulsory Social Insurance Code (promulgated in the State Gazette No. 110/1999; modified by Constitutional Court Judgment No. 5/2000, promulgated, SG No. 55/2000; amended, No. 64/2000, Nos. 1, 35, and 41/2001, Nos. 1, 10, 45, 74 and 112/2002) shall be amended and supplemented as follows:

1. In Article 145, Article 153, Article 155 (3), Article 156 (1) and (2), Article 174 (1) and (2), Item 4 of Article 183 (9), Article 184 (2), Article 190 (1) and (2), Article 195 (1) and (2), and Article 201 (2), the designation "the State Social Insurance Supervision Agency" shall be replaced by "the Financial Supervision Commission".

2. In Article 178 (2), the words "the State Social Insurance Supervision Agency, in consultation with the Bulgarian National Securities Commission" shall be replaced by "the Deputy Chairperson in charge of the Social Insurance Supervision Department, jointly with the Deputy Chairperson in charge of the Investment Activity Supervision Department".

3. In the Code, with the exception of the texts under Items 1 and 2, the designation "the State Social Insurance Supervision Agency" and the words "the Agency" and "the Chairperson of the State Social Insurance Supervision Agency" shall be replaced passim by "the Deputy Chairperson in charge of the Social Insurance Supervision Department of the Financial Supervision Commission".

4. In Article 156, Paragraph (2) shall be repealed.

5. In Article 181, Article 192 (2) and Article 194 (2), the words "by an act of the Council of Ministers" shall be replaced by "by an ordinance".

6. There shall be inserted an Article 206a:

"Liability for Violations and Non-compliance with Prescriptions

Article 206a. (1) Any person, who violates or who suffers another to violate the provisions of this Code regarding supplementary compulsory retirement insurance or who fails to comply with any mandatory prescription of a control authority, shall be liable to a fine of BGN 2,000 or exceeding this amount but not exceeding BGN 10,000, unless the act constitutes a criminal offence.

(2) Any legal person, which commits any violation under Paragraph (1), shall be liable to a pecuniary penalty of BGN 10,000 or exceeding this amount but not exceeding BGN 50,000.

(3) Any repeated violation under Paragraph (1) shall be punishable by a fine of BGN 4,000 or exceeding this amount but not exceeding BGN 20,000 or, respectively, by a pecuniary penalty of BGN 20,000 or exceeding this amount but not exceeding BGN 100,000. The violation shall be deemed to be repeated within the meaning given by Article 204 (2) herein.

(4) Any income accruing from wrongfully carried on business shall be forfeited to the Exchequer.

7. In Article 207 (4), the word "the Agency" shall be replaced by "the Financial Supervision Commission".

8. There shall be added an Article 208:

"Application of Coercive Administrative Measures

Article 208. (1) Coercive administrative measures may be applied for the prevention and cessation of any violations under Title Two of this Code and of the instruments for the application thereof, for the prevention and cessation of the harmful consequences of any such violations, as well as where the exercise of the control activities of the Commission is obstructed or the interests of the members of the supplementary compulsory retirement insurance funds are jeopardised.

(2) Chapter Fourteen of the Supplementary Voluntary Retirement Insurance Act shall apply to the types of coercive administrative measures, the authorities and the manner of application and appeal against such measures."

§ 11. The Supplementary Voluntary Retirement Insurance Act (promulgated in the State Gazette No. 65/1999; amended in Nos. 110 and 111/1999, Nos. 1, 64 and 83/2000) shall be amended and supplemented as follows:

1. In Article 17 (1), Item 4 of Article 21 (6), Article 22 (2), Article 26 (4) and (5), Article 35, Article 38 (1) and (3), Article 39 (1) and (2), Article 40 (1), (2), and (3), Article 41 (1) and (2), Article 42 (2) and (3), Article 57, Article 62 (2) and (3) and Article 64, the words "the State Social Insurance Supervision Agency" and "the Agency" shall be replaced, respectively, by "the Financial Supervision Commission" and "the Commission".

2. In the Act, with the exception of the texts covered under Item 1, the words "the State Social Insurance Supervision Agency" and "the Agency" shall be replaced passim, respectively, by "the Deputy Chairperson in charge of the Social Insurance Supervision Department of the Financial Supervision Commission" and "the Deputy Chairperson in charge of the Social Insurance Supervision Department of the Commission".

3. In the heading of Chapter Three, the words "Supervision and" shall be deleted.

4. Article 30 shall be amended to read as follows:

"Article 30. The licensing and supervision of the supplementary social insurance companies shall be performed by the Financial Supervision Commission, hereinafter referred to as "the Commission"."

5. Articles 31, 32, 33 and 34 shall be repealed.

6. Article 35 shall be amended and supplemented as follows:

(a) Items 3, 4, 6 and Items 8 to 11 shall be repealed;

(b) in Item 5, the words "and accepts" shall be inserted after the word "develop".

7. Article 36 shall be repealed.

8. There shall be inserted the following new Article 36a:

"Article 36a. The Deputy Chairperson in charge of the Social Insurance Supervision Department of the Financial Supervision Commission shall endorse:

1. a list of the custodian banks, jointly with the Bulgarian National Bank;

2. a list of certified public accountants who have the right to audit supplementary social insurance companies and voluntary pension funds, after consultation with the Institute of Certified Public Accountants;

3. biometric tables, which may be used by the supplementary social insurance companies and the voluntary pension funds;

4. other documents related to the activity comprehended in supplementary social insurance."

9. Article 37 shall be repealed.

10. Article 43 shall be repealed.

11. Article 60 shall be amended as follows:

(a) In Paragraph (1), the words "the Agency" shall be replaced by "the Commission", and the words "which shall make the decision within one month" shall be deleted;

(b) In Paragraph (2), the words "By the said decision the Agency" shall be replaced by "Within one month, the Deputy Chairperson in charge of the Social Insurance Supervision Department of the Commission shall make a decision whereby", and the wording "from it" shall be deleted;

(c) In Paragraph (3), the words "of the Agency" shall be replaced by "under Paragraph (2)".

12. In Article 61, the second sentence shall be amended to read as follows: "In such cases, the Deputy Chairperson in charge of the Social Insurance Supervision Department of the Commission shall determine by a decision the terms, procedure and manner of satisfying the social-insured persons."

13. In Article 111 (1) and (2), the words "the Chairperson of the Agency" shall be replaced by "the Deputy Chairperson in charge of the Social Insurance Supervision Department of the Commission".

14. There shall be added a Chapter Fourteen after Article 111:

"Chapter Fourteen

#### COERCIVE ADMINISTRATIVE MEASURES

Article 112. (1) The Commission may apply the following coercive administrative measures for the prevention and cessation of any violations of this Act and of the instruments for the application thereof, for the prevention and cessation of any harmful consequences of any such violations, as well as where the exercise of the control activities of the Commission is obstructed or the interests of the members of the supplementary retirement insurance funds are jeopardised:

1. to issue mandatory prescriptions for taking specific measures within a time limit set by the Commission;
2. to issue mandatory prescriptions for necessary changes in the rules of the supplementary retirement insurance funds;
3. to suspend the use and circulation of documents which have not been endorsed according to the relevant procedure;
4. to discontinue the dissemination of advertisements and information materials, as well as the conduct of lotteries;
5. to impose a written obligation on the retirement insurance company to increase the capital thereof within a specified time limit;
6. to impose financial rehabilitation measures on any retirement insurance company or on a pension fund managed by such company;
7. to prohibit the conclusion of new social insurance contracts for a specific period of time;
8. to prohibit temporarily the payment of dividends;
9. to appoint a certified public accountant for the conduct of a financial audit or another inspection of the person controlled for the account of the said person, according to requirements established by the Deputy Chairperson in charge of the Social Insurance Supervision Department;
10. to convene the Shareholders' General Meeting or schedule a meeting of the Management Board of Supervisory Board (the Board of Directors) for the adoption of a decision on the measures that must be taken;
11. to suspend the execution of a decision or directive of the management bodies of the retirement insurance company related to the activity comprehended in supplementary retirement insurance;

12. to direct in writing the person controlled thereby to release one or more persons empowered to manage and represent the person concerned, and to withdraw the management and representation rights of the said person until the release thereof;
13. to appoint conservators in the cases provided for in the statutory instruments governing supplementary social insurance;
14. to withdraw the retirement licence.

(2) The Commission may inform the public of the measures applied under Paragraph (1).

(3) The measures referred to in Paragraph (1) shall be applied to the persons controlled by the Commission, to the employees of the said persons, to persons performing management functions in the company under contract, or to persons authorised to conclude social insurance contracts and to receive applications for social insurance.

(4) Upon the imposition of coercive administrative measures under Paragraph (1), the provisions of Article 7 (2) and Article 11 (1) of the Administrative Procedure Act shall not apply regarding the explanations and objections of the parties concerned.

Article 113. (1) The coercive administrative measures referred to in Items 12 to 14 of Article 112 (1) herein shall be applied by a reasoned decision in writing of the Commission which shall be communicated to the party concerned within seven days after being rendered.

(2) The coercive administrative measures referred to in Items 1 to 11 of Article 112 (1) shall be applied by a reasoned decision in writing of the Deputy Chairperson in charge of the Social Insurance Department which shall be communicated to the party concerned within seven days after being rendered.

Article 114. (1) Any decision referred to in Article 113 (1) herein shall be enforceable immediately and shall be unappealable by court proceedings.

(2) Any decision referred to in Article 113 (2) herein shall be appealable solely by administrative proceedings before the Commission according to the procedure established by the Administrative Procedure Act."

§ 12. (1) The Health Insurance Act (promulgated in the State Gazette No. 70 of 1998; amended in Nos. 93 and 153 of 1998, Nos. 62, 65, 67, 69, 110 and 113 of 1999, Nos. 1, 31, and 64 of 2000, No. 41 of 2001, Nos. 1, 54, 74, 107 and 112 of 2002) shall be amended and supplemented as follows:

1. Article 86 shall be amended to read as follows:

"Article 86. State supervision over the activity comprehended in voluntary health insurance shall be exercised by the Financial Supervision Commission and by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department, according to the procedure established by this Act and by the Financial Supervision Commission Act."

2. Article 88 shall be amended and supplemented as follows:

(a) there shall be inserted a new Paragraph (3):

"(3) The general conditions under the health insurance packages shall clearly and unambiguously state:

1. the cover and the exceptions of it;
2. the terms, the procedure and the time limits for payment of health insurance premiums, as well as the consequences of non-payment or mispayment;
3. the terms and procedure for using the health services and for obtaining the health goods;
4. the terms, procedure and time limits for reimbursement of expenses incurred;
5. the terms, procedure and time limits for termination or modification of the health insurance legal relationship."

(a) the existing Paragraph (3) shall be renumbered to become Paragraph (4);

(b) the existing Paragraph (4) shall be renumbered to become Paragraph (5), and the words "before the Financial Supervision Commission and the authorities thereof" shall be added after the words "the insured person" therein.

3. In Article 90a and Article 90c (4), the words "the Council of Ministers" shall be replaced by the "Financial Supervision Commission".

4. In Article 90d (3), the second sentence shall be amended to read as follows: "Upon failure to comply with the prescription, the coercive administrative measures under Article 99 herein shall be applied. "

5. In Article 90g, the words "the Minister of Finance" shall be replaced by "the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department."

6. In Articles 95 and 96, the words "the Director of the Agency" is replaced by "the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department."

7. In Article 97, there shall be added a new Paragraph (9):

"(9) The persons covered under Paragraphs (2) to (7) shall be subject to approval by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department. The said approval shall precede the recording in the Commercial Register or, respectively, the appointment to a position for which recording is not required. The Deputy Chairperson shall pronounce within one month after submission of the application. "

8. In Article 98, the words "the Insurance Supervision Agency" shall be replaced by "the Financial Supervision Commission".

9. Article 99 shall be amended and supplemented as follows:

(a) in Paragraph (1), the words "to the Agency" shall be replaced by "at the Financial Supervision Commission", and a comma and the words "as well as the technical basis for calculation of the premium rates and technical plans" shall be inserted after the words "the rates" in Item 5;

(b) in Paragraph (2), the words "the Agency" shall be replaced passim by "the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department."

(c) in Paragraph (3), the first sentence shall be amended to read as follows: "Within two months after submission of the application, the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department shall prepare a proposal for issuing or a refusal to issue a licence and shall lay the said proposal before the Financial Supervision Commission for consideration";

(d) the following new Paragraph (4) shall be added:

"(4) The Financial Supervision Commission shall pronounce on the application within one month after the proposal referred to in Paragraph (3) is laid before the Commission."

10. Article 99b shall be amended and supplemented as follows:

(a) there shall be inserted the following a Paragraph (2):

"(2) The licence of the health insurance company shall be withdrawn by the Financial Supervision Commission."

(b) the existing Paragraph (2) shall be renumbered to become Paragraph (3), and the words "the Insurance Supervision Agency" therein shall be deleted.

11. In Article 99c (3) at the end, there shall be added a sentence two: "The conservator shall be vested with the powers of the management and supervisory bodies of the health insurance company and shall draw a remuneration for the account of the company, the amount of the said remuneration being fixed by the Deputy Chairperson of the Financial Supervision Committee in charge of the Insurance Supervision Department."

12. Article 99d shall be repealed.

13. Article 99e shall be amended and supplemented as follows:

(a) in Paragraph (1), a comma and the words "as well as the technical basis for calculation of the premium rates and the technical plans" shall be inserted after the words "the rates";

(b) in Paragraph (2), the word "or" shall be replaced by a comma, and the words "or the technical plans" shall be inserted after the words "the rates";

(c) Paragraph (3) shall be amended to read as follows:

"(3) The Deputy Chairperson of the Financial Supervision Committee in charge of the Insurance Supervision Department shall issue an authorisation under Paragraph (1) and an approval under Paragraph (2) within one month after receipt of the request from the health insurance company. The Deputy Chairperson may approach the Minister of Health for an opinion on the contents and feasibility of the proposed health insurance packages."

(d) in Paragraph (4), there shall be added an Item 3:

"3. The general conditions under the health insurance packages and contracts conflict with mandatory provisions of the Act or are not responsive to the requirements established by Article 88 (3) herein and the violations have not been eliminated within the time limit appointed by the Deputy Chairperson of the Commission."

14. Article 99g shall be amended and supplemented as follows:

(a) the existing text shall be redesignated to become Paragraph (1) and shall be amended to read as follows:

"(1) Any corporate transformation of health insurance companies through merger by the formation of a new company, division by the formation of new companies and division by acquisition shall require an authorisation from the Financial Supervision Commission."

(b) there shall be added the following new Paragraphs (2) and (3):

"(2) Any corporate transformation of health insurance companies through merger by acquisition shall require an authorisation from the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department."

(3) Any corporate transformation referred to in Paragraphs (1) and (2) shall be performed under the terms and according to the procedure established by of Chapter Eight of the Insurance Act and the Financial Supervision Commission Act."

15. Article 99h shall be amended as follows:

(a) in Paragraphs (1) and (2), the words "the Agency" shall be replaced passim by "the Financial Supervision Commission";

(b) in Paragraph (3), the words "the Agency" shall be replaced by "the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department."

16. In Article 99i, at the end of the first sentence there shall be added "after the voluntary health insurance licence has been withdrawn".

17. The heading of Section V shall be amended to read as follows: "State Supervision over Activity Comprehended in Voluntary Health Insurance".

18. Article 99j shall be amended as follows:

(a) Paragraph (1) shall be amended to read as follows:

"(1) The Financial Supervision Commission shall exercise the state supervision over the activity comprehended in voluntary health insurance under the terms and according to the procedure established by this Act and by the Financial Supervision Commission Act.";

(b) Paragraph (2) shall be amended to read as follows:

"(2) Upon the exercise of state supervision over the activity comprehended in voluntary health insurance, the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department shall:

1. make proposals for the issuing, refusal to issue or withdrawal of a health insurance company licence, for the issuing or refusal to issue an authorisation for merger by the formation of a new company, division by the formation of new companies or division by acquisition of health insurance companies and for the imposition of the coercive measures under Article 99m (3) herein;

2. issue authorisations for new health insurance packages, general conditions and rates thereto and approve modifications in any such packages, conditions and rates which have been authorised;
3. authorize the merger by acquisition of health insurance companies and the opening of a branch of a Bulgarian health insurance company abroad;
4. authorize the transfer of an enterprise of a health insurance company or of health insurance contracts;
5. approve the persons referred to in Article 97 (2) to (7) herein;
6. verify the validity of the declarations referred to in Article 95 herein and, if necessary, notify the authorities referred to in Article 96 (3) herein;
7. approve other health insurance reserves within the meaning given by Item 4 of Article 90c (3) herein;
8. approve the standard forms of declarations, statements, reports, information sheets and other documents as provided for under Chapter Three of this Act;
9. petition the initiation of liquidation or bankruptcy proceedings against a health insurance company;
10. control compliance with the voluntary nature of effecting voluntary health insurance;
11. apply coercive administrative measures and impose sanctions in the cases and according to the procedure established by a law;
12. make decisions on other matters related to the exercise of supervision over the activities of the health insurance companies, which are not placed within the competence of the Financial Supervision Commission.";

(c) Paragraph (3) shall be amended to read as follows:

"(3) The documents required for the issuance of authorisations and approvals, as well as for the exercise of the other supervisory powers of the authorities referred to in Paragraphs (1) and (2), shall be specified in the Rules of organisation and Operation of the Financial Supervision Commission or by an order of the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department, with the exception of the documents under this Act.";

(d) Paragraphs (4) and (5) shall be repealed;

(e) Paragraph (6) shall be amended to read as follows:

"(6) The individual administrative acts of the Financial Supervision Commission and of the Deputy Chairperson thereof in charge of the Insurance Supervision Department shall be appealable according to the procedure established by the Financial Supervision Commission Act."

19. Article 99k shall be amended to read as follows:

"Article 99k. (1) The Financial Supervision Commission shall conduct inspections as to compliance with Chapter Three of this Act and of the statutory instruments of secondary legislation on the implementation thereof by the health insurance companies.

(2) The Financial Supervision Commission shall issue an ordinance establishing the procedure for conduct of inspections.

(3) In respect of health insurance companies, Article 24 of the Insurance Act shall apply, *mutatis mutandis*."

20. In Article 99l (1), after the word "annual" there shall be inserted the words "and periodic", and the following new Item 4 shall be added:

"4. quarterly statements, information sheets, reports and annexes completed in a standard form endorsed by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department: not later than the end of the month next succeeding the relevant quarter."

21. Article 99m shall be amended to read as follows:

"Article 99m. (1) The Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision

Department shall apply the measures referred to in Paragraph (2) where the said Deputy Chairperson ascertains that any health insurance company, any one of the persons covered under Article 97 (2) to (7) herein, or any shareholder owing 10 per cent or more of the shares have committed any of the following violations:

1. violation of the provisions of this Act, of the statutory instruments of secondary legislation for the application thereof, of the Financial Supervision Commission Act, of acts of the Financial Supervision Commission and of the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department, as well as offering general conditions and clauses which have not been approved by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department;
2. jeopardizing the interests of the persons covered by health insurance;
3. breach of the conditions whereunder the authorisation or the licence has been issued;
4. effecting transactions and performing actions which affect the organisational or financial stability of the health insurance company;
5. obstruction of the exercise of state supervision over the activity comprehended in voluntary health insurance.

(2) In the cases under Paragraph (1), the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department shall apply the following coercive administrative measures:

1. direct in writing that the violations committed be discontinued or rectified, or that particular measures be taken;
2. issue a prescription for the attainment of a yield, security and liquidity of investments of the health insurance reserves and of the shareholders' equity;
3. impose measures for rehabilitation of the financial position of the health insurance company;
4. oblige in writing the health insurance company to increase the own funds thereof within an appointed time limit;
5. determine the asset structure so as to guarantee payments under the health insurance contracts;
6. temporarily suspend the payment of dividends;
7. suspend a shareholder from exercising the voting power thereof;
8. direct a shareholder in writing to transfer the shares held thereby within a fixed time limit.

(3) In especially grave cases of violations covered under Paragraph (1), the Financial Supervision Commission, acting on a proposal by the Deputy Chairperson thereof in charge of the Insurance Supervision Department, shall:

1. order the health insurance company in writing to release one or more persons empowered to manage or represent the said company, or each one of the persons referred to in Article 97 (2) to (7) herein, or
2. appoint conservators vested with the powers referred to in Article 99c (3) herein for a specified period of time."

22. Article 106a shall be repealed.

23. Article 106b shall be amended as follows:

- (a) in Paragraph (3), the words "Paragraph (4)" shall be replaced by "Paragraph (5)";
- (b) in Paragraph (7), the words "the Agency" shall be replaced by "the Financial Supervision Commission";
- (c) in Paragraph (8), the words "and under Article 106a herein" shall be deleted;
- (d) Paragraph (9) shall be amended to read as follows:

"(9) The violations under Paragraphs (1) to (8) shall be ascertained by written statements by officials of the administration of the Financial Supervision Commission, authorised to do so by the Deputy Chairperson of the said Commission in charge of the Insurance Supervision Department. The penalty decrees shall be issued by the Deputy Chairperson of the Financial Supervision

Commission in charge of the Insurance Supervision Department."

24. In Article 108 (2), there shall be added the following second sentence: "The fines and the pecuniary penalties, imposed on health insurance companies for violations under Chapter Three of the Act shall be credited in revenue to the executive budget."

25. In the Health Insurance Act, the words "Insurance Supervision Agency" and "the Agency" shall be replaced passim by "the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department."

(2) The Transitional and Final Provisions of the Act to Amend and Supplement the Health Insurance Act ([promulgated in the] State Gazette No. 107 of 2002 shall be amended and supplemented as follows):

1. In § 95, after the words "Council of Ministers" there shall be inserted "or the Financial Supervision Commission, respectively".

2. In § 98, the words "the Insurance Supervision Agency" shall be replaced by "the Financial Supervision Commission or, respectively, the Deputy Chairperson of the said Commission in charge of the Insurance Supervision Department".

3. In § 101 (1) and § 102 (2), the words "the Insurance Supervision Agency" shall be replaced by "the Financial Supervision Commission".

4. There shall be inserted the following new § 103a:

"§ 103a. During the period commencing upon the receipt of a licence for activity comprehended in voluntary health insurance and ending upon the increase of capital to BGN 2 million, a health insurance company shall be obliged to invest part of its own funds to an amount equal to one third of the solvency limit, under the terms and according to the procedure established by Article 90e of the Health Insurance Act."

**§ 13.** The Protection in Unemployment and Employment Promotion Act (promulgated in the State Gazette No. 120 of 1997; amended in No. 155 of 1998, Nos. 26, 50, 65, 67, 68, 84 and 110 of 1999, Nos. 1 and 31 of 2000, Nos. 25 and 112 of 2001) shall be amended as follows:

1. In the Act, the words "the State Social Insurance Supervision Agency" and "the State Social Insurance Supervision Agency under the Council of Ministers" shall be replaced passim by "the Financial Supervision Commission", and the words "the Agency" shall be replaced by "the Commission", with the exception of Article 46 (2), where the words "the Agency" shall be replaced passim by "the Deputy Chairperson in charge of the Social Insurance Supervision Department of the Financial Supervision Commission".

2. In Article 42, Paragraph (5) shall be amended to read as follows:

"(5) The fee for issuance of a licence shall be fixed in the Rate Schedule which appears as an Annex to Article 27 (2) of the Financial Supervision Commission Act."

3. Article 47 shall be repealed.

**§ 14.** The Public Disclosure of Senior Public Officials' Financial Interests Act (promulgated in the State Gazette No. 38/2000; amended in Nos. 28 and 74/2002) shall be amended and supplemented as follows:

1. In Article 2 (1), there shall be inserted the following new Item 13:

"13. the Chairperson, Deputy Chairpersons, and the members of the Financial Supervision Commission;".

2. The existing Items 13, 14, 15, 16 and 17 shall be renumbered to become Items 14, 15, 16, 17, and 18, respectively.

**§ 15.** Within six months after the entry into force of this Act, the Council of Ministers shall allocate an appropriate building to the Commission.

**§ 16.** This Act shall enter into force on the 1st day of March 2003, with the exception of § 4 herein, which shall enter into force on the date of promulgation of the Act in the State Gazette.

This Act was passed by the 39th National Assembly on 5 December 2002 and on 22 January 2003 and bears the Official Seal of the National Assembly.

TRANSITIONAL AND FINAL PROVISIONS to the Insurance Code

(SG No. 103/2005, effective 1.01.2006)

§ 13. In the Financial Supervision Commission Act (promulgated, SG No. 8/2003, amended, SG No. 31/2003, SG No. 67/2003, SG No. 112/2003, SG No. 85/2004, SG No. 39/2005) shall be amended and supplemented, as follows:

12. Everywhere in the Act the words "the Insurance Act" shall be replaced passim by "the Insurance Code".

FINAL PROVISIONS

to the Measures against Market Abuse with Financial Instruments Act

(SG No. 84/2006, effective 1.01.2007)

§ 4. The Financial Supervision Commission shall adopt the ordinances for the application of the Act.

§ 6. The Financial Supervision Commission shall give instructions on the application of this Act.

TRANSITIONAL AND FINAL PROVISIONS

to the Markets in Financial Instruments Act

(SG No. 52/2007, effective 1.11.2007)

§ 27. (1) This Act shall enter into force on the 1st day of November 2007 with the exception of Items 6, 7, 8, 18, 19, 22 to 24, 26 to 28, 30 to 40, Item 44 (b), Items 47, 48, Item 49 (a), Items 50 to 62, 67, 68, 70, 71, 72, 75, 76, 77, Item 83 (a) and (d), Item 85 (a), Items 91, 93, 94, Item 98 (a) (aa), sentence two regarding the replacement, Item 98 (a) (bb), sentence two regarding the replacement, Item 98 (a) (cc), sentence two regarding the replacement, and Item 98 (a) (dd), sentence two regarding the replacement, Item 99 (d) and (e), Item 101 (b), and Item 102 of § 7, § 8, Item 4 (a), Items 5 and 7 of § 9, Item 1 of § 14 and § 19 herein, which shall enter into force three days after the promulgation of the Act in the State Gazette.

(2) Items 6, 7 and 8 of § (7) shall apply until the 1st day of November 2007.

TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Financial Supervision Commission Act

(SG No. 43/2010)

§ 25. (1) Within 14 days after the entry into force of this Act, the National Assembly shall elect new members of the Commission. The term of office of the members of the Commission sitting upon the entry into force of this Act shall be terminated upon the entry into office of the new members.

(2) The members of the first composition of the Commission formed according to this Act shall be elected for the following terms of office:

1. the Chairperson: six years;
2. the Deputy Chairperson in charge of the Investment Activity Supervision Department: five years;
3. the Deputy Chairperson in charge of the Social Insurance Supervision Department: four years;
4. the Deputy Chairperson in charge of the Insurance Supervision Department: three years;
5. the member of the Commission referred to in Item 5 of Article 3 [of the Financial Supervision Commission Act]: three years.

(3) Where necessary, the authority competent in respect of any administrative proceedings pending upon the entry into force of this Act may extend the making of a decision thereof by no more than a month.

(4) Within two months after the election thereof, the Commission shall propose to the Council of Ministers to adopt the rate schedule referred to in Article 27 (2) [of the Financial Supervision Commission Act].

(5) Within one month after the election thereof, the Commission shall approve the standard forms for the declarations referred to in § 27 (2), § 28 (2) and § 29 (2) herein.

(6) Within two months after the election thereof, the Commission shall bring the Rules of organisation and Operation thereof into conformity with this Act.

§ 26. (1) Within one month after the entry into force of this Act, the Minister of Finance shall convene a meeting of the Financial Stability Council.

(2) Within two months after the entry of this Act into force, the Financial Stability Council shall adopt Rules of Operation thereof.

§ 27. (1) The regulated markets, the investment firms and the management companies shall be obliged, within three months after the entry into force of this Act, to submit to the Commission a list of the persons up to a beneficial owner who hold, directly or indirectly, 5 per cent and more than 5 per cent of the voting power in the general meeting or of the capital of the company concerned.

(2) The list referred to in Paragraph (1) shall be accompanied by a declaration in a standard form endorsed by the Commission, which shall contain exhaustive data on the beneficial owners of the supervised person concerned. If necessary, the Deputy Chairperson in charge of the Investment Activity Supervision Department may request in writing additional information or documents within one month of receipt of the list referred to in Paragraph (1). The said request shall set a time limit for the rectification of deficiencies and the provision of the additional information, which may not be longer than one month.

(3) Upon non-compliance with the requirements under Paragraphs (1) and (2), as well as where the beneficial owners cannot be identified from the information or documents as submitted:

1. the Deputy Chairperson may apply the measures referred to in Item 1 of Article 118 (1) of the Markets in Financial Instruments Act or, respectively, in Item 1 of Article 212 (1) of the Public Offering of Securities Act;

2. upon non-compliance with the measures referred to in Item 1, the Deputy Chairperson may apply the measures referred to in Article 40 (3) of the Markets in Financial Instruments Act or, respectively, in Article 210 (5) of the Public Offering of Securities Act in conjunction with Article 40 (3) of the Markets in Financial Instruments Act;

3. upon non-compliance with the measures referred to in Items 1 and 2, the Commission may apply the measures referred to in Item 5 of Article 20 (1) of the Markets in Financial Instruments Act or, respectively, in Item 6 of Article 208 (1) of the Public Offering of Securities Act.

(4) The provisions of Paragraphs (1) to (3) shall not apply to any public companies in the meaning of the Public Offering of Securities Act, unless where the Commission decides at its own discretion to require such information for the purposes of tender offers under Section II of Chapter Eleven of the Public Offering of Securities Act.

(5) The Commission shall update the information on the ownership of the supervised persons referred to in Paragraph (1) in the

public registers referred to in Article 30 (1) [of the Financial Supervision Commission Act].

§ 28. (1) The insurers, the r-insurers, the insurance brokers and the health insurance companies shall be obliged, within three months after the entry into force of this Act, to submit to the Commission a list of the persons, up to a beneficial owner, who hold, directly or indirectly, 5 per cent and more than 5 per cent of the voting power in the general meeting or of the capital of the company concerned.

(2) The list referred to in Paragraph (1) shall be accompanied by a declaration in a standard form endorsed by the Commission, which shall contain exhaustive data on the beneficial owners of the supervised person concerned. If necessary, the Deputy Chairperson in charge of the Insurance Supervision Department may request in writing additional information or documents within one month of receipt of the list referred to in Paragraph (1). The said request shall set a time limit for the rectification of deficiencies and the provision of the additional information, which may not be longer than one month.

(3) Upon non-compliance with the requirements under Paragraphs (1) and (2), as well as where the beneficial owners cannot be identified fro the information or documents as submitted:

- 1. the Deputy Chairperson may apply the measures referred to in Article 302 (2), Item 1 of the Insurance Code, or respectively Article 99m (2), Item 1 of the Health Insurance Act;
- 2. upon non-compliance with the measures referred to in Item 1, the Deputy Chairperson may apply the measures referred to in Article 302 (2), Item 9 of the Insurance Code, respectively Article 99n (2), Item 7 of the Health Insurance Act;
- 3. upon non-compliance with the measures referred to in Items 1 and 2, the Commission may apply the measures referred to in Article 36 (1), Item 7 or Article 302 (3), Item 2 of the Insurance Code, respectively Article 99b (1), Item 10 of the Health Insurance Act.

(4) The provisions of Paragraphs 1 to 3 shall not apply to any mutual-insurance cooperatives within the meaning given by the Insurance Code.

(5) The Commission shall update the information on the ownership of the supervised persons referred to in Paragraph (1) in the public registers referred to in Article 30 (1) [of the Financial Supervision Commission Act].

§ 29. (1) Supplementary social insurance companies shall be obliged, within three months after the entry into force of this Act, to submit to the Commission a list of the persons up to a beneficial owner, who hold, directly or indirectly, 5 per cent and more than 5 per cent of the voting power in the general meeting or of the capital of the company concerned.

(2) The list referred to in Paragraph (1) shall be accompanied by a declaration in a standard form endorsed by the Commission, which shall contain exhaustive data on the beneficial owners of the supervised person concerned. If necessary, the Deputy Chairperson in charge of the Social Insurance Supervision Department may request in writing additional information or documents within one month of receipt of the list referred to in Paragraph (1). The said request shall set a time limit for the rectification of deficiencies and the provision of the additional information, which may not be longer than one month.

(3) Upon non-compliance with the requirements under Paragraphs (1) and (2), as well as where the beneficial owners cannot be identified fro the information or documents as submitted:

- 1. the Deputy Chairperson may apply the measure referrend to in Article 344 (1), Item 1 of the Social Insurance Code;
- 2. upon non-compliance with the measure referred to in Item 1, the Deputy Chairperson may apply the measure referred to in Article 344 (1), Item 7 of the Social Insurance Code;
- 3. upon non-compliance with the measures referred to in Items 1 and 2, the Commission may apply the measures referred to in Article 122f(2), Item 2 of the Social Insurance Code.

(4) The Commission shall update the information on the ownership of the supervised persons referred to in Paragraph (1) in the public registers referred to in Article 30 (1) [of the Financial Supervision Commission Act].

.....

§ 35. (1) § 24 herein shall enter into force on the date of entry into effect of the rate schedule referred to in Article 27 (2) [of the Financial Supervision Commission Act].

(2) The fees remitted under the administrative proceedings pending upon the entry into force of the rate schedule referred to in Article 27 (2) [of the Financial Supervision Commission Act] shall be non-refundable.

(3) Until the entry into force of the rate schedule referred to in Article 27 (2) [of the Financial Supervision Commission Act] credit rating agencies shall pay a registration fee in the amount of BGN 10,000.

## TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Civil Servants Act

(SG No. 38/2012, effective 1.07.2012)

§ 84. (Effective 18.05.2012 - SG No. 38/2012) Within one month after the promulgation of this Act in the State Gazette:

1. the Council of Ministers shall bring the Classifier of Positions in the Administration into conformity with this Act;
2. the competent authorities shall bring the organic acts of the respective administration into conformity with this Act.

§ 85. (1) The legal relationships with the persons of the administrations under the Radio and Television Act, the Independent Financial Audit Act, the Electronic Communications Act, the Financial Supervision Commission Act, the Access to and Disclosure of the Documents and Announcing the Affiliation of Bulgarian Citizens with the State Security Service and the Intelligence Services of the Bulgarian Popular Army Act, the Criminal Assets Forfeiture Act, the Conflict of Interest Prevention and Ascertainment Act, the Social Insurance Code, the Health Insurance Act, the Agricultural Producers Support Act and the Roads Act shall be settled under the terms established by § 36 of the Transitional and Final Provisions of the Act to Amend and Supplement the Civil Servants Act (State Gazette No. 24 of 2006).

(2) The act on appointment of the civil servant shall:

1. award the lowest rank designated in the Classifier of Positions in the Administration for occupation of the position, unless the servant holds a higher rank;
2. fix an individual monthly basic salary.

(3) The additional resources required for social and health insurance contributions of the persons referred to in Paragraph (2) shall be provided within the limits of the expenditures on salaries, remunerations and compulsory social and health insurance contributions on the budgets of the spending units concerned.

(4) The Council of Ministers shall effect the requisite modifications on the off-budget account of State Fund Agriculture arising from this Act.

(5) The governing bodies of the National Social Security Institute and of the National Health Insurance Fund shall effect the requisite modifications on the respective budgets arising from this Act.

(6) Any unused leaves under the employment relationships shall be retained and shall not be compensated by cash compensations.

§ 86. (1) Within one month after the entry into force of this Act, the individual monthly basic salary of the servant shall be fixed in such a way that the said salary, net of the tax due and the compulsory social and health insurance contributions for the account of the person covered by social and health insurance, if the said contributions were due, would not be lower than the gross monthly salary received theretofore, net of the compulsory social and health insurance contributions for the account of the person covered by social and health insurance, if any such contributions were due, and the tax due.

(2) The gross salary referred to in Paragraph (1) shall include:

1. the monthly basic salary or the monthly basic remuneration;
2. supplementary remunerations which are paid constantly together with the monthly basic salary or monthly basic remuneration due and which are contingent solely on the time worked.

§ 87. This Act shall enter into force as from the 1st day of July 2012 with the exception of § 84 herein, which shall enter into force as from the day of promulgation of the Act in the State Gazette.

TRANSITIONAL AND FINAL PROVISIONS

to the 2013 State Budget of the Republic of Bulgaria Act  
(SG No. 102/2012, effective 1.01.2013)

.....  
§ 77. The implementation of the present Act is assigned to the Council of Ministers.

§ 78. This Act becomes effective from the 1st of January 2013 with the exception of § 61, 68 and 73, which become effective from the date of the promulgation of the Act in the State Gazette.

TRANSITIONAL AND FINAL PROVISIONS

to the Implementation of the Measures against Market Abuse with Financial Instruments Act  
(SG No. 76/2016, effective 30.09.2016)

.....  
§ 5. Any persons carrying on business in the field of financial services shall adopt the referred to in Article 9 (2) [of the Implementation of the Measures Against Market Abuse with Financial Instruments Act] within three months after the entry into force of this Act.

.....  
§ 12. (1) Any management companies and collective investment schemes shall bring the activities thereof into conformity with the requirements of § 6 herein within three months after the entry into force of this Act.

(2) Any management company, which until the entry of this Act into force has designated a depositary of a collective investment scheme, which does not comply with the requirements provided for in Item 13 of § 6 herein, shall designate a new depositary in accordance with the requirements of this Act by the 18th day of March 2018.

.....  
TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Public Offering of Securities Act  
(SG No. 62/2017)

.....  
§ 59. (1) Within three months of entry into force of this Act, the Financial Supervision Commission, at the proposal of the Deputy Chairperson in charge of the Investment Activity Supervision Department, shall take decisions on deregistration of the public companies from the register under Article 30, paragraph 1, item 3 of the Financial Supervision Commission Act, provided that said companies have not been re-registered by entry in the commercial register until its entry into force.

(2) Within three months of entry into force of this Act, the Financial Supervision Commission, at the proposal of the Deputy Chairperson in charge of the Investment Activity Supervision Department, shall take decisions on deregistration of public companies from the register under Article 30, paragraph 1, item 3 of the Financial Supervision Commission Act, provided that said companies have been declared bankrupt until its entry into force.

TRANSITIONAL AND FINAL PROVISIONS

of the Act to Amend and Supplement the Financial Supervision Commission Act  
(SG No. 95/2017, effective 1.01.2018)

§ 22. (1) Upon entry into force of this Act, the open-ended and fixed-term civil service relationships of civil servants in the administration of the Financial Supervision Commission shall be transformed into open-ended and fixed-term employment relationships respectively, and employment contracts shall be concluded with the employees. Where probation period under Article 12 of the Civil Servants Act which has expired until the transformation of the relationships is less than six months, the said period shall be assimilated to the probation period shall be assimilated to the probation period under Article 70 of the Labour Code, and where any such expired period exceeds six months, the probation period for probation under Article 70 of the Labour Code shall be presumed to have expired.

(2) Upon the transformation under Paragraph (1), the individual basic salary under the Labour Code of civil servants and of employees of the administration of the Financial Supervision Commission working under employment relationships shall be fixed in such a way that the said basic salary, gross of the supplementary labour remuneration for length of service seniority and professional experience and net of the tax due and the compulsory social and health insurance contributions for the account of the person covered by social and health insurance, would not be lower than the individual basic monthly salary received theretofore, net of the compulsory social and health insurance contributions for the account of the person covered by social and health insurance, if any such contributions were due, and the tax due.

(3) Any unused leaves under the civil service relationships referred to in Paragraph (1) shall be retained and shall not be compensated by cash compensations.

§ 23. (1) Any pending proceedings before the Deputy Chairperson of the Financial Supervision Commission in charge of the Investment Activity Supervision Department initiated under the Public Offering of Securities Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, and under the Implementation of the Measures against Market Abuse with Financial Instruments Act shall be completed according to the hitherto effective procedure.

(2) Any authorisations, approvals and registrations issued until the entry into force of this Act and according to the procedure established by Paragraph (1) by the Deputy Chairperson of the Financial Supervision Commission in charge of the Investment Activity Supervision Department under the Public Offering of Securities Act, the Collective Investment Schemes and Other Undertakings for Collective Investments Act, and under the Implementation of the Measures against Market Abuse with Financial Instruments Act shall continue in effect.

§ 24. (1) Any pending proceedings before the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department initiated under the Insurance Code shall be completed under the hitherto existing procedure.

(2) Any authorisations, approvals and registrations issued until the entry into force of this Act and according to the procedure established by Paragraph (1) by the Deputy Chairperson of the Financial Supervision Commission in charge of the Insurance Supervision Department shall continue in effect.

§ 25. The Financial Supervision Commission shall approve a corporate governance code referred to in Item 1 of Article 100m (8), letter "a" of the Public Offering of Securities Act within one month after the entry into force of this Act.

.....

§ 32. This Act shall enter into force as from the 1st day of 1 January 2018, with the exception of § 21 herein in respect of rows 1 to 4 of Section III, which shall enter into force as from the 1st day of January 2021.

**FINAL PROVISIONS**

to the Act Amending and Supplementing the Public Offering of Securities Act  
(SG No. 51/2022)

.....

§ 20. The Financial Supervision Commission Act (promulgated in the State Gazette, No. 8/2003; amended, SG Nos. 31, 67 and 112/2003, SG No. 85/2004, SG Nos. 39, 103 and 105/2005, SG Nos. 30, 56, 59 and 84/2006, SG Nos. 52, 97 and 109/2007, SG No. 67/2008,SG Nos. 24 and 42/2009, SG Nos. 43 and 97/2010,SG No. 77/2011, SG Nos. 21, 38, 60, 102 and 103/2012, SG Nos. 15 and 109/2013, SG Nos. 34, 62 and 102/2015, SG Nos. 42 and 76/2016; Constitutional Court Decision No. 10 of 2017, SG No. 57/2017; amended, SG Nos. 62, 92, 95 and 103/2017, Nos. 7, 15, 24, 27, 77 and 101/2018, Nos. 12, 17, 42, 83, 94 and 102/2019, Nos. 26 and 64/2020, No. 21/2021 and Nos. 16 and 25/2022) shall be

amended and supplemented as follows:

.....  
(\*) 13. The words "the Special Purpose Investment Companies and Securitisation Companies Act" shall be replaced in the Act passim by "the Special Purpose Investment Companies and Securitisation Companies Act".  
.....

.....  
(\*) Translators note - This amendment concerns additional preposition does not affect the English version.

TRANSITIONAL AND FINAL PROVISIONS

to Counter-Corruption Act

(SG No. 84/2023, effective 6.10.2023)  
.....

§ 37. The Financial Supervision Commission Act (promulgated in the State Gazette No.8 of 2003; amended in Nos. 31, 67 and 112 of 2003, No. 85 of 2004, Nos. 39, 103 and 105 of 2005, Nos. 30, 56, 59 and 84 of 2006, Nos. 52, 97 and 109 of 2007, No. 67 of 2008, Nos. 24 and 42 of 2009, Nos. 43 and 97 of 2010, No. 77 of 2011, Nos. 21, 38, 60, 102 and 103 of 2012, Nos. 15 and 109 of 2013, Nos. 34, 62 and 102 of 2015, Nos. 42 and 76 of 2016; [modified by] Constitutional Court Decision No. 10 of 2017, [promulgated in] No. 57 of 2017; amended in Nos. 62, 92, 95 and 103 of 2017, Nos. 7, 15, 24, 27, 77 and 101 of 2018, Nos. 12, 17, 42, 83, 94 and 102 of 2019, Nos. 26 and 64 of 2020, No. 21 of 2021, Nos. 16, 25 and 51 of 2022 and Nos. 8, 60 and 65 of 2023) shall be amended as follows:  
.....

§ 79. This Act shall enter into force as from the date of promulgation thereof in State Gazette with the exception of § 9 herein, which shall enter into force as from the 1st day of March 2024.

**Annex**

to Article 27, paragraph 1

(New, SG No. 95/2017, effective 1.01.2018,  
amended and supplemented, SG No. 15/2018,  
effective 16.02.2018,  
amended, SG No. 24/2018,  
amended and supplemented,  
SG No. 101/2018, effective 7.12.2018,  
amended, SG No. 83/2019,  
effective 22.10.2019,  
amended and supplemented,  
SG No. 102/2019, SG No. 64/2020,  
effective 21.08.2020,  
SG No. 21/2021,  
SG No. 25/2022,  
effective 29.03.2022,

SG No. 51/2022,  
supplemented, SG No. 8/2023,  
amended and supplemented,  
SG No. 65/2023,  
SG No. 85/2023, effective 10.10.2023)

Fees Charged by the Financial Supervision Commission

Section I

Fees for Issuance of Licences, Authorisations, Licences for Pursuit of Business, other Authorisations and Approvals, Recording and Removal of Person in/from Registers Referred to in Article 30 (1)

I. (Amended and supplemented, SG No. 64/2020, effective 21.08.2020, supplemented, SG No. 51/2022) The following fees shall be charged for the issuance of licences and authorisations for the pursuit of business and other authorisations and approvals under the Public Offering of Securities Act (POSA), Regulation (EU) No. 909/2014, as well as for recording and removal of a person in/from the register referred to in Item 3 of Article 30 (1):

No	Name of the fee	Amount of the fee
1.	for approval of transformation of public companies under Article 124 (1) of POSA	BGN 6,000
2.	for approval of a draft contract for a joint venture under Article 126d (2) of POSA	BGN 6,000
3.	(amended, SG No. 64/2020, effective 21.08.2020) for registration of a public company and issuer of securities in the register, except in the cases when the registration is made simultaneously with the approval of a prospectus	BGN 1,000
4.	for deregistration of a public company from the register in the cases under Article 119 (1) of POSA	BGN 1,000
5.	for deregistration of an issuer from the register, except when it is deleted from the commercial register due to completion of the liquidation or bankruptcy proceedings	BGN 1,000
6.	for permission to extend the time limit for the payment of compensation to the clients of the investment firm in the cases under Article 77t (4) of POSA	BGN 2,000
7.	for a licence to perform the activity of a central securities depository under Regulation (EU) No. 909/2014	BGN 50,000
7a.	(new, SG No. 64/2020, effective 21.08.2020) for authorisation under Article 54(2) of Regulation (EU) No. 909/2014	BGN 30,000
8.	for other authorisations and approvals under Regulation (EU) No. 909/2014	BGN 1,000
9.	(new, SG No. 51/2022) for a licence for the pursuit of business as a crowdfunding service provider	BGN 7,200
10.	(new, SG No. 51/2022) for the withdrawal of a licence for the pursuit of business as a crowdfunding service provider at the request of the operator	BGN 3,900
11.	(new, SG No. 51/2022) for subsequent issuance of an approval of a person under Article 167 (3) of the POSA	BGN 500

II. (Amended and supplemented, SG No. 15/2018, effective 16.02.2018, supplemented, SG No. 21/2021, SG No. 25/2022, effective 29.03.2022, SG No. 8/2023, SG No. 65/2023) The following fees shall be charged for the issuance of licences and authorisations for the pursuit of business and other authorisations and approvals under the Markets in Financial Instruments Act (MFIA), Regulation (EU) No. 575/2013, Regulation (EU) 2019/2033, Regulation (EU) 2016/1011, Regulation (EU) No. 600/2014, Regulation (EU) No. 648/2012, Regulation (EU) 2022/858 as well as for recording and removal of a person in/from the register referred to in Items 1, 2 and 8 of Article

30 (1):

No	Name of the fee	Amount of the fee
1.	for a licence to perform the activity as a regulated market	BGN 50,000
2.	(amended, SG No. 15/2018, effective 16.02.2018) for a licence of an investment firm under Article 10 (1) of MFIA, including through a branch of a legal entity from a third country, with the exception of the activities under Item 8 and 9 of Article 6 (2) of MFIA	BGN 10,200
3.	(amended, SG No. 15/2018, effective 16.02.2018) for a licence of an investment firm under Article 10 (1) of MFIA, including through a branch of a legal entity from a third country, with the exception of the activities under Item 8 and 9 of Article 6 (2) of MFIA	BGN 6,400
4.	(amended, SG No. 15/2018, effective 16.02.2018) for a licence of an investment firm under Article 10 (1) of MFIA, including through a branch of a legal entity from a third country, with the exception of the activities under Item 8 and 9 of Article 6 (2) of MFIA	BGN 4,300
5.	(amended and supplemented, SG No. 15/2018, effective 16.02.2018) for a licence of an investment firm for authorisation of a market operator for the organisation of a multilateral trading system or organised trading facility, including in case of extension of the licence with such activities	BGN 10,000
6.	(amended, SG No. 15/2018, effective 16.02.2018) to extend the licence of an investment firm with other services and activities, with the exception of activities under Article 15 of MFIA, as well as for carrying out activity in a third country	BGN 3,750
7.	(amended, SG No. 15/2018, effective 16.02.2018) for partial withdrawal of a licence of an investment firm, at its request, upon the refusal to perform some of the services and activities for which it is licensed, with the exception of activities under Article 15 of MFIA	BGN 2,000
8.	(amended, SG No. 15/2018, effective 16.02.2018) for a subsequent approval of the person under Article 13 (1) and (7) of MFIA	BGN 500
9.	for securities broker and investment adviser:	
	– exam fee	BGN 450
	– for issue of a certificate	BGN 25
	– (amended, SG No. 83/2019, effective 22.10.2019) for the recognition of the acquired qualifications;	BGN 300
10.	for registration of a bank in the Register of Investment Firms	BGN 10,200
11.	for withdrawal of the licence for performing the activity of a regulated market at the request of the market operator	BGN 4,500
12.	(supplemented, SG No. 15/2018, effective 16.02.2018) for withdrawal of the licence of an investment firm or a market operator for the organisation of a multilateral trading facility or organised trading facility at their request	BGN 2,500
13.	for approval of the transformation of an investment firm	BGN 5,000
14.	for approval of amendments and supplements to the rules of procedure of the regulated market	BGN 2,000
15.	for withdrawal of the licence of an investment firm in case of its waiver from a licence issued	BGN 2,500
16.	(amended, SG No. 15/2018, effective 16.02.2018) for exemption under Article 4 (1) of Regulation (EU) No. 600/2014	BGN 500
17.	(amended, SG No. 15/2018, effective 16.02.2018) for authorisation under Article 9 (2) of MFIA	BGN 2,000

18.	(amended, SG No. 15/2018, effective 16.02.2018) for authorisation under Article 11, paragraph 3, items 1 and 2 and Article 14, paragraph 5 of MFIA	BGN 1,000
19.	(amended, SG No. 15/2018, effective 16.02.2018, repealed, SG No. 25/2022, effective 29.03.2022)	
20.	(amended, SG No. 15/2018, effective 16.02.2018) for authorisation under Article 9 (1) of Regulation (EU) No. 600/2014	BGN 1,000
21.	(amended, SG No. 15/2018, effective 16.02.2018) for authorisation under Article 11 (1) of Regulation (EU) No. 600/2014	BGN 1,000
22.	(amended, SG No. 15/2018, effective 16.02.2018) for approval under Article 7 (1) of Regulation (EU) No. 600/2014	BGN 500
23.	(amended, SG No. 15/2018, effective 16.02.2018) for authorisation under Article 112 (4) of MFIA	BGN 1,000
24.	(amended, SG No. 15/2018, effective 16.02.2018) for approval of the conclusion of a regulated market agreement under Article 188 (2) of MFIA	BGN 3,000
24a.	(new, SG No. 25/2022, effective 29.03.2022) for approval of financial holding companies and mixed financial holding companies under Article 229a (1) and (2) of the MFIA	BGN 5,000
25.	(supplemented, SG No. 25/2022, effective 29.03.2022) for authorization or approval under Regulation (EU) No 575/2013 or under Regulation (EU) 2019/2033 with the exception of authorization to use an internal model	BGN 500
26.	(supplemented, SG No. 25/2022, effective 29.03.2022) for authorization to use an internal model under Regulation (EU) No. 575/2013 or under Regulation (EU) 2019/2033	BGN 100,000
27.	for the issue of a licence referred to in Article 34 (1) (a) under Regulation (EU) 2016/1011	BGN 30,000
28.	for the issue of authorisation for registration under Article 34 (1) (b) and (c) of Regulation (EC) 2016/1011	BGN 20,000
29.	(new, SG No. 21/2021, amended, SG No. 25/2022, effective 29.03.2022) for the issuance of a licence for the pursuit of business as an approved reporting mechanism or an approved publication arrangement under Item 3 of Article 1 of the MFIA	BGN 4,000
30.	(new, SG No. 21/2021, amended, SG No. 25/2022, effective 29.03.2022) for the extension of a licence of an investment firm and of a market operator under Article 208 (2) of the MFIA	BGN 1,500
31.	(new, SG No. 21/2021) for registration of a multilateral trading facility as a growth market	BGN 3,000
32.	(new, SG No. 21/2021) for evaluation of acquisition of a qualifying holding in an investment firm in an amount under 50 per cent of the capital:	
	BGN 2,000	
	BGN 1,000	
33.	(new, SG No. 21/2021) for evaluation of acquisition of 50 per cent and exceeding 50 per cent of qualifying holding in an investment firm:	
	BGN 4,000	
	BGN 1,000	
34.	(new, SG No. 21/2021) for evaluation of increase of direct and/or indirect qualifying holding in an investment firm	BGN 1,000 for each person
35.	(new, SG No. 21/2021) for evaluation of acquisition of a qualifying holding in an amount under 50 per cent of the capital of market operator or regulated	

	market in the cases where the regulated market and the market operator are separate legal entities:	
	BGN 2,000	
	BGN 1,000	
36.	(new, SG No. 21/2021) for evaluation of acquisition of a qualifying holding in an amount equal to 50 per cent or exceeding 50 per cent of the capital in market operator or regulated market in the cases where the regulated market and the market operator are separate legal entities:	
	BGN 4,000	
	BGN 1,000	
37.	(new, SG No. 21/2021) for evaluation of increase of direct and/or indirect qualifying holding in market operator or in regulated market in the cases where the regulated market and the market operator are separate legal entities	BGN 1,000 for each person
38.	(new, SG No. 21/2021) for recording in the register of a person, who will carry out activity as tied agent of an investment firm	BGN 500
39.	(new, SG No. 21/2021) for approval of a member of the management body of a tied agent - company, respectively of the person who represents or manages the activity of a tied agent - company	BGN 200
40.	(new, SG No. 21/2021) for evaluation of acquisition of qualified holding in tied agent - company	BGN 200
41.	(new, SG No. 21/2021) for evaluation if there is a ground for applying the exemption of Article 5, Paragraph 1, Item 10 of the MFIA	BGN 1,000
42.	(new, SG No. 8/2023) for issuing an authorisation on the grounds of Article 14(1) of Regulation (EU) No. 648/2012	BGN 60,000
43.	(new, SG No. 8/2023) for extending the authorisation to cover additional services on the grounds of Article 15(1) of Regulation (EU) No 648/2012	BGN 30,000
44.	(new, SG No. 65/2023) for granting a specific permission to operate a distributed ledger technology multilateral trading facility pursuant to Article 8(9) of Regulation (EU) 2022/858	BGN 10,000
45.	(new, SG No. 65/2023) for granting a specific permission to operate a distributed ledger technology settlement system pursuant to Article 9(9) of Regulation (EU) 2022/858	BGN 15,000
46.	(new, SG No. 65/2023) for granting a specific permission to operate a distributed ledger technology trading and settlement system pursuant to Article 10(9) of Regulation (EU) 2022/858	BGN 20,000
47.	(new, SG No. 65/2023) for granting each additional exemption in addition to those applied for by the initial request for granting a specific permission pursuant to Article 8(9), Article 9(9) and Article 10(9) of Regulation (EU) 2022/858	BGN 1,000

III. (Supplemented, SG No. 8/2023) The following fees shall be charged for the issuance of authorisations and approvals under the Recovery and Resolution of Credit Institutions and Investment Firms Act and Regulation (EU) 2021/23:

No	Name of the fee	Amount of the fee
1.	for the review and assessment of the recovery plan of investment firms on an individual basis	BGN 2,500
2.	for the review and assessment of the recovery plan of investment firms on a consolidated basis	BGN 4,000
3.	for the authorisation of an intra-group financial support agreement	BGN 2,500

4.	(new, SG No. 8/2023) for examination and assessment of a recovery plan of a central counterparty in accordance with Article 10 of Regulation (EU) 2021/23	BGN 6000
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IV. (Amended and supplemented, SG No. 21/2021, amended, SG No. 51/2022) The following fees shall be charged for the issuance of licenses and authorisations for the pursuit of business and other authorisations and approvals under the Special Purpose Investment Companies and Securitisation Companies Act (SPICSCA), as well as for recording and removal of a person in/from the register referred to in Item 3 of Article 30 (1):

No	Name of the fee	Amount of the fee
1.	for the licence of a special purpose company	BGN 5,400
2.	for authorisation of the transformation of a special purpose entity	BGN 5,000
3.	for authorisation of the termination of a special purpose entity	BGN 3,000
4.	for approval of the replacement of a depository bank	BGN 1,000
5.	for approval of amending the statutes and other regulatory instruments of a special purpose entity	BGN 500
6.	(amended, SG No. 21/2021) for approval of the assignment of activities to a third person under Article 27, Paragraph 4 of the SPICSCA	BGN 1,500
7.	(new, SG No. 21/2021) for approval of amendments and supplements in the contract for assignment of activities to a third person under Article 27, Paragraph 4 of the SPICSCA	BGN 100
8.	(new, SG No. 21/2021) for the approval of a member of the board of directors of a special investment purpose company	BGN 200
9.	(new, SG No. 21/2021) for the approval of changes in the risk management rules of a special investment purpose company	BGN 200
10.	(new, SG No. 21/2021) for license of the securitisation company	BGN 5,400
11.	(new, SG No. 21/2021) for license of the STS compliance verification agent	BGN 3,000

V. (Supplemented, SG No. 15/2018, effective 16.02.2018, SG No. 21/2021, amended and supplemented, SG No. 25/2022, effective 29.03.2022, supplemented, SG No. 65/2023) The following fees shall be charged for the issuance of licences and authorisations for the pursuit of business and other authorisations and approvals under the Collective Investment Schemes and Other Undertakings for Collective Investment Schemes and Other Undertakings for Collective Investments Act (CISOUCIA), under Regulation (EU) 2015/760, as well as for recording and removal of a person in/from the register referred to in Items 4, 5, 6 and 7 of Article 30 (1):

No.	Name of fee	Amount of fee
1.	for a licence of a management company, including through a branch of a third country legal person	BGN 6,450
2.	for extending the licence of a management company by adding additional services	BGN 1,500
3.	for a licence of an open-ended investment company	BGN 8,000
4.	for authorisation of a management company to organise and manage a contractual fund or a sub-fund	BGN 4,500
5.	for approval of a change in the rules or, respectively, in the articles of association, of a collective investment scheme	BGN 200
6.	for the approval of a replacement of the depository in the cases provided for in the CISOUCIA	BGN 200
7.	for approval of a replacement of a management company in the cases under Article 18 of the CISOUCIA	BGN 1,500
8.	for the approval of changes in the risk management rules of a	BGN 200

- collective investment scheme
9. for the approval of changes in the portfolio valuation rules and BGN 200 for determination of the net asset value of a collective investment scheme
  10. for the approval of delegation of functions by a management BGN 1,500 company to a third party
  11. for subsequent approval of a person under Article 93 (1), (3) BGN 200 and (5) of the CISOU CIA
  12. for authorisation of a loan use by a collective investment BGN 500 scheme
  13. (Amended, SG No. 25/2022, effective 29.03.2022) for the BGN 200 approval of a change in the depository services contract for a collective investment scheme
  14. for authorisation under Article 67 of the CISOU CIA of a BGN 2,000 supply collective investment scheme
  15. (Amended, SG No. 25/2022, effective 29.03.2022) for BGN 5,000 authorisation of a transformation of a management company
  16. for authorisation of a voluntary dissolution of a management BGN 1,500 company
  17. for authorisation of a merger by the formation of a new BGN 500 company or merger by acquisition of a collective investment scheme
  18. for authorisation of a voluntary dissolution of a collective BGN 200 investment scheme
  19. for a licence of an open-ended or close-ended investment BGN 8,000 company
  20. for authorisation of the organisation and management of an BGN 4,500 open-ended or close-ended contractual fund
  21. for authorisation of a transformation of a close-ended national BGN 3,000 investment company into an open-ended national investment company and vice versa
  22. for authorisation of a transformation of a national contractual BGN 500 fund through merger by the formation of a new company, merger by acquisition, division or partial division
  23. for approval of a member of the board of directors of a BGN 200 close-ended national investment company
  24. for authorisation of a loan use by a national investment fund BGN 500
  25. for approval of a change in the rules or, respectively, in the BGN 200 articles of association of a national investment fund
  26. for approval of a replacement of a management company or, BGN 1,500 respectively, of an alternative investment fund manager, which manage a national investment fund
  27. for issuance of an approval of a national investment fund for BGN 1,500 replacement of an investment adviser by a management company or by an alternative investment fund manager, and vice versa
  28. (Supplemented, SG No. 15/2018, effective 16.02.2018) for BGN 200 approval of changes in the risk management rules of a national investment fund
  29. for approval of changes in the portfolio valuation rules and for BGN 200 determination of the net asset value of a national investment

fund

30. (Amended, SG No. 25/2022, effective 29.03.2022) for BGN 200 approval of a change in the depository services contract for a national investment fund
31. for a licence for management of alternative investment funds, BGN 8,000 including of a person established in a third country
32. for extending the licence of an alternative investment fund BGN 1,500 manager
33. for authorisation of management of a European long-term BGN 6,450 investment fund under Regulation (EU) 2015/760
34. (Amended, SG No. 25/2022, effective 29.03.2022) for BGN 5,000 authorisation for transformation of an alternative investment fund manager
35. for the withdrawal of a licence for management of alternative BGN 4,000 investment funds upon the express relinquishment by the person
36. (Amended and supplemented, SG No. 25/2022, effective BGN 1,500 29.03.2022) for recording in the register of a manager of alternative investment funds other than a management company whereof the assets do not exceed the thresholds laid down in Article 197 (1) of the CISOU CIA
37. for approval of a change of a document under Item 1 (d) and BGN 200 (e) of Article 201 (2) of the CISOU CIA
38. (Amended, SG No. 25/2022, effective 29.03.2022) for BGN 200 approval of a change in the contract of an alternative investment fund manager with the depository
39. for approval of a delegation of functions by an alternative BGN 1,500 investment fund manager to a third party
40. for approval of a delegation by an alternative investment fund BGN 500 manager of the function for valuation of assets of an alternative investment fund to an external valuer
41. for approval of changes in the portfolio valuation rules and for BGN 200 determination of the net asset value of an alternative investment fund
42. for approval of a person under Article 200 of the BGN 200 CISOU CIA
43. (Amended, SG No. 83/2019, effective 22.10.2019) for any BGN 200 other authorisations and approvals under Regulation (EU) No 2015/760 except those referred to in Item 33
44. (Supplemented, SG No. 65/2023) for recording in the BGN 6,450 register of an eligible venture capital fund under Articles 14 and 14a of Regulation (EU) No 345/2013
45. (Supplemented, SG No. 65/2023) for recording in the BGN 6,450 register of an eligible social entrepreneurship fund under Articles 15 and 15a of Regulation (EU) No 346/2013
46. for valuation of an acquisition of a qualifying holding amounting to less than 50 per cent in the capital of a management company:  
BGN 2,000  
BGN 1,000
47. for valuation of an acquisition of a qualifying holding of 50 per

cent or more than 50 per cent in a management company:

BGN 4,000

BGN 1,000

48. for valuation of an increase of a direct and/or indirect BGN 1,000  
 qualifying holding in a management company for each  
 person

VI. (Amended, SG No. 101/2018, effective 7.12.2018) The following fees shall be charged for the issuance of licences and authorisations for the pursuit of business and other authorisations and approvals under the Insurance Code (IC), as well as for recording and removal of a person in/from the register referred to in Items 9, 10, 12 and 15 of Article 30 (1):

No	Name of the fee	Amount of the fee
1.	for the licence of an insurer, including a branch of an insurer from a third State, to carry out insurance in one or more of the insurance classes referred to in section I or section II of annex No. 1:	
	– for an insurer under Article 15 (1) of IC	BGN 135,000 + BGN 10,000 for each class of insurance
	– for an insurer without a right of access under Article 16 of IC	BGN 100,000 + BGN 10,000 for each class of insurance
2.	for the license of a reinsurer, including a branch of the reinsurer in a third State	BGN 180,000 + BGN 30,000 for each activity
3.	for the issue of a licence to a reinsurer for extending its scope of activities with a new activity	BGN 30,000
4.	for the licence for performing operations as a special purpose vehicle for alternative insurance risk transfer in the Republic of Bulgaria	BGN 60,000
5.	to extend the scope of the licence with an additional licence for a new class of insurance of an insurer, including a branch of an insurer of a third State, and for a licence under the terms of Article 24 (1), second sentence of IC	BGN 10,000 for each class of insurance
6.	for the authorisation to carry out insurance business of a local insurer in the territory of a third State (Article 54 (1) of IC)	BGN 20,000 + BGN 5,000 for each class of insurance
7.	for the authorisation for the transformation of an insurer	BGN 20,000
8.	for the authorisation for the transformation of a reinsurer	BGN 20,000
9.	for the authorisation for a voluntary change of the status of an insurer with inclusion or exclusion of the right of access to the single market under Article 38 of IC	BGN 35,000
10.	for the approval of a full internal model of an insurer or reinsurer (Articles 175 and 184 of IC)	BGN 100,000
11.	for the approval of a partial internal model of an insurer or reinsurer	BGN 80,000
12.	for the approval of material changes in an approved internal model of an insurer or reinsurer	BGN 50,000
13.	for the approval of material changes in the policy on a change of an internal model of an insurer or reinsurer	BGN 30,000
14.	for the approval of an internal model of a group, where the Commission is the supervisory authority of the Group	BGN 150,000
15.	for the professional qualification under Article 303 of IC for an insurance broker:	

	– exam fee	BGN 450
	– for the recognition of the competence acquired	BGN 300
	– for issue of a certificate	BGN 25
16.	for the entry in the register of an insurance broker	BGN 7,500
17.	(amended, SG No. 101/2018, effective 7.12.2018) for the recognition of the competence of a responsible actuary:	
	BGN 450	
	BGN 300	
	BGN 25	
18.	to unsubscribe from the insurance broker register on request	BGN 300

VII. (Amended, SG No. 101/2018, effective 7.12.2018) The following fees shall be charged for the issuance of licences and authorisations for the pursuit of business and other authorisations and approvals under the Social Insurance Code (SIC), as well as for recording and removal of a person in/from the register referred to in Items 13 and 14 of Article 30 (1):

No	Name of the fee	Amount of the fee
1.	for a pension licence	BGN 75,000
2.	for a licence of a supplementary voluntary unemployment and/or vocational training insurance company	BGN 35,000
3.	for the authorisation of the management of a supplementary voluntary pension insurance fund	BGN 35,000
4.	for the authorisation of the management of a supplementary voluntary unemployment and/or vocational training insurance fund	BGN 18,000
5.	for the recognition of the competence of a responsible actuary:	
	BGN 450	
	BGN 300	
	BGN 25	
6.	for the authorisation of the transformation of a supplementary voluntary unemployment and/or vocational training insurance company	BGN 7,500

## Section II

### Fees for Implementation of General Financial Supervision

I. (Amended and supplemented, SG No. 15/2018, effective 16.02.2018, supplemented, SG No. 101/2018, effective 7.12.2018, amended and supplemented, SG No. 102/2019, amended, SG No. 64/2020, effective 21.08.2020, supplemented, SG No. 21/2021, SG No. 25/2022, effective 29.03.2022, SG No. 51/2022, SG No. 8/2023, amended and supplemented, SG No. 65/2023) The following fees shall be charged annually for the exercise of general financial supervision: processing of the mandatory current and periodic information and for the conduct of inspections:

No	Fee for general financial supervision	Amount of the fee
1.	from a public company and any other issuer	BGN 600
2.	from a public company for each bond issue and from other issuers for each subsequent bond issue	BGN 300
3.	from a special purpose company	BGN 1,600 + BGN 300 for each bond issue
4.	(amended, SG No. 15/2018, effective 16.02.2018) from an investment firm under Article 10 (1) of MFIA on an individual basis, with the	BGN 5,000

	exception of the activities under Item 8 and 9 Article 6 (2) of MFIA	
5.	(amended, SG No. 15/2018, effective 16.02.2018) from an investment firm under Article 10 (2) of MFIA on an individual basis	BGN 2,500
6.	(amended, SG No. 15/2018, effective 16.02.2018) from an investment firm under Article 10 (3) of MFIA on an individual basis	BGN 2,200
7.	(amended, SG No. 15/2018, effective 16.02.2018, supplemented, SG No. 25/2022, effective 29.03.2022, SG No. 65/2023) from an investment firm under Article 10 (1) of MFIA on a consolidated basis, with the exception of the activities under Item 8 and 9 Article 6 (2) of MFIA on a consolidated basis in connection with the implementation of Regulation (EU) No 575/2013, in addition to the fee under row 4	BGN 1,500
8.	(amended, SG No. 15/2018, effective 16.02.2018, supplemented, SG No. 25/2022, effective 29.03.2022, SG No. 65/2023) from an investment firm under Article 10 (2) of MFIA on a consolidated basis in connection with the implementation of Regulation (EU) No 575/2013, in addition to the fee under row 5	BGN 1,500
9.	(amended, SG No. 15/2018, effective 16.02.2018, supplemented, SG No. 25/2022, effective 29.03.2022, SG No. 65/2023, amended and supplemented, ) from an investment firm under Article 10 (3) of MFIA on a consolidated basis in connection with the implementation of Regulation (EU) No 575/2013, in addition to the fee under row 6	BGN 1,500
10.	(amended, SG No. 15/2018, effective 16.02.2018) from an investment firm for the activities under Article 9 (2) of MFIA	BGN 1,500
10a.	(new, SG No. 25/2022, effective 29.03.2022, amended, SG No. 65/2023) from Union parent investment firms licensed in Bulgaria in connection with the implementation of Regulation (EU) 2019/2033, in addition to the respective fee under row 4, 5 or 6	BGN 1,500
10b.	(new, SG No. 65/2023) from a Union parent investment holding company or a Union parent mixed financial holding company	BGN 5,000
11.	(supplemented, SG No. 15/2018, effective 16.02.2018) from a market operator, investment firm, including a bank investment firm for any multilateral trading facility or organised trading facility	BGN 5,000
11a.	(new, SG No. 8/2023) by a central counterparty licensed on the grounds of Article 14(1) of Regulation (EU) No. 648/2012	BGN 100,000
11b.	(new, SG No. 65/2023) from a distributed ledger technology multilateral trading facility which has been granted a specific permission pursuant to Article 8(9) of Regulation (EU) 2022/858	BGN 10,000
11c.	(new, SG No. 65/2023) from a distributed ledger technology settlement system which has been granted a specific permission pursuant to Article 9(9) of Regulation (EU) 2022/858	BGN 15,000
11d.	(new, SG No. 65/2023) from a distributed ledger technology trading and settlement system which has been granted a specific permission pursuant to Article 10(9) of Regulation (EU) 2022/858	BGN 20,000
12.	from a management company under Article 86 (1) of CISOU CIA	BGN 3,200
13.	from a management company under Article 86 (1) and (2) of CISOU CIA	BGN 4,100
14.	from a collective investment scheme	BGN 600
15.	from each sub-fund of a collective investment scheme	BGN 600
16.	(amended, SG No. 102/2019) by a person managing alternative investment funds other than a management company according to	BGN 4,000 + BGN 2,000 for each

	Article 195(2)(1) of the CISOU CIA that has obtained a licence in accordance with Article 197(1) of the same Act for carrying out activities within the scope of Article 198(1) of the same Act	managed alternative investment fund
16a.	(new, SG No. 102/2019) by a person managing alternative investment funds other than a management company according to Article 195(2)(1) of the CISOU CIA that has obtained a licence in accordance with Article 197(1) of the same Act for carrying out activities and performing services within the scope of Paragraphs (1) and (2) of Article 198 of the same Act	BGN 4,500 + BGN 2,000 for each managed alternative investment fund
16b.	(new, SG No. 102/2019) by a person managing alternative investment funds other than a management company according to Article 195(2)(1) of the CISOU CIA that has obtained a licence in accordance with Article 197(1) of the same Act for carrying out activities and performing services within the scope of Paragraphs (1) and (5) of Article 198 of the same Act	BGN 5,000 + BGN 2,000 for each managed alternative investment fund
16c.	(new, SG No. 102/2019) by a person managing alternative investment funds other than a management company according to Article 195(2)(1) of the CISOU CIA that has obtained a licence in accordance with Article 197(1) of the same Act for carrying out activities and performing services within the scope of Paragraphs (1), (2) and (5) of Article 198 of the same Act	BGN 5,500 + BGN 2,000 for each managed alternative investment fund
16d.	(new, SG No. 102/2019) by a person managing alternative investment funds other than a management company according to Article 195(2)(1) of the CISOU CIA registered in accordance with Article 197(4) of the same Act	BGN 2,000 + BGN 1,000 for each managed alternative investment fund
16e.	(new, SG No. 102/2019) by an alternative investment fund according to Article 195(2)(2) of the CISOU CIA whose assets exceed the thresholds set out in Article 197(1) of the same Act	BGN 4,000
16f.	(new, SG No. 102/2019) by an alternative investment fund according to Article 195(2)(2) of the CISOU CIA whose assets do not exceed the thresholds set out in Article 197(1) of the same Act	BGN 2,000
17.	from a close-ended national investment company under Article 172 (3) of CISOU CIA	BGN 3,200
18.	from a closed-ended national investment fund, managed by a company managing their activities	BGN 2,000
19.	from an open-ended national investment fund, managed by a company managing their activities	BGN 600
20.	from an exchange-traded fund	BGN 600
21.	from the European Fund for Long-term Investment	BGN 3,200
22.	from a venture capital fund	BGN 3,200
23.	from the Social Entrepreneurship Fund	BGN 1,000
24.	from a regulated market	BGN 20,000
25.	(amended, SG No. 64/2020, effective 21.08.2020) from a central depository of securities	BGN 10,000
26.	from the Investor Compensation Fund	BGN 2,000
27.	from the Investor Compensation Fund for the management of the Fund for the Restructuring of Investment Firms	BGN 2,000
28.	(amended, SG No. 15/2018, effective 16.02.2018) by a bank depository or an investment firm	BGN 3,200
29.	from the Guarantee Fund	BGN 140,000

30.	from the National Bureau of Bulgarian Motor Vehicle Insurers	BGN 20,000
31.	from an insurer engaged in one or more insurance classes referred to in section I or section II of annex No. 1 of IC:	
	– from an insurer under Article 15 (1) of IC	BGN 140,000
	– from an insurer without a right of access under Article 16 of IC	BGN 20,000
32.	from a reinsurer	BGN 140,000
33.	from a special purpose vehicle for alternative transfer of insurance risk in the Republic of Bulgaria	BGN 5,000
34.	from an insurance broker	BGN 5,000
35.	from an insurance agent:	
	– a legal entity and a sole proprietor with a premium income in the previous calendar year of up to BGN 1,000,000	BGN 500
	– a legal entity and a sole proprietor with a premium income in the previous calendar year of up to BGN 1,000,000	BGN 1,000
	– a natural person	BGN 50
35a.	(new, SG No 101/2018, effective 7.12.2018) by an intermediary, offering insurance products as a supplementary activity and listed in the register under Article 30(1), Item 12:	
	– a legal entity and a sole proprietor with a premium income in the previous calendar year of up to BGN 1,000,000	BGN 250
	– a legal entity and a sole proprietor with a premium income in the previous calendar year of up to BGN 1,000,000	BGN 500
	– a natural person	BGN 25
36.	from a pension insurance company	The fee shall consist of the sum total of a fee of BGN 100,000 for a pension insurance company, a fee of BGN 50,000 for each fund managed thereby, and a variable proportional part of the gross proceeds from the insurance contributions for the previous financial year, and the total amount of the fee shall not exceed 10% of the pension insurance company's income from fees and deductions for the preceding financial year and may not be greater than BGN 1,900,000
37.	from a supplementary voluntary unemployment and/or vocational training insurance company	BGN 10,000
38.	from any liable person under § 1e of POSA	BGN 100
39.	from a licensed benchmark administrator	BGN 5,000
40.	from a registered benchmark administrator	BGN 3,000

41.	(new, SG No. 21/2021) from the securitisation company	1 600 BGN + 300 BGN for each securitisation
42.	(new, SG No. 21/2021) from the STS compliance verification agent	BGN 600
43.	(new, SG No. 51/2022) from a crowdfunding service provider	BGN 3,500

II. The amount of the fee for general financial supervision of newly registered companies, funds, sole traders and natural persons shall be calculated in proportion to the time from the recording thereof in the register until the end of the year, with the days of the year counting as 360.

Iia. (New, SG No. 65/2023) The fee for general financial supervisions under rows 7 to 9, 10a and 10b shall be due as from the day on which the supervised person acquires the capacity concerned. The fee shall be calculated in proportion from the said day until the end of the year, with the days of the year counting as 360.

III. (Amended, SG No. 15/2018, effective 16.02.2018, supplemented, SG No. 51/2022) Banks acting as investment firms shall pay a fee for general financial supervision in the amounts referred to in rows 4, 5, 6 and 10 of Item I, depending on the services and activities under Article 6 of the Markets in Financial Instruments Act that fall within the scope of the licence obtained for the pursuit of business under the Credit Institutions Act. A collective investment scheme organised as a common fund, which consists of sub-funds, shall not be charged a fee under row 14 of Item I. Crowdfunding service providers which have been licensed under the Markets in Financial Instruments Act, the Credit Institutions Act and the Payment Services and Payment Systems Act shall pay a fee for general financial supervision in full under row 43 of Item 1.

IV. (Supplemented, SG No. 101/2018, effective 7.12.2018) The person liable for the remittance of the fee referred to in row 35 of Item I shall be the insurance agent, but the fee may alternatively be remitted by the insurer for which the agent intermediates. The person liable for the remittance of the fee referred to in row 35a of Item I shall be the intermediary selling insurance products on an ancillary basis, but the fee may alternatively be remitted by an insurer for whom the person intermediates.

V. The variable part of the fee referred to in row 36 of Item I shall be determined annually by a decision of the Commission by the 15th day of March of the current year.

VI. The fee charged under row 36 of Item I from all retirement insurance companies may not exceed an aggregate of BGN 9,000,000.

### Section III

Fees for Approval of Prospectus under Regulation (EU) 2017/1129, for Examination of Tender Offer and of Offer for Buying-in  
(Heading amended and supplemented, SG No. 64/2020, effective 21.08.2020)

(Amended, SG No. 64/2020, effective 21.08.2020) The Financial Supervision Commission shall charge the following fees for the issuance of an approval of a prospectus in accordance with Regulation (EU) 2017/1129, for the examination of a tender offer and an offer for buying-in:

No	Name of the fee	Amount of the fee
1. (Effective 1.01.2021 - SG No. 95/2017, amended, SG No. 64/2020, effective 21.08.2020, SG No. 51/2022)	for the approval of a prospectus, a voluntary prospectus, a simplified prospectus and a base prospectus for securities with issue value:	
	– up to and including the lev equivalent of EUR 8,000,000;	BGN 5,000
	– above the lev equivalent of EUR 8,000,000;	BGN 5,000 + 0.1% for

		the difference above level equivalent of EUR 8,000,000, but no more than BGN 10,000
2. (Effective 1.01.2021 - SG No. 95/2017, amended, SG No. 64/2020, effective 21.08.2020)	for the approval of a EU growth prospectus	BGN 2,500
3. (Effective 1.01.2021 - SG No. 95/2017, amended, SG No. 64/2020, effective 21.08.2020)	for approval under Articles 9 and 10 of Regulation (EU) No. 2017/1129	BGN 2,000
4. (Effective 1.01.2021 - SG No. 95/2017, amended, SG No. 64/2020, effective 21.08.2020)	for issuing amendments and supplements to a prospectus	BGN 1,000
5.	for examination of tender offer	BGN 4,000
6.	for approval of changes in the tender offer referred to in Article 155 (4)	BGN 600
7.	for examination of an offer for purchase under Article 157a (1) of POSA	BGN 1,000

### Section IIIa

(New, SG No. 85/2023, effective 10.10.2023)

#### Fees for Registration and Deregistration of a PEPP under Regulation (EU) 2019/1238

The following fees shall be charged for registration and deregistration of a PEPP under Regulation (EU) 2019/1238 by the Financial Supervision Commission:

No	Name of fee	Amount of fee (in BGN)
1.	for registration of a PEPP	BGN 3,000
2.	for deregistration of a PEPP at the request of the provider	BGN 1,400

### Section IV

#### Procedure and Mode of Payment of Fees

I. The amount of the fees for the issuance of a licence, licence, authorisation, approval, recording and removal of a person in/from the register referred to in Article 30 (1) determined according to Section I shall also include a fee for the examination of documents for the issuance of the relevant act, which shall amount to 80 per cent of the total amount of the fee.

II. (Amended, SG No. 85/2023, effective 10.10.2023) The fees under Items I to V of Section I, Sections III and IIIa shall be paid in full upon the submission of the application for examination, with the exception of the fees under row 9 of Item II of Section I.

III. (Amended, SG No. 24/2018) For the proceedings under Items VI and VII of Section I, with the exception of the proceedings under rows 15 and 17 of Item VI of Section I and row 5 of Item VII, the fee for examination of documents, determined according to Item I, shall be due upon the submission of the application for examination. After the issuance of the act, the applicant shall pay the remainder of the fee due for the respective proceedings within seven days from the date of notification of the issuance of the act.

IV. (Amended, SG No. 24/2018, amended and supplemented, SG No. 101/2018, effective 7.12.2018, amended, SG No. 83/2019, effective 22.10.2019) The fee under row 9 of Item II of Section I, rows 15 and 17 of Item VI and row 5 of Item VII for an examination shall be paid by the person not later than five days before the date announced for the conduct of the examination concerned. The fee under row 9 of Item II of Section I, rows 15 and 17 of Section VI and row 5 of Item VII for the issuance of a certificate shall be paid upon receipt of the certificate, and the fee under row 9 of Item II of Section I, rows 15 and 17 of Item VI and row 5 of Item VII shall be paid upon the submission of the application for recognition of the qualification or, respectively, of the licensed competence.

V. (Amended, SG No. 25/2022, effective 29.03.2022) In the cases of withdrawal of the application and, regarding the proceedings under Item II, also where the competent authority renders a refusal or termination of the proceedings, the applicant shall owe 80 per cent of the amount of the relevant fee, and the remainder shall be refunded to the applicant exclusive of interest. The fee initially remitted by the applicant for the proceedings under Item III shall be non-refundable.

VI. The fees under Item I of Section II with the exception of the fees under row 36 of Item I of Section II shall be paid annually by the 31st day of January of the current year.

VII. The fee under row 36 of Item I of Section II for the current year shall be remitted in three portions as follows:

1. by the 31st day of January: BGN 100,000 for a retirement insurance company and BGN 50,000 for each fund controlled thereby;
2. by the 31st day of March: 50 per cent of the total amount of the fee under row 36;
3. by the 31st day of July: the remainder of the fee under row 36 after deduction of the portion paid under Items 1 and 2.

VIII. The fees under Item II of Section II shall be paid by the 31st day of January of the year following the year of registration.

IX. (Amended, SG No. 25/2022, effective 29.03.2022) The fees due shall be paid in cash or by non-cash means crediting the account of the Financial Supervision Commission with the Head Office of the Bulgarian National Bank. The payment of the relevant fee shall be certified by a document on a fee paid, unless payment has been effected by electronic means.

X. (Amended, SG No. 25/2022, effective 29.03.2022) Upon failure to pay when due the remainder of a fee under Section I in connection with Item III or of a fee under Section II, interest shall be charged and payable at the statutory rate for the period from the date following the date of expiry of the time limit for payment to the date of the payment.

XI. (New, SG No. 15/2018, effective 16.02.2018, amended, SG No. 101/2018, effective 7.12.2018) The amount of the fee for the exercise of general financial supervision of a person which is removed from the relevant public register under Article 30 shall be recalculated in proportion to the time during the year in which the person has the capacity of a supervised person, with the days of the year counting as 360. In the cases under sentence one, where a fee has been paid for the exercise of general financial supervision, part of the said fee shall be refunded after such a refund has been requested from the Commission by the liable person.

#### **Annex**

to Article 27 (2)

(Amended and supplemented, SG No. 67/2003,  
SG No. 39/2005, SG No. 103/2005, effective 1.01.2006,  
amended, SG No. 52/2007, effective 3.07.2007,  
amended and supplemented, SG No. 97/2007,  
repealed, SG No. 43/2010, effective 17.05.2011)